

Good afternoon.

Even though I've been in this job over three years now, I still am amazed every day.

Look what's been happening lately.

It's barely gotten below freezing in Minnesota in February and the Legislature looks like it might actually get its work done.

I suppose the next thing we'll see is Bud Selig telling us that baseball owners are making plenty of money and they'd be happy to pay for their own stadium.

Probably not ...

So let's talk about something a little more realistic and pressing:
the energy Minnesota will need for the future and the energy we'll need to make it through these tough economic times.

Electric co-ops are a big part of the energy landscape here in Minnesota, serving 1.3 million people in our state.

And you have kept the lights on for thousands of Minnesotans that other utilities have historically turned their backs on.

The \$110 million you have returned to your members in the last 5 years is not a bad thing either.

That's something we have in common: we both like giving money back.

Like your members, energy has been front and center for me since I took office.

Since then, we have seen rolling blackouts and high priced electricity in California, the collapse of Enron, and natural gas price shocks.

We don't like those things and we especially don't like them here in Minnesota.

We like our energy available, affordable, and reliable.

The questions about our energy future require answers that are not from our energy past.

That's why my administration is leading the way in the promotion of renewable energy and conservation.

The Energy Bill I signed into law last year requires utilities to make a good faith effort to increase electric generation using renewables by 2015.

And, as you know, the Energy Bill also expands conservation in Minnesota.

Minnesota electric co-ops have some experience with conservation, like programs that help control heavy usage during those hot, humid days.

But conservation is not just for summer any more. It makes sense for every day of our energy future.

Your customers won't mind saving some money, but here is the big payoff:
For every dollar spent on conservation programs, about \$4 dollars are saved in electric costs.

And the current Conservation Improvement Program, or "CIP", is saving about 128 megawatts of demand per year in the Investor Owned utility service territories.

This is a tremendous impact, and amounts to avoiding the need to pay for a 640 megawatt power plant every five years.

That's real money that doesn't need to be spent on generation.

Make no mistake though - we will need more electricity in Minnesota by the end of the decade and conservation alone won't do it.

It's not a crisis, but we will need more energy because we continue to use more energy.

Some of that power is already available, including 900 megawatts from the peaking plants of Great River Energy.

As you know, I don't put my finger in the air to check on the direction of the political winds.

And I don't need to put my finger in the air to know that we have a lot of wind in Minnesota - some of which is not produced by the legislature.

The potential for wind power in Minnesota is huge-- in fact, our potential is 10 times greater than California.

We're ranked 9th in the lower 48 states for wind energy potential.

Minnesota is already one of the top states in the nation for producing electricity from wind. But we can do more and we should do more.

Last year, about 2 percent of Minnesota's total electric use came from wind.

My Commerce Commissioner Jim Bernstein has said that 10 percent should be our near term goal, and I agree.

There are more than 400 wind generators supplying more than 106,000 Minnesota households.

Almost all of those generators are on wind farms. You might have seen them in southwestern Minnesota...actually they are hard to miss.

Everywhere we go, from Buffalo Ridge to the Range, people say they want wind power ... and for good reason.

It's good for farmers,
it's good for consumers,
and it's good for the local economy.

When you ask about building a coal or nuclear power plant, people say "not in my back yard" - when you ask about wind energy, people say "yes, please put that in my back yard."

Farmers like it because they make money--up to \$3,000 for each turbine when they lease their land.

Commissioner Bernstein tells me that 7 out of 10 Minnesotans say they would prefer to purchase electricity that is generated by the wind and that number is supported by utility industry surveys as well as other studies.

Great River Energy knows its customers want wind power.

G-R-E broke new ground by building wind generation based on customer request.

They're up to 6 megawatts, with another 21 megawatts on the drawing board.

If everybody wants it, and it helps answer our need for energy, we should be doing more with it.

And in more places.

Instead of building huge power plants that serve several states, we should be building power where it's needed.

Distributed generation is making sense to Minnesota communities.

At a conference last year in St. Cloud, dozens of Minnesota counties and cities made it very clear to everyone who is listening ... they want to have control of their energy future.

The partnership between Hennepin County and the Green Institute to create an energy co-op in the Phillips Neighborhood is one example.



This is the first new energy co-op in nearly 50 years, and you might just see more.

That's because people, like the residents of the Phillips Neighborhood, now want to have a hand in energy planning.

The Phillips Energy Co-op will develop electric generation using renewable energy and streetlights powered by the sun.

It's the right thinking and the right time.

It helps them to be a self-sufficient, healthy, vital community, and that's what my BIG PLAN is all about.

My administration will continue to work hard on tough energy issues, because we won't be another California.

We will work hard to promote affordable, available, and reliable energy for all Minnesotans.

Thank you.