

# Community-Based Energy Development

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# What is C-BED?

Community Based Energy Development (C-BED) is a vehicle to foster, promote and secure the local economic development and environmental benefits attached to renewable energy production facilities that are owned by organizations and by ordinary people rooted in the local community.

## What are the Benefits of C-BED Projects?

- The financial benefits of ownership stay with the community
- Financing is typically done with local area banks
- Equity partners that can use the federal income tax benefits for renewable energy will bring large amounts of investment capital to rural communities.
- Some additional amount of the construction and operational expenditures typically stay within the local community and state compared to larger projects.
- C-BED projects create and support many jobs for union and local contractors, engineers, accountants, lawyers, bankers and main street businesses in the state.
- As a result, significantly more dollars per megawatt circulate in the local community and state when compared to typical large projects.

## What Are the Economic impacts of C-BED Projects?

- A September 2004 General Accounting Office (“GAO”) report evaluated the economic benefits for rural communities and compared the benefits of projects owned by “out of area” interests and locally owned projects.

- “A comparison of tables 11 and 12 in the report shows that local ownership can generate significantly higher economic impacts for a county. For example, a single 40 MW project built in Pipestone County, Minnesota, would generate about \$650,000 in new income for the county annually. In contrast, 20 locally owned projects at 2 MW each (40 MW total) would generate about \$3.3 million annually in the same county.” (quotation is from page 80)

- Their evaluation looked at 3 counties in Iowa and 2 in Minnesota. For these 5 counties, local ownership provided 2.5 times more jobs and 3.7 times more total local area dollar impact. There are additional benefits to the state as well.

## What does C-BED mean to all the stakeholders?

- By using a front loaded 20 year contract with a NPV rate as low as \$.025/kwh which is below the avoided cost **today** of most all utilities from non-sustainable resources, it will mean;
- RATEPAYERS** Clean, stable, long term, low cost electricity to the ratepayers that is not subject to fuel adjustment or environment penalties.
- UTILITIES** The utilities will have in their mix, energy that costs them less as time moves out, a source that mitigates the fuel risk of natural gas, does not need water to function, plus all the green values to offset emission penalties from fossil fuels and the costly storage of nuclear waste.
- Rural Communities** C-BED can create millions of dollars in economic development activity along with many well paying, long-term jobs.
- STATE** Stimulates state-wide economic development and provides new stable tax revenues from generation and income.

## What Will Happen Without C-BED ?

- There will be a significant amount of additional wind generation built with or without C-BED. The overall need for more energy and the economics of power generation are driving the demand of wind farms.
- The more important question is... Who benefits the most from this additional renewable generation?
- C-BED will ensure that some of this new generation will be owned by local community members. This local ownership provides significantly more financial benefits for the local communities and the state as a whole. These economic benefits will significantly improve the long term economic health of the state and local communities.

