



Jerry Miller, Northern States Power Company/PX01490

Farmers can earn extra income by leasing land for wind power plants, such as this one on Buffalo Ridge in southwest Minnesota.

his return on the land "anywhere from 30% to over 100%."

The leasing of land for wind power plants pays well in other parts of the country, too. In California, for example, the City of Santa Clara leases 640 acres of land to Zond Systems, Inc., which owns and operates a wind farm at Altamont Pass, one of the largest developed wind sites in the United States. Zond sells the electricity to the local utility, Pacific Gas and Electric Company, and pays a royalty to the city — about \$152,000 in 1994 alone.

The existing lease contains a buyout option for the city, and Santa Clara may purchase the wind power plant from Zond once the city has learned enough to be comfortable managing the project.

According to William Reichmann, a senior electric utility engineer in Santa Clara's Electric Department, "Our lease agreement has been lucrative both financially and in terms of information we gained from the site." In fact, the city has recently signed a lease agreement with Zond for another site that shows promise for wind energy development.

Wind Projects Bring Money to Schools

The Louisville Gas and Electric Company operates a 35-MW wind farm in Culberson County, Texas, about 100 miles east of El Paso. The Lower Colorado River Authority buys the electricity generated at the wind site and distributes it to its customers. As a result of an innovative partnership with the Texas General Land Office, lease revenues from the wind project go directly into the Permanent School Fund, which helps to finance public schools and universities in Texas; in effect, school children are benefiting financially from the wind energy harnessed in west Texas.

Revenues are expected to total approximately \$3 million over the 25-year life of the project, or about \$120,000 annually.

"Public education in Texas will benefit by receiving millions of dollars in lease money from this project. ... I hope to see more wind power projects on state lands dedicated to the public schools."

— Texas Land Commissioner Garry Mauro, speaking at the dedication of the Culberson County wind project, November 1995

At the other end of the scale, a small school district in northwest Iowa is making money from the sale of electricity generated by its very own wind turbine. A project that started out as a response to environmental concerns turned out to have a substantial financial benefit for the local community.

The project began in 1990, when a group of high school biology students challenged Harold Overmann, superintendent of the Spirit Lake Community School District, to find a renewable source of energy for the district. Instead of ignoring them, Overmann took them up on their challenge. District staff began a dialog with the local utility company, Iowa Electric, and investigated various renewable energy technologies before deciding on wind power. They then gathered data on wind speeds at the proposed site and worked hard to find a way to finance the project.

Three years later, at a cost of \$238,000, the district installed a wind turbine at the local elementary school. A grant from DOE paid for half of the cost and a loan from the Iowa Department of Natural Resources covered the rest. Since then, the turbine has been generating 324,000 kWh of electricity annually, worth about