University of Nebraska - Lincoln
DigitalCommons@University of Nebraska - Lincoln

Cornhusker Economics | Agricultural Economics Department

1-1-2010

2010 Nebraska Wind Energy Legislation

J. David Aiken
University of Nebraska-Lincoln, daiken@unl.edu

Follow this and additional works at: http://digitalcommons.unl.edu/agecon_cornhusker

Part of the Agricultural and Resource Economics Commons

Aiken, J. David, "2010 Nebraska Wind Energy Legislation" (2010). *Cornhusker Economics.* Paper 487.
http://digitalcommons.unl.edu/agecon_cornhusker/487

This Article is brought to you for free and open access by the Agricultural Economics Department at DigitalCommons@University of Nebraska - Lincoln. It has been accepted for inclusion in Cornhusker Economics by an authorized administrator of DigitalCommons@University of Nebraska - Lincoln.

CORNHUSKER ECONOMICS

University of Nebraska–Lincoln Extension

Nebraska Lincoln

August 11, 2010

Institute of Agriculture & Natural Resources
Department of Agricultural Economics
http://www.agecon.unl.edu/Cornhuskereconomics.html

2010 Nebraska Wind Energy Legislation

Market Report	Yr Ago	4 Wks Ago	8/6/10
Livestock and Products, Weekly Average			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight	$81.14	$92.44	$93.10
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb.	120.38	138.28	134.23
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb.	104.99	117.94	116.78
Choice Boxed Beef, 600-750 lb. Carcass	141.49	155.14	150.84
Western Corn Belt Base Hog Price Carcass, Negotiated	48.38	75.51	80.21
Feeder Pigs, National Direct 50 lbs, FOB	*	*	*
Pork Carcass Cutout, 185 lb. Carcass, 51-52% Lean	56.62	82.40	90.87
Slaughter Lambs, Ch. & Pr., Heavy, Wooled, South Dakota, Direct	96.50	137.00	132.50
National Carcass Lamb Cutout, FOB	253.52	311.50	301.68
Crops, Daily Spot Prices			
Wheat, No. 1, H.W. Imperial, bu.	4.25	3.97	5.40
Corn, No. 2, Yellow Omaha, bu.	3.01	3.55	3.63
Soybeans, No. 1, Yellow Omaha, bu.	11.54	9.97	10.44
Grain Sorghum, No. 2, Yellow Dorchester, cwt.	5.12	5.79	6.34
Oats, No. 2, Heavy Minneapolis, MN , bu.	2.09	2.65	2.79
Feed			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton.	*	150.00	150.00
Alfalfa, Large Rounds, Good Platte Valley, ton.	*	75.00	77.50
Grass Hay, Large Rounds, Premium Nebraska, ton.	*	*	95.00
Dried Distillers Grains, 10% Moisture, Nebraska Average.	85.00	88.50	94.00
Wet Distillers Grains, 65-70% Moisture, Nebraska Average.	32.25	32.50	34.00

*No Market

In 2010 the Nebraska Unicameral enacted a major wind energy statute, LB1048, that will lead to significantly increased wind energy development in Nebraska. Nebraska has always had major wind energy development potential, but wind farm development has lagged far behind this potential. LB1048 changes this, and will allow Nebraska to increase wind energy development.

Why do energy developers want to build wind farms in Nebraska? To meet state renewable energy requirements (RESs). RESs are also known as Renewable Portfiolio Standards or RPSs. Currently, 29 states and the District of Columbia require electric utilities to acquire a specified percentage of their electricity from clean or renewable sources such as wind, solar or hydropower. So energy companies build wind farms or solar farms to meet their RES. Pending federal legislation would establish a national RES of six percent renewable electricity production by 2012, and 25 percent renewable electricity production by 2025. Nebraska does not have a RES requirement or goal, but all of our neighboring states do, except Wyoming. The state RES requirements are creating the wind farm development interest in Nebraska.

What does LB1048 do? Basically, it removes any legal obstacles to companies developing major wind farms in Nebraska for export to another state. The main wind developer concerns were (1) to clarify that wind energy generated in Nebraska could legally be exported to another state, and (2) to prevent public power districts from acquiring wind farms through condemnation. In addition, wind exporters will have to build their own transmission lines if needed for wind power export.

What led to LB1048? A Chicago wind developer sought to develop a very large wind farm in Banner

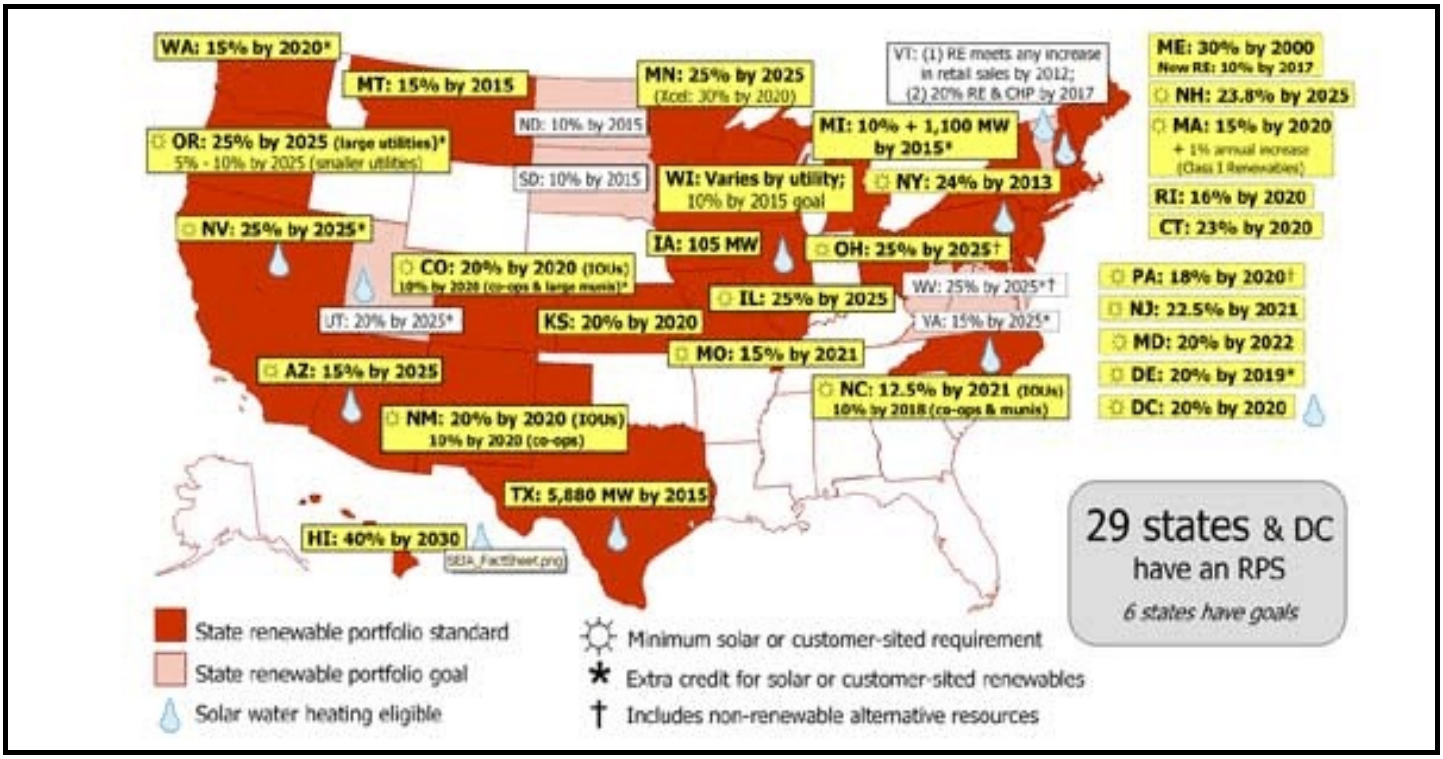
IANR

Extension is a Division of the Institute of Agriculture and Natural Resources at the University of Nebraska–Lincoln cooperating with the Counties and the U.S. Department of Agriculture.

University of Nebraska Extension educational programs abide with the non-discrimination policies of the University of Nebraska–Lincoln and the United States Department of Agriculture.

County, Nebraska for export. The proposed Banner County wind farm will include 600-800 large wind turbines. In contrast, Nebraska has fewer than 100 large wind turbines right now. LB1048 was enacted in large part to facilitate development of this large Banner County wind farm. When the development is completed, it will be a big increase in Nebraska wind capacity. If the Banner County wind farm were online today, Nebraska would be among the top five states for installed wind energy capacity.

So will LB1048 lead to a big increase in Nebraska wind energy development? It certainly makes additional wind energy development more likely. Pending federal energy legislation would establish a RES requirement for electric utilities. That would push Nebraska wind energy development even more.

So landowners and communities could receive wind energy payments for these new wind farms? Yes – I have seen media accounts that report annual landowner payments of up to $5,000 per turbine. Tax payments to cities, counties and school districts would also be stretched out over the life of the project, instead of being front loaded in the project's first five years. The Unicameral should be congratulated for its efforts in developing and adopting LB1048.

J. David Aiken, (402) 472-1848
Professor, Water & Agricultural Law Specialist
Department of Agricultural Economics
University of Nebraska-Lincoln
daiken@unl.edu