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State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-FIFTH
SESSION**

HOUSE FILE No. 1214

February 22, 2007

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The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to energy; providing for a rural wind development assistance program;
1.3 appropriating money.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **RURAL WIND ENERGY DEVELOPMENT PROGRAM.**

1.6 (a) The Institute for Renewable Energy and the Environment at the University of
1.7 Minnesota shall make a grant to a nonprofit organization with experience dealing with
1.8 energy issues to design and implement a rural wind energy development assistance
1.9 program. The program must be designed to maximize rural economic development and
1.10 stabilize rural community institutions, including hospitals and schools, by increasing the
1.11 income of local residents and increasing local tax revenues. The grant may be disbursed in
1.12 two installments. The program must provide assistance to rural entities seeking to develop
1.13 wind energy electric generation projects and to sell the energy from the projects. Among
1.14 other strategies, the program must consider combining rural entities and others into
1.15 groups with the size and market power necessary for planning and developing significant
1.16 rural wind energy projects and create a revolving loan fund to assist with transmission
1.17 interconnection studies by the Midwest Independent System Operator.

1.18 (b) The program must provide assistance by, among other things:

1.19 (1) providing legal, engineering, and financial services;

1.20 (2) identifying target communities with favorable wind resources, community
1.21 interest, and local political support;

1.22 (3) providing assistance to obtain wind turbines;

1.23 (4) creating market opportunities for utilities to meet their renewable energy
1.24 obligations;

- 2.1 (5) assisting in the negotiation of fair power purchase agreements;
2.2 (6) reducing the risk and increasing public support for transmission investment; and
2.3 (7) lowering the market risk facing potential wind investors by supporting local wind
2.4 development from start to finish.

- 2.5 The grantee must demonstrate an ability to sustain program functions with ongoing
2.6 revenue from sources other than state funding and shall provide a 35 percent grant match.
2.7 The grant must be awarded on a competitive basis. The commission shall use best
2.8 practices regarding grant management functions, including selection and monitoring of
2.9 the grantee, compliance review, and financial oversight.

2.10 **Sec. 2. APPROPRIATION.**

- 2.11 \$1,000,000 in fiscal year 2008 and \$1,000,000 in fiscal year 2009 are appropriated
2.12 from the general fund to the Board of Regents of the University of Minnesota for its
2.13 Institute for Renewable Energy and the Environment for the purpose of making the grant
2.14 under section 1. This is a onetime appropriation and is not added to the agency's budget
2.15 base.