

## **AGENDA**

### Climate and Energy (Carbon Credits and Wind) Subcommittee Permanent School Fund Advisory Committee

- ❖ Review of Charge
  - The goal of this subcommittee is to review the policies of the DNR and statutes related to the school trust fund lands and recommend, to the PSFAC, necessary changes that could be made.
  
- ❖ Background Information and Presentation by DNR Staff
  - Current Climate and Energy issues
    - Wind Energy Leasing
    - Carbon Credits
    - Biomass
  
- ❖ Discussion/Questions
  
- ❖ Next Steps for this Subcommittee
  - Future Subcommittee meetings?
  - Meet with Forest Management Subcommittee to discuss Biomass issue?

## Possible issues for consideration by the Climate and Energy (Carbon Credits and Wind) Subcommittee - Permanent School Fund Advisory Committee:

### Wind Energy:

- Should the DNR be leasing school trust lands for wind power generation?
- If so, which school trust lands could be used for wind energy generation? Which should not? Should WMA's be used as wind generation sites?
- How should conservation concerns be factored into decisions regarding use of school trust lands for wind power generation?
- Should the school trust be an equity participant in wind development projects? – Federal Clean Renewable Energy Bonds can be used to finance wind projects at 0% interest.
- How should the DNR charge wind turbine operators for the use of school trust lands? Should they be charged an annual rent, a royalty payment based on electricity generated, and/or a rate based on megawatt capacity?
- If the DNR pursues wind development on trust fund lands, how should these assets be marketed (passive first in time first in line, public auction like a timber sale, active marketing with first in time, first in line)?

### Carbon Credits:

- Should the DNR seek to market carbon credits on school trust lands, where there is an opportunity to establish: verifiable, additional and permanent capture and storage of carbon (or the prevention of its release)?
- If the DNR would pursue carbon credits, should we pursue lower value, lower transaction cost credits – or should we seek to produce higher quality, higher price credits that will cost more to develop and market?
- Some methods of determining carbon credits require long-term contractual obligations and may limit management options, including timber harvest. What kinds of limitations or obligations would be acceptable?

### Biomass production and sales:

- Conventional timber sales do provide for modest additional biomass sales – should DNR expend resources to develop markets to enhance the demand for and price of biomass?

- Should the DNR make it a priority to market round wood to the existing forest products industries – in order to keep the existing mills competitive and sustain the demand for timber in the long run?

Dan Roark, Lands & Minerals Division, MN DNR  
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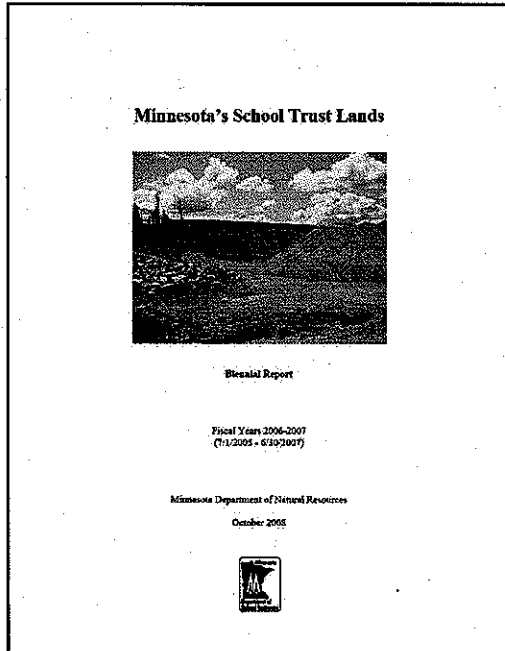
Minnesota Dept. of Natural Resources  
Division of Lands and Minerals  
**School Trust Land Online**

**PERMANENT SCHOOL FUND ADVISORY COMMITTEE WEBSITE:**

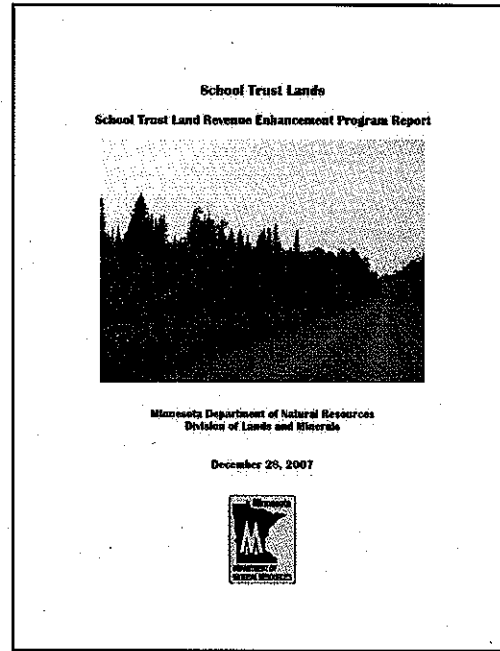
[http://www.dnr.state.mn.us/aboutdnr/legislativeinfo/school\\_lands/index.html](http://www.dnr.state.mn.us/aboutdnr/legislativeinfo/school_lands/index.html)

The following two MN DNR, Division of Lands and Minerals' reports can be viewed and downloaded online at the web addresses seen below.

**“School Trust Lands: Biennial Report,  
Fiscal Years 2006-2007”**



**“School Trust Lands: School Trust Land  
Revenue Enhancement Program Report”**



**VIEW OR DOWNLOAD “SCHOOL TRUST LANDS: “BIENNIAL REPORT, FISCAL YEARS 2006-2007” AT THE FOLLOWING ADDRESS:**

[http://files.dnr.state.mn.us/lands\\_minerals/school\\_trust\\_report\\_FY0607\\_as\\_of\\_110608.pdf](http://files.dnr.state.mn.us/lands_minerals/school_trust_report_FY0607_as_of_110608.pdf)

**VIEW OR DOWNLOAD “SCHOOL TRUST LANDS: SCHOOL TRUST LAND REVENUE ENHANCEMENT PROGRAM REPORT” AT THE FOLLOWING ADDRESS:**

[http://files.dnr.state.mn.us/lands\\_minerals/new\\_trust\\_report\\_122807\\_final.pdf](http://files.dnr.state.mn.us/lands_minerals/new_trust_report_122807_final.pdf)

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