

# Saint Paul Port Authority



## **FINANCING POTENTIAL ANAEROBIC DIGESTION FACILITIES**

Legislative Energy Commission

September 16, 2014

# Saint Paul Port Authority Energy Programs

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- Trillion BTU (TBTU)
- Property Assessed Clean Energy (PACE)
- Energy Savings Partnership (ESP)
- Anaerobic Digestion Facilities (AD)

# Trillion BTU Results

- \$5,000,000 of ARRA Funds – Legislature
- 70 Projects
- \$30,000,000 of Project Costs
- \$5,500,000 Annual Savings
- 500,000,000,000 BTUs Saved Cumulatively
- 700 Jobs Retained
- 300 Construction Jobs Created
- \$0 Lost to Non-Payment

# PACE OF MINNESOTA

- State Wide
  - ▶ 24 Joint Powers Agreements with Port Authority
    - Cities: Minneapolis, Duluth, Mankato, etc.
    - Counties: Sherburne, Wright, Becker, etc.
  
- 12 Approved Projects – Mostly Solar
  
- \$4,000,000 of Project Costs
  
- Niches:
  - ▶ Renewable Energy
  - ▶ Multi-Tenant Buildings
  - ▶ Not-for-Profits

# Energy Savings Partnership

- Local Government Buildings
- Cities, Counties, School Districts, etc.
- Energy Efficiency and Renewables
- 3 Funded Projects - \$2,500,000
- Guaranteed Energy Savings Project  
- Just Starting

# Anaerobic Digestion Projects Funded by Saint Paul Port Authority

<u>Completed Project:</u>					
Liberty Paper	Becker, MN	Paper Fiber	\$11M	Electricity	
<u>Likely 2015 Projects:</u>					
Sanimax	S. St. Paul, MN	MSW Organic Waste	\$35M	Biodiesel	
Randy's Sanitation	Delano, MN	MSW Organic Waste	\$35M	CNG	
Michael Foods	Chaska, MN	Potato Waste	\$10M	Biogas	
<u>Other Potential Projects:</u>					
Rembrandt Farms	Renville, MN	Egg and Sugar Beets	\$30M	Fertilizer	
City of Austin	Austin, MN	Packing Plant Waste	\$20M	Biogas	
American Crystal Sugar	E. Grand Forks, MN	Sugar Beets	\$20M	Biogas	
Met Council	Saint Paul, MN	Waste Water Treatment	\$30M	Biogas	
Rock-Tenn	Saint Paul, MN	Paper Fiber	\$10M	Biogas	

# Saint Paul Port Authority Proposal

The State of Minnesota should create a \$20,000,000 investment fund that would be utilized as gap financing for anaerobic digestion projects throughout Minnesota.

## Details:

The investment fund would leverage \$80,000,000 of private capital to construct four to five anaerobic digesters affiliated with large industrial producers of organic waste. The biogas produced from the digesters would be used to produce electricity, biodiesel or offset natural gas use. The benefits derived from these projects would be both environmental and economic including:

# Saint Paul Port Authority Proposal

- The production of approximately one trillion btus of renewable energy.
- Expand the current capacity of the local waste water treatment facilities without a capital investment.
- Greatly reducing the energy use at the waste water treatment facilities.
- The creation of over 1000 FTE construction jobs.
- The creation of over 10 FTE ongoing operational jobs.
- The generation of \$7,000,000 of new revenue to the State within one year, that would not occur but for these projects, through sales tax and payroll taxes.
- The \$20,000,000 investment would be paid back to the State within five years of each investment.



# Saint Paul Port Authority

## Summary:

- \$20,000,000 Public Investment
- \$100,000,000 of Projects
- \$7,000,000 of New State Revenue
- \$20,000,000 Paid Back in Five Years
- 25% Net Present Value Return on Investment