

Iowa Power Fund Board
 Meeting Minutes April 8, 2009
 Grand View College
 Humphrey Center
 Des Moines, Iowa

Call to Order:

Fred Hubbell, board chair, called the meeting to order at 10:00 A.M. He acknowledged a quorum.

Member	Present	Absent	Member	Present	Absent
Voting Members			Ex-Officio Members		
Fred Hubbell, Chair	X		Gregory Geoffroy		X
John Bilsten	X		Bill Giddings	X	
Peter Hemken	X		Kent Henning	X	
Patricia Higby		X	Senator Hubert Houser		X
Carrie LaSeur	X		Senator Roger Stewart		X
Richard Leopold	Aaron		Rep. Nathan Reichert		X
John Norris	Joan		Rep. Chuck Soderberg		X
Bill Northey	X		Due Diligence Committee		Present
Lucy Norton	X		Kevin Nordmeyer	Franklin Codel	
Mike Tramontina	X		Ted Crosbie	Vern Gebhart	
Thomas Wind, V-Chair	X		Curt Hunter	Fred Hubbell	X
			Patricia Higby	Roya Stanley	X

OEI staff in attendance: Roya Stanley, Jennifer Wright, Brian Crowe, Jessica Zopf, Sherry James

Approval of Agenda:

Action: Mr. Hemken moved, Ms. Norton seconded, to approve the agenda as printed. All members present voted “aye”.

Approval of Minutes:

Action: Ms. Norton moved, Mr. Northey seconded, to approve the March 11 minutes with one correction: presenter for the Novecta Glycerol Study was Dan Uthe. All members present voted “aye”.

Chair’s Remarks:

Chair Fred Hubbell reported on the process for board member reappointments and the status of the current three board members that are due for reappointment. Board members are appointed by the Governor and must be confirmed by the Senate. One board member has been pulled by the senate for an individual discussion.

Chair Hubbell also reminded the board members that there was an election of chair and vice chair each year in May. This will be an agenda item for the May 13 board meeting.

Director's Remarks:

Director Roy Stanley reported the Administration Bill was moving through the process. This bill, SF 471, would transfer Iowa's energy responsibilities from the Department of Natural Resources to the Office of Energy Independence in order to organize all of the responsibilities under one agency. SF 471 also authorizes the Office of Energy Independence to hire additional full-time employees using only federal funding. In addition, the bill authorizes the transfer of three full-time employees from the DNR to the OEI. The federal funding would come from the American Recovery and Reinvestment Act (ARRA) of 2009 and other federal funding sources. The Office is prohibited from using over 5% annually of the funding from the ARRA for administrative costs. SF471 also authorizes the Iowa Power Fund Board to allocate up to \$1,000,000 to the Department of Economic Development for the purposes of a research activities in renewable energy tax credit. If passed, this bill will become effective upon enactment.

Director Stanley reviewed the stimulus funding projects and reported that Jennifer Wright and Sean Bagniewski would be attending a regional meeting regarding the federal stimulus money to learn of some guidelines and criteria for developing the applications and the process.

There was discussion regarding whether these federal stimulus projects were only the projects that state departments were asked to submit prior to the release of the stimulus funds. Director Stanley replied that this was an open process and notification would be sent that everyone needs to submit an application for their project. The original list that was requested for the federal level to consider was very broad and the state energy office would only be focusing on energy related projects to be funded.

Director Stanley reviewed the three "buckets" of federal funding:

- 1.) State Energy Programs: OEI will receive \$40,546,000; seeks to reduce per capita energy consumption by at least 25%; all technologies funded must be commercially available; funds will be primarily channeled through the Building Energy Smart Iowa (BESmart) Program.
- 2.) Energy Efficiency and Conservation Block Grants: OEI will receive \$9,593,500; assists eligible entities in implementing strategies to reduce fossil fuel emissions, to reduce total energy use and to improve energy efficiency; larger cities and counties will receive \$11.5 million in funding directly from DOE; smaller cities and counties will receive funding from OEI.
- 3.) Energy Efficiency Rebates: the Recovery Act provides \$300 million nationally to the State Energy Offices; helps consumers purchase residential Energy Star products.

Public Comments:

There were no public comments.

Committee Reports:

Administrative Rules: Nothing to report.

Due Diligence: Director Stanley reported the DDC would meet on April 22nd. There would be several pre-apps and some full apps to review.

Chairman Hubbell reviewed the Iowa Power Fund Project Summary List regarding the remaining budget. The Office prepared a project report that included updates for all contracted projects.

Planning Committee: Director Stanley reported the planning committee was scheduled to meet on April 20. Their goal was to go through the comprehensive plan that was a combination of all of the Energy Plans written as well as Navigant's plan and establish the next steps. A "Planning Retreat" is being planned for the planning committee to work with a mediator for direction on creating this year's Energy Plan.

Application Committee: There was nothing to report.

Projects Update

Chair Hubbell reviewed the Iowa Power Fund Budget Summary as well as the Suggested Targets and Actual Appropriations. The Power Fund Board will continue to receive final reports and updates from the projects. The final reports will be posted on the OEI webpage.

Full Applications

◇ Carbon-Free Energy, LLC - Mr. Crowe reported this project is a small-scale wind turbine start-up company. He reports the application states their vertical orientation wind turbine is well suited to residential, farming, and small commercial market segments. A patent applied for technology has increased vane RPMs by 207% in wind tunnel tests with a scale model. Their proprietary generator design produces electricity in light wind speeds and can also take advantage of very high wind speeds, unlike wind turbines with a horizontal orientation. The funding request is \$250,000 and the Match is \$250,000.

Action: Northey, no; LaSeur, yes to negotiate; Hubbell, no; Bilsten, yes to negotiate; Conrad, no; Norton, yes to negotiate; Tramontina, yes to negotiate; Hemken, yes to negotiate; Brees, yes to negotiate; Wind, yes to negotiate. *Motion: Yes to negotiate.*

Term Sheets

◇ Iowa State University Distiller's Grains in Livestock Diets – the project description is to increase the use of distillers grains in livestock diets and decrease the impact of insoluble fiber, antibiotics, and sulfate in poultry and cattle diets.

Action: Ms. Norton moved, Mr. Bilsten seconded, to approve an award to Iowa State University, Department of Animal Science, in the amount of \$415,328 on the terms and conditions described in the Term Sheet presented, with the following change: an additional term be added: "consult with Iowa ethanol industry on related topics." A roll call vote resulted as follows: Northey, yes; LaSeur, no; Hubbell, yes; Bilsten, yes; Conrad, yes; Norton, yes; Tramontina, yes; Hemken, yes; Brees, yes; Wind, yes. *Motion carried.*

◇ University of Iowa, IAWIND Collaborative Project – The Iowa Alliance for Wind Innovation and Novel Design (IAWIND) and its member organizations will serve as a mechanism to foster research and development of anticipated and future needs of the Iowa wind industry.

Action: Mr. Wind moved, Mr. Northey seconded, to approve an award to Iowa Alliance for Wind Innovation and Novel Development (IAWIND) in the amount of \$2,150,000 on the terms and conditions described in the Term Sheet presented, with the following change: include the involvement of all private and community colleges in the projects. A roll call vote resulted as follows: Northey, yes; LaSeur, yes; Hubbell, yes; Bilsten, yes; Conrad, yes; Norton, yes; Tramontina, yes; Hemken, yes; Brees, yes; Wind, yes. *Motion carried.*

Contracts

Amended contracts – Mr. Crowe reported there were a couple of contracts that had changed their budget. There was discussion regarding whether these changes needed Board approval. The Office’s Administrative Rules state if the changes are substantive changes, they needed board approval. Ms. Johnson, DED, felt they were substantive. Chair Hubbell directed the Office to work with the AG’s office to determine if they needed Board approval. They will be an agenda item in the future if it’s determined they do need board approval.

Mr. Crowe reminded the board that OEI contracts with the Iowa Department of Economic Development to prepare contract documents for the Iowa Power Fund awards. The contract is prepared using the Term Sheet approved by the Power Fund Board.

◇ Green Plains Renewable Energy/Bioprocess Algae, LLC – Mr. Crowe reviewed the substantive changes to the term sheet resulting in the contract.

Action: Ms. Norton moved, Mr. Hemken seconded, to approve the Contract for Green Plains Renewable Energy, Inc. and BioProcess Algae, LLC in the amount of \$2,085,000 as presented, with the following changes: the contract is contingent upon receipt of the licensing of the technology. A roll call vote resulted as follows: Northey, recused; LaSeur, no; Hubbell, yes; Bilsten, yes; Conrad, yes; Norton, yes; Tramontina, yes; Hemken, yes; Brees, yes; Wind, yes. *Motion carried.*

Public Comments:

There was no public comment.

Other Business:

Director Stanley reported staff is working on scheduling the summer board meetings to be held at Power Fund projects outside of Des Moines. Details will be sent to the members at a later date.

Adjournment:

There being no further business to discuss at this time, Mr. Hemken moved, Mr. Northey seconded, the meeting be adjourned at 2:00 P.M. All members present voted “aye”. The next Power Fund Board meeting will be held on Wednesday, May 13 at 10:00 AM, at the Grand View College.

Fred Hubbell, Board Chair

Sherry James, Recording Secretary