

Sent by email by Eli Zigas Jan 2006

Hello FTP Windy Kids (umm... how's that for a name?)!

I hope everyone's travels from Grinnell went well and that everyone has had time to enjoy some good food and family/friends. I also hope all of you are excited about the very distinct possibility that Grinnell will start producing its own clean and renewable wind energy! Nothing is for sure right now, but I really do believe that if we work on this, we can help make it happen.

This email has got a LOT of information – so you'll probably want to set aside some time to read it. There's a lot of important information and there are some things that require responses by Friday, so please read this thoroughly.

First of all, there are two things that have gotten me even more excited about being a Windy Kid.

Exhibit A) The attached logo. Designed by our very own Rachel Walberg, this hot piece of graphic design is, shall I say, sweeeeeeeeeeeet. We may not have done anything yet, but man will we look good when we do :)

Exhibit B) The new FTP website. See: <http://www.grinnell.edu/student/groups/ftp>. Designed by our very own Emily Stiever [stievere] and Lauren Taylor [taylorla] (during finals week no less!) Please take a moment to check out the site and send any comments, suggestions, criticisms, to Emily and Lauren. They're not able to update the website during break, but when we get back things can be fixed, expanded, and made even cooler.

**OK, now that you're excited, let's get down to business.**

Since the last FTP meetings, there have been a number of developments. The most important one is that the release of the Wind Committee's recommendations has been pushed back to the first week in January. So, President Osgood isn't getting anything until a few weeks from now, which means that we can't really start deciding on what position FTP will take, and getting petition signatures, until that happens. Which means that right now, the campus campaign is a little bit on the back burner until after New Years. But, the back burner doesn't mean that there's nothing to do. Listed below under the "Campus Wind Campaign" section are a series of things that each of you can do to help us be ready for launching the campaign when we need to.

On the front burner is another issue that has come up that I would argue is perhaps not as much of a priority as the campus campaign, but very important nonetheless. This is an issue with Alliant Energy, the electric utility company that services Grinnell. The problem is that because they are offering very poor contract terms related to any turbines the College might put up, the wind committee has been constrained to recommend that the College put up fewer or smaller turbines than the College otherwise might. This needs a little explanation:

If the College puts up one big turbine north of campus, that would produce approximately half the energy used on campus. Essentially, we would use all that energy and have no surplus. If the college puts up two big or three big turbines, however, it's possible that we'd cover 100% of our energy usage during some parts of the year, but then, at other times of the year, produce 150% of our energy use – that is, we'd be producing more energy than we were consuming – we'd have a surplus of wind energy.

If we produced surplus energy, we'd want to sell it back to the "grid". That is, we'd sell our surplus energy to Alliant and they would distribute it, through the power lines, to other people. Because of some good laws – called "net metering" laws – Alliant is required by the State of Iowa to buy back any surplus

energy we produce. But – they don't have to give us a lot of money for it. The law only says that they have to pay us "avoided cost" – in other words, Alliant can treat us like they treat any other company that owns a power plant and is selling them energy. Which means that even though we might buy our energy from Alliant at 4.5 cents per kilowatt-hour, if we had surplus to sell to them, they would only buy energy from us at 2.9 cents per kilowatt-hour. From what I'm told, the difference of fractions of cents over the 25 year life time of a wind turbine, can mean a difference of hundreds of thousands of dollars.

So, in summary, Alliant has to buy back any surplus energy we produce, but they don't have to give us a good price for it. And, in fact, after talking to Rick Whitney (at Grinnell's facilities management) who has been in negotiation with Alliant, the company is NOT offering Grinnell very good contract terms. They are offering us ridiculous terms. Rick has explained that Alliant energy has told that College that they want the College to sign a contract that essentially says, "Grinnell College agrees to sell its surplus wind energy to Alliant for the same price of 2.9 cents per kilowatt hour for the next 15-20 years." Alliant wants the College to agree to lock in a price for 15 to twenty years – and a very cheap price at that. This is ludicrous. It does not account for inflation, it does not account for the general rising costs of electricity, and it's a pretty low price to begin with. The fact that Alliant is offering such contract terms is bad enough.

But, the reason why I hope you all will care, is because Alliant's crappy contract offer had and continues to have a large impact on the College's analysis of how many wind turbines to put up. Rick Whitney told me that Alliant's poor contract offer is a huge factor in determining the economic feasibility of turbines at CERA and north of campus. There is a very good chance that if Alliant was offering more reasonable contract terms that the College would consider producing more wind energy (either at CERA or north of campus). That is, if the College knew that it would get a better deal for any surplus energy it produced, it might be more willing to build more (or larger) turbines. And, from the environmental perspective, that would mean more renewable energy would be going into the electricity grid, which would reduce green house gas emissions caused by other power plants, which would help alleviate the causes of climate change. Essentially, Alliant's poor contract terms means that Grinnell College is considering producing less renewable energy than it otherwise might, which means that the utility company is stifling a wind energy initiative that would benefit not just Grinnell College, but also society and the environment. And that's a problem.

It's also a problem that we, Grinnell College students, are in a unique position to address. Unlike Facilities management and general home customers, students do not have to maintain a working relationship with Alliant. We are not their customers. Facilities Management is also unable to take their business to another electric utility. Utilities in Iowa, so far as I understand it, are state-regulated monopolies. So – the College has to work with Alliant. Which means that if we want something to change, we need to work with Alliant.

Therefore, I propose the following plan, which I propose to call the "Fair Purchasing Campaign." All parts of this proposal are up for discussion (including the name :) and I would really love some feedback.

### **Fair Purchasing Campaign**

**Goal:** To get Alliant Energy to offer Grinnell College fair terms for purchasing any surplus renewable energy the College produces.

What does "fair" mean? That's a very good question. And I don't have the answer. There are a number of ways to define what a "fair" contract would be in this context. One way is to look at the contracts that other energy producers have and compare Alliant's offer to Grinnell to those contracts. That is – a "fair"

contract is one that is similar to the market standard. Another way to define a “fair” contract would be to use some other standard. For instance, we might conclude that a fair contract would include some stipulation that any price that is agreed on is adjusted throughout the years of the contract to keep pace with inflation – or maybe to keep pace with the trends of more general energy prices. For all you econ folk, a fair contract could be a contract that is indexed to a general price index or an energy price index. Or, maybe a fair contract is one where Alliant is willing to buy back our energy closer to the price that we pay to buy our energy from them. There are lots of questions that come with the word “fair”, but I think it’s a good framework to use.

And, I would argue, that Alliant’s current contract offer is unfair. Perhaps it’s silly to use moral language when we’re talking about business deals. But, really, Alliant’s contract offer is ridiculous, and not what I, and I think most people, would consider a fair deal. Having said that, this is definitely open for debate amongst ourselves:)

*So what would a “Fair Purchasing Campaign” involve?*

Step 1: We research the contract terms that other producers of surplus energy have with Alliant and other utility companies. Rick Whitney specifically told me that knowing this information would be helpful.

Step 2: We ask for an explanation from Alliant energy for why they offered the terms they did.

Step 3: If Alliant does not respond, or gives an unsatisfactory explanation (or multiple unsatisfactory explanations), we begin to escalate the campaign, a.k.a we raise a stink. We call Alliant out. We start talking to non-profits, we start talking to regulators, we start talking to our state legislators, we start talking to the press. Essentially, if Alliant doesn’t seem to be interested in having civil dialogue and actually responding to our concerns, we make it more in their interest to do so. We pressure them.

But step 3 is a big step and I personally don’t think we should take Step 3 until we have taken steps 1 and 2. And, step 3 would involve a LOT and we would have to decide if that’s where we wanted to focus our energies. I suggest we cross the Step 3 bridge only after we’ve taken our first steps :)

*You interested yet?*

I am willing to coordinate Step 1 – the research of contract terms that other energy providers have. But, I can not do this alone. For this to work, we need a good number of people making a lot of phone calls and writing emails in the next few weeks. I imagine each person would start researching 3-5 energy producers. For the most part, this means calling them, cajoling them, explaining things, writing emails back and forth, and generally being persistent and diplomatic. It’s not pretty work, but it could pay off big and be really useful information.

**If you are interested in doing the research for Step 1– please, email me [zigaseli] by Friday, December 23<sup>rd</sup> to tell me that you’re interested.**

Once I hear who is interested, I will probably arrange a conference call or something else so that we can all get on the same page before we do the research.

**Campus Wind Campaign**

Aside from this issue with Alliant, there is still work to be done to get Grinnell to actually follow the recommendations of the Wind Energy committee (when they come out). So far I've envisioned that we would have a petition and possibly also a full page ad in the S&B when we got back to the campus calling on the administration and trustees to support wind energy (and whatever stance FTP decides to take). We could also consider a letter writing campaign or many other things. If any of you have ideas, please speak up.

Right now, however, there are some things that would be helpful that each of you can do:

a) Come up with a list of all the alumni you know and get their email addresses. Ask your family friends, your parents, your teachers ... anyone. Compile a list (or multiple lists) and be ready to send out an email to those people in January asking them to support our effort.

b) Check out the draft of the petition site: <http://www.ipetitions.com/campaigns/grinnellwind/>  
I would love any feedback. Especially, if you think it'd be important to collect some information that's not already listed, let me know.

### **Finally – a note about Pioneerweb/Blackboard**

If you log onto Pioneerweb, each of you should notice that under the category of "My Organizations" you will see a "Free the Planet" link. Go to that site and start poking around. Feel free to start discussion board threads. You'll notice that I've added some links in the "information section" and that there is some other cool stuff up there. I've also posted this entire email up there. We will probably use blackboard quite a bit more once things start rolling.

### **So to recap ... please:**

- a) Let me know by Friday if you want to do some research on contract terms
- b) Starting collecting email addresses of alumni you have connections to
- c) Check out the website, the petition site, and the blackboard site and give feedback to Emily, Lauren, and me.
- d) Let me know if you have any comments, concerns, criticisms, ideas, suggestions, etc.

And, most importantly,

- e) GET PUMPED. I really think this is going to be a fun initiative!

Happy Tuesday!

--Eli

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Eli Zigas

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202.686.5019 (in case anyone wants to call me at home :)