

The Rosebud Sioux Tribe

Testimony of Mr. Rodney M. Bordeaux, President,
Rosebud Sioux Tribe.

(As given by Ms. Patricia Douville, Council Member of the Rosebud Sioux Tribe.)

SUBCOMMITTEE HEARING on regulatory barriers to American Indian Job Creation.

Thursday, April 7, 2011
1:30 PM
Rayburn HOB – Room 2154

Good afternoon Chairman and Committee Members. On behalf of President Rodney Bordeaux, the Rosebud Sioux Tribe and the Sicangu Lakota Oyate, I would like to thank you for convening this hearing on regulatory barriers to American Indian Job Creation. My name is Patricia Douville and I am a member of the Tribal Council of the Rosebud Sioux Tribe and will testify today in that capacity.

The Rosebud Sioux Indian Reservation is located in South Central South Dakota. Our reservation consists of 900,000 plus acres of rolling prairie grasslands, rich for agricultural production and filled with other natural resources. We are one of the Seven Bands of Lakota that have survived in the Northern Great Plains from the natural resources given to us by Tunkashila, “Grandfather”, through our Unci Ma’koce, “Grandmother Earth.”

President Bordeaux has now presided for 6 years, three terms, the weight of his position bears heavy upon his heart. We have seen entirely too much poverty and tragedy on a daily basis among our people. This unrelenting poverty has caused many social ills and issues to become so pronounced that an air of hopelessness exists on the reservation, especially within our youth.

According to the 2010 Census the Rosebud Reservation lies in the fifth poorest county in our nation. With your help, we intend to change this.

The natural resources here are many and we do use these resources to the best of our ability, from grazing cattle to some farming leases along with some timber production. In the future, we look to building our economy from the renewable energy that our natural resources provide us, from wind development, hydropower, geothermal to biomass into fuels.

We have been exploring the potential of wind power since 1998, and in March of 2003, we did commission a 750kW, Neg Micon turbine capable of providing enough electricity for about 200 homes annually. This effort was accomplished through the assistance of a Department of Energy Grant and a Rural Utility Service Loan through United States Department of Agriculture. The Rosebud Sioux Tribe accomplished the goal of having the first commercial sale of wind energy by a tribal government in the United States and I am very proud to state this. Our partners in this accomplishment were Distributed Generation Incorporated of Lakewood, Colorado (DISGEN Inc.) and the Intertribal Council on Utility Policy, (ICOUP).

We continued our partnership with DISGEN and with their assistance we applied for and were awarded a \$441,000 DOE grant in 2003, to conduct all of the pre-construction activities to develop a 30 Megawatt wind farm near the town of St. Francis, South Dakota on tribal trust lands, called the Owl Feather War Bonnet Wind Farm. In 2008, 5 long years since the award, a FONSI, a Findings of No Significant Impact, was issued by the Bureau of Indian Affairs, and a Grant of Use and Lease Agreement with DISGEN and Owl Feather War Bonnet Wind Farm LLC, was also approved by the BIA and the Tribe. Through what seemed to be some insurmountable hurdles, we have had a shovel ready wind farm project since August 2008.

The remaining issue to overcome is the Power Purchase Agreement, the PPA, and this issue has severely tested the expertise of our developer, Dale Osborn of DISGEN, due to the uniqueness of project being on tribal trust lands and the long distances to electrical loads. Timing is an important issue in this matter and a project needs to be ready when an RFP is posted. If the BIA did not take 18

months approving the Grant and Lease Agreement, the project could be operating and making a sorely needed revenue stream for the Tribe.

We had two draft PPA's in hand but due to the lack of wind experience within the BIA and the BIA extending time frames, the RFP's for renewable energy from Basin Electric and then Nebraska Public Power District (NPPD) had expired. DISGEN's efforts to make this project succeed are undeniable and they have in my view exhausted all efforts to work with Nebraska Public Power Company and the South West Power Pool to respond to all RFP's applicable. Unless we sell directly to NPPD, the project cannot get built. Selling beyond NPPD, wheeling and tariff fees will drive the economics beyond the cost to build and repay the project, plus royalties. It is estimated that we can build this project at \$66 million if the project can secure a PPA at 4.5 cents a kwh, escalating at 2.5% annually with no wheeling or tariff fee imposed and only if we sell to NPPD. We are in the queue for this project on the NPPD 115kv line that runs from Mission South Dakota directly through the project site and down into Nebraska.

I present to you the Project Description provided by our Developer DISGEN Inc.

Owl Feather War Bonnet LLC (OFWB) proposes to develop, construct and operate a 30 MW wind facility to be located on Rosebud Sioux Tribal Trust Land on the Rosebud Indian Reservation. OFWB is solely owned by Distributed Generation Systems, Inc. (Disgen) in Colorado. The US Department of the Interior's Bureau of Indian Affairs (BIA) is the lead Trust Authority for this project and both the Tribe and BIA have authorized the 35 year Rights of Use easement for a wind energy project.

- An existing 115kV Nebraska Public Power District (NPPD) transmission line crosses the project area along with an existing substation serving the local cooperative. The transmission line is connected to the Mission Substation owned by the Western Area Power Administration (WAPA) to the north, and continues south into Nebraska to the Harmony Substation and beyond. NPPD has conducted transmission studies that support this project for up 30MW. **See Exhibit 1.**
- OFWB is located on Tribal Trust Land and permitting with the BIA has been **completed** under the National Environmental Policy Act (NEPA). Disgen completed and submitted an Environmental Assessment (EA) document for

review by all the parties in December 2007. BIA issued a Finding of No Significant Impact (FONSI) on January 24, 2008. Under the guidelines of 7 CFR Part 1794.14 and 1784.71, OFWB believes that all of the Federal Actions under NEPA have been satisfied.

- A wind resource assessment has been prepared for the OFWB. Five (5) years of wind speed data (5/15/2001 – 5/14/2006) were collected at the site and used to prepare the assessment. The project is projected to generate over 120,000 MWh using an American Manufactured Vestas V90 wind turbine.

Project Needs

A power purchase agreement (PPA) is the only remaining significant issue that needs to be completed for OFWB. OFWB has identified three federal energy buyers that may apply “Double RECs” points toward the Renewable Energy Goals of the Energy Policy Act of 2005

1. Any **Federal Agencies** through the WAPA system that could take the energy from the St Francis Substation.
2. **Omaha Public Power District** that could sell the energy and renewable energy certificates to the Offutt Air Force base.
3. **NPPD** that could sell the energy and RECs to their federal customers.

The project can be constructed by end of 2011.

The Federal Government can make this project happen if Trust Responsibility is exercised in good faith. You have a unique opportunity in this project to make this happen. We are not asking for monies to fund this project, we are asking the Federal Government to assist us in this effort to secure a PPA, help us find this path.

Will you live up to the Doctrine of Trust Responsibility in helping us help ourselves in building our economy? Give respect to our ancestors who signed the treaties in good faith. This is all we ask.

The Rosebud Sioux Tribe intends to utilize the revenue stream from our commercial wind efforts to teach energy education, energy efficiency, and energy independence by using our natural resources to help our people and the tribe build self-sustainable businesses from these renewable energy sources.

The dollars brought forth will address our people's drastic need to upgrade our existing houses into energy efficient houses with renewable energy devices attached, to lessen our dependence on the larger electrical grid along with employment and businesses for our people.

Thank you for your time.

Exhibit 1.

Provided by DISGEN Inc.

