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# Windustry E-Newsletter

March 2009

## Rural Energy for America Program (REAP) Grants Energy Audits and Assistance for Farms and Rural Businesses

The United States Department of Agriculture (USDA) plans to make some \$2.4 million in grant funds available to state, tribal and local government, land-grant colleges or universities, rural electric cooperatives, and public power entities to help farmers and rural businesses cut energy waste and develop clean energy production. Under the Rural Energy for America Program (REAP) those entities will offer energy audit and renewable energy development assistance programs to assist individual agricultural producers and rural small businesses. A 25% cost matching is required from the individual or business receiving an energy audit from a grantee.



**USDA** "For the first time ever, USDA will make grant funding available this year through the Rural Energy for America Program to help agricultural producers and rural small businesses obtain audits to identify ways to improve energy efficiency" said Secretary of Agriculture Tom Vilsack. "The assistance provided by this program is in keeping with President Obama's energy conservation goals for our nation."

REAP is a new program that was added to the [2008 Farm Bill](#), and a single applicant can receive up to \$100,000. The deadline for submitting applications is June 9, 2009. For more details visit the Windustry web site page [USDA Will Fund Rural Energy Grants](#).

**Quick Links**

[Wind Basics](#)

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## New Landowner Guide Available from Windustry *Evaluating a Wind Energy Development Company*

Most every day at Windustry, we hear from landowners across the United States inquiring about how to find a wind energy developer to lease their property. Perhaps they have read some of the same headlines that we've seen lately: **Plan for Huge Wind Farm Moves Forward** or **Little Wind Farm Could Crank out Power by 2010**. So,

the questions come in to our information hotline: "We have 200 acres and it gets pretty windy out here, can you help us find a company to lease our land for putting up some wind turbines?"



While we don't match up landowners and wind developers at Windustry, we *do* provide educational resources to help landowners make informed decisions about their land and to promote land agreement practices that are mutually beneficial to landowners and project developers. Wind leases often cover extremely long periods of time; 30 to 60 years is common, and they can be longer than 150 years. Wind leases are complex documents with legal ramifications, so it is important for landowners to understand the issues and implications to be able to fully evaluate offers made to them.

As you consider signing a lease as a landowner, we want to make sure that you:

- Know your wind,
- Know your rights,
- Work together with your neighbors, and
- Take your time.

That's why we have released our new Landowner Guide on ***Evaluating a Wind Energy Development Company***. This guide is designed to help landowners evaluate wind developers *before* signing an agreement. It provides an outline of key information to gather so that landowners will be able to answer questions like:

- Where can I find information about a developer?
- What makes or breaks a wind project?
- Does the developer finance the project?
- How will I get paid?

Visit our [Leasing Your Land to a Developer](#) web page and download a copy of our new ***Evaluating a Wind Energy Development Company*** Landowner Guide.

## **PTC, ITC or Cash Grant? Which Should a Wind Developer Use?**

The federal renewable energy production tax credit (PTC) has been the primary incentive for utility-scale wind energy since being enacted as part of the Energy Policy Act of 1992. But over the years, the PTC has given a bumpy ride to both Community Wind and the wind energy industry at large. The PTC provides a tax credit to an individual taxpayer who owns a wind project and either materially participates in the project or has a tax liability from passive income. While this was a boon to many large wind



developers, implementing the PTC was a difficult proposition for most farmers, ranchers, and other landowners. The "Minnesota Flip" was developed as an innovative business model that allows local wind project owners to partner with an equity investor who could utilize the PTC in the early years of a project and then "flip" controlling interest back to the local owners for their benefit in the later years.

But as the PTC went through cycles of congressional expiration and renewal, it provided a wobbly foundation for long-term planning and steady market development. The wind energy industry had bust years in 2000, 2002, and 2004 due to lapses in the PTC. Since 2005 the PTC was reliably in place and supported increasing growth for U.S. wind power year after year. While 2008 was another boom year, it was not clear if the PTC would be extended again, and the tax equity market dried up during the global credit crisis, so it was looking like 2009 might be another bust year for wind.

In February 2009, Congress took dramatic action with the American Recovery and Reinvestment Act. Not only was the PTC given a three-year extension through 2012, the Investment Tax Credit (ITC) was revised to offer some wind projects a 30% tax credit in place of the PTC. If that wasn't enough to open eyes in the wind industry, another provision was added to allow certain projects to receive the value of the ITC as a cash grant from the Treasury.

So, what's a developer or inspired landowner to do? These three provisions could have a significant impact on how renewable energy projects are financed in the near future. The U.S. Department of Energy has funded a special report ***PTC, ITC, or Cash Grant? An Analysis of the Choice Facing Renewable Power Projects in the United States*** prepared by the Lawrence Berkeley National Laboratory and National Renewable Energy Laboratory to help answer that question. [Visit Windustry for more information and to download the report.](#)

## Windspiration

### WINDS HAVE ALWAYS

been a dynamic, stimulating, and inspirational force on the planet earth, shaping the contours of our physical, emotional, and social environments. As a metaphor, wind sets hearts and minds ablaze through poetry, song, myth, and many



a fiery political speech. Windustry has added a new dimension to our website and newsletters called ***Windspiration***, in which we will share some of the more esoteric delights of wind.

Here is the opening stanza of a poem:

COME with rain, O loud Southwester!  
Bring the singer, bring the nester;  
Give the buried flower a dream;  
Make the settled snow-bank steam;  
Find the brown beneath the white;

But whate'er you do to-night,  
Bathe my window, make it flow,  
Melt it as the ices go;

*What is the poem and who is the poet?*

[Read the rest of the poem and find out at \*Windspiration\*](#)

## **On the Windustry Trail...**

Windustry staff worked on Community Wind recently as we:

- Participated in the [Agricultural Outlook Forum 2009](#) sponsored by the U.S. Dept. of Agriculture, where Executive Director Lisa Daniels moderated "Wind Power: What's In It for Rural America?"
- Participated in Landowner Forums across Minnesota in Olivia, Long Prairie, and Lakefield, with presentations by Program Analyst Melissa Peterson.
- Attended the [RETECH 2009](#) Renewable Energy Technology Conference.
- Attended the 2009 [Aspen Environment Forum](#) on Powering the Planet: Energy for the Long Run.
- Attended the Renewable Initiatives Forum sponsored by [National Wind Coordinating Collaborative](#).
- Attended events with Van Jones, special adviser to the [White House Council on Environmental Quality](#) and author of [The Green Collar Economy](#).

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