

**Iowa Energy Center Board
Meeting Minutes August 14, 2018
9:00 a.m.**

Iowa Energy Center Board Members Present:

Debi Durham	Dan Nickey	Nathan Young	Gul Kremer
Jennifer Johnson	Valerie Newhouse	Rick Olesen	
Joel Schmidt	Timothy Whipple	Robert Berntsen	

Iowa Economic Development Authority Staff Present:

Brian Selinger	Rob Christiansen	Leslie Leager
Amber Buckingham	Kristin Hanks-Bents	Kanan Kappelman
Stephanie Weisenbach	Terry Roberson	
Adrienne Ricehill	Tim Waddell	

Others Present:

Brenda Biddle
Joe Gilde

Welcome and Introductions

Roll Call

Board Chair called the meeting of the Iowa Energy Center Board to order at 9:09 am.

A quorum of the Board was established with the following Board members present: Debi Durham, Joel Schmidt, Robert Berntsen, Jennifer Johnson, Valerie Newhouse, Dan Nickey, Rick Olesen, Gul Kremer, Nathan Young, and Timothy Whipple.

Approval of May 22, 2018 Meeting Minutes

Joel Schmidt: Moved that the Board approve the May 22, 2018 meetings minutes.

Debi Durham: Seconded the motion.

Yes: 10 No: 0 Present: 0

Motion Passed

Public Comment Period

No comments.

Financials / Audit – Update

Presentation provided (Attachment A)

Items of note:

- Expenses this quarter – payments made for salary (\$35,000-\$45,000), postage, and phone costs for staff.
- Revolving Loan Program – has roughly 7 million available at the end of the state fiscal year. Repayments made during the 2019 Fiscal Year will total roughly 2.6-2.7 million.
- State Audit – auditor recently received complete data file from Iowa State University. It will take a month to review this data and complete the audit.
- State Auditor Loan Confirmations – 319 confirmation letters (out of approximately 330) were received from active loan recipients. Majority of the issues identified were attributed to the lag time of ACH payments.

Summary of IEC Board Questions/Comments & IEDA Staff Response

- What will the process be after the review is completed?
 - Once the review is finished, the auditor will meet with ISU and IEDA separately. When the auditor meets with IEDA, a member of the IEC Board and a member from the Economic Development Board should be present as well. Once the auditor has presented their preliminary findings there is generally not much opportunity for a response. Findings are usually made public within 60 days.

Administrative Rules

Presentation provided (Attachment B)

The IEC Board last reviewed these rules on March 8, 2018. This is the Notice of Intended Action for rules that generally govern the IEC Board and its activities. This proposed chapter of rules includes purpose, definitions and rules. This was published on June 20, 2018. IEDA staff did not receive any questions or public comments. The rules will be effective in September.

Adoption of Administrative Rules ARC 3842C

Rick Oleson: Moved that the Board adopt the Administrative Rules ARC 3842C.

Dan Nickey: Seconded the motion.

Yes: 10 No: 0 Present: 0

Motion Passed

Grant Committee Program Report

Presentation provided (Attachment C & D)

Summary of IEC Board Questions/Comments & IEDA Staff Response

- How did the conversation regarding the federal cost share come about?
 - The grant committee felt that since the IEC funding is set to end in 2022 they wanted to complete transformative projects during this timeframe. With federal cost shares, decisions may take months/years and the committee did not want to sit on the funding.
 - IEDA inherited some projects with federal cost shares that will not be notified of selection until FY 21. We would like to fund as many projects as possible within our limited timeframe.

- What if a researcher would like to buy an electric vehicle to conduct storage research? Is there a way to amend this rule?
 - The intent was to prohibit grantees from purchasing vehicles to use for travel. We could modify the rule regarding vehicle purchases in a way to make it clear that this type of purchase would be allowable if the intention is to study electric vehicle infrastructure.

- Why can't the rules allow for board discretion? Why can't we just say the board will decide a list of prohibited expenses and it becomes a guideline and not part of the rules?
 - It is helpful to have it listed within the rules and it makes a stronger case when you have applicants pushing back. It also preserves institutional memory and provides consistency.
- We list exceptions for equipment. in this case, the vehicle would be used as equipment and not as a vehicle.
- These types of purchases would be listed in the budget as a line item under equipment.
- In other IEDA programs, we state in the rules that the policies and procedures would guide the program and that these can be updated and changed. People would look to the latest policies and procedures to determine what we are doing at that time.
- We could write the rules to include that vehicle purchases cannot occur without board approval at the time of the application.
 - We could include certain prohibited expenses in the rules that we are certain will not change and reference the policy and procedures to see the most updated list. For example, certain things like business relocation/expansion, pipeline and transmission line construction we do not foresee the board changing their mind. The hybrid approach will allow for both prohibited expenses and the updated policy and procedures.
- Let's draft the board rules with board approval for vehicles.
- Can you combine the vehicle with the equipment exclusion? It might simply things if vehicles are considered as other equipment.
 - We can explore this when we draft the administrative rules.
- In the review process, who is responsible on the board's behalf, in reviewing these reports/applications and ensuring they are adequate?
 - The initial review will be conducted by IEDA staff. If there are concerns, we would refer to the grant committee who would then decide if further review and input would be needed by the full board.
 - We have also allowed for the board to bring in outside expertise to review applications and reports.
 - NREL and DOE might also be able to provide technical expertise and support as well.
- Will sponsorships come from the grants committee or directly from IEDA staff to the board?
 - IEDA staff will bring it before the grant committee. If the grant committee feels it's a good sponsorship opportunity they would bring it before the board for a vote.
- This is a question for the universities, when the Iowa Energy Center was passed to IEDA we were being inundated with grant proposals. We reached out to the head of Research at the University and asked them to serve as a clearing house to ensure that

projects had been vetted through the university process and had received their support. Will this still be the process? Will these projects continue to be vetted through the university process before grant proposals are submitted to the IEC for review? It is important to know that it has been vetted and not directly submitted by the researchers.

- At the University of Northern Iowa, proposals are brought before sponsored programs for review and approval. They are the legally binding authority.
- It would be beneficial to have the sign off from the universities as part of the application process.
 - Iowa State University has similar processes. For each RFP/grant we hold internal competitions from each organization to prioritize and move the best proposals forward. We want to have the ten best not receive 100 proposals.
- The grant committee first discussed that we would allow one application per university, but we later realized that this would be too restrictive. We decided that 5 to 10 applications from one university would be a reasonable approach. It would get the best applications from the university.
- It would promote stronger applicants.
- It would be beneficial if the grant program could promote collaborations and among the universities, 4-year institutions, community colleges, and private companies. We need to get our institutions connected because it gives value and will give us more for the dollars we are investing. We could allow the researchers who have connections with other colleges to apply for bigger grants from the IEC.
- How would we do this? Would the applicant receive higher points for collaborating with another university?
 - We could include this within the scoring matrix and the policy and procedures.

Approval of Staff to Draft Administrative Rules according the Grant Committee Report

Rick Olsen: Moved that the Board approve the Draft Administrative Rules.

Gull Kremer: Seconded the motion.

Yes: 10 No: 0 Present: 0

Motion Passed

Grant Program Updates

Presentation provided (Attachment C)

Grant Modifications

Presentation provided (Attachment C & E)

Deoxygenation of Lignin-Derived Species Action to Aromatics and Olefins

Summary of IEC Board Questions/Comments & IEDA Staff Response

- If the project is 70% completed are you sure that they will be able to complete the project on time?
 - The original grant period was for one year. The project was delayed due to staff needing to be safety certified and unavailable equipment. The researcher is fully confident that they will be able to complete the project by December 31, 2018 and aware that there will be not be any additional extensions granted.

Approval of Contract Extension

Debi Durham: Moved that the Board approve the contract extension.

Rick Olesen: Seconded the motion.

Yes: 10

No: 0

Present: 0

Motion Passed

Hydroxycinnamic Acids from Lignin as Action Platform Molecules for Productions of Bio based Materials

Summary of IEC Board Questions/Comments & IEDA Staff Response

- Is 90 days enough time to complete the project?
 - We can extend the grant period to December 31, 2018.

Approval of Contract Extension

Debi Durham: Moved that the Board approve to extend the contract to December 31, 2018.

Rick Olesen: Seconded the motion.

Yes: 10 No: 0 Present: 0

Motion Passed

Energize Northeast Iowa Education

Summary of IEC Board Questions/Comments & IEDA Staff Response

- Extend the grant period to December 31, 2108
 - We can extend the grant period to December 31, 2018.

Approval of Contract Extension

Dan Nickey: Moved that the Board approve to extend the contract to December 31, 2018.

Valerie Newhouse: Seconded the motion.

Yes: 10 No: 0 Present: 0

Motion Passed

Grant Committee

Approval of Grant Committee Replacement

Joel Schmidt: Moved that the Gul Kremer be appointed to the Grant Committee.

Dan Nickey: Seconded the motion.

Yes: 10 No: 0 Present: 0

Motion Passed

The following Board Member will serve on the Grant Committee

- Gul Kremer

Alternate Energy Revolving Loan Program Report

Presentation provided (Attachment F & G)

Summary of IEC Board Questions/Comments & IEDA Staff Response

- Why are non-profit institutions not allowed to apply for a loan?
 - The loan committee had a discussion regarding the strength of collateral and that was a concern for non-profits. For example, no one wants to put a church into default.
- Why are water/wastewater utilities allowed but not Municipal Utilities?
 - Municipal Electric & Gas Utilities are not allowed due to Iowa Code. Water and sewer utilities are allowed due to potential biogas projects.
- Are the loans 0% interest?
 - Yes, as stated in Iowa Code. There would be interest if they obtained an additional loan.
 - There is also 1 million dollar cap on approved loans.

Approval of Staff to Draft Administrative Rules according the Loan Committee Report

Dan Nickey: Moved that the Board approve the Draft Administrative Rules.

Rick Olesen: Seconded the motion.

Yes: 10 No: 0 Present: 0

Motion Passed

Grant and AERLP Administrative Rules-General Questions

- Will the both sets of rules be completed by November 7, 2018?
 - Yes, that is the goal. We will hold a public meeting on September 24, 2018, to allow the public to comment on the rules. If someone was unable to attend the public meeting, we will give them the opportunity to provide written comments which will be due the following week. October 17, 2018 will be the deadline for the committees to review the feedback. We will then incorporate any changes and submit the final draft to the board for review by Oct 31, 2018.
- A public meeting is not necessary unless it is requested by stakeholders. To expedite the process, we will collect written comments which the board can then review. There are provisions for the public to request a public meeting by obtaining 25 signatures. Otherwise, this is less work and we can streamline the process.
 - Unless requested, we will move forward without a public meeting.

Other Business

Iowa Energy Office – Update

- The previous IEC website contained a solar calculator and wind maps. Both the solar calculator and wind maps were valuable resources put proved to be erroneous for IEDA to maintain and update. To continue to provide access to these resources we have provided links on the IEC website to DOE and the American Wind Energy Association webpages.
- Iowa Energy Storage Committee meeting was recently held with 18 organizations present. Nextera Energy presented, and committee members were very involved. Our next meeting will be held in late October to develop strategies and move forward with development of the Action Plan.
- While we are waiting for the IEC funding to become available, IEDA has other funding mechanisms to fund transformative and impactful projects that align with energy plan objectives and strategies. Please reach out to IEDA if you have time sensitive projects that we may be able to support.

- 2018 Iowa Legislative session Senate File 2311 tasked IEDA, DOT, and the utilities to develop an electric vehicle infrastructure study. We will bring this core group together to begin work on the development of this report which is due to the General Assembly by June 2019. Previously, IEDA developed an EV study that was completed in 2016.
 - We will provide the IEDA 2016 EV Study to the board.
- IEDA will also provide the Biomass Report and the Energy Plan Update to the board.
- Next Board Meeting is November 7, 2018

Adjournment

Move to Adjourn

Joel Schmidt: Moved that the board adjourn the August 14, 2018 quarterly meeting.

Debi Durham: Seconded the motion.

Yes: 10 No: 0 Present: 0

Motion Passed

There being no further business, the Iowa Energy Center Board adjourned the meeting at 10:28 a.m.

Adrienne Ricehill
IEC Board Administrator

IEDA

Iowa Energy Center Financial Status Report

FY2018 (Cumulative Oct 1, 2017 thru June 30, 2018) (7-31)

IEC - MAIN ACCOUNT

REVENUE	Total Budget	Current Month	YTD Cumulative
Balance Forward from Previous FY	0	0	0
FY18 Transfer from ISU	4,321,744	0	4,322,126
FY18 Transfer from IUB	4,233,903	0	4,276,717
T.O.S Interest	35,000	0	36,865
Other Revenue	0	0	0
TOTAL REVENUE	8,590,647	0	8,635,708

EXPENSES	Total Budget	Current Month	YTD Cumulative
Salary & Fringe	351,675	0	102,583
Travel (In-State & Out of State)	30,000	0	105
Supplies	12,325	0	300
Telephone/Communications	6,000	0	0
Rent	10,000	0	3,871
Advertising/Marketing	30,000	0	0
I.T	40,000	0	0
Misc	20,000	0	24,668
ISU Grants	2,630,000	0	0
Project expenditures TBD dependent upon program development and finalization of rules	5,460,647	0	0
TOTAL EXPENSES YTD	8,590,647	0	131,527

IEDA

Iowa Energy Center Financial Status Report

FY2018 (Cumulative Oct 1, 2017 thru June 30, 2018) (7-31)

IEC - MAIN ACCOUNT

FUNDING AVAILABLE	Admin	ISU Projects	New Projects	Total
Cash Balance Forward from Previous FY (ISU)	500,000	2,630,000	1,192,126	4,322,126
FY18 Allocation	0	0	4,276,717	4,276,717
T.O.S Interest YTD	0	0	36,865	36,865
Other Revenue YTD	0	0	0	0
Deappropriations/Transfers	0	0	0	0
TOTAL	500,000	2,630,000	5,505,708	8,635,708

EXPENSES	Admin	ISU Projects	New Projects	Total
Administration YTD	131,527	0	0	131,527
Project Payouts YTD	0	0	0	0
TOTAL EXPENSES YTD	131,527	0	0	131,527

OBLIGATIONS	Admin	ISU Projects	New Projects	Total
Obligations C/F	0	2,630,000	0	2,630,000
Current Year Obligations	0	0	0	0
Current Year Rescissions	0	0	0	0
Current Year Payouts	0	0	0	0
Balance of Current Year Admin	368,473	0	0	368,473
NET OBLIGATIONS YTD	368,473	2,630,000	0	2,998,473

EST. BALANCE AVAILABLE	0	0	5,505,708	5,505,708
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IEDA
Iowa Energy Center Financial Status Report
FY2018 (Cumulative Oct 1, 2017 thru June 30, 2018) (7-31)
IEC - ALTERNATIVE ENERGY REVOLVING LOAN PROGRAM

REVENUE	Total Budget	Current Month	YTD Cumulative
Balance Forward from Previous FY	0	0	0
FY18 Transfer from ISU	3,911,134	0	3,911,134
Principal Repayments	3,250,000	0	3,146,294
T.O.S Interest	35,000	0	21,920
Other Revenue	0	0	0
TOTAL REVENUE	7,196,134	0	7,079,348

EXPENSES	Total Budget	Current Month	YTD Cumulative
Salary & Fringe	10,000	0	0
Advertising/Marketing	7,500	0	0
Project expenditures TBD dependent upon program development and finalization of rules	7,178,634	0	0
TOTAL EXPENSES YTD	7,196,134	0	0

IEDA

Iowa Energy Center Financial Status Report

FY2018 (Cumulative Oct 1, 2017 thru June 30, 2018) (7-31)

IEC - ALTERNATIVE ENERGY REVOLVING LOAN PROGRAM

FUNDING AVAILABLE	Admin/Mktg	Projects	Notes Rec
Beginning Balance 10-1-17 (ISU)	0	0	12,852,838
Beginning Balance 10-1-17 (IEDA)	0	0	315,927
Transfer from ISU FY18	0	3,911,134	0
Principal Repayments YTD	0	3,146,294	3,146,294
T.O.S Interest	0	21,920	0
Other Revenue	0	0	0
TOTAL	0	7,079,348	10,022,471

ADMINISTRATION/PAYOUTS	Admin/Mktg	Projects	Notes Rec
Administration YTD	0	0	0
Project Payouts YTD	0	0	0
TOTAL EXPENSES YTD	0	0	0

OBLIGATIONS	Admin/Mktg	Projects	Notes Rec
Obligations C/F	0	0	0
Current Year Obligations	0	0	0
Current Year Rescissions	0	0	0
Current Year Payouts	0	0	0
Balance of Current Year Admin	0	0	0
Current Year Write-Offs	0	0	0
NET OBLIGATIONS YTD	0	0	0

Attachment B

ARC 3842C

ECONOMIC DEVELOPMENT AUTHORITY[261]

Notice of Intended Action

Proposing rule making related to the Iowa energy center and providing an opportunity for public comment

The Economic Development Authority hereby proposes to adopt new Chapter 403, "Iowa Energy Center," Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is proposed under the authority provided in Iowa Code sections and 15.106A and 15.120.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code section 15.120.

Purpose and Summary

2017 Iowa Acts, Senate File 513, transferred the Iowa Energy Center from Iowa State University to the Economic Development Authority. Senate File 513, section 35, created new Iowa Code section 15.120, which established the Center within the Authority and changed the Center's purpose and governing board. Proposed new Chapter 403 includes the Center's purpose, definitions, and rules governing the Iowa Energy Center Board.

The Iowa Energy Center Board approved the proposed new chapter of rules at its meeting held on March 8, 2018.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Authority for a waiver of the discretionary provisions, if any, pursuant to 261—Chapter 199.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rule making. Written or oral comments in response to this rule making must be received by the Authority no later than 4:30 p.m. on July 10, 2018. Comments should be directed to:

Jennifer Klein
Economic Development Authority
200 East Grand Avenue, Des Moines, Iowa 50309
Phone: 515.725.3124
Email: jennifer.klein@iowaeda.com

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)"b," an oral presentation regarding this rule making may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making action is proposed:

Adopt the following new 261—Chapter 403:

CHAPTER 403

IOWA ENERGY CENTER

261—403.1(15) Purpose. The Iowa energy center is established within the authority with the following purposes:

1. To expand workforce and career opportunities for workers in the energy sector to ensure that the state is able to attract and train professionals to meet the state's future energy needs.
2. To support technology-based development by encouraging public-private partnerships and innovative manufacturers to develop and bring to market new energy technologies.
3. To support rural and underserved areas and vulnerable populations by creating opportunities for greater access to energy efficiency expertise, training, programs, and cyber security preparedness for small utilities.
4. To support the expansion of natural gas infrastructure to rural and underserved areas of the state where the absence is a limiting factor to economic development.
5. To promote and fund research, development, and commercialization of biomass technology to benefit the state economically and environmentally by further realizing the value-added attributes of biomass in the development of bioenergy, biofuels, and biochemicals.
6. To encourage growth of the alternative fuel vehicle market, particularly for electric vehicles, and the infrastructure necessary to support the market.

7. To support efforts to modernize the electric grid infrastructure of the state to support increased capacity and new technologies.

261—403.2(15) Definitions. As used in these rules, unless the context otherwise requires:

“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), and includes the members appointed to the board by the governor.

“Center” means the Iowa energy center established pursuant to Iowa Code section 15.120.

“Committee” means a committee established by the board.

“Director” means the director of the authority.

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

261—403.3(15) Iowa energy center board.

403.3(1) Composition. A governing board is established consisting of the following members appointed by the governor:

- a. One member representing Iowa state university of science and technology, in consultation with the president of that university.
- b. One member representing the university of Iowa, in consultation with the president of that university.
- c. One member representing the university of northern Iowa, in consultation with the president of that university.
- d. One member representing private colleges and universities within the state, in consultation with the Iowa association of independent colleges and universities.
- e. One member representing community colleges, in consultation with the Iowa association of community college trustees.
- f. One member representing the economic development authority, in consultation with the director of the economic development authority.
- g. One member representing the state department of transportation, in consultation with the director of the department of transportation.
- h. One member representing the office of consumer advocate, in consultation with the consumer advocate.
- i. One member representing the utilities board, in consultation with the chair of the utilities board.
- j. One member representing rural electric cooperatives, in consultation with the Iowa association of electric cooperatives.
- k. One member representing municipal utilities, in consultation with the Iowa association of municipal utilities.
- l. Two members representing investor-owned utilities, one representing gas utilities, and one representing electric utilities, in consultation with the Iowa utility association.

403.3(2) Terms. Members of the board are appointed for staggered terms of four years beginning and ending as provided in Iowa Code section 69.19. A person appointed to fill a vacancy serves only for the unexpired portion of the term. A member is eligible for reappointment. Any vacancy shall be filled by the governor as provided for in Iowa Code section 15.120(2). The terms of board members shall be staggered as determined by the director.

403.3(3) Quorum and voting requirements. A quorum of the board requires nine or more members, and any board action requires an affirmative vote by a majority of the members present.

403.3(4) Board officers. The board shall elect a chairperson and a vice chairperson annually and may elect other officers as necessary.

403.3(5) Meetings.

a. Meetings of the center 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.

b. Meetings of the board and any committee it may establish are conducted in accordance with the provisions of Iowa Code chapter 21. Any person may attend and observe the proceedings of the board and committee meetings except for those portions of the meetings conducted in closed session pursuant to Iowa Code section 21.5. Persons observing may use cameras or recording devices during the meeting so long as the use of such devices does not interfere with the proceedings. The chairperson may order any person to discontinue the use of such a device if the chairperson believes it is causing an interference with the proceedings. The chairperson may have any person excluded who fails to comply with such an order. The chairperson may also exclude any person generally causing a disruption of the proceedings.

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 awards of grants under the center's programs.

(1) The grant committee is an advisory body comprised of voting members of the board who are selected annually by the voting members of the board. The membership and size of the committee as well as the terms of the committee members will be established annually by the board.

(2) The members of the grant committee will elect a chairperson. The chairperson may appoint members of the grant committee to serve on a grant committee subcommittee if necessary. Such a subcommittee is advisory only and may perform such duties as may be assigned by the chairperson.

(3) The duties of the grant committee may include reviewing applications for grant awards, conducting a thorough review of proposed grant applications, making recommendations to the board regarding the size and condition of grant awards, and any other duty assigned by the board in relation to the programs administered by the center.

(4) A majority of the committee members constitutes a quorum of the committee.

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

(1) The loan committee is an advisory body comprised of voting members of the board who are selected annually by the voting members of the board. The membership and size of the committee as well as the terms of the committee members will be established annually by the board.

(2) The members of the loan committee will elect a chairperson. The chairperson may appoint members of the loan committee to serve on a loan committee subcommittee if necessary. Such a subcommittee is advisory only and may perform such duties as may be assigned by the chairperson.

(3) The duties of the loan committee may include reviewing applications for loans, conducting a thorough review of proposed loan applications, making recommendations to the board regarding the size and condition of loans, and any other duty assigned by the board in relation to the programs administered by the center.

(4) A majority of the committee members constitutes a quorum of the committee.

These rules are intended to implement Iowa Code section 15.120.

Attachment C



Iowa Energy Center Board Meeting

August 14, 2018

Agenda

- I. Grant Committee Program Report**
- II. Grant Program Updates**
- III. Grant Modification Requests**

Grant Committee Program Report

Grant Committee Program Report

- **Policies and Procedures Handbook**
- **Eligibility**
- **Funding**
- **Prohibited Expenses**
- **Application Process and Review**
- **Administration**
- **Sponsorships**

Policies and Procedures Handbook

The authority will prepare an Iowa Energy Center policies and procedures handbook. The handbook typically includes the following:

- Program summary
- Sources of funds
- Vision for Grant program
- Measurement of outcomes
- Monitoring efforts to ensure compliance
- Review criteria
- Scoring matrix
- Flowchart/timeline of grant application process
- Contract requirements
- Funding Allocations
- Claims/Reimbursement procedures
- Performance Report requirements
- Closeout procedures
- Amendment process
- Record retention
- lowagrants.gov management process

Eligibility

- **Eligible Applicants:**

- Iowa businesses, colleges and universities, and private non-profit agencies and foundations.
- Applications with subrecipients.
- Joint Applications.

- **Restrictions**

- A principal investigator shall be allowed to submit one applications per funding announcement.
- A principal investigator may be named as a co-investigator on additional applications submitted for the same funding announcement, provided they are not the principal investigator on any additional applications.

Funding

- IEC board will determine the amount of funds available to be awarded as grants.
- Any funds not used or recaptured will be reallocated to the grant program for additional grants.
- Maximum grant award will be \$1,000,000.
- Minimum grant award will be \$10,000.
- Initial grant award will be no longer than three years.
- Indirect costs will be capped at 20%.
- Federal cost share matches will not be provided.

Funding

- **Common requirements for IEC funding shall include, but are not limited to:**
 - Applicants must demonstrate a benefit for ratepayers.
 - Applicants must demonstrate that they are an eligible candidate.
 - Applicants must demonstrate an alignment with Energy plan key focus area(s).
 - Applicants shall demonstrate capacity for grant administration.
 - Applicants who have received previous IEC awards shall have demonstrated acceptable past performance, including the timely expenditure of funds.
 - Applications shall demonstrate the feasibility of completing the proposed activities with the funds requested.
 - Applications shall identify and describe any other sources of funding for proposed activities.

Prohibited Expenses

- Business relocation
- Business expansion
- Buildings/Rent
- Office Equipment
- Furniture and Fixtures
- Intangible Assets
- Existing training programs
- Private asset development
- Pipeline, transmission, and distribution line construction
- First Generation ethanol (ethanol produced from corn stover)
- Cellulosic ethanol
- No international travel
- Insurance
- Phone expenses
- Vehicle purchases


Application Process and Review

- **Minimum of one funding announcement per fiscal year.**
- **Forms will be available at lowagrants.gov and the Iowa Energy Center/IEDA website.**
- **The Iowa Energy Center will review applications and make funding decisions based on criteria described in the policies and procedures handbook. Review criteria typically include, but are not limited to:**
 - **Demonstrated need for further research, development, training or pilots**
 - **Address a need/provides a benefit for ratepayers**
 - **Budget**
 - **Dissemination Plan**

Application Process and Review (Pre-Applications)

- **Grant applicants will first complete a pre-application.**
- **Pre-app will then be reviewed by program manager for eligibility.**
- **Internal IEDA staff will review the pre-applications and prepare recommendations for the committee.**
- **Grant committee will then review the pre-applications and select which will move forward in the application process.**

Application Process and Review

- **Grant applications will first be reviewed by the grant program manager.**
 - **Grant applications will then be reviewed for technical/financial merit by IEDA staff. An outside technical review panel may be utilized for application reviews.**
 - **The Grant Committee will then review the applications and make a recommendation to the full Board.**
- 

Administration of IEC Award

- **After making an award notification to a recipient, the authority will issue an agreement.**
- **Recipients will submit requests for funds as described in the IEC policies and procedures handbook.**
 - Claim payments may be withheld if applicable performance reports have not been received and approved.
 - Payments will be made on a reimbursement basis.
 - No advance payments will be allowed.

Administration of IEC Award

- **Recipients will submit performance reports to the authority as described in the IEC policies and procedures handbook.**
 - The authority may perform annual project reviews and site inspections as necessary to ensure program compliance.
- **Changes to a funded IEC project, including time extensions, budget revisions, and alterations to proposed activities will be considered an agreement amendment and will require full board approval.**
 - One no-cost extension at staff discretion.
 - Additional extensions with board approval.
 - Modifications under 10% within budget line items without board approval are allowed. Anything over 10% will require grant committee approval.

Administration of IEC Award

- **Any time during a project, the authority may, for cause, find that a recipient is not in compliance with requirements under this program.**
- **At the authority's discretion, remedies for noncompliance may include penalties up to and including the return of program funds to the authority.**
- **Findings of noncompliance may include the use of Iowa Energy Center funds for activities not described in the application, failure to complete approved activities in a timely manner, failure to comply with any applicable state or federal rules, regulations or laws, or the lack of a continuing capacity of the recipient to carry out the project.**

Sponsorships

- **Sponsorships will be allowed with full board approval.**

Next Steps

- **IEDA staff drafts administrative rules based on grant committee program report.**
- **Grant committee meets to review feedback from written public comment period.**
- **Finalize administrative rules for board adoption.**

Grant Committee Next Steps

- **Policies and Procedures Handbook**
- **Application**
- **Reporting**
- **Board Meeting Updates**
- **Build program in lowagrants system**

Grant Program Updates

Grant Updates

- **Contracts**
 - **Claims**
 - **Reports**
- 

Contracts

- **23 of the 24 active IEC Grants now have fully executed IEDA contracts.**
- **Timeline of Grant Completions**
 - 2018: 14
 - 2019: 7
 - 2020: 2
 - 2021: 1

Claims and Reports

- **Recipient Organizations have started making claims in lowagrants. Updated system to request data regarding progress towards completion when submitting claims.**
- **Mid-term and Final reports required for claim approval.**
- **Have received 6 claims as of 7/30/2018.**
- **We will provide an executive summary of those reports at the November 7, 2018 meeting.**

Grant Modification Requests

- **17-IEC002– Deoxygenation of Lignin-Derived Species to Aromatics and Olefins – Dr. Brent Shanks (ISU)**
- **Requested a no-cost extension in December 2017. PI was awarded a six-month extension, but thought he was requesting a year. PI would like to extend the award date another six months until December 2018.**
 - Total Award Amount: \$94,598
 - Total Unspent Amount: \$44,786
 - Per PI, project is 70% complete
 - Project Description: Develop a process to deoxygenate byproduct lignin to aromatics and olefins, which are large volume chemicals that are significantly more valuable.
- **Staff Recommendation: Approve extension until December 31, 2018.**

- **17-IEC-004 Hydroxycinnamic Acids – Professor George Kraus (ISU)**
- **Already received one six month extension.**
- **PI did not feel comfortable working without a contract, so did not begin work until March, after contract negotiations had started. Would like an additional 90 days to complete his research/work.**
 - Total Grant Amount: \$149,211
 - Total amount unspent: \$79,077
 - Per PI, Project is 90% complete
 - Project Description: Create routes to much higher value applications of the lignin co-product, thus contributing to the cost-effectiveness and sustainability of biorefineries.
- **Staff Recommendation: Extend contract for 90 days.**

- **17-IEC-009 Energize Northeast Iowa – Christopher Carlson (NICC)**
- **Received a 6 month no cost extension and budget modification in December 2017.**
- **Staff is requesting a modification to the expiration date in order to accommodate the creation of a new contract.**
 - Original Budget: \$37,600
 - Current Expiration Date: 06/30/2018
 - Proposed Expiration Date: 09/30/2018
 - Project Goals: Develop an introductory modularized curriculum that will cover solar, wind and geothermal energy. Train 175 high school teachers and advisors in the curriculum and industry in general. Previous modification allowed for substitute pay to move trainings to shorter, more frequent seminars.
- **Staff recommendation: Extend contract expiration date to 09/30/2018.**

Attachment D

Iowa Energy Center Grant Program Report

Introduction

This grant program report reflects the outcome of IEDA staff and IEC Grant Committee member recommendations for the IEC Grant Program and will be used to shape administrative rules as well as policies and procedures. Policies and procedures will be discussed at length in the policies and procedures handbook, which will be updated on an annual basis.

Purpose

The Iowa energy center is established within the authority with the following purposes:

- a. To expand workforce and career opportunities for workers in the energy sector to ensure that the state is able to attract and train professionals to meet the state's future energy needs.
- b. To support technology-based development by encouraging public-private partnerships and innovative manufacturers to develop and bring to market new energy technologies.
- c. To support rural and underserved areas and vulnerable populations by creating opportunities for greater access to energy efficiency expertise, training, programs, and cyber security preparedness for small utilities.
- d. To support the expansion of natural gas infrastructure to rural and underserved areas of the state where the absence is a limiting factor to economic development.
- e. To promote and fund research, development, and commercialization of biomass technology to benefit the state economically and environmentally by further realizing the value-added attributes of biomass in the development of bioenergy, biofuels, and biochemicals.
- f. To encourage growth of the alternative fuel vehicle market, particularly for electric vehicles, and the infrastructure necessary to support the market.
- g. To support efforts to modernize the electric grid infrastructure of the state to support increased capacity and new technologies.

In overseeing the center and its programs, the board shall ensure that all ratepayer moneys remitted by the utilities board pursuant to section 476.10A are expended on programs and projects designed to provide benefits to gas and electric utility ratepayers.

Moneys appropriated to the center shall be used to sponsor grants and projects submitted on a competitive basis by Iowa businesses, colleges and universities, and private nonprofit agencies and foundations, and for the salaries and benefits of the employees of the center. The center may also solicit additional grants and funding from public and private nonprofit agencies and foundations.

Policies and Procedures Handbook: The authority will prepare an Iowa Energy Center policies and procedures handbook. The handbook typically includes the following:

- a) Program summary
- b) Sources of funds
- c) Vision for Grant program
- d) Measurement of outcomes
- e) Monitoring efforts to ensure compliance
- f) Review criteria
- g) Scoring matrix
- h) Flowchart/timeline of grant application process
- i) Contract requirements
- j) Funding Allocations
- k) Claims/Reimbursement procedures
- l) Performance Report requirements
- m) Closeout procedures
- n) Amendment process
- o) Record retention
- p) lowagrants.gov management process

Eligibility

Eligible applicants include:

- Iowa businesses, colleges and universities, and private nonprofit agencies and foundations.
- Applications with subrecipients [We will lay out specific requirements in policies and procedures].
- Joint applications with other eligible organizations.

Restrictions on applicants:

- A principal investigator shall be allowed to submit one application per funding announcement.
- A principal investigator may be named as a co-investigator on additional applications submitted for the same funding announcement, provided they are not the principal investigator on any additional applications.

Funding

- For each fiscal year that funds are available, the IEC Board will determine the amount of funds available to be awarded as grants in that fiscal year. [This amount will be included in the policies and procedures handbook, which will be updated annually].
- Any funds not used within the grant cycle shall be reallocated within the IEC as approved by the Board for additional grants.
- Any recaptured funds will also be reallocated to the grant program within the IEC.
- The maximum grant award will be \$1,000,000.
- Minimum grant award will be \$10,000.
- Initial grant award will be no longer than three years, however applicants may apply for no cost extensions [no longer than 5 years including any no-cost extension(s)].
- Indirect costs will be capped at 20%.
- Federal Cost Share matches will not be provided.
- Some common requirements for IEC funding include, but are not limited to:
 - Applicants must demonstrate a benefit for ratepayers.
 - Applicants must demonstrate that they are an eligible candidate.
 - Applicants must demonstrate an alignment with Energy plan key focus area(s).
 - Applicants shall demonstrate capacity for grant administration.
 - Applicants who have received previous IEC awards shall have demonstrated acceptable past performance, including the timely expenditure of funds.
 - Applications shall demonstrate the feasibility of completing the proposed activities with the funds requested.
 - Applications shall identify and describe any other sources of funding for proposed activities.

Prohibited Expenses [some of these could be broken down into ineligible projects and some are prohibited expenses or ineligible costs]

- Business relocation
- Business expansion
- Buildings/Rent
- Office Equipment
- Furniture and Fixtures
- Intangible Assets
- Existing training programs
- Private asset development
- Pipeline, transmission, and distribution line construction
- First Generation ethanol (ethanol produced from corn stover)

- Cellulosic ethanol
- No international travel
- Insurance
- Phone expenses
- Vehicle purchases

Application Process and Review

- The Iowa Energy Center will make a call for grants a minimum of once per fiscal year, provided funds are available.
- Forms will be available at lowagrants.gov and the Iowa Energy Center/IEDA website.
- The Board will establish timelines for the release of applications as well as submission deadlines.
- The Iowa Energy Center will review applications and make funding decisions based on criteria described in the policies and procedures handbook. Review criteria typically include, but are not limited to:
 - **Demonstrated need for further research, development, training or pilots**
 - **Address a need/provides a benefit for ratepayers**
 - **Budget**
 - **Dissemination Plan**
- Grant applicants will first complete a pre-application.
- Pre-app will then be reviewed by program manager for eligibility.
- Internal IEDA staff will review the pre-applications and prepare recommendations for the committee.
- Grant committee will then review the pre-applications and select which will move forward in the application process [this will be a simple go/no-go – no other feedback].
- Grant Program manager will ask selected applicants to submit a full application and provide a submission deadline [as decided by the Board].
- Grant applications will first be reviewed by the grant program manager for completeness and eligibility.
- Grant applications will then be reviewed for technical/financial merit by IEDA staff. An outside technical review panel may be utilized for application reviews. Based on these findings, IEDA staff will then prepare a recommendation for the Grant Committee.
- The Grant Committee will then review the applications and make a recommendation to the full Board, who will then vote and approve or deny applications.
- Applicants selected to receive grant funds will be notified in writing.

Administration of an Iowa Energy Center award

- After making an award notification to a recipient, the authority will issue an agreement. The agreement shall be between the recipient organization and the authority. All rules and applicable federal and state laws, regulations and rules shall be part of the agreement.
- Recipients will execute and return the agreement to the authority within 45 days.
- Recipients will submit requests for funds as described in the IEC policies and procedures handbook. Claim payments may be withheld if applicable performance reports have not been received and approved. Payments will be made on a reimbursement basis. No advance payments will be allowed.
- Grant recipients will maintain records for five years after the grant closes.
- Recipients will submit performance reports to the authority as described in the IEC policies and procedures handbook. The authority may perform annual project reviews and site inspections as necessary to ensure program compliance.
- Changes to a funded IEC project, including time extensions, budget revisions, and alterations to proposed activities will be considered an agreement amendment and will require full board approval. The recipient will request the amendment in writing, and no amendment shall be valid until approved in writing by the authority.
 - One no-cost extension at staff discretion
 - Additional extensions with board approval
 - Modifications under 10% within budget line items without board approval are allowed. Anything over 10% will require grant committee approval.
- Any time during a project, the authority may, for cause, find that a recipient is not in compliance with requirements under this program. At the authority's discretion, remedies for noncompliance may include penalties up to and including the return of program funds to the authority. Findings of noncompliance may include the use of Iowa Energy Center funds for activities not described in the application, failure to complete approved activities in a timely manner, failure to comply with any applicable state or federal rules, regulations or laws, or the lack of a continuing capacity of the recipient to carry out the approved project as approved.

Sponsorships

Sponsorships will be allowed with full board approval.

Attachment E

Grant Modification Requests

August 14, 2018

17-IEC-002 Deoxygenation of Lignin-Derived Species to Aromatics and Olefins – Dr. Brent Shanks (ISU)

- Requested a no-cost extension in December 2017. PI was awarded a six-month extension, but thought he was requesting a year. PI would like to extend the award date another six months until December 2018.
 - Total Award Amount: \$94,598
 - Total Unspent Amount: \$44,786
 - Current Expiration Date: 06/30/2018
 - Project Description: Develop a process to deoxygenate byproduct lignin to aromatics and olefins, which are large volume chemicals that are significantly more valuable.
- **Staff Recommendation: Approve extension until December 31, 2018 as requested by the principal investigator.**

17-IEC-004 Hydroxycinnamic Acids – Professor George Kraus (ISU)

- Requested and received a 6-month no cost extension in December 2017.
- PI did not feel comfortable working without a contract, so did not begin work until March, after contract negotiations had started. Would like an additional 90 days to complete his research/work.
 - Total Grant Amount: \$149,211
 - Total amount unspent: \$79,077 (another claim for \$64,850 has been submitted)
 - Current Expiration Date: 06/30/2018
 - Per PI, project is 90% complete.
 - Project Description: Create routes to much higher value applications of the lignin co-product, thus contributing to the cost-effectiveness and sustainability of biorefineries.
- **Staff Recommendation: Extend contract for 90 days as requested by the principal investigator.**

17-IEC-009 Energize Northeast Iowa – Christopher Carlson (NICC)

- Received a 6 month no cost extension and budget modification in December 2017.
- Staff is requesting a modification to the end date to accommodate creation of a new contract.
 - Original Budget: \$37,600
 - Current Expiration Date: 06/30/2018
 - Proposed Expiration Date: 09/30/2018
 - Project Goals: Develop an introductory modularized curriculum that will cover solar, wind and geothermal energy. Train 175 high school teachers and advisors in the curriculum and industry in general. Previous modification allowed for substitute pay to move trainings to shorter, more frequent seminars.
- **Staff recommendation: Extend contract expiration date to 09/30/2018.**

Attachment F

Alternate Energy Revolving Loan Program (AERLP) Program Report

Stephanie Weisenbach, Project Manager

Program Report Topics

- **Authority**
- **Amounts and Terms**
- **Eligibility**
 - Borrowers
 - Projects
 - Costs
- **Application Process**
- **Administration**
- **Compliance**
- **Default**

Authority

- **IEDA to make direct loans to borrowers**
- **Any outside assistance would come to IEC Board for approval**
 - For example, technical review of more complex projects

Loan Amounts

- **Cover no more than 50% of eligible project costs**
- **Minimum loan: \$25,000**
- **No more than value of collateral**
- **No more than \$1 million in cumulative outstanding loans to a given borrower (or borrowers with common ownership)**
 - This in addition to \$1 million maximum loan per project in Iowa code

Loan Terms

- **Use the shorter term considering**
 - Corresponding loan from private lender
 - Return on investment as impacted by incentives and cash flow (energy savings and/or revenue)
- **Loan term can't be longer than the life of equipment being financed**

Borrowers

Eligible

- Individuals
- Businesses
- Water and Wastewater Utilities

Ineligible

- Any entity that is a lender to a project and has membership/ ownership of the entity
- Any entity with a history of defaulted loans or compliance violations
- Political subdivisions
- Non-profit organizations
- Municipal Utilities and Rural Electric Cooperatives

- Must have primary residence (for individuals) or must be registered in Iowa (for businesses)
- Must be the owner, contract purchaser or lessee or the AEPF property location.
- For LLCs, IEDA will require disclosure of info to ensure each member is domiciled in Iowa and is an eligible borrower.

Projects

- **Iowa code provides broad definition of Alternate Energy Production Facility**
 - Historically, AERLP assisted mostly solar and wind
 - Can also include energy storage, anaerobic digesters / infrastructure for pipeline injection, wind repowering, combined heat and power.
- **AEPFs must be located in Iowa, wholly owned by borrower**
- **Applications should include all eligible projects that will seek AERLP assistance**

Costs

Eligible

- Components and installation supplies and labor
- Site preparation and development
- Other as determined by IEDA and IEC Board

Ineligible

- Feasibility studies
- Permits
- Administrative costs
- Costs prior to board approval
- Interconnection costs
- Maintenance, operations, repair
- Other as determined by IEDA and IEC Board

Application Process

- IEDA review of application, including analysis of eligibility, technical and financial aspects
- IEDA prepares recommendation for Loan Committee
- Loan Committee reviews applications and makes recommendation to IEC Board
- Loan awards subject to IEC Board approval

Scoring Criteria

- **Competitive criteria to be used when demand exceeds available funding**
 - Utilization of novel, emerging and/or underutilized technology
 - Geographic diversity for the AERLP portfolio
 - Quicker return on investment and resulting shorter loan term
 - Net impact of renewable energy generation relative to loan amount awarded

Administration, Compliance & Default

- Agreements executed between IEDA and borrower
 - Loan agreement provides events of default for IEDA determination
- Disbursement of funds to borrower
- Start-up report due within 30 days of AEPF operation to IEDA, which reserves the right to tour all projects
- Amendments subject to IEC Board approval
- IEDA to provide info to IEC Board on any defaults or collection activities
- Any settlement, write-offs or discontinuance of collection efforts will be reviewed and approved by IEC Board

Next Steps on Rules

- Utilize IEC Board-approved Program Report to draft administrative rules
- Share with IEC Board
- Loan committee reviews feedback from written public comment period
- Finalize administrative rules for board adoption

Next Steps for Program Development

- IEDA Staff and Loan Committee
 - Policies and procedures
 - Application content and process
 - Post-award reporting procedure
 - Identify quarterly program update framework
 - Integrate existing loan data and new application into IowaGrants.gov

Attachment G

Alternate Energy Revolving Loan Program (AERLP)

Program Report

August 2018

Introduction

This program report reflects the outcome of IEDA staff recommendations and the Iowa Energy Center (IEC) Loan Committee direction for the AERLP. It will be used to shape administrative rules as well as policies and procedures.

Authority

Loans for Alternate Energy Production Facilities (AEPF) will be made from the Iowa Economic Development Authority directly to borrowers. IEDA may utilize outside assistance as needed with tasks associated with the loan program, such as technical review of more complicated projects or newer technologies. Any contractor or consultant assistance for administration of the AERLP would come before the IEC Board for approval.

Loan Amounts and Terms

The loan amount will

- Represent no more than 50% of eligible project costs. The remainder will likely come from another loan from a private lender but could include other sources like grants or private capital.
- Be no less than \$25,000, resulting in a total project cost of \$50,000 or greater.
- Be no more than the value of the collateral provided. The collateral is limited to real estate, a dedicated CD, an irrevocable letter of credit, personal or corporate guarantee/ security agreement, or a combination thereof. Other forms of collateral are conditional to IEC Board Approval.
- Not allow more than \$1 million in cumulative outstanding loans to go toward a given borrower with multiple projects. This includes Limited Liability Corporations (LLCs) that have common ownership of different projects. This cap is in addition to the \$1 million maximum allowed per facility in Iowa Code.

Iowa Code for the AERLP allows for loans up to 20 years. IEDA will make a determination on the loan terms by looking at the corresponding loan from a private lender for the non-AERLP financing and evaluating the return on investment for the project. Whichever length of time is shorter is the preferred term. Loans will not be allowed to have longer term than the life of the equipment being financed.

Analysis on the return on investment will consider:

- How the return on investment is impacted by incentives, which may include but is not limited to grants, loan guarantees, tax credits, and Modified Accelerated Cost Depreciation System (tax depreciation).
- The cash flow of the project used to pay the loan back using energy cost savings or revenue.

Eligible Borrowers

- Individuals with a primary residence in Iowa
- Businesses registered and domiciled in Iowa. For Limited Liability Corporations, IEDA will require disclosure of the names of members and their addresses to ensure each member is domiciled in Iowa and is an eligible borrower.
- Water and wastewater utilities

The borrower must be the owner, contract purchaser or lessee of the AEPF property location.

Ineligible Borrowers

- Any entity that is a lender to a project and has membership/ ownership of such an entity
- Applicants with a history of defaulted loans or compliance violations with other state programs or regulations
- Political subdivisions
- Non-profit organizations
- Municipal utilities and rural electric cooperatives

Eligible Projects

Historically, the AERLP has focused mostly on solar and wind projects. Based on the language found in Iowa Code section 476.42, the AERLP can also assist a variety of technologies including energy storage, anaerobic digesters and infrastructure for pipeline injection, wind repowering, and combined heat and power.

1. a. *"Alternate energy production facility"* means any or all of the following:

(1) A solar, wind turbine, waste management, resource recovery, refuse-derived fuel, agricultural crops or residues, or woodburning facility. For purposes of this definition only, “*waste management*” includes a facility using plasma gasification to produce synthetic gas, either as a stand-alone fuel or for blending with natural gas, the output of which is used to generate electricity or steam. For purposes of this definition only, “*plasma gasification*” means the thermal dissociation of carbonaceous material into fragments of compounds in an oxygen-starved environment.

(2) Land, systems, buildings, or improvements that are located at the project site and are necessary or convenient to the construction, completion, or operation of the facility.

(3) Transmission or distribution facilities necessary to conduct the energy produced by the facility to users located at or near the project site.

AEPFs must be located in Iowa and be wholly owned by the borrower. Applicants shall include all eligible AEPFs they intend to finance in a single application.

Eligible Costs

- The cost of components of the proposed AEPF
- Materials and supplies required for the construction and installation of the proposed AEPF
- Cost of work performed by employees or independent contractors of the borrower’s installation or construction of the proposed AEPF
- Materials and labor associated with site preparation and development
- Other costs as determined by IEDA and IEC Board to be included

Ineligible Costs

- Feasibility studies
- Permits
- Administrative costs not associated with construction
- Expenses associated with construction begun prior to the IEC Board approval
- Interconnection costs
- Costs to maintain, operate or repair the AEPF
- Other costs as determined by IEDA and IEC Board to be excluded

Application Process

IEDA will manage the application process and engage the Loan Committee and IEC Board for oversight and approval.

- IEDA will accept applications and review for project and borrower eligibility, completeness, and whether they meet the financial and technical requirements of IEDA.
- IEDA will review the application content on the equipment, site, energy analysis, return on investment calculations and related project information. When complexities warrant additional expertise, staff may seek assistance from outside experts independent from AERLP applications.
- IEDA will review the applicant's credit and loan repayment history, debt-to-income ratio, and loan security. Additional information will be reviewed from business applications, such as financial statements and LLC ownership documentation.
- IEDA may request additional information from applicants as necessary to process the loan application and prepare a recommendation for the Loan Committee.

If demand for loans exceeds funding available, the following competitive scoring criteria will be used:

- Utilization of novel, emerging and/or underutilized technology. Example: if two solar projects were under consideration, the project that combines solar with a storage application would score higher as opposed to just a standalone solar project.
- Geographic diversity for the AERLP portfolio. This examines if a project site is in a county that has had fewer AERLP projects than the other applications under consideration. A methodology for this criterion will be developed.
- Quicker return on investment and resulting shorter loan term.
- The net impact of renewable energy generation relative to the loan amount awarded.

IEDA will prepare a recommendation to the Loan Committee with background information on the results of internal review. The Loan Committee will review the applications and make a recommendation. IEDA may negotiate the amount, term and other conditions of the loan prior to award. Loan awards are subject to approval of the IEC Board.

Administration

IEDA shall prepare an agreement between IEDA and the borrower which at a minimum shall include the conditions and contingencies of the award, responsibilities of both parties, security and collateral provided, and potential actions in instances of noncompliance.

After the execution of agreements, the borrower may request disbursement of funds from IEDA on the form provided.

Amendments to the agreements are subject to IEC Board approval on matters including but not limited to the award amount, term, and scope of work.

Compliance

A start-up report is due to IEDA within thirty days of the AEPF being operational. The report should include but is not limited to the actual installed costs of the AEPF, one or more photographs, a sample invoice, and a description of difficulties or unexpected problems. IEDA reserves the right to tour all projects financed through AERLP to ensure the projects were built as proposed and to provide verification of ongoing operation.

Default

IEDA may determine that a borrower is in default under the terms of the loan agreement.

IEDA will take prompt, appropriate, and aggressive debt collection action to recover any funds misspent by borrowers. IEDA will provide the IEC Board with information on defaulted loans and associated collection activities.

If IEDA determines that the borrower is in default, the department may seek recovery of all program funds, negotiate alternative payment schedules, suspend or discontinue collection efforts and take other appropriate action as IEDA deems necessary.

IEDA shall attempt to collect the amount owed. Negotiated settlements, write-offs or discontinuance of collection efforts is subject to final review and approval of the IEC Board.

If IEDA refers defaulted contracts to outside counsel for collection, then the terms of the agreement between IEDA and the outside counsel regarding the scope of counsel's authorization to accept settlements shall apply.