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2-28-2008

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Recommended Citation

University Relations, "Clean Renewable Energy Bonds fuel UMM's energy goals" (2008). *Campus News Archive*. 1102.

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Clean Renewable Energy Bonds fuel UMM's energy goals

Summary: University of Minnesota, Morris Chancellor Jacqueline Johnson announces that UMM has received three Clean Renewable Energy Bonds that will continue to move the Morris campus forward as a national leader in renewable energy systems and to meet the campus goal of becoming energy self-sufficient by 2010.

(February 28, 2008)-University of Minnesota, Morris Chancellor Jacqueline Johnson announces that UMM has received three Clean Renewable Energy Bonds (CREBs) that will continue to move the Morris campus forward as a national leader in renewable energy systems and to meet the campus goal of becoming energy self-sufficient by 2010.

UMM received authorization from the Internal Revenue Service to issue CREBs for three purposes: to construct a second wind turbine to be located near the West Central Research and Outreach Center (WCROC), to add a steam turbine that will convert to electricity the “green” steam from the biomass facility that is under construction and to purchase a third wind turbine that will be located in western Minnesota, to be shared with the Mille Lacs Band of Ojibwe.

A fourth bond was applied for by the WCROC through the University of Minnesota College of Food, Agricultural and Natural Resources Sciences (CFANS) to provide renewable energy to a new green building addition planned for the WCROC site in Morris. This is the first time the University of Minnesota has received a CREB allocation.

“We were delighted to learn of these allocations, since they promote Morris’ strategic goals of using renewable energy sources to achieve self sufficiency and to reduce our carbon footprint,” said University of Minnesota, Morris Chancellor Jacqueline Johnson. “The addition of two more wind turbines and one steam turbine combined with the biomass plant/gasification system currently under construction on our campus enhances UMM’s stewardship of the environment, something that is part of our legacy. And these new resources provide even more opportunities for our undergraduate students to engage directly in real world, high impact research and internships.”

"The University of Minnesota Morris continues to lead the University system—and higher education nationally—on issues of sustainability and renewable energy use," said University of Minnesota President Robert Bruininks. "Achieving energy independence by 2010 is a phenomenal goal, but more importantly, the data and information gathered along the way will help to inform other hybrid renewable energy initiatives across the state and nation."

The wind turbine, to be located at the WCROC, will bring the campus to nearly 100 percent power by wind the steam turbine will further reduce the campus’ reliance on non-renewable energy sources. This financing tool will also help in reducing the carbon footprint of the campus by over 80 percent. Research will play a key role in both of these projects and, in keeping with UMM’s undergraduate mission, undergraduate research opportunities will be expanded.

“These systems will continue to strengthen the campus’ environmental living and learning initiatives,” said Lowell Rasmussen, UMM vice chancellor for finance and facilities.

The purchase and operation of a third wind turbine will represent a partnership between UMM and the Mille Lacs Band. The long-term possibility after the loan is repaid is to look at how the revenue stream can support UMM students in their educational and research pursuits.

"We are pleased to collaborate with the University of Minnesota, Morris on this project that will benefit the Mille Lacs Band, the Morris campus and the environment," said Sarah Oquist, corporate commissioner of the Mille Lacs Band of Ojibwe. "The University of Minnesota, Morris is a great partner for as they are a strong leader in renewable and sustainable initiatives."

"The Mille Lacs Band approached UMM regarding this partnership due to UMM's long history of partnerships in the area of sustainability and renewable projects," said Rasmussen, "in addition to the fact that UMM is a national leader in renewable energy."

The Energy Policy Act of 2005 (P.L. 109-58) provides electric cooperatives and public power systems with Clean Renewable Energy Bonds. A "CREB" is "a special type of tax credit bond providing rural electric cooperatives and municipal electric utilities the equivalent of an interest-free loan for financing qualified energy projects. CREBs are largely modeled on the Qualified Zone Academy Bond program that provides tax credit bonds for school renovation and upgrades in certain qualified school districts. They deliver an incentive comparable to the production tax credit that is available to private renewable energy project developers and investor-owned utilities."

The total value of the CREB authorized by the IRS is approximately \$5.6 million. The University's Board of Regents will decide whether the bonds will be issued before December 2008.

"The University is using federal energy programs to benefit the region, the state, the institution and the academic experience of students at UMM," said Rasmussen. "We expect that these projects will be constructed and operational by summer 2009."

Photo by Barb Hesse, Center for Small Towns

Through personal and academic discovery, the University of Minnesota, Morris provides opportunities for students to grow intellectually, engage in community, experience environmental stewardship and celebrate diversity. A renewable and sustainable educational experience, Morris prepares graduates for careers, for advanced degrees, for lifelong learning, for work world flexibility in the future, and for global citizenship. Learn more about Morris at morris.umn.edu or call 888-866-3382.