



Partnering People With Wind
Power One Community at a Time

(Community-Based Energy Development)

C-BED Statute:

The community-based energy development (C-BED) statute, passed by the Minnesota legislature in the fall of 2005, promotes locally owned wind energy facilities within the state. The statute provides a framework for community wind projects to negotiate with utilities. The only other state that has a C-BED statute is Nebraska. Minnesota Governor, Tim Pawlenty, plans to have 800MW of "C-BED" wind energy projects produced by 2010. Currently 25% of the 895 MW of wind capacity comes from C-BED projects. A C-BED project (in Minnesota) is defined as a new wind energy project that meets the following ownership criteria:

- **More than two turbines:** No qualifying owner possesses more than 15 percent of the project.
- **One to two turbines:** Owned entirely by one or more qualifying owners with at least 51 percent of the total financial benefits over the life of the project go to the qualifying owners.*
- **Front-end-loaded tariff:** Permits utilities to pay for power during the first ten years of a project in exchange for a lower rate during the second 10 years. This improves the cash flow of community wind projects, helping landowners afford financing.
- The law highly advises utilities to take the reasonable steps to negotiate with C-BED projects to meet their renewable energy objectives but does not obligate them to enter into a power purchase agreement. C-BED projects need to be competitive and offer "value" to the utility, making an agreement feasible. Value can be in the form of strategic locations with a strong wind resource and demand for electricity.
- C-BED legislation is complex and all compliance issues should be thoroughly evaluated before discussing terms of an agreement with a utility.

*Nebraska's statute requires that 33 percent of the total financial benefits over the life of the project go to the qualifying owners, not 51 percent.



Photographer: Dennis Schwartz

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A qualified C-BED project owner (in Minnesota) means: *

- A Minnesota resident.
- A limited liability company made up of Minnesota residents.
- A Minnesota nonprofit organization.
- A Minnesota cooperative association, organized under chapter 308A or 308B, other than a rural electric cooperative association or a generation and transmission cooperative.
- A Minnesota political subdivision or local government other than a municipal electric utility or municipal power agency, including, but not limited to, a county, statutory or home rule charter city, town, school district, or public or private higher education institution.
- A local or regional governmental Minnesota organization such as a board, commission, or association.
- A Minnesota tribal council.

*In Nebraska a qualified owner means a Nebraska resident, a limited liability company made up of Nebraska residents, an electric supplier, Nebraska non-profit organization or a tribal council.



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