

C-BED



COMMUNITY-BASED ENERGY DEVELOPMENT

www.c-bed.org

C-BED
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The payment schedule under the C-BED Initiative is front-loaded. This provides more revenue to projects during the first 10 years while debt is being serviced, and declining cost power to society during the second 10 years.

Under the ceiling rate set by the C-BED Initiative, with an 8% discount rate and Class 3 wind energy production (covering the western half plus the southern third of Minnesota), a C-BED project could earn \$0.064/kWh during the first 10 years, and \$0.035/kWh during the second 10 years. No other energy in the utility system provides society with competitive, declining cost power over a 20 year power contract.

Payment schedules under the C-BED initiative are available to qualifying owners regardless of project size. For projects larger than 2 turbines, no one individual can own more than 15% of a project. For projects of one or two turbines, at least 51% of the project's total financial benefit over the 20 year power contract must flow to the qualifying owner(s).

All utilities are required to negotiate C-BED proposals, but no utility is required to purchase power from C-BED projects. Our ability to sell C-BED power contracts depends on utilities' recognition of their interest in securing long-term stable, secure, and declining cost power, new transmission right-of-way without trauma, and good public relations. It also depends on our ability to activate and mobilize the political constituency that will benefit from C-BED development.

C-BED

The C-BED Mission is 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.

C-BED is a grassroots organization of farmers and landowners, main-street business people and bankers, wind developers and component fabricators, local units of government, educators, renewable energy advocates, and other members of our local communities who share a desire to develop wind and other renewable energy resources in a way that optimizes local economic development for the communities in which we live and work.

The C-BED program is to identify and eliminate, through public education, participation in electric utility working groups, and intervention in decision-making proceedings, barriers to grassroots ownership of renewable energy projects including wind farms, biomass generators, solar arrays and wind hybrid systems.

The stakes are high. 50 megawatts of C-BED development equates to roughly \$50 million in local economic development during construction, and \$5 million per year of local wealth into the state economy. Thousands of megawatts are up for grabs.

The C-BED Initiative: “Greatest Thing Since the Tractor”

C-BED is an organization, but it is also an Initiative that was passed by the Minnesota Legislature, and signed into law on May 31, 2005 by Governor Tim Pawlenty. The C-BED Initiative establishes a formula that all Minnesota electric utilities must use to negotiate payment schedules for purchasing energy from qualifying C-BED projects.

Qualifying C-BED owners include:

- Minnesotans or Limited Liability Corporations of Minnesota residents,
- Minnesota nonprofit organizations,
- Minnesota cooperative associations other than electric co-ops,
- local units of government, governmental boards and commissions,
- school districts, and public and private higher education institutions,
- Tribal Councils.

The C-BED Initiative establishes a ceiling rate based on the net present value of energy. This rate can be no more than \$0.027/kWh net-present value over the 20 year period of a Power Purchase Agreement, using the normal utility discount rate to drive the net-present value calculation.

The C-BED Initiative: “Greatest Thing Since the Tractor”

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C-BED is a North American Water Office project, a 501 (c) 3 organization chartered in 1982 to connect energy development with environmental protection, local economic development, and social justice.