

**State of Iowa
Iowa Energy Center Board
Meeting Minutes of September 30, 2021
Via Teams Webinar
Or at IEDA, 1963 Bell Avenue, Suite 200
Des Moines, Iowa**

Call to order 3:00 p.m.

Board Members Present

Troy DeJoode, Board Chair*
Dan Nickey, Board Vice Chair*
Stuart Anderson*
Jennifer Johnson*
Gul Kremer-Okudan*
Jenae Jenison*
Debi Durham*
Geri Huser*
Craig Just*
Rick Olesen*

Board Members Absent

Terry Kouba
Valerie Newhouse

Iowa Economic Development Authority Staff Present

Brian Selinger*
Amber Buckingham*
Stephanie Weisenbach*
Lisa Connell*
Terry Roberson*
Betty Hessing*
Kanan Kappelman*
Emily Hockins*
Deanna Triplett*
Vicky Clinkscales*
Alaina Santizo*

Others Present

Derek Folden, Iowa Finance Authority*
Brenda Biddle, Iowa Utilities Board*
Jessica Flannery, Caucus Secretary for the Iowa House of Representatives,
Democratic Research Staff at Iowa Legislature*
Jeff Gorrie, Iowa Association of Municipal Utilities*
515-669-5993*

*Participated via Teams Webinar

Welcome & Introductions by Board Chair Troy DeJoode

Troy DeJoode welcomed everyone to the September 30th IEC Special Board meeting. Troy DeJoode stated that Tim Whipple now works for the Iowa Association of Municipal Utilities and has submitted his resignation from the Iowa Energy Center Board.

Roll Call

Betty Hessing did roll call and a quorum was established.

Consideration of August 5, 2021 Meeting Minutes

Motion by Geri Huser
Motion I move approval of the August 5, 2021 minutes.
Second Rick Olesen
Voice Vote All ayes in favor. Motion approved.

Public Comment Period – No comments.

Fiscal Update – Attachment A

Terry Roberson stated that the most recent report you have before you today is the final State Fiscal Year 2021 Report. You can see that at the end of the year in the main account or the grant account, we have \$15.4M. However, in early August there was approximately \$2.9M in grants awarded, which brings our available funding down to \$12.5M. On the loan program, we will have approximately just over \$14.1M to move into the new alternative energy loan program. Mr. Roberson asked if there were any questions; no questions were asked.

Energy Infrastructure Revolving Loan Program (EIRLP) – EIRLP Update –

Stephanie Weisenbach thanked everyone who has been involved in collaborating with us in developing the new Energy Infrastructure Revolving Loan Program. We plan to open this program for applications on October 1st. IEDA will issue a press release about the program opening for applications and we will be able to resume other marketing efforts as well. Over a week ago, we E-mailed stakeholders to inform them of the timeline of the program opening. The application will be in IowaGrants.gov and it will remain open after each of the deadlines, just like the previous program, but we will have those deadlines in order to have applications considered at the next full IEC Board meeting. We have three application rounds which we have posted publicly on the website. The first has a deadline of October 22, 2021, with the first potential awards to be considered at the November 18, 2021 Board meeting. The second round will have a deadline of January 20, 2022, with potential awards being considered at the February 17, 2022 Board meeting, and the third round will have a deadline of April 14, 2022 with potential awards being considered at the May 12, 2022 Board meeting. We will be expanding other outreach to stakeholders and are pursuing any opportunities to speak at conferences and that includes an upcoming meeting with managers of the Rural Electric Cooperative. Stephanie Weisenbach asked if there were questions, but there were no questions.

Adoption of Amendments to 261 Iowa Administrative Code Chapters 403 and 405 and a new Chapter 406, Energy Infrastructure Revolving Loan Program – Attachment B

Lisa Connell explained the rule changes as well as a new rule chapter. The amendments relate to the rules regarding the committees of this board and also clarifies the discontinuation of the prior loan program and then the new chapter implements the new program. You saw these for the first time in August. After that approval made in August, there was a Notice of Intended Action which was

published on August 25. We did not receive any formal public comments, but Stephanie has continued her stakeholder engagement since publication of the notice resulting in the following proposed changes:

- (1) Remove foreign-owned businesses from the list of ineligible borrowers;
- (2) Include borrower labor related to site prep, construction, or installation as an eligible cost and clarify that other/unrelated employee salaries are not eligible costs.

Lisa Connell stated if this Board approves the rules, she will file them today and they will become effective today and that then allows us that program launch starting October 1st. Ms. Connell asked if there were any questions about the rules in general; no questions were asked.

Motion by Stuart Anderson
Motion I move to adopt amendments to 261 Iowa Administrative Code Chapters 403 and 405 and proposing a new Chapter 406, Energy Infrastructure Revolving Loan Program.

Second Dr. Craig Just
Voice Vote All ayes in favor. Motion approved.

Approve Policies and Procedures for EIRLP – Attachment C

Stephanie Weisenbach explained we have policies and procedures before you today that are required based on the rules that you have approved and these policies and procedures outline some factors and details from the rules for applicants and others to have available as a kind of lay person friendly document, in addition to some other limitations that the board may want to have in place. IEDA staff have drafted policies and procedures that fulfill the following requirements.

1. The IEC Board may approve up to \$5 million in new loans per quarter.
2. Three scoring criteria were established on economic impact, creative or innovative approach, and the need for assistance to reduce project risk. Any project funded would need to demonstrate at least one of these criteria can be met, but the criteria will be used if demand for loans exceeds funds allocated.
3. The IEC will offer a 2% interest rate to applicants. Any deviation from this rate will be part of the Loan Committee's recommendation to the IEC Board and determined by specified factors such as the loan term, project risk or cash flow.

We have met with the loan committee and discussed the policies and procedures and when they are completed and finalized, they will be posted to the program webpage and also available to applicants on IowaGrants.gov. Stephanie Weisenbach went through the Policies and Procedures Handbook. Ms. Weisenbach asked if anyone had any questions or comments but there were no questions or comments.

Motion by Gul Kremer-Okudan
Motion I move to approve EIRLP Policies and Procedures dated September 30, 2021.

Second Rick Olesen
Voice Vote All ayes in favor. Motion approved.

Appointment to Loan Committee – Attachment D

Lisa Connell stated that Dr. Craig Just was appointed to the Board in July 2021 and is willing to serve as a member of the loan committee.

Motion by Dan Nickey
Motion I move to appoint Dr. Craig Just to the loan committee through June 30, 2022.
Second Rick Olesen
Voice Vote All ayes in favor. Motion approved.

Competitive Grant Program

Grant Modification Request – 17-IEC-015 – Attachment E

Amber Buckingham explained that we received a request from Iowa State University to amend our last inherited grant which is 17-IEC-015, Rapid Autothermal Pyrolysis of Lignocellulose Wastes to Sugars and Other Biobased Products. The graduated student working on this project graduated in May 2021 and this project is slated to end December 31, 2021, so ISU feels it's too late for another student to step into the project and get up-to-speed before the end date. Iowa State University would like to use a staff engineer and scientist to complete the work originally assigned to the graduated student.

ISU is requesting to move a total of \$22,301 from the student tuition line item to the following line items: salaries and wages (\$1,000), payroll benefits (\$7,950) and supplies/materials \$13,350). This request is considered substantive (over \$10,000) and therefore requires Board approval. Staff recommends approving the amendments to 17-IEC-015; moving the requested funds from student tuition to salaries and wages, payroll benefits and supplies/materials.

Motion by Dan Nickey
Motion I move to approve amendment to 17-IEC-015.
Second Craig Just
Voice Vote All ayes in favor. Motion approved.

Other Business

Troy DeJoode asked Brian Selinger to give an Energy Office update.

Energy Office Updates

Brian Selinger thanked the Board for joining us today for a Special Board meeting in between the Quarterly Board meeting. We appreciate your time and effort here.

Brian Selinger stated that as it relates to the Governor's Iowa Carbon Sequestration Task Force, another thank you to those Board members who are either members of a workgroup or the Task Force. There have been numerous meetings and more meetings that are scheduled, but I am really seeing some interesting synergies and ideas on potential policies and strategies that are coming forward and we are going to continue to refine and get that down to a place where we think makes the most sense to take to action. Kudos again for what you are doing, and we will keep the Board posted as well.

For the November 18th Board meeting, we would love to have you guys come in-person to our building, if you feel comfortable. If you feel more comfortable doing it virtually, that's fine as well. I'm looking forward to seeing you guys soon.

Next Quarterly Board Meeting November 18, 2021 at 1:00 p.m. at IEDA,
1963 Bell Avenue, Suite 200, Des Moines or
via Teams Webinar

Chairperson DeJoode asked for a motion to adjourn.

Motion by Geri Huser

Motion I move to adjourn.

Second Rick Olesen

Adjournment 3:28 p.m.

Respectfully Submitted,
Betty Helsing, Administrative Assistant

ATTACHMENT A

IEDA									
Financial Report									
Iowa Energy Center									
Fiscal Year 2021									
June 30, 2021 (FINAL)									
	IEC MAIN ACCT			IEC/AEL LOAN ACCT					
	Admin	Projects	Total Fund	Admin	Projects	Total Fund	IEDA NOTES REC	OCT 1 2017 NOTES REC	
<u>Revenue</u>									
Cash Balance Forward	350,000	14,732,026	15,082,026	0	14,014,255	14,014,255	1,374,816	3,483,264	
FY21 IUB Transfer	0	6,440,440	6,440,440	0	0	0		0	
Principal Repayments YTD	0	0	0	0	1,868,260	1,868,260	(147,002)	(1,721,258)	
Interest Revenue	0	35,928	35,928	15,834	15,834	31,668		0	
Other Revenue YTD	0	0	0	0	0	0		0	
Deappropriations	0	0	0	0	0	0		0	
Transfers	0	0	0	0	0	0		0	
Total Revenue YTD	350,000	21,208,394	21,558,394	15,834	15,898,349	15,914,183	1,227,814	1,762,006	
<u>Expenses</u>									
Administration YTD	(275,792)	0	(275,792)	(10,291)	0	(10,291)			
Project Payouts YTD	0	(800,281)	(800,281)	0	(1,374,817)	(1,374,817)			
Leg Auth Transfers (18 Acts Ch 1172 Sec 91)			0			0			
Total Expense YTD	(275,792)	(800,281)	(1,076,073)	(10,291)	(1,374,817)	(1,385,108)			
<u>Obligations</u>									
Obligations C/F	0	3,076,832	3,076,832	0	1,600,091	1,600,091			
Current Year Obligations	0	2,721,102	2,721,102	0	260,447	260,447			
Current Year Rescissions			0		(64,375)	(64,375)			
Current Year Payouts	0	(800,281)	(800,281)	0	(1,374,817)	(1,374,817)			
Balance of Current Year Admin	74,208	0	74,208	5,543	0	5,543			
Net Obligations YTD	74,208	4,997,653	5,071,861	5,543	421,346	426,889			
Balance Available	0	15,410,460	15,410,460	0	14,102,186	14,102,186			

ATTACHMENT B

ACTION

REPORT
IOWA ENERGY CENTER BOARD
September 2021

From: Legal

Subject: Proposed Administrative Rulemaking - Approval to Adopt amendments to 261 Iowa Administrative Code chapters 403 and 405 and a new chapter 406, Energy Infrastructure Revolving Loan Program

Pursuant to 2021 Iowa Acts, Senate File 619, Division XII, the Iowa energy center shall not initiate any new loans under the Alternate Energy Revolving Loan Program (AERLP) after June 30, 2021. The legislation further directs the energy center to establish and administer an Energy Infrastructure Revolving Loan Program (EIRLP). The purpose of the new program is to provide financial assistance to projects used for, or useful for, electricity or gas generation, transmission, storage, distribution, electric grid modernization; energy-sector workforce development; emergency preparedness for rural and underserved areas; the expansion of biomass, biogas, and renewable natural gas; innovative technologies; and the development of infrastructure for alternative fuel vehicles.

Eligible borrowers for the EIRLP are Iowa businesses, rural electric cooperatives and municipal utilities. The loan committee will review the applications and staff recommendations and then make recommendations to the board. The board will approve, defer, or deny applications for loans. The proposed amendments to chapter 403, Iowa Energy Center to correct contact information for the energy center and clarify the responsibilities of the grant and loan committees. The proposed amendments to chapter 405, Alternate Energy Revolving Loan Program rescind rules related to the application process for the AERLP and clarify that the program has been discontinued.

A notice of intended action was published August 25, 2021. Although no formal public comments were received, staff has continued stakeholder engagement since publication of the notice resulting in the following proposed changes:

- Remove foreign-owned businesses from the list of ineligible borrowers
 - Include borrower labor related to site prep, construction, or installation as an eligible cost and clarify that other/unrelated employee salaries are not eligible costs
-

Proposed Motion: **Adopt amendments to 261 Iowa Administrative Code chapters 403 and 405 and proposing a new chapter 406, Energy Infrastructure Revolving Loan Program**

Submitted By: Lisa Connell, Assistant Legal Counsel

Attachments: Proposed administrative rules

The following rule-making actions are proposed:

ITEM 1. Amend rule ~~261—403.2(15)~~, definition of “Internet site,” as follows:

“Internet site” means the information and related content maintained by the authority and found at ~~www.iowaeconomicdevelopment.com~~ www.iowaeda.com. “Internet site” may include content at affiliated sites whose content is integrated with that site, ~~including the Iowa energy center website.~~

ITEM 2. Amend paragraph ~~403.3(5)~~“a” as follows:

a Meetings of the board are held at the call of the chairperson or when two members of the board request a meeting. The board generally meets quarterly at the authority’s offices ~~located at 200 East Grand Avenue in Des Moines, Iowa~~. By notice of the regularly published meeting agendas, the board and its committees may hold regular or special meetings at other locations within the state. Meeting agendas are available on the authority’s ~~website~~ Internet site.

ITEM 3. Amend subrule 403.3(6) as follows:

403.3(6) Committees The board may, from time to time, establish advisory committees for purposes of overseeing the center, its programs, and its operations. Such committees include but are not limited to the following:

a A grant committee, the purpose of which shall be to assist the board in making and administering awards of grants under the center’s programs.

(1) to (4) No change.

~~(5) Meetings of the grant committee are held at the call of the chairperson.~~

b A loan committee, the purpose of which shall be to assist the board in making and administering loan awards under the center’s programs, including the alternate energy revolving loan program and energy infrastructure revolving loan program.

(1) to (4) No change.

~~(5) Meetings of the loan committee are held at the call of the chairperson.~~

ITEM 4. Rescind and reserve rule ~~261—405.6(15)~~.

ITEM 5. Adopt the following new rule 261—405.8(15):

261—405.8(15) Applicability after June 30, 2021.

405.8(1) Pursuant to 2021 Iowa Acts, Senate File 619, the authority shall not initiate any new loans under the alternate energy revolving loan program after June 30, 2021.

405.8(2) To the extent allowed by other provisions of law, the rules adopted in this chapter shall continue to apply to agreements entered into on or before June 30, 2021.

ITEM 6. Adopt the following new 261—Chapter 406:

CHAPTER 406

ENERGY INFRASTRUCTURE REVOLVING LOAN PROGRAM

261—406.1(15,476) Definitions.

“Affiliates” means any entity which directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with another entity or person. “Control” as used in this definition means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an enterprise through ownership, by contract or otherwise. A voting interest of 10 percent or more creates a rebuttable presumption of control.

“Authority” means the economic development authority created in Iowa Code section 15.105.

“Board” means the governing board of the Iowa energy center established pursuant to Iowa Code section 15.120(2).

“Borrower” means an applicant for the program that is approved for a loan or forgivable loan.

“Energy infrastructure” means the same as defined in Iowa Code section 476.46A(3)“a” as enacted by 2021 Iowa Acts, Senate File 619, section 33.

“Iowa energy center” or “IEC” means the Iowa energy center created within the economic

development authority pursuant to Iowa Code section 15.120.

“*Loan*” means an award of assistance with the requirement that the award be repaid with term, interest rate, and other conditions specified as part of the conditions of the award.

“*Loan committee*” means the committee of the board established to review loan applications pursuant to 261—paragraph 403.3(6) “*b*”

“*Program*” means the energy infrastructure revolving loan program administered pursuant to Iowa Code section 476 46A as enacted by 2021 Iowa Acts, Senate File 619, section 33, and this chapter

“*Project*” means an activity or set of activities directly related to energy infrastructure, and proposed in an application by a borrower, that will result in the accomplishment of the goals of the program

261—406.2(15,476) Policies and procedures handbook. The authority will prepare a policies and procedures handbook for the program for approval by the board. The board will review the policies and procedures handbook at least once annually and will establish its priorities for program funds. The policies and procedures shall include the amount of program funds to be allocated for each application cycle, scoring criteria to be used if the demand for loans exceeds the amount allocated for any application cycle, and the applicable interest rate or rates for approved loans. The policies and procedures handbook may include additional limitations and expectations for specific eligible project types.

261—406.3(15,476) Loan amounts and terms.

406.3(1) The minimum loan amount is \$50,000 per project.

406.3(2) The board shall not lend more than 75 percent of total project costs for any project type. For purposes of determining the amount the board may lend pursuant to this subrule, total project costs include eligible costs pursuant to subrule 406.6(1) as well as feasibility studies, engineering and final design, permitting and regulatory costs, or other costs determined by the board to be necessary to the development of energy infrastructure. The board may determine a higher percentage of funds that must be matched by the borrower that is applicable to specific project types as outlined in the policies and procedures approved pursuant to rule 261—406.2(15,476).

406.3(3) The board shall not issue a loan that exceeds the value of the collateral provided.

406.3(4) The board will accept security for a loan. The following forms of collateral will be accepted:

- a* Real property
- b* Dedicated certificate of deposit.
- c* Irrevocable letter of credit.
- d* Corporate guarantee.
- e* Utility revenue or reserve funds, if applicable.
- f* Other forms of collateral if approved by the board, and only if the forms of collateral listed in paragraphs 406.3(4) “*a*” to “*e*” are inadequate.

406.3(5) The board may consider the borrower’s credit rating in determining what form of collateral is acceptable

406.3(6) The duration of the loan shall not be more than 15 years. If applicable, the board may consider the projected payback date of the project in determining the duration of the loan.

406.3(7) The interest rate shall not exceed the Wall Street Journal prime rate as of the date of approval.

261—406.4(15,476) Eligible and ineligible borrowers.

406.4(1) Eligible borrowers Eligible borrowers include

- a* Businesses incorporated or organized in Iowa or authorized to do business in Iowa, including businesses operated as sole proprietorships with a registered trade name;
- b* Rural electric cooperatives; and

c. Municipal utilities.

406.4(2) Ineligible borrowers. Ineligible borrowers include:

a. A business that is not located in or operating in Iowa. A business that will be located and operating in Iowa upon completion of an eligible project may be eligible.

~~b. A business owned by a nonresident alien individual, foreign corporation, foreign partnership, foreign trust, foreign estate, or any other person that is not a domestic person or entity for federal tax purposes.~~

eb. An individual or an organization with a history of defaulted loans or compliance violations with other state programs or rules.

ec. Regents institutions.

ed. Community colleges.

fe. State agencies.

gf. Cities, except municipal utilities that are eligible borrowers pursuant to paragraph 406.4(1)“c.”

hg. Counties.

ih. School districts.

ji. Nonprofit organizations.

261—406.5(15,476) Eligible and ineligible projects.

406.5(1) A proposed project must meet the following criteria to be eligible for a loan under this program:

a. The project shall be located in Iowa or be for the primary use or benefit of Iowans. If any portion of the project is located outside of Iowa, the applicant bears the burden of demonstrating that the project as a whole will be for the primary use or benefit of Iowans.

b. The project shall develop energy infrastructure as defined in Iowa Code section 476.46A(3)“a” as enacted by 2021 Iowa Acts, Senate File 619, section 33.

c. The borrower shall be the owner, contract purchaser, lessee, or other interest holder of the real property where the project is located.

406.5(2) A project that generates energy for use only at a borrower’s personal residence is not an eligible project.

261—406.6(15,476) Eligible and ineligible costs.

406.6(1) Eligible costs. Examples of project costs that are eligible for financial assistance include, but are not limited to:

a. Real and personal property comprising a project.

b. Materials and equipment required for necessary site preparation, construction and installation of a project.

c. Labor for site preparation, construction and installation of a project. ~~Only labor that is performed by a third party such as an independent contractor will be considered an eligible cost.~~

d. Costs associated with maintenance, operation or repair of a project during the term of the loan.

406.6(2) Ineligible costs. Examples of project costs that are not eligible for financial assistance include, but are not limited to:

a. Administrative costs or employee salaries of the borrower or any affiliates that are not associated with site preparation, construction and installation of a project, ~~including employee salaries of the borrower or any affiliates.~~

b. Costs incurred prior to the committee’s recommendation to approve a loan. Costs incurred prior to the committee’s recommendation may be eligible for assistance if the borrower demonstrates the necessity to begin incurring costs sooner.

c. Feasibility studies.

d. Engineering and final design.

e. Permitting or regulatory costs.

f. Other costs that the board determines to be ineligible.

261—406.7(15,476) Application process.

406.7(1) Application forms shall be available at iowagrants.gov

406.7(2) Applications will be accepted only during the established application periods identified by the authority on its Internet site at www.iowaeda.com.

406.7(3) Authority staff will review applications for completeness, eligibility, and whether the proposed project meets the financial and technical requirements of the Iowa energy center. The authority or board may engage outside reviewers to complete technical, financial, or other reviews of applications beyond the expertise of the board and authority staff.

406.7(4) Authority staff will recommend applications to the loan committee established by the board. The Iowa energy center may request additional information from applicants to process each loan application. The loan committee will review the applications and staff recommendations and then make recommendations to the board. The board will approve, defer, or deny applications for loans. Authority staff may negotiate the amount, terms, and other conditions of each loan before an award is approved.

406.7(5) The board will accept loan applications on a rolling basis. The board will make funding decisions at least once each quarter.

261—406.8(15,476) Administration.

406.8(1) *Notice of approval or denial* The authority will notify applicants in writing of the board's approval or denial of an application. If the application is approved, the notice will include any conditions and terms of the loan.

406.8(2) *Contract* After notifying the borrower of an award, the authority will offer a contract to the borrower. The contract shall be between the Iowa energy center and the borrower. An award shall not constitute a binding contract.

406.8(3) *Transmittal* The borrower must execute and return the contract to the authority within 90 days of the transmittal of the final contract from the authority. Failure to do so may be cause for the board to terminate the award.

406.8(4) *Disbursement of funds* Borrowers shall submit requests for disbursement of funds on the forms provided by the authority.

406.8(5) *Amendment* Any substantive change to the scope of work for a project or request to renegotiate loan terms shall require an amendment to the contract. The board may consider requests for loan forgiveness if the borrower demonstrates forgiveness is necessary to avoid a negative material impact on the project or potential default. The borrower shall request amendments in writing. No amendment shall be valid until approved by the board. The authority may execute nonsubstantive or ministerial changes to the contract without board approval.

406.8(6) *Closeout* Upon contract expiration or project completion, the authority shall initiate project closeout procedures.

406.8(7) *Record keeping and retention* Borrowers shall retain all financial records, supporting documents and all other records pertinent to the loan for three years after the contract is closed or the loan is put in default and is not cured.

406.8(8) *Reporting and compliance* The borrower shall complete all reports required by the contract executed pursuant to subrule 406.8(2). The authority reserves the right to conduct site visits of all awarded projects to ensure the projects were built as proposed and to provide verification of ongoing operation. The authority will monitor all loans to ensure that loan proceeds have been spent as identified in the contract and that all other sources of financing have been committed to the project.

406.8(9) Default

a At any time during the project or the repayment of the loan, the authority may find that a borrower is in default under the terms of the loan contract. The authority will take prompt, appropriate, and aggressive debt collection action to recover any funds misspent by borrowers.

b If the authority determines that a borrower is in default, the authority may seek recovery of the loan plus interest or other penalties, negotiate alternative payment schedules, suspend or discontinue collection efforts and take other action as the authority deems necessary.

c The authority shall attempt to collect the amount owed. Any negotiated settlement, write-off, or discontinuance of collection efforts is subject to final review by and approval of the board.

d If the authority refers a defaulted contract to outside counsel for debt collection, then the terms of the contract between the authority and the outside counsel regarding the scope of counsel's authorization to accept settlements shall apply.

These rules are intended to implement Iowa Code section 15.120 and section 476.46A as enacted by 2021 Iowa Acts, Senate File 619.

ATTACHMENT C

ACTION

REPORT
IOWA ENERGY CENTER BOARD
September 2021

From: Iowa Energy Center
Subject: Energy Infrastructure Revolving Loan Program (EIRLP)
Policies and Procedures

The policies and procedures for the EIRLP is a document to provide the program requirements and the framework of how the program will be administered within three main categories of Program Details, Application Process and Administration. The administrative rules for the EIRLP require this document to be prepared by IEDA and approved by the board. This document will be reviewed and approved by the IEC Board at least once per year and will remain in effect until any changes are adopted by the board.

Rules specify that the policies and procedures shall include the amount of program funds to be allocated for each application cycle, scoring criteria to be used if the demand for loans exceeds the amount allocated for any application cycle, and the applicable interest rate or rates for approved loans.

IEDA staff have drafted policies and procedures that fulfill these requirements.

- The IEC Board may approve up to \$5 million in new loans per quarter
- Three scoring criteria were established on economic impact, creative or innovative approach, and the need for assistance to reduce project risk. Any project funded would need to demonstrate at least one criteria can be met, but the criteria will be used if demand for loans exceeds funds allocated
- The IEC will offer a 2% interest rate to applicants. Any deviation from this rate will be part of the Loan Committee's recommendation to the IEC Board and determined by specified factors such as the loan term, project risk or cash flow.

The policies and procedures provide some additional limitations and clarifying details on program procedures. They have been provided to the IEC Loan Committee and discussed at its most recent meeting. The final approved document will be posted to the program webpage and available to applicants on IowaGrants.gov.

Proposed Motion: **Approve EIRLP Policies and Procedures dated September 30, 2021**

Submitted By: Stephanie Weisenbach, Program Manager

Attachments: Proposed Policies and Procedures

The Energy Infrastructure Revolving Loan Program (EIRLP) is administered pursuant to Iowa Code section 476.46A as enacted by [2021 Iowa Acts, Senate File 619](#). The EIRLP administrative rules can be found in Iowa Administrative Code section 261.406.

The Energy Infrastructure Revolving Loan Program (EIRLP) was enacted in the 2021 Iowa legislative session and is administered by the Iowa Energy Center (IEC) within the Iowa Economic Development Authority (IEDA). The program can provide loans for the development and construction of energy infrastructure. Energy infrastructure is defined in Iowa Code as "land, buildings, physical plant and equipment, and services directly related to the development of projects used for, or useful for, electricity or gas generation, transmission, storage or distribution." Additional information about eligible projects can be found later in this document. Applicants are encouraged to contact IEDA staff with questions about project eligibility and complete a project questionnaire in advance of application submittal.

The EIRLP will accept applications on a rolling basis with deadlines provided on IEDA's [program webpage](#). These deadlines are based on when an application must be submitted to be considered at the upcoming IEC Board meeting. The IEC Board has a designated Loan Committee comprised of board members involved with review and recommendation for program applications. The IEC Board will make funding announcements at least once per quarter.

ABOUT POLICIES AND PROCEDURES

The policies and procedures for the EIRLP provide the program requirements and the framework of how the program will be administered within three main categories of Program Details, Application Process and Administration. This document will be reviewed and approved by the IEC Board at least once per year and will remain in effect until any changes are adopted by the board. *This guide does not replace administrative rules or Iowa Code regarding the EIRLP. If a conflict exists, Iowa Code or the administrative rules will prevail.*

PROGRAM DETAILS

Funding Available

Approximately \$14 million is available in the EIRLP as of the start of the current state fiscal year of July 1, 2021. The IEC Board may approve up to \$5 million in loans per quarter until funds are obligated or otherwise budgeted for administrative costs.

Interest Rate

The IEC will offer a 2% interest rate to applicants. This rate will be considered the standard interest rate for the program and will be offered to most projects. Any deviation from the standard interest rate requested by the applicant will be part of the loan committee's recommendation to the IEC Board and determined by specified factors such as the loan term, project risk or cash flow. The IEC will attempt to treat similarly situated applicants similarly. The interest rate shall not exceed the Wall Street Journal prime rate as of the date of the IEC Board approval of the loan.

Applicants can request a lower interest rate based on project factors such as risk or cash flow to be considered by the IEC Loan Committee.

Eligible and Ineligible Borrowers

Eligible borrowers include:

- Businesses incorporated or organized in Iowa or authorized to do business in Iowa, including businesses operated as sole proprietorships with a registered trade name
- Rural electric cooperatives
- Municipal utilities

Ineligible borrowers include:

- A business that is not located in or operating in Iowa. A business that will be located and operating in Iowa upon completion of an eligible project may be eligible.
- An individual or an organization with a history of defaulted loans or compliance violations with other state programs or rules.
- Regents institutions
- Community colleges
- State agencies
- Cities, except municipal utilities that are eligible borrowers pursuant to 261 IAC 406.4(1)"c"
- Counties
- School districts
- Nonprofit organizations

Loan Amounts

The minimum loan amount is \$50,000 and the maximum is \$2.5 million. An applicant may apply for a loan for up to 75% of the total costs of the project. The remainder of the project costs not financed by the EIRLP may include costs otherwise considered ineligible for EIRLP, which may include documented "soft" costs including feasibility studies, engineering and final design, permitting and regulatory costs, or other costs determined by the board to be necessary for the development of energy infrastructure and the project described in the application. The loan committee may exclude certain types of costs from being included as matching funds.

The loan committee may recommend that a reduced loan amount be recommended to the IEC Board, if the committee finds any of the following to be true:

- The project type and borrower would easily be able to secure other financing for more of their project costs and retain its feasibility and return on investment.
- The loan funds in that cycle would be able to support more projects should one or more of the loan amounts be reduced.
- The applicant has received one or more previous award(s) from the program with an outstanding balance. Additional restrictions may apply to these applicants.

The IEC Board may also implement allocations per project type to ensure certain projects, especially larger loans, do not receive a disproportionate amount of funding.

Eligible and Ineligible Costs

Examples of eligible costs include, but are not limited to:

- Real and personal property comprising a project
- Materials and equipment required for necessary site preparation, construction and installation of a project
- Labor for site preparation, construction and installation of a project
- Costs associated with maintenance, operation or repair of a project during the term of the loan

Examples of project costs that are not eligible for financial assistance include, but are not limited to:

- Administrative costs not associated with site preparation, construction and installation of a project, including employee salaries of the borrower or any affiliates
- Costs incurred prior to the committee's recommendation to approve a loan.
 - Costs incurred prior to the committee's recommendation may be eligible for assistance if the borrower demonstrates the necessity to begin incurring costs sooner. Examples of potentially eligible costs incurred prior to the committee's recommendation may be a deposit on equipment or securing a contractor for the proposed project schedule, preliminary engineering and construction costs that are preparing the project site for readiness. Costs incurred after the committee's recommendation of the loan and before an IEC Board award date are at the applicant's own risk in the event that the board declines the approval recommendation from the loan committee.
- Feasibility studies
- Engineering and final design
- Permitting or regulatory costs
- Other costs that the board determines to be ineligible.

Ineligible "soft" costs listed above may be included as match. Other examples of soft costs include developer fees, legal fees, consultant fees and fees related to securing collateral. Any proposed cost for fiber extension if necessary for utility grid modernization projects will be evaluated on a case-by-case basis.

Collateral

The IEC Board will not issue a loan that exceeds the value of the collateral provided. The board may consider the borrower's credit rating (or bond rating, if applicable) in determining what form of collateral is acceptable. Certain forms of collateral may require costs to be incurred by the applicant prior to disbursement. The following forms of collateral will be accepted with definitions and examples of what is acceptable:

- Real property: This must be buildings and/or land that can be secured through a mortgage held by IEDA. A lien on project-financed equipment could be provided in addition to the other real property but not as a standalone form of collateral. There must be sufficient equity in the property to cover the EIRLP loan in the event of default, in addition to other liens and/or mortgages on the property.
- Dedicated certificate of deposit: This requires the applicant to deposit an amount into an account at a financial institution that locks funds away for a specific period of time, in this instance the loan maturity date. These typically get better interest rates than savings accounts, providing a financial benefit if the borrower has the resources to put into a dedicated CD.
- Irrevocable letter of credit: This is a letter signed by the borrower's bank that authorizes IEDA to draw funds of a sum not to exceed the loan amount, in the event of default of the loan agreement with IEDA. This is the preferred form of collateral.
- Corporate guarantee: This must be provided by a separate corporation that has different ownership from the borrower. A letter from this corporation should be provided in the application that pledges their guarantee if the loan is awarded.
- Utility revenue or reserve funds, if applicable. This option is only applicable for projects that have a source of revenue or reserve funds as a utility or a borrower that has a power purchase agreement that could be reassigned to IEDA in the event of default.
- Other forms of collateral if approved by the board, and only if the forms of collateral listed above are inadequate.

Loan Term

The duration of the loan will typically be 5 to 10 years but shall not exceed 15 years. To determine the loan term, the loan committee will consider cash flow factors including tax credits, projected revenue or savings, and other financing. The IEC's loan may, in some instances, be paid back before the applicant sees their own payback for the project.

Project Eligibility Overview

The borrower shall demonstrate all the following criteria are met:

- The project is located in Iowa or for the primary use or benefit of Iowans. If any portion of the project is located outside of Iowa, the applicant bears the burden of demonstrating that the project as a whole will be for the primary use or benefit of Iowans.
- The project must have a certain market and/or end user(s) and not for purely speculative purposes. A loan could be approved contingent upon a certain market and/or end user(s).
- The project develops energy infrastructure as defined in Iowa Code section 476.46A(3)(a).
- The borrower must be the owner, contract purchaser, lessee or other interest holder of the real property where the project is located.

A project that generates energy for use only at a borrower's personal residence is not an eligible project.

Project Purpose

A variety of projects may meet the program purposes as specified in Iowa Code, which relate to the Iowa Energy Plan, in addition to energy infrastructure definitions. The table below is provided to illustrate potential examples but is not all inclusive. Applicants will be asked to demonstrate which purpose(s) their project fulfills. The third purpose of "energy sector workforce development" can be selected in addition to another purpose if they have integrated it into their project.

Project Purpose	Examples	Does Not Include
Electric or gas generation, transmission, storage, or distribution	<ul style="list-style-type: none"> • Infrastructure upgrades or expansion necessary for new modernization or energy generation projects • Virtual pipeline distribution • Carbon sequestration pilot projects • Industrial location or expansion projects in areas with capacity constraints • Energy generation projects with community/public users and benefits 	<ul style="list-style-type: none"> • Solar for a private user without additional innovative technologies/ approaches • Natural gas or transmission projects considered routine/ common updates • Energy infrastructure for business location or expansion projects not tied to IEDA's business development priorities*
Electric grid modernization	<ul style="list-style-type: none"> • Equipment managed by utility to manage peak loads, either as part of their system or customer-sited • Software used to improve cybersecurity • Infrastructure/software to optimize use of energy generation resources, which may include fiber 	<ul style="list-style-type: none"> • Fiber improvements without electric grid improvements
Energy sector workforce development	<ul style="list-style-type: none"> • Integrating workforce training and/or certification into energy infrastructure planning and construction • Hiring additional contractor(s) for training purposes on a project • Building a training facility for line workers/electricians to learn about emerging energy technologies 	<ul style="list-style-type: none"> • Hiring additional staff of the borrower or an affiliate to construct energy infrastructure project
Emergency preparedness for rural and underserved areas	<ul style="list-style-type: none"> • Equipment to detect outages on service lines • Infrastructure to improve resilience • Remote power and storage solutions • Electric emergency vehicles with exportable power 	<ul style="list-style-type: none"> • Conventional vehicle acquisition • Emergency radios
Expansion of biomass, biogas, and renewable natural gas	<ul style="list-style-type: none"> • Anaerobic digesters (AD) and associated equipment • Infrastructure upgrades to connect production to market • Biomass production costs necessary to enter energy market or be deployed for carbon sequestration 	<ul style="list-style-type: none"> • Maintenance of existing AD facilities • Ethanol and biodiesel refineries
Innovative technologies	<ul style="list-style-type: none"> • Energy storage (batteries) and improvements to accommodate it • Combined Heat and Power • District energy systems • Microgrids 	<ul style="list-style-type: none"> • Technologies with an established market and sources of financing in Iowa • Technologies that have not received necessary regulatory approvals to be implemented as a pilot project
Development of infrastructure for alternative fuel vehicles	<ul style="list-style-type: none"> • Electric vehicle charging infrastructure • Hydrogen fueling stations when powered with electricity and/or natural gas 	<ul style="list-style-type: none"> • Ethanol or biodiesel storage or stations

*IEDA business development priorities could include a project that is receiving other assistance from IEDA for business expansion within Iowa's targeted industries (advanced manufacturing, biosciences, insurance/financial services) or one of [Iowa's Certified Sites](#).

Application Evaluation

Any project under review of the program shall meet at least one of the following evaluation criteria with a narrative provided in the application about how it achieves one of the necessary objectives. IEDA staff and the loan committee will conduct further evaluation to ensure at least one of the criteria is met for any project recommended for approval by the IEC Board.

- The project demonstrates an economic impact to the local community and the state.
- The project demonstrates a creative or innovative approach to a need or problem.
- The project demonstrates assistance is necessary to reduce the project's risks.

These three criteria may be used to score loan applications in any given cycle if the demand for loans exceeds the amount allocated for any given application cycle. Additionally, the loan committee can reduce loan amounts in their recommendation to the IEC Board or implements allocations per project type in the manner described previously in this document. IEDA staff and the loan committee will conduct additional evaluation of applications as described further in the Application Process section of these policies and procedures.

APPLICATION PROCESS

Overview

Applications will be available and accepted through IowaGrants.gov.

- The IEC will review applications and make funding decisions after each funding announcement.
- Applications will only be accepted during the established application period, as identified at iowaeda.com/iowa-energy-office/energy-loans/
- Applicants planning to apply must create an IowaGrants account. The IowaGrants account will be used for claims and reporting for approved borrowers; therefore, the individual registering for IowaGrants on behalf of the applicant should be prepared to also conduct post-award reporting, if applicable. More than one registered individual can have access to the IowaGrants account for the project.
 - If the person completing the application already has an account through IowaGrants or a State of Iowa A&A account, this same account will be utilized.
 - If the person completing the application does not have an account, the applicant will need to allow a minimum of two weeks to register and activate their account.

Waiver Requests

The Iowa Energy Center Board may consider requests to waive administrative rules pursuant to [261 Iowa Administrative Code Chapter 199](#).

Energy Project Questionnaire

Applicants may submit an energy project questionnaire for staff to provide technical assistance and feedback on eligibility prior to submission of an application. The questionnaire may also be used to solicit feedback from the committee or as a supplement to a waiver request as described above.

Application Process

- Applications will be completed via IowaGrants. IEDA will communicate the application submission deadlines and other application details to prospective applicants through the program webpage. The program manager will be responsible for all communications to selected applicants and will serve as the point of contact for applicants.
- Once the submission deadline has closed, the program manager will review the applications for eligibility and completeness. Ineligible and/or incomplete applications may be denied by staff.
- IEDA staff will then review the applications, consulting with Iowa Finance Authority staff as needed, and prepare analysis for the committee. Staff included in the review may include:
 - Program Manager
 - Other Energy Office Program Managers
 - Team Leader
 - Legal Counsel
 - Underwriter
 - Business Finance Staff

- The authority or board may engage outside reviewers to complete technical, financial or other reviews of applications beyond the expertise of the board and authority staff. This may delay the published timeline.
- Eligible applications will be evaluated using information provided in the application, any responses to follow up questions by the program manager, and additional analysis and research conducted in the review process. The necessary factors include:
 - The applicant and ability to repay loan: previous loans through IEDA or the Iowa Energy Center, financial statements, any history of violations with the State of Iowa, project partners. IEDA may conduct a credit report of the applicant or request such report be conducted by a credible reporting agency.
 - Project planning: level of planning and engineering needed and completed thus far, regulatory or permitting considerations, financial analysis completed, property and project partner status. The project timeline and anticipated disbursement request date will be evaluated.
 - Project purpose and evaluation criteria: The project must fulfill at least one of the purposes listed Iowa Code 476.46A(1)"c" as enacted by 2021 Iowa Acts, Senate File 619 and at least one of the criteria listed in the Application Evaluation section on page 6.
 - Pledged collateral: pledged collateral is one of the acceptable types, whether confirmation of pledged collateral is provided in the application (e.g., bank commitment letter indicating an Irrevocable Letter of Credit will be available) or by additional information as requested by staff and loan committee.
 - Project funding sources/financing: availability of funding such as loans or private investment, confirmation of availability or timeline for securing. The IEC Board may approve an application prior to an applicant securing private financing, but IEDA will not disburse funds until such financing is obtained. Applicants who plan to utilize tax credits must have funding available for their match to cover necessary project costs before tax credits can be claimed.
 - Projected payback and cash flow: the financial factors unique to the project will be utilized to create a cash flow analysis to determine the shortest possible loan term to allow the EIRLP loan to be repaid while retaining viability for the project and applicant. This may result in the EIRLP loan being seeing a payback quicker than the applicant.
- Energy attributes: proposed equipment and infrastructure components (e.g., warranty, reliability of manufacturer), any energy generation or delivery metrics and their data source.
- The loan committee will review all of the applications, evaluate using the established criteria and other information provided by staff, and make a recommendation to the full board. The loan committee will evaluate whether costs incurred before the loan committee review are eligible. Determine loan term and amount, interest, any additional conditions to disbursement or alteration of disbursement schedule and any final negotiation between IEDA staff and applicant.
- The program manager will summarize the applications and loan committee recommendations for the IEC Board.
- The IEC Board will review all applications and the recommendations from the loan committee and vote on each application.
- IEDA will notify applicants in writing of the board's approval or denial of an application. If the application is approved, the notice will include any conditions and terms of the loan.

ADMINISTRATION

Borrowers are required to meet certain conditions before a contract is signed and/or before funds are disbursed to the borrower. All borrowers are required to secure pledged collateral before disbursement of funds. Examples of other conditions include, but are not limited to, evidence that other financing or funding sources listed in application have been approved, any necessary permitting or regulatory approvals have been secured.

Agreement

After notifying the borrower of an award, IEDA will offer a contract to the borrower, which will be between the borrower and IEDA. The borrower must return the agreement to the IEDA within 90 days of the transmittal of the agreement. Failure to return the agreement may be cause for the IEC Board to terminate the award.

Amendments

Any substantive change to a funded IEC EIRLP project, including award amount, loan term, interest rate or alterations to proposed activities, will be considered an agreement amendment. The recipient shall request an amendment in writing and submit an amendment request in IowaGrants. Once the amendment request is received, staff will review and determine if the request requires IEC Board approval. If it does, IEDA staff will place the amendment request on the agenda for the next scheduled IEC Board meeting. If staff determines the request can be approved without IEDA Board approval, staff shall initiate the amendment approval process. No amendment will be valid until approved by the board, except the following (with written confirmation from IEDA):

- Staff may approve a reduction in award amount and scope no more than 10% lower than original award amount, as necessary to accommodate change in pricing.
- Staff may approve extension of project completion and resulting disbursement schedule no more than one year after original schedule.

Loan Forgiveness

The board may consider requests for loan forgiveness if the borrower demonstrates forgiveness is necessary to avoid a negative material impact on the project or potential default. Any request for loan forgiveness must provide the following information:

- Circumstances that have changed since the application was approved by the board.
- Any deviation from the application with project contractors, partners, equipment, scope of work, changes in ownership, etc.
- All project invoices received and paid to date.
- Risks taken by borrower to implement the project.
- Any beneficial outcomes or lessons learned that were gained from the project.

Disbursement of Funds/Claims

- Disbursement requests can be made prior to project completion if included in approved application. Most disbursements will occur in one lump sum with the anticipation that the project will be commenced and/or completed soon thereafter. Deviation from this approach may result from an extended project completion timeline, innovative technologies and risks associated with procuring approved equipment, or other factors as determined by IEDA staff and the IEC Board. The following items are required before a claim can be processed:
 - Documentation required for conditions to disbursement as detailed in the agreement
 - A W9 from the recipient
 - Direct deposit authorization form if the preferred payment method is direct deposit
 - A General Account Expenditures (GAX) Form with a Vendor Code provided by IEDA after W9 submission
 - Any release of information documents requested by IEDA
- If the recipient fails to request disbursement according to the timeline provided in the application, the recipient must provide an update no less than quarterly to IEDA regarding the deviation from the approved timeline and updates on the plan to implement the project.
- Any funds not requested for disbursement within one year of the board approval date may be subject to deobligation and termination of the loan agreement.

Reporting Requirements and Monitoring

- A start up report is due within 60 days of the date the project is placed in service or operational. The report must include, but is not limited to, documentation of project costs and related invoices, one or more photographs, description of unanticipated challenges and lessons learned.
- IEDA may conduct a site visit of awarded projects to ensure the projects were built as proposed and to provide verification of ongoing operation. The IEDA program manager will notify the recipient at least seven business days in advance of a site visit.
- Additional reports, no more than once/year, may be required by IEDA, depending on the project type and potential needs to demonstrate compliance with program requirements and plans provided in the application. IEDA also may require reports to provide energy and cost data, project outcomes and lessons learned.
- If the program manager believes that the project is not being implemented according to the award approved by the board or subsequent approved modifications, the program manager will contact the recipient and attempt to obtain a written explanation. IEDA will notify the loan committee and/or IEC board of any ongoing performance and/or reporting issues.
- IEDA and the Iowa Energy Center may use any data, information and photographs provided by the recipient for educational purposes unless otherwise specified in the loan agreement.

Defaults

- At any time during the project or the repayment of the loan, IEDA may find that a borrower is in default under the terms of the loan contract. The authority will take prompt, appropriate and aggressive debt collection action to recover any funds misspent by borrowers.
- If IEDA determines that a borrower is in default, the authority may seek recovery of the loan plus interest or other penalties, negotiate alternative payment schedules, suspend or discontinue collection efforts and take other action as the authority deems necessary.
- IEDA shall attempt to collect the amount owed. Any negotiated settlement, write-off, or discontinuance of collection efforts is subject to final review by and approval of the board.
- If IEDA refers a defaulted contract to outside counsel for debt collection, then the terms of the contract between the authority and the outside counsel regarding the scope of counsel's authorization to accept settlements shall apply.

Closeout Procedures

- Final payment from recipient in accordance with loan agreement. The loan may be prepaid in part or in full at any time without penalty.
- IEDA may request a final report upon final payment receipt.
- IEDA will provide a final closeout document stating that contracted funds have been spent in accordance with the agreement and the agreed upon deliverables have been achieved.

PROGRAM MANAGER

Stephanie Weisenbach
stephanie.weisenbach@iowaeda.com
515.348.6221

ATTACHMENT D

ACTION

REPORT
IOWA ENERGY CENTER BOARD
September 2021

From: IEDA Legal

Subject: Appointment to Loan Committee

Dr. Craig Just was appointed to the Board in July 2021 and is willing to serve as a member of the loan committee.

Proposed Motion: Appoint Dr. Craig Just to the loan committee through June 30, 2022.

Submitted By: Lisa Connell

ATTACHMENT E

ACTION

REPORT
IOWA ENERGY CENTER BOARD
SEPTEMBER 2021

From: Energy Office

Subject: Amendment to 17-IEC-015

Background: Iowa State University (ISU) has requested a budget modification for project 17-IEC-015, *Rapid Autothermal Pyrolysis of Lignocellulose Wastes to Sugars and Other Biobased Products*. The graduate student working on the project graduated in May 2021 and ISU feels it will be too late for another student to step into the project before the end date of December 31, 2021. They would like to use a staff engineer and scientist to complete the work originally assigned to the graduated student.

ISU is requesting to move a total of \$22,301 from the student tuition line item to the following line items: salaries and wages (\$1,000), payroll benefits (\$7,950) and supplies/materials (\$13,351). This request is considered substantive (over \$10,000) and therefore requires Board approval.

Recommendation: Staff recommends approving the amendment to 17-IEC-015; moving the requested funds from student tuition to salaries and wages, payroll benefits and supplies/materials.

Proposed Motion: **Approve Amendment to 17-IEC-015**

Submitted By: Amber Buckingham

Attachments: Rebudget Request from Iowa State University

IOWA STATE UNIVERSITY
OF SCIENCE AND TECHNOLOGY

Office of Sponsored
Programs Administration
1138 Pearson Hall
505 Morrill Road
Ames, Iowa 50011-2103
Phone: 515 294-5225
Fax: 515 294-8000

September 3, 2021

Amber Buckingham
Amber.Buckingham@IowaEDA.com

SUBJECT: **Award Number:** 17-IEC-015
 Award Title: RAPID: Autothermal pyrolysis of lignocellulose wastes to sugars and
 other biobased products
 Revised Budget Request
 ISU Account: 019168 **ISU ID:** 140616
 ISU PI: Dr. Robert Brown

Dear Amber Buckingham:

The above referenced grant was made to Iowa State University in the amount of \$600,000 under the direction of Dr. Robert Brown. I am in receipt of a request from Dr. Brown to rebudget this project in the following manner:

Increase:		Decrease:	
Salaries	\$ 1,000	<u>Student Tuition</u>	<u>\$ 22,301</u>
Payroll Benefits	\$ 7,950	Total	\$22,301
<u>Supplies</u>	<u>\$13,351</u>		
Total	\$22,301		

Our graduate student graduated May 2021 so no additional tuition will be needed as we do not have another RA to step into the project this late with the end date being 12/31/2021. We will use a staff engineer and scientist to complete the work. The rate of fringe benefits is much higher for our P&S staff vs. Grad Students. We will need an additional \$1,000 to cover the wages and \$7,950 to cover the 12/31/2021 Payroll Benefits deficit plus the Benefits for July-Dec 2021. The balance of the funding will be used for research supplies/materials.

We at Iowa State University have reviewed Dr. Brown's request and concur therein. Therefore, we request approval for the revised budget. If I can provide you with additional information or be of further assistance, please do not hesitate to contact me.

Sincerely,



Digitally signed by
Amy Arndorfer
Date: 2021.09.03
11:04:30 -05'00'

Amy Arndorfer
Senior Award Administrator
Office of Sponsored Programs Administration

cc: Robert Brown
Alexandra Kraber
Scott Moseley
Mary Scott-Hall
Ryan Smith