

Minutes of the
RENEWABLE ENERGY COUNCIL
Conference Call
Thursday, July 14 2011 – 10:00 am (CDT)

CALL TO ORDER

Al Anderson, Chairman, called the Renewable Energy Council meeting to order at 10:02 am.

Members Present: Al Anderson, Al Christianson, Rod Holth, Randy Schneider, and Mark Nisbet.

Members Absent: Erick Mack, and Terry Goerger.

Others Present:

Andrea Pfennig, Department of Commerce
Karlene Fine, Industrial Commission
Aasta Stute, Department of Commerce
Maynard Helgaas, Green Vision Group

APPROVAL OF MINUTES

April 18, 2011 meeting minutes were reviewed.

Al Christianson moved to approve the minutes as presented. Randy Schneider seconded the motion. Motion passed.

WELCOME

Anderson welcomed everyone and started introductions.

PRESENTAION OF FINANCIAL SUMMARY

Fine stated the numbers are nearing the final amounts for the 09-11 biennium. There is \$1,287,761.77 in uncommitted dollars as of June 30, 2011. She reminded the Council that Legislature approved an additional \$1.5 million for the 2011-2013 biennium. There will be approximately \$2.8 million for the upcoming biennium. She noted there was a special round as of July 1 and those applications are requesting just over \$900,000.

Al Christianson moves to approve the financial summary. Rod Holth seconded the motion. Motion passed.

CONSIDERATION OF REQUEST FOR A BUDGET AMENDMENT OF CONTRACT R-008-017 – ENERGY BEET REASEARCH

Anderson stated that they have had a request to amend the budget of a project that has already been approved.

Holth spoke on how Green Vision Group has saved money on a couple of categories on their grant they received last year. They have \$34,000 dollars in excess funds that they know they don't need in a particular category they were designated for. The category where they grossly underestimated what it was going to cost was in the term, project management, and the hours that would be spent as in-kind contributions. Green Vision Group isn't asking for additional funds, but to transfer funds from the two categories that they have excess funds and increase the amount of funding in the categories that they are short.

Schneider asked if the original in-kind service was equity that they were putting back into the project. Holth said yes. They had estimated that it would be around 560 hours at an in-kind contribution rate of \$50 an hour. They have almost quadrupled that.

The Council will send votes on this request to amend the grant to Fine. Holth states that he has conflict of interest as does Christianson since Great River Energy has donated to the project.

Nisbet asked if it was acceptable use of the dollars as far as Commerce's perspective goes. Anderson said he believes it is acceptable. Fine stated that the cash contributions remain the same so it will just require moving around some of the dollars.

Schneider asked if it is meant for compensating Green Vision Group at \$50 an hour plus mileage. Holth said that is correct.

CONFLICT OF INTEREST

R-008-017 – Consideration of request for a budget amendment of Contract Energy Beet Research

- Rod Holth, and Al Christianson

COMPLETION OF BALLOTS

R-008-017 – Consideration of request for a budget amendment of Contract Energy Beet Research; Submitted by the EERC.

Fund: 3 Do Not Fund: 2

ADDITIONAL FUNDING FOR PROJECTS

Fine spoke about an ongoing project that has far exceeded what the cost was going to be. The applicants were wondering if the Council would be open to going back and looking at the application and perhaps allowing more money to be committed to it. Fine stated when you enter a contract with the Industrial Commission you have to complete the project. That is the agreement whether the costs exceed the allowed money or not. If you do not complete the work you have to return the money.

Fine asked for more direction from the Council and asked if they are open to looking at putting additional dollars into the project. If so, 1) would the Council require another technical review?; 2) could the Council receive their request for funding and bring it to the next meeting?; or 3) could more time be allowed but no additional funding due to limited funding? Fine was wondering if anyone was interested in any of these options.

Christianson said he strongly feels that they have entered a contract and the only options he sees that makes sense would be option 2 & 3.

Schneider would like more time to review it before he makes a decision. He thinks they are looking for some direction from the council but he believes we have to start looking at accepted use of our limited resources.

Holth agrees with Schneider and Christianson. He would be interested in seeing what made the costs so much more than they anticipated they would be. The only downfall to option 3 is in some circumstances giving the money back might not

even be possible at this stage. He would like to see more information before he makes a decision.

Anderson wants to know if we request project reviews while they are in the midst of the project, or is it self-approval after the project is finished. He wondered if it would be unusual to have a detailed project review to see where they are at, what they are up against, and what they have achieved.

Fine said they haven't done it too frequently but it can be done. The project applicants have stated that they will come in and speak about it. They are committed but are struggling with the funds. Fine said they don't want to waste the Council's time if they aren't going to look at additional funding. They are committed to their project and will most likely finish it without the Council's funds.

Anderson said that he liked Christianson's comment. He thought the Council would probably want to review the project even if it meant deciding between option 2 or 3. Christianson would be more than willing to listen to them but doesn't think that he would change his mind. Christianson, Holth, and Schneider all agreed they would take time out of their schedule to meet on the project.

Anderson would not only ask for the final report but would also ask for an interim report. Fine agreed with that comment. Anderson thinks it's a great idea and is impressed by the Council member's stance that they are taking.

Holth said that in the contracts there are interim written reports that are submitted and the funding is based on that. Fine said that is correct. They are posted on the website.

Pfennig said that we will have a meeting in September. She was thinking September 8 or sometime the week of September 18th. This would be when they meet for the new round of projects they are working on right now. They could include this applicant in that meeting agenda instead of having a separate meeting. Christianson thought that sooner would be better for this group. Fine said that she will visit with the applicant on their timing.

ADJOURNMENT

It was moved by Al Christianson to adjourn the meeting. The motion was seconded by Randy Schneider. Motion passed. The meeting was adjourned at 10:28 am.

Al Anderson, Chairman Date

Aasta Stute Date
Acting Recorder

DRAFT