

**Iowa Power Fund Board**  
**Meeting Minutes September 9, 2009**  
 Iowa State University Alumni Center  
 420 Beach Avenue  
 Ames, Iowa

**Call to Order:**

Fred Hubbell, Chair, called the meeting to order at 11:45 A.M. He acknowledged a quorum.

Member	Present	Absent	Member	Present	Absent
<b>Voting Members</b>			<b>Ex-Officio Members</b>		
Fred Hubbell, Chair	X		Gregory Geoffroy	X	
Tom Wind, V-Chair	X		Bill Giddings		X
Rob Berntsen	X		Kent Henning		X
John Bilsten	X		Senator Hubert Houser		X
Shearon Elderkin	X		Senator Roger Stewart		X
Peter Hemken	X		Rep. Nathan Reichert	X	
Patricia Higby	X		Rep. Chuck Soderberg		x
Richard Leopold	X		<b>Due Diligence Committee</b>		<b>Present</b>
Bill Northey	X		Kevin Nordmeyer	Franklin Codel	X
Lucy Norton		X	Ted Crosbie	Vern Gebhart	X
Mike Tramontina		X	Curt Hunter	Fred Hubbell	X
			Patricia Higby	Roya Stanley	X

OEI staff in attendance: Roya Stanley, Brian Crowe, Jessica Zopf, Sherry James. Ag's office: Julie Pottorff:

**Approval of Agenda:**

Action: Mr. Bilsten moved, Mr. Northey seconded, to approve the agenda as printed. All members present voted "aye".

**Approval of Minutes:**

Action: Mr. Hemken moved, Ms. Elderkin seconded, to approve the August 12, 2009 Power Fund Board minutes as printed. All members present voted "aye".

**Chair's Remarks:**

Chair Fred Hubbell thanked President Geoffroy and ISU staff for the opportunity to tour the labs at ISU that were partially funded with Power Fund dollars. A tour of two ISU laboratories and an update on their projects was conducted prior to the board meeting.

There was discussion regarding the November Power Fund Board meeting. The scheduled date falls on Veteran's Day. It was the consensus of the group to reschedule the meeting for Tuesday, November 10<sup>th</sup>. The location has tentatively been scheduled for Grand View Community College.

### **Director's Remarks:**

Director Roya Stanley also expressed appreciation to ISU and the opportunity to review the labs.

Director Stanley reported there is increased news on the national and state level. Iowa recently received an announcement of a Green Jobs Forum and Governor Culver wrote this into Executive Order 16. The forum for the general public will be held on Thursday, September 10<sup>th</sup> at the Historical Center. The intention is to bring parties together in training and education from high school through trades, while recognizing the full range of green jobs for Iowa. There are currently a lot of funding opportunities at the federal level. Iowa Workforce Development is taking the lead on the federal funding for the Green Jobs planning and training.

A lot of applications have been received for the federal funding that OEI is managing. Director Stanley reported that following the conversation at the last board meeting regarding the office having a message for the public on the programs, she directed Monica Stone, Communications Coordinator at OEI, to develop a list of three priority areas.

Ms. Stone presented the three areas:

Energy independence for Iowa means economic prosperity for Iowans; Iowa's strategy must be to enhance our lead in the things we do well – and energy is one of those things; Iowans need pathways to stabilize their energy bills. She reviewed the three areas and the programs that support them. She reported these points were summarized from the feedback at the board meetings, the energy stakeholders and OEI staff.

There was discussion regarding where the projects that have currently been funded fall under these three major areas. Ms. Stone replied she felt the Power Fund could concentrate on some projects with employment more immediate. Most projects are for future dollars to be spent on the economy. Chairman Hubbell requested to see a spread sheet with the projects directly tied to one of the three areas for current funded projects at the next board meeting.

Ms. Stone reported that these three main areas will be on OEI's webpage and referenced in all press releases and publications that are created for OEI.

### **Public Comments:**

There was no one that gave public comment.

### **Committee Reports:**

Administrative Rules: Brian Crowe reported that the Administrative Rules that were approved for final adoption at the last board meeting regarding community grants will be effective October 14<sup>th</sup>

Due Diligence: Brian Crowe reviewed the August 20 and August 26 DDC meeting minutes. He reported there were 20 pre-applications, with four of them being asked to submit a full application; five full applications, with four of those forwarded on to the Board; and one application tabled.

Mr. Crowe reviewed the suggested targets and project commitments for FY '10. He also reviewed the project commitments to date assigned to the different categories for Biofuels I, Biofuels II, Wind, Solar, EE, Biomass, Transportation and Other.

There was considerable discussion regarding the “tabled” category. Mr. Crowe reviewed the reasons a project might be “tabled”. Staff is recommending a letter be sent to those projects currently in “tabled” status notifying them that they have 90 days to resolve issues as identified by the board. If the issues are not resolved within 90 days, the application shall be considered inactive. If the application is resolved within 90 days, the application will be reviewed by staff and then brought forth for reconsideration of the Power Fund Board. It was suggested the letter also include the statement that those applications in “tabled” status are not in a holding spot for funds.

There was board discussion regarding clearer language for these categories such as “tabled and in negotiations”.

There was also board discussion regarding the DDC meeting being held every two months, but the August agenda was so long there had to be two separate meetings in one month. Mr. Crowe acknowledged that and reported the staff won’t know how many pre-applications or full applications will be submitted for the October 28 DDC meeting until the October 1 deadline.

### Planning:

Tom Wind, Planning committee chair, reported the planning subcommittee met via conference call to discuss the comments from energy forums and stakeholder meetings. The committee discussed how to incorporate those comments into the annual plan; they would expand on the 3 topics of energy efficiency, renewable energy, and biofuels. Jessica Zopf, OEI staff, reported an additional meeting has been scheduled for October 13 at 9:30 to discuss a first draft of the plan.

Mr. Wind reported a rough draft of the Plan would be completed by October 6, the planning committee will review the plan on October 13 and it will be presented to the Board on October 14<sup>th</sup>. He reminded the board they had made the decision to not contract the large study out as has been done in the past. The committee will be concentrating on the comments from stakeholders and public. Mr. Berntsen reported the education component and smart grid clarifications have been added to the plan outline.

### Full Application

Julie Pottorff, from the Attorney General’s Office, reminded the board members they need to recuse themselves from any application in which they have a conflict of interest prior to the discussion or action at the board meeting. She summarized the Iowa Code and Administrative Rules which require board members to disclose direct or indirect conflicts of interest:

If a member of the board has an interest, either direct or indirect, in a project for which financial assistance may be provided by the board, the interest shall be disclosed to the board in writing in advance. The member having the conflict of interest shall not participate in the discussion or vote by the board on the project.

Mr. Crowe reported *West Central Cooperative* was applying for funding in the amount of \$820,012 for a research project to develop new uses and to create value in the Iowa agriculture supply chain for by-products produced through the production of renewable fuels. The specific by-products which will be part of the research project include crude glycerin, soybean meal, and corn germ. In an effort to support this research and ultimate commercialization, West Central is proposing to develop a pilot-scale research facility to test and develop new uses for these high volumes but low value co-products of the renewable fuels sector in effort to increase the long term value of these products and spur new industry in the state of Iowa. They believe that by creating new uses of these by-products in the animal nutrition and industrial applications segments, they can enhance the overall economics for renewable fuels production.

Action: A roll call vote resulted as follows: Berntsen, no; Bilsten, no; Elderkin, yes to table; Hemken, no; Higby, yes to table; Hubbell, no; Leopold, no; Northey, no; Wind, recuse. Decision; 6 no; 2 table; *motion failed*.

Mr. Northey left the meeting.

Mr. Crowe reported *Hybrid Power Centers, LLC* was applying for \$329,000 for a project that involves coupling two or more fuel sources into one power plant. Their primary technology under development is a hybrid power plant that would combust both coal and biomass in a single integrated system. A technological advance review analysis demonstrates that the concept is viable using existing technology, can meet base load energy needs at industrial scale, and do so in a cost-efficient, environmentally friendly manner that returns investment to Iowa. Chairman Hubbell reported this project will need a technical review.

Action: A roll call vote resulted as follows: Berntsen, yes to negotiate; Bilsten, yes to negotiate; Elderkin, yes to negotiate; Hemken, yes to negotiate; Higby, no; Hubbell, no; Leopold, yes to negotiate; Wind, yes to negotiate. Decision; 6 yes; 2 no; *motion passed*.

*Negotiating Team: Tom Wind, Rob Berntsen, John Bilsten and Fred Hubbell*

Rich Leopold left the meeting. Aaron Brees was present as alternate.

Mr. Crowe reported SynGest Menlo, LLC was applying for \$2,500,000 to be the first commercial scale demonstration facility to convert 130,000 tons of corn cobs, purchased from local farmers, into 50,000 tons annually of anhydrous ammonia. BioAmmonia will be sold to area farmers via an agreement with Heartland Coop. In addition to the economic impact created by 40 new jobs at the facility and up to 200 total when accounting for logistics and other support services that the site will need, they will contribute a projected \$7 million back to the local economy by purchasing corn cobs from local farmers. Chairman Hubbell reported this project will need a technical review.

Action: A roll call vote resulted as follows: Berntsen, yes to negotiate; Bilsten, yes to negotiate; Elderkin, yes to negotiate; Hemken, yes to negotiate; Higby, yes to negotiate; Hubbell, yes to negotiate; Brees, yes to negotiate; Wind, yes to negotiate. Decision; 8 yes; *motion passed*.

Pat Higby left the meeting.

*Negotiating Team: Rob Berntsen, Mike Tramontina, Bill Northey and Fred Hubbell*

Mr. Crowe reported Elevance Renewable Sciences, Inc; Renewable Energy Group, Inc; and Technochem International, Inc. was applying for \$3,857,646 to build a demonstration scale integrated biorefinery, drawing on their respective technical and commercial strengths. The biorefinery will convert renewable raw materials largely sourced from Iowa into petroleum replacement fuels and specialty chemicals. The goals of the 2.6 million gallon per year integrated bio-refinery are to generate data for a commercial scale design, to produce biofuels including an enhanced biodiesel and a jet fuel and petroleum replacement specialty chemicals.

Action: A roll call vote resulted as follows: Berntsen, yes to negotiate; Bilsten, yes to negotiate; Elderkin, yes to negotiate; Hemken, yes to negotiate; Hubbell, yes to negotiate; Brees, yes to negotiate; Wind, yes to negotiate. Decision; 7 yes; *motion passed*.

*Negotiating Team: Mike Tramontina, Peter Hemken, Lucy Norton and Fred Hubbell*

Mr. Crowe reported the ISU, Beattie, project, 08-11-1159, was a tabled project that was being presented to the board for reconsideration. The board had previously requested additional match and the increased match for the project has been generated in the form of a project that will be submitted by General Atomics as the lead of a consortium of over 30 companies and institutions to Department of Energy. The overall goal of the project is to optimize the production and extraction of single cell oil from oleaginous microorganisms.

Action: A roll call vote resulted as follows: Berntsen, yes to negotiate; Bilsten, yes to negotiate; Elderkin, yes to negotiate; Hemken, no; Hubbell, no; Brees, yes to negotiate; Wind, no. Decision; 3 no; 4 yes. There must be 6 to pass. *Motion failed.*

### **Project Status Report**

Chairman Hubbell requested to have some project updates at each board meeting. The status report would be a written report from the applicant as well as comments from OEI staff. Due to the length of the meeting, Mr. Hubbell asked the board members if they had any questions on any of the projects after reviewing their status update. Projects updated at this meeting were: Cellencor; UNI Prairegrass; POET; Iowa stored Energy Park and 21<sup>st</sup> Century Green Energy Project.

Mr. Crowe reported the only project with question was Cellencor. Staff has met with Cellencor representatives recently and due to economic times; they are having difficulty finding a company to partner with them.

### **Public Comments:**

No one presented for public comment.

### **Other Business:**

There was no other business.

### **Adjournment:**

There being no further business to discuss at this time, Mr. Hemken moved, Mr. Bilsten seconded, the meeting be adjourned at 5:45 P.M. All members present voted "aye". The next Power Fund Board meeting will be held on Wednesday, October 14, 2009 in Shenandoah.

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Fred Hubbell, Board Chair

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Sherry James, Recording Secretary