

State of South Dakota

EIGHTY-THIRD SESSION
LEGISLATIVE ASSEMBLY, 2008

561P0539

SENATE BILL NO. 168

Introduced by: Senators Maher, Bartling, Gray, and Peterson (Jim) and Representatives Nelson, Bradford, Dennert, Hargens, Kirkeby, Lucas, Olson (Betty), and Rausch

1 FOR AN ACT ENTITLED, An Act to provide for the development and financing of certain
2 wind energy projects by school districts.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That chapter 13-19 be amended by adding thereto a NEW SECTION to read as
5 follows:

6 Any school district may construct, acquire, own in whole or in part, operate, and sell and
7 retain and spend the payment received from selling energy from a wind energy conversion
8 system. The board's share of the installed capacity of the wind energy conversion systems
9 authorized by this section may not exceed three and three tenths megawatts of nameplate
10 capacity. Any school district owning, operating, or selling energy from a wind energy
11 conversion system shall integrate information about wind energy conversion systems into its
12 educational programming. For purposes of this section, the term, wind energy conversion
13 system, means any device, such as a wind charger, windmill, or wind turbine, that converts wind
14 energy to a form of usable energy.



1 Section 2. That § 1-16I-3 be amended to read as follows:

2 1-16I-3. The authority may provide for the financing, construction, development,
3 maintenance, and operation of new or upgraded energy transmission facilities or any wind
4 energy conversion system associated with a school district as provided in sections 1 and 3 of this
5 Act. The authority may own, lease, or rent such facilities. The authority may enter into
6 partnerships with public and private entities to develop and operate such facilities.

7 Section 3. That chapter 1-16I be amended by adding thereto a NEW SECTION to read as
8 follows:

9 The authority may undertake any wind energy conversion system project authorized pursuant
10 to section 1 of this Act for the benefit of one or more school districts and may issue its bonds
11 to finance the cost of the project, all to the same extent and subject to the same provisions
12 applicable to the undertaking and financing of other facilities under this chapter. The authority
13 may make loans and grants to, and enter into financing agreements with, any school district for
14 the costs incurred in connection with the development, construction, acquisition, improvement,
15 maintenance, operation, or decommissioning of a wind energy conversion system authorized
16 pursuant to section 1 of this Act, or for the maintenance of the physical or structural integrity
17 of real or personal property incorporated or which may be incorporated into the facility, in
18 accordance with a written agreement between the authority and the school district. No such loan
19 or grant may exceed the total cost of the facility as determined by the school district and
20 approved by the authority.

21 Section 4. That chapter 49-1A be amended by adding thereto a NEW SECTION to read as
22 follows:

23 Any public utility is entitled to a credit against taxes due pursuant to § 49-1A-3 for a portion
24 of the cost of electricity purchased by the public utility from a school district and generated by

1 a wind energy conversion system owned by the school district. The amount of the credit is equal
2 to the number of kilowatt hours of electricity purchased, times the purchase price paid per
3 kilowatt hour minus the avoided cost of electricity. For purposes of this section, the term,
4 avoided cost of electricity, means the cost per kilowatt hour for electricity produced by the
5 public utility or purchased by the public utility in the open market, whichever is less. For
6 purposes of this section, the term, purchase price paid per kilowatt hour, means the price per
7 kilowatt hour for electricity paid by the public utility to the school district.