

Wind Energy Incentives in States in the Region

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Prepared for the Wind Energy Competitive energy Task force

Source: Database of State Incentives for Renewables and Efficiency (<http://www.dsireusa.org>)

Minnesota:

Local Option – Energy Improvement Financing Programs. For wind and other renewable energy technologies. Provides Property-Assessed Clean Energy (PACE) financing allowing property owners to borrow money to pay for energy improvements. Local governments loan money to property owners, which is repaid using special assessments. Energy generated by the system may not be sold or distributed at retail. (2010 – HF 2695, sec 2,3; SF 3729, art 7, sec 11-19)

Wind and Solar Electric Systems Property Tax Exemption. Real and personal property of wind energy systems is exempt from state property tax, although land on which system is located is taxable. In lieu of property tax, large wind energy systems pay a production tax, which is distributed among local governments. (1992, 2001, 2002, 2003 -- Minnesota Statutes 272.02, 272.028, 272.029)

Wind energy sales Tax Exemption. Wind energy systems used as electric power sources are exempt from Minnesota sales tax. Materials used to manufacture, install, construct, or repair wind energy systems are also exempt. (1998 – 297A.68 subd 12)

Agricultural Improvement Loan Program. Low-interest loan program through Minnesota Dept of Agriculture for improvements or additions to permanent agricultural facilities, including wind energy systems up to 1 MW. Loans are participation loans made by individual financial institutions working with the department. (1995 – 41B.043)

MHFA Fix-up Fund. Small, low interest loans from Minnesota Housing Finance Authority to home owners for energy efficiency and renewable energy technologies, including wind.

Sustainable Agriculture Loan Program. Small, low interest loans from Minnesota Department of Agriculture to farmers for variety of purposes, including on-farm energy production and wind power. (1988 – 17.115)

Value-Added Stock Loan Participation Program. Small low-interest loans to purchase stock in certain cooperatives, companies, and partnerships that produce a value-added agricultural product, including wind energy cooperatives. (1994, 2005 – 41B.046)

Commercial Small Wind Rebate Program. State rebate program provides financial support to small businesses that install small wind turbine systems (35kw or less). (16B.322)

Residential Small Wind Rebate Program. State rebate program provides financial support to home owners installing small wind energy generation (35 kw or less) devices at primary residences. Maximum rebate is \$10,000. (2009)

Minnesota Power – Power Grant Program. Minnesota Power (Duluth) offers grants up to \$50,000 to customers for innovative or renewable energy projects needing project design assistance.

Renewable Development Fund Grants. Periodic grants from funds relating to spent nuclear fuel at an Xcel nuclear power plant. Funding for renewable energy technologies, including wind, although wind projects were not eligible in most recent funding rounds. Program is currently on hold pending revisions to the program mission. (1999 – 116C.779)

Interconnection Standards. Minnesota PUC ordered generic standards for utility tariffs for interconnection and operation of distributed-generation facilities up to 10 MW. Standards include technical requirements, insurance requirements, equipment certification definitions, dispute resolution process, and standard fees. (2001 – 216B.1611)

Net Metering. Utilities must compensate customers for net excess generation (NEG) at the average retail utility energy rate. Compensation may be as an actual payment or as a credit on the customer's bill. In most states, net metering is limited to a bill credit. (1983 – 216B.164)

Community-Based energy Development Tariff (C-BED). Utilities must file with PUC a 20-year power purchase agreement for community-based renewable energy projects. The tariff rate is higher for the first ten years to provide qualifying community-based projects with better cash flow during the first ten years, making it easier to obtain financing and pay debt. Utilities are required to consider C-BED projects, but they are not required to sign C-BED contracts. (2005 – 216B.1612)

Renewable Portfolio Standard. Minnesota originally had a voluntary renewable energy standard. In 2007 a renewable portfolio standard was made mandatory. The RPS requires that 30% of Xcel Energy's sales come from renewable sources by 2020, with at least 25% coming from wind and solar (solar limited to not more than 1%). For other Minnesota utilities, 25% of energy sales must come from renewables. The 2007 legislation also requires PUC to establish a program for tradable renewable energy credits (REC) and approved the Midwest Renewable energy Tracking system (M-RETS) for this purpose. (2007 – 216B.1691)

Wind and Solar Easements and Local Option Rights Laws. Minnesota law provides for wind easements, as well as solar easements. These are voluntary contracts. (1978 – 500.30)

Iowa:

Energy Replacement Generation Tax Exemption. Replacement generation tax of 6 cents/kWh on energy generated in the state. Tax is in lieu of property taxes on generation facilities. Wind energy conversion property is exempt from the replacement generation tax. (2008 – Iowa Code Section 437A.6)

Renewable Energy Production Tax Credit. Two separate production tax credit programs for wind energy and other renewable energy sources. A production tax credit of 1.5 cents/kWh is available for energy produced and sold by wind and other renewable energy facilities. The credit may be applied toward the state's personal income tax, business income tax, financial institutions tax, or sales and use tax. A production tax credit of 1.0 cent/ kWh is also available for eligible wind energy facilities producing power for onsite use. This tax credit may be applied to the state's personal income tax, business income tax, financial institutions tax, sales and use tax, or energy replacement generation tax. (2005 – 476B, 476C)

Local Option – Special Assessment of Wind energy Devices. Cities and counties may assess wind energy equipment at a special lower valuation. (1994 – 427B.26)

Property Tax Exemption for Renewable Energy Systems. Market value added to a property by a wind or solar energy system is exempt from property tax for five years. (1978 – 441.21(8))

Wind and Solar Equipment Sales Tax Exemption. Exempts from state sales tax the cost of wind energy equipment and materials used to manufacture, install, or construct wind energy systems. (1993 – 423.3(Sec 54, 90))

Alternate Energy Revolving Loan Program. Loan funds to individuals and organizations to build renewable energy production facilities. Provides 50% of the total loan at 0% interest, up to a maximum of \$1.0 million. Remainder of the loan is provided by a lender at market rate. (1996 – 476.46)

Interconnection Standards. Iowa has interconnections standards for rate-regulated utilities that are regulated by the Iowa Utilities Board (IUB).

Mandatory Utility Green Power Option. Electric utilities are required to offer green power options to their customers, allowing customers to make voluntary contributions to support the development of renewable energy sources.

Net Metering. Iowa law is interpreted to allow net metering for customers who generate electricity using alternate energy production facilities to receive a credit at the customer's retail electricity rate. (1984 – 476.41 et seq)

Renewable Portfolio Standard. Iowa requires its two investor-owned utilities to own or contract for a combined total of 105 MW of renewable generating capacity. Most of this requirement is being met with wind energy. (2003 – 476.41 et seq)

Small Wind Innovation Zone Program and Model Ordinance. Allows any local government to create small wind innovation zones to promote small wind production. Program includes expedited approval process for small wind energy systems that meet construction and operating standards.

Utility Rebate Programs. Several electric utilities provide rebates for the installation of small wind and other renewable energy systems to member customers. Rebate amounts and requirements vary.

Farmers electric Cooperative (Kalona) – Renewable Energy Purchase Rate. The cooperative offers members who install qualifying wind or solar energy systems an incentive of 20 cents/kWh. The member purchases all its power from the utility at the normal retail rate and sells the output of their system to the utility. Payment is limited to 25% of the member's monthly kWh usage.

North Dakota:

Renewable Energy Tax Credit. Corporate income tax credit of 3% per year for five years for the cost of acquiring and installing a renewable energy system, including wind, in a building or on property owned or leased by the taxpayer. (2001 – ND Century Code 57-38-01.8)

Large Wind Property Tax Reduction. Centrally assessed wind turbines of 100 kWh or larger capacity are valued at 1.5% to 3% of their assessed value. Because of state tax assessment practices, this reduction generally applies only to investor owned utilities operating commercial wind farms. (2001 – 57-06-14.1)

Renewable Energy Property Tax Exemption. Wind, solar, or geothermal energy device serving a new or existing building or structure is exempt from local property taxes. Exemption applies during the first five years after installation. Large systems receiving the property tax reduction (see above) are not eligible for the exemption. (2007 – 57-02-08(27))

Net Metering. Available for renewable energy systems and combined heat and power systems up to 100 kW capacity. Available to all customers of investor-owned utilities, but not to customers of municipal utilities or electric cooperatives. If a customer has net excess generation (NEG) at the end of the month, the utility must purchase the NEG at the utility's avoided cost rate. (1991)

Renewable and Recycled Energy Objective. ND law establishes an objective that 10% of all retail electricity sold in the state be obtained from renewable energy and recycling by 2015. The objective is voluntary with no penalty for an electric provider that fails to meet the objective, but providers must report to the ND Public Service Commission their status each year in reaching the objective and a discussion of steps taken to meet the objective and barriers to meeting the objective. (2007 – 49-02-24 et seq)

Wind Easements. Property owners may grant wind easements to ensure adequate exposure of wind energy system to the wind. The easement runs with the land and terminates on conditions stated in the easement. Wind easement statutes contain provisions to protect the property owner. (2005 – 17-04-02 et seq)

Montana:

Alternative energy Investment Tax Credit . Certain commercial and net metering alternative energy investments of \$5,000 or more are eligible for a tax credit of up to 35% against individual or corporate tax on income generated by the investment. Includes wind and other alternative energy sources. (2001 – MCA 15-32-401 et seq)

Property Tax Abatement for Production and Manufacturing Facilities. Property tax abatement for new renewable energy production or manufacturing facilities and renewable energy research and development equipment. Eligible facilities and equipment are assessed at 50% of taxable value. Applies to wind and other renewable energy sources. (2007 – 15-24-3111, 15-6-157)

Residential Alternative Energy System Tax Credit. Residential taxpayers who install an energy system using a nonfossil form of energy, including wind, on their home are eligible for a personal income tax credit equal to the cost of the system not to exceed \$500 for an individual and \$1000 for a household. (2001 – 15-32-201)

Corporate Property Tax Reduction for New/Expanded Generating Facilities. Plants producing 1 MW or more from an alternative energy source, including wind, are eligible for property tax reduction. Taxable

value is reduced by 50% for first five years; tax reduction then decreases each year until full taxable value is reached in the tenth year. (1981 – 15-24-1401 et seq)

Generation Facility Corporate Property Tax Exemption. New generating facilities of 1 MW or less using an alternative energy source, including wind, are exempt from property tax for five years after operation begins. (2001 – 15-6-225)

Renewable Energy Systems Property Tax Exemption. Property tax exemption up to \$20,000 for residences and \$100,000 for multifamily or nonresidential structures for ten years after installation of nonfossil energy generation devices. (2005 – 15-6-224, 15-32-102)

Alternative Energy Revolving Loan Program. Loans to individuals, small businesses, local government agencies, units of the university system, and nonprofit organizations to install alternative energy systems that generate energy for their own use. Maximum loan amount of \$40,000 for up to 10 years. (2001 – 75-25-101 et seq)

Universal System Benefits (USB) Program. Supports renewable energy projects and applications. Utilities must contribute revenue from a surcharge on customers' electricity use and may spend the funds on eligible programs inside or outside the utility. Under the USB program, Northwestern Energy provides funding to its customers for wind energy projects (\$2.00/watt to a maximum of \$10,000 per customer). (1997 – 69-8-402)

Interconnection Guidelines. Requires interconnected facilities to comply with all national safety, equipment, and power-quality standards established by the National Electrical Code (NEC) and other organizations. Net metering applies to systems up to 50 kW that generate electricity using hydropower, wind, or solar energy. (1999 -- 69-8-601 et seq)

Net Metering (IOUs). Net-metering law applies to all customers of IOUs. Systems up to 50 kW in capacity that generate electricity using solar, wind or hydropower are eligible. Net excess generation (NEG) is credited to the customer's next monthly bill. (1999 – 69-8-601 et seq).

Net Metering (Cooperatives). Available through most of the 26 electric cooperatives in Montana. Customers who generate electricity using a renewable source are eligible for net metering. The maximum individual system capacity is 10 kilowatts (kW). Customer net excess generation (NEG) may be carried over to the next monthly billing period. (2001)

Mandatory Utility Green Power Option. Regulated utilities must offer customers the option of purchasing electricity generated by certified, environmentally-preferred resources, including wind. NorthWestern Energy implemented a green-power program in June 2003. (2003 – 69-8-210)

Renewable Portfolio Standard. Requires public utilities and competitive electricity suppliers to obtain a percentage of their retail electricity sales from eligible renewable resources, including wind, as follows: 5% by 2009, 10% by 2014, and 15% by 2015. Utilities can meet the standard by entering into long-term purchase contracts for electricity bundled with renewable-energy credits (RECs), by purchasing the RECs separately, or by a combination of both. A utility unable to comply with the RPS during an annual period must pay an administrative penalty of \$10 per MWh. (2005 – 69-3-2001 et seq)

Wind Easements. Property owners may create solar and wind easements to protect access to sunlight and wind. Wind energy rights are property rights and property owners can grant wind easements to give developers the right to use real property and the wind resource. Easements address the flow of wind on the property, tax liability, and compensation to the property owner. Property owner can enter into a wind energy easement or a wind option agreement, which grants a developer the exclusive right to obtain a wind easement. Wind option agreements generally only last for 20 years. The wind easement runs with the property. (1983, 2011 – 70-17-310 et seq)

Nebraska:

Renewable Energy Tax Credit. Production-based corporate or personal tax credit to any producer of electricity generated by wind or other renewable sources. The credit may be applied to state income tax liability or to obtain a refund of state sales and use taxes. The credit is based on the amount of electricity produced. The total amount of renewable energy tax credits that may be used by all taxpayers is limited to \$50,000. (2006 – RRS Neb 77-27.235)

Property Tax Exemption for Wind Energy Generation Facilities. Nameplate capacity tax in lieu of property taxes associated with wind energy generation facilities (\$3,518 per installed MW). Wind energy facilities owned by various governmental or cooperative entities or customers who install wind turbines are exempt from the nameplate capacity tax and the real property tax assessment. (2010 – 77-202(9), 77-6203(2)(a))

Sales and Use Tax Exemption for Community Wind Projects. Exemption from the sales and use tax on personal property for use in community-based energy development (C-BED) projects. A C-BED project is a new wind energy project having a power purchase agreement that provides payments to qualified owners or a local community. A qualified C-BED project owner includes a Nebraska resident, an LLC that made up of members who are Nebraska residents, a nonprofit corporation, an electric supplier subject to certain limitations for a single C-BED project, or a tribal council. (2007 – 77-2704.57)

Dollar and Energy Savings Loans. Low interest loans for residential, commercial, nonprofit, local government, and other energy efficiency improvements. Loans of up to \$750,000 are available using these funds. This incentive applies mainly to energy efficiency improvements. Loans for renewable energy projects are eligible but few renewable energy projects have been funded to date. (1990)

Interconnection Guidelines. General rules for interconnecting and net metering systems that generate electricity using wind and other renewable energy sources with a capacity of 25 kW or less. Facility must meet safety, performance, interconnection and reliability standards. Customers must request an inspection of their system before the system may be interconnected to the distribution grid. (2009 – 70-2001 et seq)

Net Metering. Statewide net metering rules for all electric utilities. The rules apply to electricity generating facilities using wind and other renewable energy sources with a capacity of 25 kW or less. Electricity produced by a qualified system during a month is used to offset any kWh consumed at the premises during the month. Excess generation produced by the system is credited for that month and carried forward to the next billing period. Any excess remaining at the end of the year is paid out to the customer. (2009 – 70-2001 et seq)

Solar and Wind Easements and Local Option Rights Laws. Property owners may create binding solar and wind easements to protect access to sunlight and wind. Counties and municipalities may develop zoning regulations that protect access to solar and wind energy resources and may grant zoning variances to solar and wind energy systems. Wind agreements may not exceed forty years and terminate if development has not commenced within ten years. (1997 – 66-901 et seq)

Wisconsin:

Solar and Wind Energy Equipment Exemption. Value added by a solar or wind-energy system is exempt from general property taxes. The exemption applies regardless of whether the equipment is deemed real property or personal property. (Wis Stat 70.111(18))

Renewable Energy Sales Tax Exemptions. Exempts from sales tax products whose power source is wind and other renewable energy sources. To be eligible, devices must be capable of producing at least 200 watts per day. The law also exempts "receipts from the sale of and the storage, use, or other consumption of electricity or energy" produced by a qualifying system. (2007 – 77.54(56))

Focus on Energy – Renewable Energy Incentives. Incentives for renewable-energy systems, including wind, in residential and nonresidential buildings. All projects must displace natural gas or electricity from a participating utility. Focus on Energy incentives are generally calculated on the basis of the system's expected performance in kWh; wind-energy systems are restricted to 20 kW or less. (In June 2011, Focus on Energy announced that the Renewable Energy Incentives will be temporarily suspended.)

City of Madison - Green Power Purchasing. Goal to increase the city's electricity purchases to 10% renewable energy by 2006 and 20% renewable energy by 2010. Madison is currently exceeding the 20% goal, purchasing a total of 25% of the city's electricity needs from renewable energy sources, including wind farms in Wisconsin and Iowa. (2007)

Green Power Purchasing. Several state agencies have a goal of purchasing or generating 10% of their power from renewable energy by 2008 and 20% by 2012, including wind and other renewable energy sources. (2006 -- 16.75(12))

Xcel Energy - Renewable Energy Buy-Back Rates. Xcel Energy will purchase 100% of the electricity and associated renewable energy credits (RECs) generated by its Wisconsin customers using qualifying renewable energy systems, including wind energy. The minimum system size is 20 kW, meaning that this program is available for systems too large to be eligible for net metering in Wisconsin. The maximum size is 1 MW for wind systems. (2008)

Interconnection Standards. Standards for alternative energy generation systems up to 15 MW. IOUs and municipal utilities are required to abide by the standard provisions; electric cooperatives are encouraged, but not required, to adopt the state standards. The rules categorize systems by capacity and provide for several levels of interconnection review. (2001 – 196.496)

Net Metering. All regulated utilities (IOUs and municipal utilities, but not electric cooperatives) must allow net metering to customers that generate electricity with systems up to 20 kW in capacity. Customer net excess generation (NEG) is generally credited at the utility's retail rate for renewable and carried over to the customer's next bill. (1982)

Focus on Energy Program. Supports statewide programs that promote energy efficiency and renewable energy. Utilities create and fund programs through contracts with private program administrators. Focus on Energy provides information, financial assistance, technical assistance, and other services to residents, businesses, schools, institutions and local governments. Financial assistance includes rebates, grants and loans. Each electric and natural gas IOU is required to spend 1.2% of the latest 3-year average of its gross operating revenue on energy-efficiency and renewable-resource programs. Municipal utilities and electric cooperatives may participate in the state program or operate their own "commitment-to-community" programs. (2006 – 196.374)

Renewable Portfolio Standard. RPS originally required IOUs and cooperatives to obtain at least 2.2% of the electricity sold to customers from renewable-energy resources by 2012, which was increased in 2006 to an overall statewide renewable-energy goal of 10% by 2015 on a phased-in basis. A Renewable Resource Credit Program enables utilities to buy and sell "renewable resource credits" from one another for any electricity generated in excess of the percentage specified. (1999, 2006, 2010 – 196.378)

City of Madison - Solar and Wind Access and Planning Laws. Planning guidelines are specific to solar, while the permitting laws and procedures include wind as well. In 2008 Madison revised its zoning ordinance to permit solar and wind energy systems as accessory uses in all zoning districts. The ordinance also addresses the approval process, planning requirements, and setbacks for wind energy systems. (2008)

Solar and Wind Rights. Wisconsin has several laws that protect a resident's right to install and operate a solar or wind energy system. These laws cover zoning restrictions by local governments, private land use restrictions, and system owner rights to unobstructed access to resources. (1982, 1993 – 66.0401 et seq, 700.41, 236.292, 844.22)

Wisconsin - Wind Siting Rules and Model Small Wind Ordinance. In 2009, legislation directed the Wisconsin Public Service Commission to establish statewide wind energy siting rules. Rules were adopted in 2010 but were suspended in 2011. Wisconsin has developed a Model Small Wind Ordinance which suggests appropriate zoning language for wind energy systems of 100 kW or less. (1982, 1993, 2009 – 66.0401 et seq)

River Falls Municipal Utilities – Renewable Energy Finance Program. River Falls Municipal Utilities offers loans of \$2,500 - \$50,000 to residential customers for the installation of wind and other energy systems and related energy efficiency measures. Loan terms vary, but range from 5 -20 years at a current interest rate of 4%. Repayment of loans takes place as a special fee on the customer's annual property tax bill. (PACE financing, Wis. Stat. § 66.0627).

Illinois:

Illinois Clean Energy Community Foundation Grants. The foundation was established in 1999 with a \$225 million endowment by Commonwealth Edison and provides competitive grants to programs and projects that improve energy efficiency, develop renewable-energy resources, and preserve and enhance natural areas and wildlife habitats in Illinois. Grants support both energy efficiency and renewable energy projects, including wind energy. (1999 – s220 ILCS 5/16-111.1)

Commercial Wind Energy Property Valuation. Before 2007, wind energy devices were assessed differently from county to county. Revised in 2007 to provide consistent valuation procedures for commercial wind farm equipment. For ten years, beginning in 2007, wind energy devices larger than 500 kW and producing power for commercial sale are valued at \$360,000/MW of capacity. Because Illinois assesses property for property tax purposes at 1/3 of its fair cash value, in practice the assessed value of commercial wind energy property is \$119,988/MW. (2007 – s35 ILCS200/10-600 et seq)

Sales Tax Exemption for Wind Energy Business Designated High Impact Business. A business establishing a new wind power facility of 500kW or greater that will not be located in an Enterprise Zone may be eligible for designation as a High Impact Business. Entitled to full exemption of the state sales tax and any additional local state sales taxes for building materials used in the facility. The project must involve a minimum \$12 million investment creating 500 full-time jobs or an investment of \$30 million causing the retention of 1,500 full-time jobs. (2009 – s20 ILCS 655/5.5)

Illinois Finance Authority Renewable Energy and Energy Efficiency Project Financing. Tax-exempt bonds and credit enhancement for projects in Illinois, including commercial and nonprofit entities. In 2009, the IFA was authorized to provide funding for renewable energy projects, including wind energy, and energy efficiency projects. Transmission lines and associated equipment used to transfer electricity created by renewable energy, as well as renewable energy storage technologies, are eligible. (2009 – 20 ILCS 3501/825-65 et seq)

Ag Invest - Green Energy Loans. Businesses, nonprofits, and local governments seeking loans for certain energy efficiency and renewable energy upgrades or projects may apply for a rate reduction under the Green Energy Loan program, in partnership with eligible banks in the state. Loan amounts range from \$10,000 to \$10 million. (2008)

DCEO - Solar and Wind Energy Rebate Program. Rebates for solar and wind energy systems of up to 30% (residential, commercial) and up to 50% (nonprofit and government installations), with a maximum individual award of \$50,000. Open to customers of IOUs, municipal utilities, and electric cooperatives that impose the Renewable Energy Resources and Coal Technology Development Assistance Charge. Wind energy systems must have a rated nameplate capacity ranging from 1 to 100 kW. (Note: The FY 2011 program is closed until additional program funds become available.) (1997, 2005 – s20ILCS 687/6-1 et seq, s20 ILCS 1105/3)

City of Chicago - Green Power Purchasing. City signed an agreement with Commonwealth Edison and the Environmental Resources Trust to purchase 20% of its electricity from renewable resources by the end of 2005. The city purchases 215 million kWh of wind and biomass energy from MidAmerican Energy. Ten percent of the electricity used by the city was generated by landfill gas, wind and solar. (2000)

Interconnection Standards. Legislation in 2007 required standards for net metering and interconnection for renewable energy systems. The ICC developed standards for all distributed generation up to 10 MW and in 2010 established interconnection standards for facilities over 10 MW. (2007 -- s220 ILCS 5/16-107.5)

Net Metering. Legislation in 2007 required IOUs (but not municipal utilities and cooperatives) to offer net metering. Net metering is available to electric customers that generate electricity using wind or other alternative energy systems up to 40 kW to offset the customer's own electrical requirements . For

systems up to 40 kW in capacity, any net excess generation (NEG) during a billing period is carried over as a kWh credit to the following billing period. (2007 – s220 ILCS 5/16-107.5)

Renewable Energy Resources Trust Fund. Supports renewable energy, including wind, through grants, loans, and other incentives. The trust fund is supported by a surcharge on customers' electric bills and gas bills. Participation is required for IOUs, but voluntary for municipal utilities and electric cooperatives. Approximately \$100 million will be collected for the fund through 2015. The fund receives \$5- \$5.5 million per year to fund eligible projects. (1997, 2007 – 20 ILCS 687/6-1 et seq, s220 ILCS 5/16-111.1)

Renewable Portfolio Standard. Legislature in 2007 required electricity procurement plans for IOUs to provide for the procurement of cost-effective renewable energy in accordance with the state's renewable portfolio standard. Municipal and cooperative utilities are exempt. Sixty to seventy-five percent of the renewable energy requirement must come from wind power and the remainder from other renewables. Renewable energy may be procured as energy bundled with renewable energy credits, or through the purchase of tradable renewable energy credits. (2007 – s20 ILCS 3885/1-75)

Statewide Renewable Energy Setback Standards. While Illinois does not have a model wind ordinance, it has established a maximum setback limit for wind turbines. No municipality or county may require a wind turbine (or other renewable energy system) used for onsite energy generation to be setback more than 1.1 times the height of the system from the end user's property line. (2009 – s55 ILCS 5/5-12020, s65 ILCS 5/11-13-26)

Indiana:

Renewable Energy Property Tax Exemption. Systems that generate energy using solar, wind, hydropower, or geothermal resources are exempt from property tax. The entire renewable energy system and affiliated equipment unique to the system, including equipment for storage and distribution, are exempt from property tax. The exemption may be claimed by property owners and net metering customers, but not by public utilities and other electricity retailers. (2010 – Ind Code 6-1.1-12-26 et seq)

Interconnection Standards. Indiana's interconnection rules require the state's IOUs to provide three levels of interconnection to customer-generators based on size of the system. Qualifying facilities and net-metered systems also must comply with the applicable requirements of Indiana's interconnection standards. (2006)

Net Metering. Net metering rules (2004) require IOUs to offer net metering to all electric customers. The rules apply to renewable energy resource projects with a maximum capacity of 1 MW. At least 40% of a utility's net metering capacity must be residential customers. Net excess generation (NEG) is credited to the customer's next monthly bill. IOUs may choose to offer larger net metering capacity limits. (2004)

Clean Energy Portfolio Goal. Voluntary goal of 10% clean energy by 2025. Participation in CPS makes utilities eligible for incentives in order to pay for the compliance projects. Only public utilities may participate in the program; municipal utilities and rural electric cooperatives are not eligible. Fifty percent of qualifying energy obtained by participating utilities must come from within the state. Utilities may trade Clean Energy Credits. (2011 – SB 251)

Indianapolis Power & Light Co. - Rate REP (Renewable Energy Production). The REP rate, commonly called a "feed-in tariff," is a payment for production from renewable energy facilities. Renewable energy facilities eligible for IPL's Rate REP include solar, wind, and biomass located in IPL's territory. IPL will offer this rate for three years and will limit participation to 1% of its retail electric sales (kWh) from the prior calendar year. (2010)

City of Indianapolis - Green Building Incentive Program. Reduction in permit fees for projects achieving certain green building criteria, including on-site renewable such as wind. Property owners and developers constructing new buildings or completing major renovations on existing buildings are eligible. (2010)

Texas:

Solar and Wind Energy Device Franchise Tax Deduction. Corporation or other entity subject the state franchise tax may deduct the cost of a solar or wind energy device from the franchise tax. Entities are permitted to deduct 10% of the amortized cost of the system from their apportioned margin. The franchise tax is Texas's equivalent to a corporate tax. (1982 – Tax Code 171.107)

Solar and Wind Energy Business Franchise Tax Exemption. Companies engaged solely in manufacturing, selling, or installing solar or wind energy devices are exempt from the franchise tax. There is no ceiling on this exemption. (1982 – Tax Code 171.056)

Renewable Energy Systems Property Tax Exemption. Exemption of the amount of the appraised property value that arises from the installation or construction of a solar or wind-powered energy device that is primarily for the production and distribution energy for on-site use, or devices used to store that energy. (1981 – Tax Code 11.27)

Department of Rural Affairs - Renewable Energy Demonstration Pilot Program. Competitive grants to local governments for the installation of renewable energy projects. The REDPP is part of the larger federal Community Development Block Grant Program (CDBG).

LoanSTAR Revolving Loan Program. Low-interest loans to public entities for energy cost reduction measures. Funds can be used for retrofitting existing equipment or to finance the difference between standard and high efficiency equipment. On-site renewable energy options, such as small wind turbines, are encouraged as potential projects. (1989 – Govt Code 2305.032)

Alternative Energy in New State Construction. State agencies must compare the cost of providing energy alternatives, including wind, for new and reconstructed state government buildings and for construction or repair to energy systems and equipment. If the use of alternative energy devices for a particular function is economically feasible, the use of alternative energy devices must be included in construction plans. (1995 – Govt Code 2166.401 et seq)

Interconnection Standards. Texas law specifies that a customer is entitled to access to on-site distributed generation [§39.101(b)(3)], leading to the adoption of interconnection standards. The rules apply to electrical generating facilities located at a customer's point of delivery, with a maximum capacity of 10 MW. Installations must meet all applicable construction and safety codes. (1999 –16 TAC 25.211 et seq)

Renewable Generation Requirement. Texas (1999) established a renewable portfolio standard (RPS), a renewable-energy credit (REC) trading program, and renewable-energy purchase requirements for competitive retailers. The renewable-energy mandate was increased in 2005 to 5,880 MW by 2015 (about 5% of the state's electricity demand), including a target of 500 MW of renewable-energy capacity from resources other than wind. Wind accounts for nearly all of the current renewable-energy generation in Texas. The 2005 legislation also set a target of reaching 10,000 MW of renewable energy capacity by 2025. The RPS applies to all IOUs; municipal and cooperative utilities may voluntarily offer customer choice. (1999, 2005 – Utilities code 39.904)

Mandatory Renewable Energy Educational Materials. If an electric utility must construct a line extension for a customer, and the utility requires the customer to pay a Contribution in Aid to Construction or a pre-payment charge, the utility must provide the customer with information about on-site renewable energy technology alternatives.

Austin Energy – Net Metering. Austin Energy, Austin's municipal utility, offers net metering for renewable energy systems up to 20 kW, including wind energy, to all of its retail electricity customers. Systems must be used primarily to offset a portion of a customer's on-site electric load. Customers that generate more electricity than they consume receive a credit for net excess generation. (2004)

City of Brenham - Net Metering. Customer generators up to 10 MW are eligible to participate. Any net excess generation (NEG) is credited on a monthly basis at the utility's avoided cost rate. Customers must provide all equipment necessary to meet applicable safety, power quality and interconnection requirements. (2010)

City of Austin - Green Power Purchasing. Goals for renewable energy, energy efficiency, and carbon emission reductions, including the goal of powering all city facilities with renewable energy by 2012. The city currently procures 19% of the total annual electricity needs from renewable energy. (2007)

City of Houston - Green Power Purchasing. Five-year contract with Reliant Energy for up to 80 MW or 700 million kWh annually of renewable energy credits (RECs) generated almost exclusively from wind power. As of March 2010, the purchase had been increased to 50 MW, equivalent to roughly 438 million kWh annually. (2007)

City of Dallas - Green Energy Purchasing. Purchase contracts for more than 333 million (kWh) of green electricity for city facilities during 2008. The purchase amounts to roughly 40% of total expected electricity consumption by municipal facilities and will be supplied completely by wind generated electricity. (2007)

Green Mountain Energy Renewable Rewards Program. Texas does not have statewide net metering, but retail electricity providers in Texas may compensate customers for electricity produced by renewable energy systems. Green Mountain Energy Company offers a special Renewable Energy Buy-back program to customers that produce renewable energy, including wind energy, from systems of 25 kW or less.

City of Austin - Renewables Portfolio Standard. Austin has adopted renewable portfolio goal of 30% by 2020, as well as a green power procurement goal to power municipal buildings and facilities using 100% renewable energy by 2012. The utility now contracts for 439 MW of wind energy generation. Austin

Energy estimates that it will need to secure a total of 835 MW of renewable energy generation by 2020 in order to meet the 30% target. (1999, 2003, 2007)

San Antonio City Public Service - Renewables Portfolio Goal. San Antonio's municipal electric utility (CPS) established a goal (2003) of meeting 15% of its electrical peak demand with renewable energy by 2020. In 2008 the utility increased the overall renewables target to 20% by 2020 with at least 100 MW from nonwind renewable energy sources. CPS is not subject to the requirements of Texas's renewable portfolio standard. (2003, 2008)

Guadalupe Valley Electric Cooperative - Renewable Energy Rebates. Rebates to member customers for the installation of photovoltaic (PV) systems, solar water heaters, solar water wells, and wind electric systems during 2011. Rebate amounts and limitations vary by technology. Wind power systems receive \$1.00/watt up to \$6,000, maximum system size of 20 kW.

South Dakota:

Large Commercial Wind Exemption and Alternative Taxes. Wind farms of at least 5 MW constructed after July 1, 2007, are subject to an alternative taxation calculation in lieu of all taxes on real and personal property levied by state and local governments. The alternative tax has two components: an annual tax equal to \$3 per kW of capacity, and a 2% annual tax on the gross receipts of the wind farm. A partial rebate of the taxes paid under this formula is available for the construction of transmission lines in South Dakota that serve an eligible facility. The total maximum rebate is 50% of the combined cost of the transmission lines and wind farm collector system. All of the receipts from the capacity tax and 20% of the gross receipts tax will be redistributed back to the county treasurer of the county where the wind farm is located before May of each year. (2008 – SDCL 10-35-16 et seq)

Renewable Energy System Exemption. In 2010, South Dakota established a new property tax incentive that replaced two existing property tax incentives for renewable energy, including wind energy facilities of less than 5 MW capacity. For eligible facilities all real property used or constructed for the purpose of producing electricity, the first \$50,000 or 70% of the assessed value of eligible property, whichever is greater, is exempt from the real property tax. (2010 – 10-4-42 et seq)

Wind and Transmission Construction Tax Refund. In 2010, South Dakota established a tax refund for new or expanded wind-energy facilities, new or upgraded electric transmission lines and associated facilities, and business facilities that manufacture or distribute wind or transmission components. This refund, applies to sales, use, and contractors' excise taxes on project costs. For project costs less than \$10 million, there is no refund. For project costs of \$10 - \$40 million, the refund is 45% of the taxes paid. For project costs of \$40 million or more, there is a refund of 55% of the taxes paid. Refunds will not be awarded for any project cost incurred after December 31, 2012. (2010 – 10-45B-16 et seq)

Energy Efficiency Revolving Loan Program. Loans to nonprofits, schools, and government agencies for energy audits, energy efficiency improvements, and renewable energy installations, including small wind energy systems. Loans must be repaid within 10 years, and carry a 0% interest rate. Renewable energy projects must be built on site at government buildings. Wind turbines must be 20 kW or smaller.

Interconnection Standards. Interconnection standards for distributed generation, which were adopted by the PUC in 2009, apply to customers of investor-owned utilities but do not apply to customers of

electric cooperatives or municipal utilities. The rules provide for four levels of interconnection for systems up to 10 megawatts (MW) in capacity. General liability insurance is required, with levels that vary by tier. (2009)

Renewable, Recycled and Conserved Energy Objective . Legislation in 2008 established a voluntary objective that 10% of all retail electricity sales in the state be obtained from renewable and recycled energy by 2015, later modified to allow “conserved energy” to meet the objective. The objective applies to all retail providers of electricity in the state. Retail providers must report annually to the PUC on their attainment status, steps taken to meet the objective, and any challenges or barriers they have encountered. (2008 – 49-34A-101 et seq)

Wind Easements. Property owner may grant a wind easement. Easements must be in writing and must be filed with the county. The maximum term of an easement is 50 years. Any payments associated with an easement must be made on an annual basis to the owner of the real property. An easement must include certain information to protect the landowner and specifically describe certain terms and conditions that must be addressed in the easement.