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Natural Resources Committee
September 15, 2008

[LR352]

The Committee on Natural Resources met at 1:30 p.m. on Monday, September 15, 2008, in the Boone County Event Center, 100 West Fairview Avenue, Albion, Nebraska, for the purpose of conducting a public hearing on LR352. Senators present: LeRoy Louden, Chairperson; Tom Carlson; Mark Christensen; Annette Dubas; Deb Fischer; Gail Kopplin; and Norman Wallman. Senators absent: Carol Hudkins. Senators also present: Vickie McDonald; and Cap Dierks. [LR352]

SENATOR LOUDEN: Okay. If I could have your attention. Good afternoon everyone and welcome to our hearing here this afternoon. We will be having the hearing on LR352 and with that, first off, I will introduce some of the people that are here. To my left is Senator Deb Fischer from Valentine; next to her is Senator Norm Wallman from Cortland; next to he is Senator Mark Christensen from Imperial; next is Senator Annette Dubas from Fullerton; next is Senator Vickie McDonald from St. Paul, which this is her district that we're operating in today; and on the end is Senator, yeah, Captain Dierks, Senator Cap Dierks from Ewing. (Laughter) To my right... []

SENATOR DIERKS: Used to be my district, LeRoy. [LR352]

SENATOR LOUDEN: It is. Your hometown, huh? Okay. And to my right is Mark Ludwig, is legal counsel for the committee; then sitting next to him is Senator Tom Carlson from Holdrege; and on the end is Barb Koehlmoos, is committee clerk. We want to thank Chuck Rolf and Dee Schriver and the Boone County for the use of this event center. They were very gracious to waiver the fees for us so we're pleased to have that happen. Also today I would like to congratulate Albion for the community award that the city won at the Nebraska diplomat's banquet last Friday night. And again, I would say, perhaps we can give them a hand and thank them and congratulate them for the award they won. (Applause) Thank you. At this time now I would ask that you silence your cell phones or whatever. And then those wishing to testify on the resolution should come to

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the front of the room. As someone finishes testifying, the next person should move immediately into the chair at the table. The green sign-in sheets for testifiers are on the table by the doors and need to be completed by all people wishing to testify. Please complete the form prior to coming up to testify. When you come up to testify, put it in the box at the table there. Please print it. It is important to complete the form in its entirety. If our transcribers have questions about your testimony, they use this information to contact you. If you do not wish to testify but would like your name entered into the official record as being present at the hearing, there are white sheets for you to sign by the door. The list will be a part of the official record of the hearing. As you begin your testimony, state your name and spell it for the record even if it is an easy name. Please keep your testimony concise and try not to repeat what someone else has covered. If there are large numbers of people to testify, it may be necessary to place time limits on testimony. If you have handout material, give it to the staff and it will be circulated to the committee. If you do not choose to testify, you may submit comments in writing and have them read into the official record. No vocal display of support or opposition to the resolution will be tolerated. I'd also like to remind you that the purpose of the hearing is to gather information for the benefit of the committee. It is not appropriate to respond to what someone else has testified to unless a committee member asks for clarification. With that, I would ask that Senator Debus is the one that will open on her resolution and, Senator Debus. [LR352]

SENATOR DUBAS: (Exhibit 1) Thank you, Senator Loudon, members of the Natural Resources Committee. I appreciate you agreeing to hold this hearing in Albion. I received a lot of contact from people in the Boone County area regarding wind energy and easements and those types of things, and so I thought it would be a real appropriate place for us to possibly hold this hearing and get some up close and personal testimony about what's going on. And while you're not in my district, you're right next door to my district so I do feel like I'm at home here. LR352 is the result of LB923 which I introduced during the past legislative session. LB923 was introduced with the intention of protecting landowners, ranchers and farmers who were being

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approached by private developers to sign leases or contracts related to wind and solar energy rights. And that's not to say that each landowner can't make that decision for himself, but it was obvious to me that there was some confusion as to exactly what it was they were signing and not fully understanding, maybe, some of the things that were being put out. So I think these leases and contracts, from our understanding, are very lengthy and can be confusing. And I'm finding that it's even difficult for some of the attorneys in our state to really understand what the context of these contracts are involving. And I've also been receiving some phone calls and contacts in my office from people in southeastern Nebraska who are going through this issue right now. So I think it's going to be an issue that's going to be ongoing and become much more relevant to what we're dealing with right now. LB923 would have set a 50-year limit on a lease on land for the use of wind or solar power. And I think we kind of overlooked the solar power part of it. Right now, we're always focusing on wind energy but solar is right there ready to move into the spot light, so to speak, as far as energy development. It proposed that if production of wind or solar power had not occurred on the land after five years, then the lease or the easement would expire. This, of course, was meant to protect and encourage the natural and much needed private development of wind in Nebraska and we are the sixth windiest state in the nation so there is a lot of potential here for development. The proposed legislation also disallowed the severing of wind rights from the land. And as I continue to research this issue, the severing of the rights from the land is becoming a much more important part of this discussion, and so I have invited some testifiers here today who will, hopefully, help us understand this issue a little bit better. The importance of not allowing the severing of wind rights from the land will be, as I said, further discussed. Modeling the purchasing of wind rights after mineral rights model would sever the wind rights from the farmer or ranchers property. And I'm discovering that this isn't probably a precedent that we want to set. We want to make sure that farmers and ranchers are going to be able to grow what they want on their land, or raise what they want on their land, and that should they get involved in the wind industry that that won't jeopardize what they're doing on their farm. LB923 was based largely on South Dakota's best practices and policy recommendations. South Dakota

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has been developing its wind industry during the 90's and, as I said, I have a testifier here, Mr. Steve Wegman, who has worked closely with the efforts under both Governor Janklow and the South Dakota...and was an analyst for the South Dakota Public Utilities Commission. Mr. Wegman has been and still is an advocate for wind energy and for landowners rights since 1978 and he has assisted in drafting the original legislation in South Dakota on land easements and wind energy development. South Dakota's efforts have resulted in general information and guidelines for the public who may profit from developing wind industry. Among their recommendations are guidelines that include landowner protection statutes with options periods limited to five years and easements limited to fifty. I do have some handouts here for the committee. Just some general policy questions, you might need to look over. And I had intended for another handout but as we looked at it, it became quite thick and so I have written the Web site where I received this information. And this is basically, it's called a Farmers' Guide to Wind Energy: Legal Issues in Farming the Wind. And I'm just getting into this document but I'm finding that it has a lot of very pertinent and good information in looking at what other states are doing. So I think that we'll be able to find some very useful information in this document. I believe that the committee can and will lead on this issue. I think it's very important. We don't want to do anything that's going to discourage or disrupt the development of wind energy in the state, but we also want to make sure that our citizens fully understand what it is that they're signing off on or what they might be giving away. And so I think we need to make sure that we have access to good information in the state, that we have legal counsel that's going to be able to help our citizens understand some of these contracts and easements that they're getting involved in. And, you know, this is definitely a growing industry and we want our state and our citizens both to be able to benefit in every way possible. So with that, I will close. And as I said, I did invite Mr. Wegman from South Dakota to come and share his experiences with us, and, hopefully, he will be able to help answer any questions that the committee might have. Any questions? [LR352]

SENATOR LOUDEN: Any questions for Senator Dubas? Okay, thank you Senator.

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SENATOR DUBAS: Thank you. [LR352]

SENATOR LOUDEN: How many people are going to testify today? Would you raise...have a show of hands. Two...okay, we're in fine shape, I think. [LR352]

STEVE WEGMAN: (Exhibit 2) Hi. Good afternoon. My name is Steve Wegman, W-e-g-m-a-n, and thank you for inviting me to come down. Us, from South Dakota, we're kind of in the northern climate and working on the wind development quite hard. I represent myself as a South Dakota citizen and also Windustry for providing wind energy for communities. Been in the business since 1978 and originally drafted some of the original legislation in South Dakota with wind rights and solar rights back in the '70s, and then in the '90s drafted the legislation for our Legislature on wind easements and talk about some of the severing rights, things like that. And currently I'm working...wrote the original check list for wind easements for landowners and currently doing an update on that. We've seen a change in the industry quite a bit. One thing about the wind energy, it's not very easy. It's a very complex, very hard project. And you need three things. You need wind, you need a buyer, and you need transmission. One of the things you want to take a look at very carefully is wind easements. Very few states address this issue. In South Dakota we picked the term of five years. Why five years? Five years gives a developer a chance to build a project. In Minnesota they use seven. North Dakota uses five because South Dakota picked five, because we're Dakotas, we're twins. (Laughter) And flattery...copying somebody else's legislation is always good. It's made me feel good about doing it. In Minnesota they did not put a cap on how long you can have an easement. In South Dakota we put the term fifty. When I originally drafted it in the 1995...for the 1995 Legislature, was twenty years. And the reason why is because that is typically how long one particular machine would last, was twenty years. You have to remember in 1995 we had not had any wind farms that were ten years old in the Dakotas, Minnesota, or North Dakota. None of the manufacturers would give you a

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warranty or had life expectancy of twenty years. Today's machines appear to be somewhere between ten to twenty-five years in life cycle. Fifty years to me is two career life's, if you're going to do something either in farming or agricultural business. In severing the wind right from the land, puts the landowner at risk on a variety of items. For example, if you're having ranch land and you want to go to a croplands or you want to raise something special, that land...the wind right holder could restrict you from developing your land to its full potential. And that's a serious item, especially in western South Dakota, or western North Dakota or even western Nebraska. So severing it from it, is one item. The second part is, really comes down to...and I just brought in one of the easements that is being floated out there. This is 32 pages without exhibits. This current wind document, and you don't have a copy of it, gives you an idea that not only does this wind right take wind but also restricts you as hunting, restricts your water development, because the developer wants part of the water rights, restricts the access of private roads. Only you and him, the developer, can build private roads. And one of the more unique things, and this is something that I brought to our utility companies in South Dakota, it restricts the development of distribution systems. Only the wind developer has the right to develop electrical distribution. And so and if you're a co-op or public power entity and you've got this easement, you have to go negotiate not only with the landowner but you've given up in this wind easement, in this particular document, your rights for electrical distribution. So if you sell your lot off to a neighbor or to your in-laws and they wanted to put a house over there or a cabin, and they want to run an electric line over there, they need to talk to not only you as the landowner but also the wind developer because you've signed away that easement. So these wind easements have become quite complex. Wind easements and agreements are virtually the same. And so one of the things you need to take a look at is how they're developed. In South Dakota we're..currently we'll be turning up another 50 megawatts of projects. We're now at 150 megawatts of electrical generation with wind. We have good progress on it and we're doing an excellent job with it. Nebraska is in the same boat. In my outline has my written testimony, and I just kind of summarized it for you. If you have any questions?

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SENATOR LOUDEN: Any questions for Steve? Senator Carlson. [LR352]

SENATOR CARLSON: Senator Louden. Steve, you mentioned the life span of a tower ten to twenty-five years. And that's really, that's a big range because twenty-five is two and a half times ten. Is that life span increasing over the past ten years or not necessarily? [LR352]

STEVE WEGMAN: It depends on the manufacturer. You have to remember a couple of things. When you go buy a wind turbine it says it's a 1.2 megawatt machine or a 1.5 or 1.6. There's no ASTM standard, American Society for Testing and Materials standard. There's no UL listing. You haven't really...as a developer, you have no idea really what you're getting. So this is, part of this industry is kind of unique is we've seen a whole industry pop up on doing testing and evaluation of not only the wind turbine but of the electric cables and collector fields. Something that we never anticipated back in the '70s or '80s. My work that I did in the '80s when we did the first anemometers on the Buffalo Ridge with Minnesota, we've continued that project ever since in South Dakota. So this business, I wouldn't even say in it's teenage years, it's in its infancy. If you go back and look at the first project that was done in Minnesota, Canotech I or Lake Benton I and II, those machines have been rebuilt since 1995 to 2007 three times. That means three major overhauls. Lake Benton II, which is the old Enron machines which are now the GE machines, have been rebuilt two times since 1999. The new GE machines are just coming up into year five and we're waiting to see when do they do a replacement on them. We do know that the blades need to be resurfaced every three to seven years in our environment. So, I mean, these things, what's very unique about them, they do take a lot of manpower. I mean, we call them a jobs program. I mean, it's truly a jobs program for rural America. No question about it. It takes typically one full-time employee for every ten machines on a day-to-day operation, not including setup and rebuilding and resurfacing. We have three companies in South Dakota. All they do is blade resurfacing in Minnesota and they only have 900 machines and I know there's a ton of

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businesses over in Minnesota. So this business is new. [LR352]

SENATOR CARLSON: Thank you. [LR352]

SENATOR LOUDEN: Senator Dubas. [LR352]

SENATOR DUBAS: Thank you, Senator Louden. Thank you, Steve. Could you point out maybe what some of the differences are between the traditional mineral rights, easements, and contracts we've had in the past versus what we're looking at now with wind easements and contracts? [LR352]

STEVE WEGMAN: Typical mineral rights allows the owner to...in South Dakota, you have to suspend your operation if you're going to, let's say go into the coal mine business, basically you lose your rights to use the surface during that period. But they need to restore it in it's original...in the process. Wind rights in South Dakota stay with the land. The payments have to be made on an annual basis, can't be a lump sum. We've had some developers try to do that in South Dakota and we tell them that's against state law, which is a good thing. You could have a landowner, the reason...our biggest problem in the Legislature why they were so adamant about it, they were afraid that they would restrict their livelihood in using that ground. That if they were in a ranching position or in a CRP acreage, that they would always have to stay in grasslands, they couldn't go into corn or soybeans. Or if they wanted to change crops, let's say want to go Christmas trees, for example, they would not be able to grow Christmas trees if someone else had the wind rights. [LR352]

SENATOR DUBAS: Do you have any kind of state oversight or is there a particular place that citizens can go to if they're approached and need some clarification on easements or the... [LR352]

STEVE WEGMAN: Well, yeah, actually we do. We put together, we just put this

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together this summer, South Dakota wind power development handbook which is also available on the Web. We have a Web page developed just for farmers, ranchers, public citizens. One, it tells them access to the data for as where the wind turbines, excuse me, where wind blows in South Dakota. We have 15 different sites that we do meter research on. We're one of the few states that does 50, 70, and 90 meter research so you can find out how much wind is in your particular area. Two, we also provide a site for link to find out where wind turbines are. The nice thing is that because you can't hide these, they're a little bit tall. They're in that 300 to 500 foot height. Little hard to put a ribbon on it and hide it. The FAA has a wonderful site that tells you not only where the wind turbines are, but before you put one up you need to get a permit from the FAA and gives you, tells you who is permitted by latitude and longitude and who the company is. And so and that is public data out there currently. So you don't need to go out and invent that. And that's kept up on a day-to-day basis. It's very current. Also gives you where cell towers are in case you're interested in where bad coverage is and verify it. It's just some of...there is a lot of good public information. Our site is www.sdwind.com. One of the things that we learned a long time ago is not to use the government tail end because then they think you're with the government and that would be a boring site. And so we use the sdwind.com along with our big business card, I think I put in there. It has the other information that's available. We found that by giving them a wind map and the addresses on the back, we found that rural people don't throw maps away. And I can go out to any barn or garage or shop and they will have that map hanging up and they know that if they want more on wind information, it has the top ten wind information sites including the American Wind Energy Association OEF. [LR352]

SENATOR DUBAS: If someone had specific legal questions about a contract, do you have references that you can... [LR352]

STEVE WEGMAN: Typically we will refer them to six attorneys in South Dakota that have expertise in easements that I feel good about recommending and that's kind of our standard position on it. Doing easements, typically what happens for the typical farm,

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ranch operation, they go to their local family attorney. Probably not ready to handle reading 32 pages of this and we try to provide good educational support to good attorneys that do do easements and have that attorney refer to the other attorney, and that has been working quite successful. [LR352]

SENATOR DUBAS: So you have attorneys who are specially understanding of these issues? That's what I'm hearing is that, you know, I've had people say, well, I took it to my attorney who said I've never seen anything like this before and I have no idea how to advise you on this. So there's a need for a specialized expertise in this area then? [LR352]

STEVE WEGMAN: That is correct. Along with like the Trans Canada pipeline easements, those easements are different than these in a variety of issues. Trans Canada really is what they're doing is purchasing your land for a pipeline and they're giving it back to you. These easements, not quite. The other thing that we've noticed in easement payments in South Dakota ranges from zero dollars per acre. Some people have signed those. Couldn't believe it. Nice thing is, it's only trapped for five years. Because if you don't have something in the ground, your easement goes back to zero. So the worst thing, position that what's happened to landowners is he's out of the game for five years. That's the good news. We've seen easements signed for..in originally \$1,000 per turbine. Well, today's turbines that are going to be put up are two megawatts. Our old turbines are three-quarters of a megawatt. Big difference. So we always tell the landowners to look at buying or purchasing it on a per megawatt installed. Currently, in South Dakota, that cost is anywhere between \$2,300 to \$6,500 per megawatt with some type of escalation cost for inflation, not per turbine, per megawatt. [LR352]

SENATOR LOUDEN: Per year? [LR352]

STEVE WEGMAN: Per year. In some cases we've seen some of the newer easements

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is collectively, and this is one of the things we always remind people, is that you, as a landowner, don't get to pick who the wind developer is. As much as you think that you're in control of it, you're not. The person that's in control of it really is your neighbors. You're neighbors pick who the land developer, or who the wind developer really is. To build a 400 megawatt wind farm I need somewhere between 8,000 to 10,000 acres. In some cases we have land in all of the wind farms in South Dakota. There are no more than twenty landowners in a project and there is few as eight landowners. So for a 90 megawatt project there's only eight landowners in that project. [LR352]

SENATOR DUBAS: Does the state or the Public Service Commission or anybody do any investigation into the companies that are coming in? Is there a Better Business type assessment so if people say, well, I was approached by company X, they can find out if that's a reputable company? [LR352]

STEVE WEGMAN: If you want to be a wind developer in the United States all you need is...you don't even need a pickup truck, you don't need a jeep. You just need a clipboard, notepad and you don't even need a checkbook. Because P. T. Barnum said it best, there's a sucker born every second. And people in the rural America, South Dakota and North Dakota, Nebraska, Kansas, Minnesota, Iowa, we're very trusting individuals. Don't believe me, go back and see how many lightning rods were sold in the '30s and '40s. [LR352]

SENATOR DUBAS: So we really don't have access yet to which are the reputable companies and which maybe aren't? [LR352]

STEVE WEGMAN: Our best advice is always, is the company traded on the New York Stock Exchange? How many projects have they done previously? Can you give me a phone number of someone that I can call there? But is there a body that certifies as wind developers, the answer is no. The industry hasn't gotten that far yet. The American Wind Energy Association is looking at something like that. We're also looking at doing

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something that way with Windustry as kind of a certifying for developers. Big developers like Florida Power & Light Company, Babcock & Brown, IBERDROLA, which used to be PPM, typically are very good companies. I can name you the top ten companies. Companies I haven't heard of like Summit Wind, Wind Rancher. Wind Rancher is famous in our part of the country. They have projects in, if you go to their Web page in South Dakota, Indonesia, and Ohio. Why, of course, I mean I want to do business with somebody who does business in Ohio, South Dakota, Indonesia. Don't have a state sales tax license, not registered to do business in the state of South Dakota. Those are just the normal things. Just ask the normal questions on the first blush. Do you have your state sales tax and use license? Are you registered to do business? Do you have a local contact? Do you have someone on main street? If I want to go down and choke somebody, can I go down there on the street and grab him by the throat? You know, when you start leaving the gates open to my cattle and let cattle go from one area to another area, that's a big deal. You have to remember, some of these developers think that if you drive through the gate, if you close it by 5:00 that's okay. (Laughter) You know, that's not going to cut it. So those are some of the things that we've come across. [LR352]

SENATOR DUBAS: Thank you. [LR352]

SENATOR LOUDEN: Senator Dierks. [LR352]

SENATOR DIERKS: Thank you, Steve. You did a great job. Why, has South Dakota looked into the community based energy development plan that like Minnesota has and we passed here a couple of years ago? [LR352]

STEVE WEGMAN: We've had a lot of debates on that one since the '80s. I think it comes up every year in our Legislature. Nebraska is unique. Nebraska is the only state that's a public power entity, has no investor-owned utilities. Conversely, Hawaii is you're reciprocal. It has no public power entity. In South Dakota we have 76 different types of

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electric companies. We have investor-owned. We have municipals, public powers and we have the state of South Dakota's, it's own electrical supplier. C-Bed hasn't been working in Minnesota. It's been hard to get it done by socializing the rates into the electric rates. And this is my experience from being on the public utilities commission as a rate analyst. Rates are a big issue, raising costs. Is wind cheap? The answer is no. Wind is not cheap. It costs more. Wind, how do I look at wind? Wind, to me, looks a lot like hydroelectricity did in the early 1900s. It was unreliable, unproven technology but yet our state's benefit from the hydro dams that we built in the '30s and '40s on the Missouri River. It's one of our cheapest costs. Did you know that back in 1950 electricity on the hydro system, which Nebraska benefits from, was very expensive. And your government through the Bureau of Reclamation went and gave out 100 watt light bulbs to farmers and ranchers to build load, because farmers and ranchers, just like they are today, were kind of frugal. They used 15 watt light bulbs and 25 watt light bulbs and so they had the Bureau of Reclamation in the '50s, they need to pump up the load. So they promoted it and they did electric heat and they did electric cooking and things like that. If C-Beds going to work, it's going to work in Nebraska. We wish you the best of luck on it but I don't have a good answer for you on it. In public power, it's a little bit tougher because you have to socialize the cost. It's what you're getting to and it's how do you look at the future. Are we going to have X amount of wind in our system? The answer is yes. Is wind going away? No. These are the good years for wind and by what I mean by that is that if you looked at coal generation, you'll see that there was very little electrical generation built from 1939 to 1945 because we had the war effort going on. Then we had, after the war, we had a lot of coal generation come on. And then the next big coal build out was in the '70s and '80s, and by 1985 we quit building coal plants as a country. By 1990 we switched to natural gas. Combustion turbines came around. We have these big jet engines with a generator on them. It takes a premium fuel to make electricity. Personally, I think it's stupid. You have three premium fuels out there, oil, natural gas and electricity. The reason I don't say nuke, because we haven't done anything nuclear since 1978, since Three-Mile Island. Natural gas and wind fit. The reason why, when you take a coal plant from a black start or a cold start, it takes 8 to 24 hours to bring it

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back on line. Natural gas I can bring on in 5 to 15 minutes. Nuclear plant, two to three days. Wind plant, don't know. I do know that the wind picks up and I know the wind's going to quit. I do that on cold days, I'm not going to get any wind energy and I know on very hot days, I'm not going to get wind energy. So I need some kind of energy to firm up wind. Sorry, to kind of lecture. [LR352]

SENATOR DIERKS: Thank you. [LR352]

SENATOR LOUDEN: Senator Fischer. [LR352]

SENATOR FISCHER: Thank you, Chairman Louden. Thank you, Mr. Wegman, for being here today. When you're speaking for, I don't know how you say your company name, Windustry? [LR352]

STEVE WEGMAN: Windustry. [LR352]

SENATOR FISCHER: Windustry, okay. Looking at your letterhead and, I guess, I don't know what you do. Do you enter into easements? Do you build turbines? Do you...what do you do? [LR352]

STEVE WEGMAN: No. We're a non...excuse me. We're a nonprofit entity for people looking for information on wind energy. On correct, more correct wind energy information. We do a Web page. You can go to windustry.com and provide information. The money comes from nonprofit foundations and from the U.S. Department of Energy. It's to help facilitate good wind development. [LR352]

SENATOR FISCHER: Which nonprofit do you receive most of your funding from?
[LR352]

STEVE WEGMAN: I don't have that at hand but Lisa Daniels, the executive director,

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would be glad to answer that question. [LR352]

SENATOR FISCHER: Okay. When you're talking about the easements, you said in some cases there is maybe eight landowners and not more than twenty in South Dakota. Did I hear you correctly on that? [LR352]

STEVE WEGMAN: That is correct. [LR352]

SENATOR FISCHER: When you, or when, not you, but when easements are purchased is that per acre that people usually are paid? [LR352]

STEVE WEGMAN: Typically per acre is...in the glory days was \$1 to \$2 an acre so if you have a 10,000 acre ranch, they would pay you \$10,000 per year. We've now seen that drop to \$500 per mail drop per address. [LR352]

SENATOR FISCHER: Why? The glory days are over, why? [LR352]

STEVE WEGMAN: Because they don't have access to the transmission but they do not want to give up their position on when. And so they've cut back on their scales. One particular company in South Dakota had over a million dollars per year in easement payments. They still don't have a turbine in the ground in South Dakota. They're on their second, they will...they're on their second term of renewals so that five years was kind of good because the landowner could become a free agent. Some people have gotten in, some people have said no, we'll wait until you get something in the ground and then we'll go forward. In areas where they don't put a wind turbine today, but to keep the land tied up, we'll see them put in anemometers as a development. We'll also see the payment go up to \$30 per acre per year in those type of instances where they're kind of banking on the land. So that's just to kind of give you an idea of what the range looks like. [LR352]

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SENATOR FISCHER: Okay. Did I hear you correctly when you said annual payments are required not a lump sum and that that was a good thing? [LR352]

STEVE WEGMAN: That is correct. [LR352]

SENATOR FISCHER: And why is that a good thing? [LR352]

STEVE WEGMAN: So that my father-in-law can't take the money and go to Florida. [LR352]

SENATOR FISCHER: But if he owns the land shouldn't he be able to take the money and go to Florida? [LR352]

STEVE WEGMAN: It depends on how your partnership is put together. [LR352]

SENATOR FISCHER: Oh. (Laughter) So personally for you it's a good thing. [LR352]

STEVE WEGMAN: Correct. [LR352]

SENATOR FISCHER: Would you suggest that that be included in statute in this state? [LR352]

STEVE WEGMAN: I would suggest that you'd want to take a good look at that. Where do you want your money to end up at, at the end of the day? Do you want someone to take all the money and yet you don't have any control over what the benefit is or the detriment is? [LR352]

SENATOR FISCHER: We could discuss that probably. When you were talking about the contracts, do most of these companies have a standard contract? And even if they do, why would a landowner have to go with a standard contract? Couldn't an individual

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negotiate that on their own when you said, you know, there's no hunting, and you can't change crops? You know, you went on and on. I'm sitting there thinking, I wouldn't sign anything like that. I mean, wouldn't you negotiate it on your own what the contract is and if they didn't agree with it, isn't that individual responsibility that you would step forward and figure it out yourself? [LR352]

STEVE WEGMAN: That is an individual responsibility. Standard contract for most of these developers, I have over probably 100 different contracts and easements. None of them even look close. Some can be as long as 100 pages. Some could be as few as one. So there's a whole realm of things out there. Hunting is a big issue. In one particular one, it said that you could only hunt with your immediate family and five guests. Now is that per time, per year? How does that differentiate out? Does that mean I can only use shotguns for upland birds or can I use deer rifles? Shotguns aren't going to be as injurious to wind turbines as a deer rifle would be. And by the way, when you do shoot a wind turbine, who really shot it? Was it the neighbor from down the road? Don't know. I mean, those bullets do go a long ways out there. Those are just some of the practical issues with it, along with fencing, access to roads. A lot of people are of the assumption that if they put the wind turbines up there and the wind developer never goes out there again and that's not true. Typically they will drive and check each machine each day or once a week, especially during startup phase. If they've got any type of rebuilding operation, you're going to see a lot more traffic out there. And so those are all kind of things that you have to work into. Most of the wind developers are going to be subcontractors. They're not from, they don't come from Nebraska and from Minnesota and Iowa. They may be city people and not familiar with how we do things out in the country, and gates. Gates are a big deal. I've had a lot of wind developers buy a lot of cows last year so. [LR352]

SENATOR FISCHER: Okay. Thank you. [LR352]

SENATOR LOUDEN: Senator Wallman. [LR352]

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SENATOR WALLMAN: Thank you, Senator Louden. Yes, Steve, thanks for coming. A lot of good information. I have...I don't know if you're familiar with Missouri, are you? How Missouri does it? [LR352]

STEVE WEGMAN: The show me state. [LR352]

SENATOR WALLMAN: Yeah. I have friends that actually bought land down there and are going to put up some windmills so they got 23...you're in the ball park on this megawatt thing, 23 to 5. So they signed up, I think, for 25 years. But where's the...they're a little worried about the liability now. Say that thing falls down, and hurts somebody, you know, they signed a contract now they're not comfortable with but they're stuck with it. The guy with the \$5,000, he's pretty happy. The guy with the \$2,300, now they're friends, they're not too happy, you know, but I mean, that happens. Like you said personal responsibilities. So the liability clause goes in with the lease is by the wind turbine person? [LR352]

STEVE WEGMAN: Of all of the wind farms that we have in South Dakota, North Dakota, and Minnesota, I have never seen one where the developer hasn't carried liability insurance. That's something that it's just in there. This is an expensive business. Just to move a wind turbine to your state is going to cost between \$200,000 to \$300,000 in transportation. This is not a cheap business. It's a big business. Just to move the crane to the job site, the operator makes \$100,000 a year minimum, but to move the crane there takes between 23 to 30 semi-loads of equipment just to get the crane there. You're going to build skyscrapers in areas, there's nothing out there. One of the biggest challenge to the Tonka project on the North Dakota, South Dakota border was two items: closest lumber yard, 60 miles away one way; two, there were no eligible males to work between the ages of 18 and 35. So infrastructure on a small scale is very important, lumber yards. We haven't talked about road issues. Roads the counties require them to put bonding or rebuild the roads when they're done. There are

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standards that are done there. In permitting, most of the permits are done at our level, at the county level, and the permits are based on some type of reclamation work for the wind turbine and it's up to the...whether the permit is done by the state. If it's 100 megawatts or larger, the state does the permitting. If it's 100 megawatts or less, it's done by the county. And so it depends on what the county ordinance is. [LR352]

SENATOR LOUDEN: Okay. Questions that I would have. What's the difference between an easement and a lease or wind easement and a wind lease there when you're talking about them? [LR352]

STEVE WEGMAN: Actually they're intertwined together. The easement is the actual legal taking of the land and description about it. The lease is the period, how the payments are made for the wind turbines. [LR352]

SENATOR LOUDEN: Now why...you know, I'm more familiar with, out in the western end of the state we have oil leases and that sort of thing, I'm kind of familiar with how that's done. And with an oil well, or something like that, yeah, you give them an easement to come on there and do their work or whatever. They pay for damages and that sort of thing. The lease goes with their privilege to come on there and explore for oil. Once something is found, then they pay royalties, which is a monthly rent. You might say, royalties are rent, however you want to call it. Why can't wind be structured similar to that? You would have your lease or your bonus so that they have the privilege to go and run around on your property and decide where they want to put something. Your easement would be, once it's built, they have the privilege to build it. And why, if you give an easement, you would lose your rights to farm? I mean, an oil well you can farm all the way around it. You can hunt jackrabbits around it or whatever you want to. Why can't that be done with the wind farm? [LR352]

STEVE WEGMAN: That's a very good question. Here's the difference. When I change my property, the surface crop from grasslands to corn, I'm going to change the wildlife

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makeup. [LR352]

SENATOR LOUDEN: What does that have to do with the wind, 200 feet in the air?
[LR352]

STEVE WEGMAN: Certain wildlife are going to fly through that and they're not going to make it. These machines do kill birds. They kill more bats than birds at this time that we know of. The biggest issue that we have in our area, in the plain states from Texas to the Canadian border, is the whooping crane. Whooping cranes are an opportunistic bird. We haven't had any collisions yet, whooping cranes and wind turbines. We have had them with transmissions. [LR352]

SENATOR LOUDEN: Well, what would that have to do with an easement or whatever because that's federal. Those birds and migratory water fowl or migratory fowl, would be federal. That would be a federal problem. That wouldn't be a local easement problem about how you can use that land would it? [LR352]

STEVE WEGMAN: But if I changed the, if I changed the crop from grass to corn, I'm going to change the wildlife output that may restrict your operation of a wind turbine because it's killing too many of a particular type of bird species. [LR352]

SENATOR LOUDEN: Okay. Then if that's the case, then you're not going to put wind turbines where there's cropland? Is that what you're telling me? [LR352]

STEVE WEGMAN: Fish and Wildlife prefers to have cropland as wind turbine habitat. They would rather not have you put them on grassland at this time. [LR352]

SENATOR LOUDEN: Say that all again. [LR352]

STEVE WEGMAN: Fish and Wildlife would prefer to have you to put wind turbines on

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disturbed soil, i.e. croplands. [LR352]

SENATOR LOUDEN: Okay. [LR352]

STEVE WEGMAN: Row crop. They do not want to have wind on wet lands or grassland areas. [LR352]

SENATOR LOUDEN: Why not the grasslands, because you're going to find more pheasants in a cornfield than you ever will out in any gram or grass summer range. [LR352]

STEVE WEGMAN: The problem is is when it comes to research on wildlife, no one has ever funded anything. And so this is kind of a frontier area and the easiest way to explain it is this little story. Fish and Wildlife is out securing more permit land. They want to buy a million acres in the prairie pothole area for easements and that's from the Canadian border down to Nebraska, from Minnesota to the Dakotas. Headlines would read like this in the Boston Herald "Fish and Wildlife finds innovative way to purchase more land by building 300 foot skyscrapers on grasslands." The New York Times would read it like this, "Fish and Wildlife installs bird blenders on federal property." The problem that we're going to have is the issue of how many birds can we kill? What is the kill ratio because we really don't know? [LR352]

SENATOR LOUDEN: Well, is there anymore of...are they any more of a detriment to birds than your power lines sitting down here when, because for a while, you know, they were having all the transmission companies put these little pointy things on the poles... [LR352]

STEVE WEGMAN: Bird converters. [LR352]

SENATOR LOUDEN: ...to keep the eagles and then they found out that the eagles were

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getting too many eagles and they were eating up the grouse and the pheasants so they asking them now to take them back down so you can get rid of a few eagles. I mean, I guess, my question went back to is why it can't be set up something like the oil royalties and that is, and then we got into this bird discussion and I don't see where that has that much to do with how you have easements or whether you have lease or whether you set up a royalty or rent. [LR352]

STEVE WEGMAN: Wind development requires a lot of different activities that's going to come by. It's much more invasive than oil and gas drilling. You've got crane. You've got two types of roads out there for wind farm. You have the access roads that get to the turbines and then you have another road that's called the..which is called the crawler road and that's for a crane to operate. [LR352]

SENATOR LOUDEN: Okay. Now that's getting into my next question about what does the state do when you talked about this 23 semi loads, you know, to haul the crane and stuff like that. Where does the state come in on road funding? Should there be some kind of a fee besides the regular trucking fee? Because, I mean, you're going to beat a road all to pieces. I mean, these 26-foot highways and you haul that many semis over it, when you...about two years of it if you're going to build 50 generators out there, there won't be any road left there and who picks that up or how do we handle that? [LR352]

STEVE WEGMAN: Right now, if they do damage to the county or township roads they are liable for that. On state roads, Caesar takes care of it from the state side. [LR352]

SENATOR LOUDEN: Okay. And that has to be on the licensing or else if they're going to give them permits to haul... [LR352]

STEVE WEGMAN: Because their permits are either over weight or over length... [LR352]

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SENATOR _____: Over width. [LR352]

STEVE WEGMAN: Excuse me. Over width or over length, not over weight. Thank you. That's when that gets tagged on to the developer. [LR352]

SENATOR LOUDEN: On the development part. Now, as we listen to this, you know, some of those things you've outlined, where does that come in on the cost of power? Because, you know, like they're talking, what, 10 cents a kilowatt or something like that. When you add all of that together in developing that thing, how do they amortize that on the cost of the power that they generated on there? Are they talking like they figure in 20 years or 10 years and if there's a life expectancy on those generators, then somewhere or another that's got to come out of that cost of that power. [LR352]

STEVE WEGMAN: Currently we have two types of contracts that are used for purchase power contracts. One, is for a period of time, could be for 20 to 30 years, could be with a particular power supplier. And the other two big plants that we've just seen come on line, the first one came on line was to Tonka I in the North Dakota, South Dakota border. It's a merchant plant. They sell electricity on an hour by hour basis, whatever the market will pay. Very risky but we're seeing more and more merchant plants come on line in Iowa, Minnesota, South Dakota, and North Dakota at this time. [LR352]

SENATOR LOUDEN: Then you got to hope that the winds blowing when the peak loads are on demand then. [LR352]

STEVE WEGMAN: And some days are doing really, really good. Some days they're paying anywhere between 11 to 12 cents per kilowatt hour and then there are some days they're paying people 3 cents a kilowatt hour to take their electricity. [LR352]

SENATOR LOUDEN: It's kind of like farming wheat. When it was \$12 a bushel nobody had any and be the same way with your wind. If you don't have any wind it may be 15

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cents a kilowatt or whatever but it won't do you any good, is that what...? [LR352]

STEVE WEGMAN: That is correct. And that information is out on the Web. If you go to midwestmarket.org you can see what the price of electricity is from the Dakotas to Chicago in every five minute update and what people are paying for it. [LR352]

SENATOR LOUDEN: Yeah, I'm familiar with that from the western part of Nebraska with Tri-State out there when they're going out on the spot market and buying power. Yeah, I ate their lunch. Any other questions for Steve? Senator Vickie McDonald. [LR352]

SENATOR McDONALD: If one of these companies comes in and builds the wind generators isn't solvent and leaves the community with these wind towers all over, what recourse generally happens? [LR352]

STEVE WEGMAN: Typically, that in South Dakota it's addressed on a permitting basis. It's either done by county or by the state and there is some type of...usually what we suggest to the counties is to having make sure they have a use and useful clause in there. That if the wind...on two items. One, if the company isn't solvent, but the one that's more detrimental is what if you do if you get a bad set of wind machines? And they do make them. They make good ones and they make bad ones. Is how do you handle a machine that went dead. And typically in South Dakota the permitting body will, if the machine is not use or useful after 18 to 24 months, then there is a reclamation process that's in place that allows them to disassemble it and remove it and go forward from there. Some people...the public utilities commission requires a bond and being a former analyst that worked on those rate cases like that, we have always had a large discussion that bonds really didn't protect the rate payers or the customers because the bond...we've never seen anyone ever pay on a bond. Typically, there's a lot of steel in it. There's a lot of copper in it. The scrap market, if it stayed good like this at \$100 to \$200 a ton, you could scrap it out and make good money that way and pay for the reclamation. But a reclamation you do need to have some type of reclamation process

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in there. You also deal with use and useful. When is a machine not use and useful? We're going to see a period of time that some of these machines may not survive as good as they do. We've had a particular manufacturer out there has had a horrible time in making their machines work. They have yet to make past 3,000 hours in operation, it's a third of a year. The other question is, what do you do if it gets hit by lightning? Because they will get hit by lightning. You will have ice storms. Their blades will break. They will have some kind of disruption and you need to make sure that the permitting body has the authority to take care of that. [LR352]

SENATOR McDONALD: Thank you. [LR352]

SENATOR LOUDEN: Senator Carlson. [LR352]

SENATOR CARLSON: Senator Louden. The last question here. Your testimony has been interesting. Having been on this committee for a couple of years, I'm not meaning to embarrass you by this question but I'm going to ask it. Normally, the first people that testify are proponents to something. The next set might be opponents to it, and the third, neutral. I'm trying to figure out where you are. I think...would you tell me? [LR352]

STEVE WEGMAN: Oh, that's easy. I'm a proponent. [LR352]

SENATOR CARLSON: Well, you're being open and honest then. You're bringing out a lot of drawbacks to the expense factor. [LR352]

STEVE WEGMAN: This is an expensive business. This is not like going down...this would be like us saying, we're going to get in the NASCAR racing business next season. Could we do it? Yeah, we could do it. Are we going to make money on it? I don't know. Are we going to be in the championship up there with Dale Earnhardt and the boys? I don't know. We'll give it the best shot. And that's how you proceed in this. The key thing is, is to make sure that you leave...don't be real firm but then don't be too

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loose. Is five years a good year? I don't know. I know that five, we've gotten our projects done in five. North Dakota's got a lot of projects done in five. Minnesota it takes longer. They have seven years. It's really taken them eight to nine years to get their projects off the ground. So there's some variable and that's what I'm trying to be is as honest as possible with it. [LR352]

SENATOR CARLSON: Thanks. [LR352]

SENATOR LOUDEN: Other questions? Well, thank you, Steve, for your testimony today. And this is what we're here for is to gather information and you have probably given us as much information as anyone that I've ever visited with on the matter. And I think when you bring out the pros and cons, yes, there is areas and I think as we see some of the people that, oh, I would say that are quite proponents of it, but I don't think they've looked at the whole picture. And I think with what you've done today has probably given us an insight on to some of the things that can go wrong and can happen besides the fact that you will be generating power from wind. And as you say, sometimes wind blows and that's how our fortune be...what is it they say, you're fortunes will be however the wind blows, so this is where we are. Thank you for being here today. [LR352]

STEVE WEGMAN: Thank you. [LR352]

SENATOR LOUDEN: Next testifier, please. [LR352]

JOHN K. HANSEN: (Exhibit 3) Chairman Louden and members of the committee, for the record, my name is John K. Hansen, H-a-n-s-e-n. I'm president of Nebraska Farmers Union and appear before you today as our president and also our lobbyist. Welcome to my end of the state. My farm is 25 miles northeast of here and we have a lot of wind in this part of the state. There's going to be a lot of wind development in this part of the state. And so what I thought I would try to do today is to inform the committee

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about what has been going on around the state since the session was over, and some of the players that are in Nebraska and operating where we have been, what we've been doing. Some of the information that we've been passing out relative to landowner interest and rights, as well as just a real brief status report on wind energy development in the state. A lot of things are going on in the state right now. Since the Nebraska Legislature adjourned last spring we have held 34 meetings across the state on wind energy from one end of the state to the other. You can see in the second handout, I've put X's on the map to try to give you an idea where those 34 meetings are, have been held. And, as you can see, they've been pretty much in all corners of the state, a lot in the northwest, the northeast, the north central, southwest, southeast, that pretty well covers the state. We get calls from landowners who are wanting to know what is going on with wind energy, what their rights are, what the issues are. They're facing a situation that they're not familiar or well prepared to deal with. We get calls from bankers, county extension agents, lots of different kinds of players asking, inviting us to come in. We've been invited in multiple times by landowners lawyers. I field a lot of questions from lawyers who are at least as confused as their clients relative to what the normal standard industry process is, what the normal legal standards are in terms, what the rates are, trying to figure out how does all this work. In most cases the contract that the lawyer has seen is the first of its kind they have ever seen. They don't understand the legal terms. So we spend a lot of time trying to help provide information. We do send them to the Web site that Senator Dubas referenced, the Farmers Legal Action group. That is certainly the most comprehensive. It's not the quickest or simplest by any means but it is, for lawyers who want to get up to speed, a good place to go and begin. It is changing. It is evolving. We have a lot of interest on the part of private sector wind developers to acquire as many wind rights and control of as much land as possible for the least amount of money. And while they're at it, the most control that they can also get while they're at it. So what is the standard easement or wind development contract look like? Well, we do have copies of most of these contracts. And if there's a standard or an average, it's very difficult to find in terms of rates, in terms of encumbrances. But the one thing that is pretty standard is that clause toward the end that always trumps

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what the landowner says on the phone after he sent in the contract and wonders whether or not it was a good idea or not. And it usually begins with language that says, "notwithstanding any verbal representations to the contrary, the binding language of the agreement shall"...that section. And so we still have landowners who have not read contracts, have not taken them to a lawyer at all, have signed them. It's all over the map. Some are, I think, fairly reasonable contracts, some absolutely are not. And so there is this pressure on the part of a community who has no background, no idea they had this kind of value in their land, which is the wind that blows over it, and they're confronted with the decision they need to make in a short order. And there is a pressure on the part of the private sector developer which is, you need to understand that we're here today but we're not going to be here long and you need to decide and you need to decide quickly. And if you don't, we're leaving and once we leave, we are not coming back. And there is this pressure. You can tell it in the calls of folks. They're feeling like there...whether the pressure is real or not, when you're supposed to show up to the meeting tonight in Saline County and you're supposed to make a decision about whether or not you sign away your wind development rights tonight with a company that hasn't been in the county for a month. And you get those calls and I had four of them this morning before I left at 10:00 this morning. So how many of these calls do we get in our office? Easy, a couple dozen a week. Sometimes more. And we get them from everyone in the community wanting to know, you know, not wanting to miss an opportunity but also not wanting to get taken to the cleaners. So I have listed, not by any means the comprehensive be all, end all list, of folks that we run across that we've done service work on. We have responded to requests from landowners, every single one of these companies, certainly Horizon Energy, Orion Energy, Midwest Wind Energy, Third Plant Windpower, Invenergy, Nebraska Green Power/Gold Pack Power, they were under a different, but it's the same company, Duke Energy, Infinity Wind, Juwi Wind US Corp., Generation Energy, Electric Wind, Trade Wind Energy, Hilliard Energy, Renewable Energy Systems, Ameritus, which is RES. And so projects, you know, the developer comes to a particular area, folks are, you know, what's the deal? So what we do is we come in and we try to put on a basic meeting about the dynamics of wind. We

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provide wind maps. Where is the wind at different elevations? We pass out this blue sheet which is the simplest wind industry, kind of front and back. It gets into some of the definitions. We also pass out a glossary of electrical terms which we provided the committee in the past. We give them copies of LB629, explain what the law is in Nebraska, give them kind of a backgrounder on kind of where we're at in Nebraska. We pass out copies of the two press releases from the two projects that are in process right now in Nebraska. The first, the Elkhorn Ridge Wind Farm at Bloomfield and the March 17 press release, which is this copy. And then we also pass out the press release for the 42 megawatt Crofton Hills Wind Farm of which we are a part of. And so as we pass these out, we answer questions. We try to encourage landowners to take their time. Tell them if the wind blew yesterday, it's going to blow tomorrow. And that based on where the market is, to the extent that we can understand it, we're certainly in the middle of it, that the value of leases is going up and that if Nebraska is going to be a part of the national goal of 20 percent of the nation's wind to come from electricity by the year 2030, the National Renewable Energy Lab has indicated that that would take 7,880 megawatts of wind. We now have 71. There's a lot of upside potential between where we're at and where that would be. And that it is a lot like picking apples. That the apples at the very bottom of the tree that are the most ripe are going to be picked first but that's not to say that an awful lot of the apples on the tree aren't going to get picked, because depending on how far we go with wind energy development in the state, there's an awful lot of wind resources in our state. We're sixth in the country. You know, keep your powder dry. Sign in haste, repent at your leisure. And so one of the processes that we're liking that we've seen out there relative to this kind of development pressure, is an effort that's going on in two different places in the state where farmers and ranchers come together, form an LLC, and basically work together to bank their wind development rights and then try to turn the tables a bit so that when they've put together all of the land in a potential project area, that then they'll put out for bids from everyone who is interested in developing in that area so that they can see what the market is. Because right now when a private...or really anyone comes to them, whether it's a public power or a private sector developer, almost all of the contracts include a

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nondisclosure provision. So how do you share that information? How do you find out what the market is? How do you find out what the industry standards are? Well, you don't. So you're completely in the dark, you know, whistling, hoping somebody answers the whistle that can tell you a little bit. Are we in the ball park here? Is this a reasonable rate? And so what they hope to do, and it's what they've done in Wyoming, is to then compare provisions, easement, length of time, compensation rates, and all of those kinds of things. If our public power state is going to maximize the rural economic development potential of wind as they're developing it, then it makes a lot of sense to try to keep profit centers in rural Nebraska. The C-Bed bill helps make that possible. The C-Bed structure, however, is not a structure that has a huge amount of money in it. It's not likely to be funded by the third largest utility in the world, who is headquartered in Italy, who is in Nebraska buying up wind development rights in northeast Nebraska in Dixon County. It's not...you know, go down the list of some of these players and we're talking BP Alternatives owned British Petroleum. We're talking about some of the largest energy consortiums in Europe. We have a lot of folks who are owning the development fronts in Nebraska as they come to Nebraska. And from our standpoint, we look at wind development in Nebraska and say, how do you best serve the interests of farmers, and ranchers, and the members of the rural community? How do you also protect the integrity of the public power system? We have some heartburn with some of the folks who are buying up wind development rights. They seem to get bought and sold a lot. So you have a project with them, the next thing you know, they're owned by Florida Power and Light or Excel Energy or one of those folks and they've just bought a placeholder right here in the middle of our public power state. So a lot of confusion at the junction. My grandfather always used to say, just because you're confused, that doesn't mean you don't understand what's going on. And right now confusion is pretty much trump in the high stakes card game and what we try to do is at least put some basic information out there so that landowners have some idea of what's going on and that they are making informed decisions. We're in support of the idea of putting some limits on how long you can explore wind development. It is not a good idea, I don't think, for a public power of the state as a whole to have folks who simply buy up wind development rights

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and then instead of, you know, either fish or cut bait, basically speculate. And that's what is going on in some of these outfits. Some of these developers have never really developed a wind farm. They're just pretty much wranglers who put together projects and then flip them to somebody else for a profit. So, you know, NPPD, in our opinion, has done the very best job of any one in the state of coming up with a contract which makes sense. It is the only contract that we have seen out of all the contracts that we have seen, which is not all of them but the most of them, it's the only one that we're aware of that actually has a C-Bed option clearly spelled out in it. We have developers who say that we are community wind friendly, except when you read their contract there's a provision that specifically forbids it. Their idea of being community friendly is that their project would be built in a community. Now that's different than having the community actually have the opportunity to also be an investor and owner. So what's a reasonable amount of time? NPPD's contract is five years and another five years to look, see, to find out whether or not it works. Something in that perimeter, I think, is reasonable. At least it's not fatal. The ones that hurt are the contracts we see where folks really have signed away all of their wind development rights for 55 years and all the revenue from it for \$1,000. And that's also happened. So is this a good start? Yes, I think if we do it right it can help protect public power. I think it can help maximize rural economic development. I think it can protect landowner interests and still be developer friendly and usable. And so with that, I'd end my testimony and be glad to answer any questions if I could. [LR352]

SENATOR LOUDEN: Questions for John? Senator Wallman. [LR352]

SENATOR WALLMAN: Thank you, Chairman Louden. Yeah, John, you know I'm a proponent of wind energy and also definitely in public power. And how do you, going to solve this problem with transmission lines? You know, how you going to charge for, you know, do you think...you know, they put up the lines and if you have a transmission line going through your farm it was bought once and that's all the money you got. And we didn't have much of a choice when the transmission line comes through, you get paid so

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much and that's it. So I think farmers would have been have been much happier if they got so much a year, so. But how do you set that rate? You know, like Minnesota, Iowa, Missouri, they've got a structure up there, you know, how to pay. And how long would it take you to put up a wind turbine to pay for itself or would it pay for itself? [LR352]

JOHN K. HANSEN: Tell me what the rate is. (Laughter) I've been in this long enough to know that I need to know what the rate is. [LR352]

SENATOR WALLMAN: Okay. Well, I didn't want to put you on the spot. [LR352]

JOHN K. HANSEN: It's kind of like, how much are they going to pay me for my corn before I'm going to say how much of that I'm going....some other, there's some interesting things going on and transmission is certainly a part of this issue. Transmission is going to be a part of wind development. If you like wind energy, if you love wind, you have to kind of like transmission, I think, is the saying. And there are some companies and also some states that are starting to take a look at compensation for landowners. It's not the case where you're putting up a line so that your neighbor or somebody in town can get some juice. We're now talking about really large corridors running north to south, east to west, in the east and west grid in the United States, and then in the specific grid that services most of Texas. You have three different grids and in Nebraska, we're at the divide between the eastern and western grids. So the efforts in Nebraska right now are to move forward and later testifiers can answer those questions with more specificity than I can but there is an effort afoot for Nebraska to be a part of the southwest power pool in part because that would be the southwest part of the eastern grid, not the western grid. So that would allow some Midwestern states like Kansas, Nebraska, Missouri, to help move some power into the southeast United States where they're long on people, short on wind. But first it is going to take good studies and the Nebraska Power Association is in the process right now of beginning a study with the National Renewable Energy Lab. And as you look at studies, you have to...you know, it's multifaceted, multidisciplined and it's in terms of being able to help, first of all,

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develop and utilize your own wind resources in your own wind state for your own use, and then as it fits into regional distribution and then as it also may have the opportunity to get on the super highways, or the mega corridors that run north to south or east to west. So Nebraska, if you look at us strategically, are going to be in the middle of those huge new transmission super highways by virtue of the fact that we are in the middle of where the bulk of the wind in the United States is. So, you know, if you go two states to the north and two states to the south and you go one state all the way around Nebraska in our geographic area, you've got the states who have the bulk of the wind in the country. And so this corridor is going to be built out and built through and so part of the transmission study has to be to make sure that Nebraska takes advantage of all the opportunities to hitch a ride on that highway as it comes through. But we have a long ways to go. Our transmission system was built for getting power from where it was produced out to the farthest rate payer at the end of the line and user for the least amount of wire. So in the short term, we're locating facilities based on the arterials where you have unused capacity, where there's wind, where there's landowner interest and where public power wants the power and needs it for the load. So we're just in that real preliminary phase. But you're right. Transmission and, I think, looking at how we compensate landowners is a very different thing. And I think there's going to have to be some annual compensation involved rather than the one-time easement if landowners are going to feel like they haven't been just run over. [LR352]

SENATOR LOUDEN: Senator Dubas. [LR352]

SENATOR DUBAS: Thank you, Senator Louden. Thank you, John. I fully understand companies needing to protect proprietary information and that type of thing. But by the same token, when they're putting contracts out there and then they're basically saying you can't discuss these contracts with everybody, anybody, that does open the door for abuse and for people being taken advantage of. So is there some middle ground in there that we aren't seeing right now as far as, you know, contracts being put out there, is there any oversight at all available right now as far as contracts being issued and

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signed? And is there any public filing of any of these types of documents? [LR352]

JOHN K. HANSEN: Not that I'm aware of, Senator. I mean, it's a...if you're dumb enough to sign them, they're smart enough to let you. And there's no question about that and we see contracts where some companies, while they're going by, we could just as well kind of help ourself to a bunch of other additional authorities and legal control of your land while they're going by. And so if you didn't know whether that was or wasn't a standard industry practice, when you look at one contract and you compare it to another one, you look at it and go, oh, why are they asking for this? And they're not compensating anybody for it, they're also doing this. But the pattern in these contracts, which is why it would be, I think, behoove us as a state, to have somebody at least you'd have to file a copy of the contract to do business in the state. But right now all of the power, all of the flexibility, all of the control is on one side of the equation. So the company can walk, the company can change their mind, the company can pick up and leave, the company can do all that, and so when you're signing this contract, you're signing over all of the control. And so it's not like if it doesn't work out for you in five years or seven years or ten years or fifteen years, you've got any options to revisit the contract. And so all of the flexibility that's out there comes through verbal representations by the company that don't worry if you sign, then later on we can change it. And, of course, the binding language is what's in the contract. So I don't know whether that's an appropriate function for the Attorney General or what or where you go. But there's a huge amount of disparity in these contracts. And I'm not a lawyer and I do not play one on TV but I read contracts and some of these contracts reach. [LR352]

SENATOR DUBAS: Well, as my office has been contacted by people and, of course, the first thing I say is, you know, don't sign anything until you fully understand what you're signing and you need to find somebody who can help you understand this contract. Many of them have come back to me and saying, I can't find anybody who can help me understand this contract. Where do I go? What is it that we need in the state to help people in this area? [LR352]

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JOHN K. HANSEN: One of the things that we're trying to do at the upcoming 2008 wind power conference in Kearney, November 11 and 12, is to bring in some legal expertise because this is all new to us. Shucks, you know, you know, we have primarily had two wind projects of any consequence in Nebraska. The one in Kimball, I think, was probably one landowner and I think the one in Ainsworth was one landowner, if I'm...two landowners. So we haven't had like lots of lawyers representing lots of landowners for lots of projects, so where do you go to get that expertise. And so until our legal profession also gets caught up to speed as well as our county commissioners and so we have county planning and zoning so a lot of the questions that have been asked have to do with, you know, relative to headless horsemen and projects that have gone south or, you know, are no longer functional, then, you know, what's in the county planning and zoning requirements for that county in terms of taking care of projects at the end of their life. And was that a part of the cost of the PPA, is the contingency fund to be able to take care of site reclamation? You know, all of these things. So the good news is, we're really new at this and we've, you know, if we all just kind of, I think, look at things and use our Nebraska common sense and try to figure out what's fair and reasonable, we could try to prevent a lot of unnecessary problems without putting unnecessary barriers in wind development and I think it behooves all of us who want wind developed to do it right and not cut corners. [LR352]

SENATOR DUBAS: Thank you. [LR352]

SENATOR LOUDEN: One of the questions I would have, John. I know Farmers Union has, you know, been working quite a lot with wind development. Do you have some type of a lease that you guys use as a, what, a recipe or something like that? Have you guys worked on something like that at Farmers Union? [LR352]

JOHN K. HANSEN: Well, we have not developed a model lease. We have our own leases in our project with our own landowners in terms of our project, but in terms of a

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kind of a standard wind development lease, we really haven't. And two reasons, one is, it would take some time to really be able to do that right and it takes some expertise and I don't think we have the expertise and we've discussed that with several lawyers and they say, well, you know, we haven't done enough of this. And so what we try to do is take a look at states that are ahead of us like Minnesota and even Colorado and Wyoming that have done more and kind of take a look at what they have done. Windustry has done some good work. Lisa Daniels and her shop have really done some good stuff. But a lot of it kind of depends also on...I mean, the compensation rate just continues to move but so do the terms. So you'll see contracts from the same developer and as you look at them over time, they change. So you can tell that they're also changing so you're kind of hitting a moving target of sorts. And the other thing is, you know, we're a 100 percent public power state. So that makes things a little different. And, you know, so right now of all the contracts that we've seen that begins as kind of a starting place the one that I like the most is the Nebraska Public Power District contract. And I know that John McClure is sitting here and he probably had something to do with drafting it and so I can't resist the opportunity to tell you, it looks like it was written by a lawyer. (Laughter) And it just...the terms, I think, are good and the only feedback that I get from our folks is, couldn't they have said it just a little more simply and directly and why does it have to be, and that maybe just a reflection of contracts themselves, but it's... [LR352]

SENATOR LOUDEN: They get paid by the hour. [LR352]

JOHN K. HANSEN: They get paid by the hour and for the most part, they do pretty darn good work. But I think that that contract is kind of a starting place at least, and if I'm correct, I think they have a five year beginning window with a five year additional look see relative to development. [LR352]

SENATOR LOUDEN: Now as you talk about your, the people in your projects, is there anything when you have the agreement with the landowner about decommissioning

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those machines or anything? Is there anything written in there or who is going to pay for it or how is it going to be done or how long? [LR352]

JOHN K. HANSEN: In the case of Knox County, the county commissioners have that in their local planning and zoning. We support that and there's a part of our internal legal documents and structure that puts money into the sinking fund for decommissioning. [LR352]

SENATOR LOUDEN: Is there...okay, who pays that money in? Does the project... [LR352]

JOHN K. HANSEN: The developer. [LR352]

SENATOR LOUDEN: The developer puts that money in. How much do they put in? I mean is it so much on each tower or per megawatt or how does it go? [LR352]

JOHN K. HANSEN: It's a, I think, it's a best case, best estimate of what it would cost to decommission of. [LR352]

SENATOR LOUDEN: And they pay that yearly or a one time fee, or... [LR352]

JOHN K. HANSEN: That's part of where the money is allocated in terms of the pro forma as a part of the project costs. So that's, you know, as you've got all these contingency funds, you've got all these different variables that are being covered, that is one of the variables that's addressed in the internal structure. So is that a reasonable thing to request in a contract that that be a part of a power purchase agreement? Yeah, I think that would be a reasonable thing because you really should leave it in at least as good as shape as you found it. [LR352]

SENATOR LOUDEN: Now, when they do that then, who has control of that fund? I

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mean, if they're putting money in some place there must be some bucks some place now. Does that just go into the county treasurer or who has... [LR352]

JOHN K. HANSEN: No. That's within the developer's, in our case, in the developer's LLC, in allocated... [LR352]

SENATOR LOUDEN: And he puts it in an escrow account some place or what? [LR352]

JOHN K. HANSEN: You know, I don't know. We're not that far down the road in terms of development. Our project will be built next year and so that's one of the questions I was going to ask our developers, whether or not we'll have an escrow fund for that or not. [LR352]

SENATOR LOUDEN: Because, I mean, there's all kinds of bad dreams that could happen with that but on the other hand, there probably needs to be something like that in there and that's...I'm wondering, you know, how that was handled. [LR352]

JOHN K. HANSEN: I can't honestly tell you. But I certainly have no problem with requiring an escrow account for decommissioning because that's...what you don't want to do is leave a landowner with a bunch of liability and... [LR352]

SENATOR LOUDEN: A bunch of steel 200 feet in the air? (Laugh) [LR352]

JOHN K. HANSEN: You know, and it would be just my kind of luck that the guys who are stealing the copper out of irrigation underground wouldn't steal. (Laughter) And if they did take the copper or the steel out of the tower, they'd probably wouldn't, you know, actually decommission it. They'd probably...but who knows that in 20 years or whatever, what the price of what's going to be. I just know that junk cars are more valuable now than they used to be. [LR352]

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SENATOR LOUDEN: Senator Carlson. [LR352]

SENATOR CARLSON: Senator Louden. John, I'm going to try to lead you into a corner here. [LR352]

JOHN K. HANSEN: Oh, no, not again. [LR352]

SENATOR CARLSON: But Nebraska is a public power state. I'm an individual consumer. I'm not part of the C-Bed or any group that is working on a contract. I enjoyed some of your expressions. I even wrote them down. We all like to be in a position we don't miss an opportunity, but we don't want to get taken to the cleaners either. Would you agree that with our public power setup, Nebraska is in an enviable position as far as providing power to its customers? [LR352]

JOHN K. HANSEN: Yes. We have the fifth lowest rates in the nation and that is the direct result of our public power system which, you know, our organization helped support the concept of public power from the beginning and have always supported it and we think it's been a tremendous economic benefit and service to not only agriculture but the state as a whole. [LR352]

SENATOR CARLSON: Yeah, and I agree, and I'm not really trying to lead you as far as you might think, but... [LR352]

JOHN K. HANSEN: (Laughter) I just thought I had better get that in there just in case. [LR352]

SENATOR CARLSON: All right. As you work with a group to generate a contract in a C-Bed and you're negotiating with NPPD, I'm not a part of that, but you're trying to get as good a deal as you can for the people you represent and that's your responsibility, that's what you ought to do. The better that deal becomes the more money NPPD puts

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into it, the more expensive the power becomes, and I'm the consumer paying for it. So I do have a concern. Sometimes it's not always good to be first. Sometimes it's good to let others that go before you stumble all over and destroy one another and then you come up from behind and take the lead, taking advantage of their mistakes. And that's kind of a frustration I've got with this that we don't want to lose our position but we don't want to miss an opportunity. [LR352]

JOHN K. HANSEN: Well, the RRP that Nebraska Public Power District put out was a competitive bid situation so there were ten different proposals that were received by seven different developers. There were three that were approved for further negotiation and so they had the option and C-Bed is the, you got to take a look, you don't have to buy structure. So if they're going to do renewable energy all they have to do is take a look and if it works, it works, and if it doesn't, it doesn't. And so my understanding of NPPD's RRP was they could, you know, accept three. They could accept one, they could accept none. But they took the three that got them the one, you know, the first two were going to be 122 megawatts of wind and all I can say is that as a rate payer, your interest had been very well protected for the next 20 years. [LR352]

SENATOR CARLSON: Thank you. [LR352]

SENATOR LOUDEN: Well, seeing no others, thank you, John, for your testimony here today. [LR352]

JOHN K. HANSEN: Thank you. [LR352]

SENATOR LOUDEN: Next testifier. I guess we have no more...we got a testifier coming? Okay. Come forward. Thank you. [LR352]

DAVID RICH: (Exhibit 4) I wanted to make sure. I'm David Rich, D-a-v-i-d R-i-c-h, with Nebraska Public Power District. I'm testifying as neutral. [LR352]

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SENATOR LOUDEN: Well, today we don't need neutral or proponents. We just want information. [LR352]

DAVID RICH: Okay. Chairman Loudon and Senators, I'm here to help provide some information. There's a handout here. It's a power point presentation and once everybody has those, we'll just review those. Starting on page 2, again our Board of Directors authorized management to secure ten sites and install wind monitoring equipment or met towers at these sites. And the purpose of that was again to find the lowest cost options for future development of wind. We engaged a consultant, Renewable Resource Associates. We didn't have sufficient resources internally to go out and acquire these land options. Again, the purpose is to make sure that there is sufficient landowner interest within a specific area. Then we would install wind monitoring equipment to verify wind speeds. Seven sites we've announced out of the ten are near Verdigre, Elgin, Madison, Brunswick, Broken Bow, North Platte and Greeley. And the future project would be any of the following. And I think that's where ours is different than most other land options out there. It could be an NPPD developed project like Ainsworth where we actually owned the facility. It could be a C-Bed project. It could be a non-C-Bed privately owned project. So at this point, our primary focus is just to find out if there is landowner interest and to measure the wind speed. It's still gives the landowners as a group control and so we believe the landowners have a lot more options with our agreement. And some of this depends, a lot depends on what the federal government may be doing as far as the production tax credits. Whether they're extended or not, whether they make them tradeable. If they would make those tradeable, it may be that we actually build it and then sell off the federal production tax credits. There may be no federal production tax credits. There may be a federal RPS, Renewable Portfolio Standard, that just requires all utilities to install wind. So there's a lot of unknowns in the future and all we're trying to do is short-term, is determine landowner interest, and then measure the wind speed. And our thought would be in our next RFP then, we would allow not only private developers that have land under control but we would also allow private

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developers who could use our land that we have optioned here. And so again by allowing more competition, this all assumes that the federal production tax credits are extended so if we continue down that road, this would bring the lowest cost wind for us. Top of page three, the Land Option Agreements. It's a legal document that gives options for an initial five years plus five more if necessary. And probably the biggest unknown there is some of these is, what transmission is going to be needed to be built. You know, you can get a wind farm installed in a year but you may take, you know, many, many years, three to five years to get a transmission line built. So just entering into a five year agreement, you may go study the wind for two years and by the time you get done studying you won't have enough time to build the transmission to serve that project. Compensation for the first five years. The landowners will receive \$3 per acre per year. If we go into that second tier, it's increased by 67 percent to \$5 per acre per year. We also have some minimums, \$1,000 payment for the first five years, \$1,667 for the second five years. Again, those are at our option. If we determine after a couple of years that the wind is not good, we'll terminate it. There's no use spending money for land that does not have good wind or there's other issues. Maybe there's whooping crane or some, you know, other endangered specie or something that could create a problem. Again, we will install the met towers and will like to leave those in for a year and possibly two, and we'll look at that data in comparison to others. Page four. When this printed out, I apologize, it looked fine on the terminal. We printed it out and we've got two states here but maybe you can look it at stereo if you turn it sideways, I don't know. The seven red rectangles are where we have sites under development. There's three more that we haven't announced. Four of those have met towers up and another couple will be installed hopefully later this week or the first part of next. Page five. I was contacted by a landowner in Dixon County. A private developer there was offering 40-year contracts. The landowner had concerns about not knowing who this firm was, what experience they had. I asked him to work through our wholesale customer, Northeast Public Power District, and they actually requested NPPD have a meeting. I attended. We had 60 people, very interested group, and we shared what our plans were for wind development. Our board, if you recall, has set a goal of 10 percent renewables,

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new renewables beyond hydro, by the year 2020. And so to get to that target we're planning to install 80 megawatts of wind every other year, is our current plan. At that meeting the landowners expressed interest in some type of proposal if NPPD could, and this slide, page six, we discussed with our board of directors on Wednesday, so this is relatively new, the first, center column, is what we have in our current agreement. It's up to ten years. We've engaged a consultant to help us acquire land. There's the payments again and then we would install a met tower. The proposed NPPD light, again this is just in discussion phases right now, it's somewhat analogous to the walk-on football program at UNL. You only have so many scholarships. You kind of decided that. But you know there's potentially other players out there that have the strengths, they have the speed. And in this case, it's the wind speed. You know, we've based our ten sites on some models. We're not 100 percent sure that we've got the best ten sites and so the only way to really determine that is to put the met tower up. Install the met tower and collect the data. So this concept kind of follows off on that. If there's a group of landowners who are interested and want to work together in some format and it's where we believe there's good wind, we just haven't measured it. You know, we can't do this for every group of farmers where there's potentially no wind or there's, you know, aviation issues or whatever, but if there's a good probability, then the concept is something like this where we would just install the met tower if they signed up the farmers and landowners. If it is good, then it goes on to scholarship, so to speak. So then they would get the same payments as everybody else. If the wind isn't good, then we would just give them the met data and the agreement is over with. So it's a way for us to minimize our costs to our customers statewide. And that's, you know, the bottom line what public power is about. But at the same time, it's a way for landowners to find out if, in fact, they do have good wind and if they do, then they'll move up on the team, so to speak, and have a good chance for a project in the future. So that's the presentation in short form. If you have any questions? [LR352]

SENATOR LOUDEN: Questions for Rich? Senator Wallman. [LR352]

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SENATOR WALLMAN: Thank you, Chairman Louden. Yes, how many of these windometers, what is that approximately, if you, how many acres do you need signed up before you put one up? [LR352]

DAVID RICH: I think we've got projects that range maybe from 6,000 up to maybe 10,000 acres. It somewhat depends on the size of the projects you're going to build and then what type of ground it is. If it's center pivots, you're limited to corners. So it depends on each situation. [LR352]

SENATOR LOUDEN: Senator Christensen. [LR352]

SENATOR CHRISTENSEN: Thank you, Chairman Louden. Rich, how do you determine like your five, six, seven sites here? Southwest Nebraska, North Platte, if you're counting it down there don't have any, yet we're very windy down there. [LR352]

_____: Yes, yes, you are. (Laughter) [LR352]

SENATOR CHRISTENSEN: Well, whether it's the people or the wind, but what takes you to a site to look at? [LR352]

DAVID RICH: One of the original, and there was like 30 some criteria when we hired an initial consultant to look at the entire state and transmission availability was a main criteria. And right now, we're pretty much restricted of going west of GGS, Gerald Gentleman Station. The transmission that was installed there is pretty much to move the power from that generation facility to the load in the eastern part of the state. So it's...you know, we've got some sites in western Nebraska that are very good as you say, but the transmission will needed to be added to move that power across the state. Now, I'll share...we've had a major wind developer and actually shared a couple of weeks...she's from Denver but she's representing Toyota Automotive and a large Japanese electric company and what she shared with me was that they were buying

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land around Gerald Gentleman Station with the assumption that some day in the future climate change legislation at the federal level will reduce the amount of generation that will be able to come from coal and that at that point that transmission will be freed up to move wind power from that area east. And so you've got this firms from Japan that are taking an entirely different look at how future wind generation is and I haven't been able to verify whether or not they bought land around Gerald Gentleman but that's what she had shared. [LR352]

SENATOR CHRISTENSEN: All right. Thank you. [LR352]

SENATOR LOUDEN: Senator Dubas. [LR352]

SENATOR DUBAS: Thank you, Senator Louden. Thank you, Dave, for the information. In any of the leases that you've signed as you've gotten ready to go into production, do you sever the wind rights from the land or are they kept intact? [LR352]

DAVID RICH: Do we...well, this agreement right here, we've only signed with the landowners. We have not had any arrangements thus far where we would go out to the developer. This next round with the RFP we hope to see if we'll get some responses back to this and then it will be a mutual agreement between the developer we choose and hopefully, we've done our prudent homework is to make sure this is a company that we believe is worthwhile in selling this power and we believe would be good in working with the landowners. But eventually those two parties will have to come together, the landowners as a group with the project developer to sign the long-term easement or whatever agreement they'll sign for that. [LR352]

SENATOR DUBAS: Okay. Thank you. [LR352]

SENATOR LOUDEN: Any other questions? Well, thank you for your testimony, David. We wanted to know what Nebraska Public Power was doing on it because for a long

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time they were pretty well getting sharp shot in places because that was what everybody was accusing Nebraska Public Power wasn't doing anything. And I tried to assure people that I discussed that I thought they were doing all that they could possibly do at the time. But I see you've went forward with this plan now so it looks like...and if you say you're going to do 80 megawatts every other year, that's a pretty tall order isn't it? [LR352]

DAVID RICH: That's our current plan. Again, our board will ultimately review each of those to make sure it is economically the best decision for, you know, our customers. And depending on where federal legislation go, it, you know, that curve could increase or it could decrease. But there is, you know, one of the major factors that's been discussed is the transmission and how much transmission is going to be needed to add wind across the state. [LR352]

SENATOR LOUDEN: Okay. When you talk about from Gerald Gentleman east, there's some type of transmission line from Laramie River there. One of those generation plants that, because Lincoln buys their power off of. Where does that transmission line go through at? [LR352]

DAVID RICH: Well, I think that line was built primarily to move one of the three plants that are out west in Wyoming and it's actually tied on the east side to power to Lincoln Electric and all those who purchased a part of that unit. So my understanding, that transmission facility is fully prescribed as far as the availability of moving across. Now if something would happen to that plant, then there would probably be some freed up transmission. [LR352]

SENATOR LOUDEN: In other words, they built it just big enough for the capacity of that, of one of those generation plants on Laramie River? [LR352]

DAVID RICH: For that facility, yes. [LR352]

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SENATOR LOUDEN: Yeah. It's on the east side tie. Okay. That's what I was wondering if there was any way that they would be building anything along that transmission line which Imperial, where them windy people are, as Mark says, why, it wouldn't be that far away and that was my question, I guess. But Nebraska Public Power doesn't own that line? [LR352]

DAVID RICH: Well, there's parts of it we don't. I think there was actually a contribution to Nebraska Public Power to build some of the lines maybe from the North Platte area back east and so we would own that piece of the line. But again, they just paid for enough capacity to move their coal plant from Wyoming across the state. [LR352]

SENATOR LOUDEN: Yeah. Okay. Any other questions for Rich? Seeing none, thank you for the testimony today. We have...is there someone here from the Nebraska Energy office? Yeah. Would you have any remarks you'd care to...? [LR352]

_____ : No, just here monitoring, listening. [LR352]

SENATOR LOUDEN: Okay. Has anybody got any questions for him, since he's a government... Okay, well, thank you for being here to monitor it. Any other testifiers? If not, then I guess this closes the hearing on LR352 and we thank you all for coming here today. We appreciate your input and we'll see some of you tomorrow, maybe, in Grand Island. [LR352]