

**Iowa Power Fund Board  
Meeting Minutes July 8, 2009  
University of Northern Iowa  
Cedar Falls, Iowa**

**Call to Order:**

Fred Hubbell, Chair, called the meeting to order at 12:50 P.M. He acknowledged a quorum.

Member	Present	Absent	Member	Present	Absent
Voting Members			ExOfficio Members		
Fred Hubbell, Chair	X		Gregory Geoffroy		X
Tom Wind, Vice Chair	X		Bill Giddings	M J Dolan	
Rob Berntsen	Joan Conrad		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	Aaron Brees		<b><i>Due Diligence Committee</i></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, Bob Mulqueen, Rob Grayson, Jennifer Wright, Sherry James. AG's office, Julie Pottorff

**Approval of Agenda:**

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

**Approval of Minutes:**

Mr. Wind reported there was a typing error on page 3, second paragraph, last sentence. Change "completely" to "completed".

Action: Ms. Norton moved, Mr. Hemken seconded, to approve the June 10, 2009 Power Fund Board minutes as amended. All members present voted "aye".

**Chair's Remarks:**

Chair Fred Hubbell thanked Pat Higby and the University of Northern Iowa for hosting the July board meeting. A tour of the facility and an update on their project was conducted prior to the board meeting.

**Director's Remarks:**

Director Roy Stanley also expressed appreciation to University of Northern Iowa for accommodating the board in conjunction with the tour of the Power Fund project. She reported the Board would be touring other projects throughout the summer and the tours would be scheduled to coordinate with the board meetings. Director Stanley also thanked the area legislators, Representative Bob Kressig, Representative Doris Kelley, and Senator Jeff Danielson for attending the board meeting.

Director Stanley reported the Office was physically relocating from the Lucas Building to the Wallace Building. Some staff had moved and the remaining staff would be moving July 27<sup>th</sup>.

The office is very busy moving forward on stimulus. Secretary of Energy, Secretary Chu was in Des Moines on June 22 and scheduling allowed that there was a Planning Meeting at the Botanical Center and he addressed the group and spoke a few words of encouragement for the fast track that Iowa is pacing for the applications. The funding is now available and the staff is eager to start receiving good applications and looking forward to investing wisely.

Director Stanley reported that Rob Berntsen joined her in Washington DC last week to attend an Eastern Interconnection meeting. In the ARRA of 2009 is a requirement that the states coordinate planning for the Eastern Interconnection. The legislation contains \$80,000,000 for this purpose which includes facilitating the development of regional transmission plans, conducting a resource assessment, and an analysis of future demand and transmission requirements. On May 15, a group of public officials met with DOE to discuss the process for moving this forward. The group was led by Commissioner Lauren Azar from Wisconsin. This will be a very important project as it will set policy and plans for interconnecting the Midwest with the rest of the country. The results will have a profound impact on how Iowa moves power, and in particular, wind power, for decades.

**Public Comments:**

Senator Danielson thanked the board for meeting in Cedar Falls and appreciated the opportunity to meet with the board and get a sense of working partners. He thanked the board for investing in projects in the area.

**Committee Reports:**

Administrative Rules: Nothing to report.

Due Diligence: Brian Crowe reported the DDC met on June 24<sup>th</sup> and reviewed 4 full applications and 14 pre-apps. Three full applications will be presented at this July meeting and one was tabled.

Mr. Crowe reviewed the quarterly Iowa Power Fund Project Summary report.

Chairman Hubbell reviewed a report from Melanie Johnson, DED. He reported this will be a monthly report to the board giving a contract status update. He expressed appreciation for the report and encouraged the board to take some time reviewing it. Mr. Hubbell reported it is very detailed and gives a lot of information.

Planning: Tom Wind, Planning committee chair, reported the Energy Planning meeting was held at the Botanical Center and they had the pleasure of having Secretary Chu attend for the a portion of the time. It was a very intense day of planning with many good ideas expressed. Staff will review all of the public comments and send a summary to the Board for their review. Another date for working on the plan will be scheduled in the near future. There will be a public energy forum on Thursday July 30 in Council Bluffs and at the Iowa State Fair on August 17<sup>th</sup>.

Application: Nothing to report.

### **Full Application**

Brian reported Trees Forever, Inc. was requesting \$391,950 to work with 10 Iowa communities that were impacted by the 2008 natural disasters to develop long-term, sustainable tree planting programs that focus on maximizing energy savings, carbon sequestration, and other economic and environmental benefits.

Action: A roll call vote resulted as follows: Hemken, yes to negotiate; Higby, yes to negotiate; Wind, no; Elderkin, yes to negotiate; Conrad, yes to negotiate; Brees, yes to negotiate; Norton, no; Northey, yes to negotiate; Tramontina, yes to negotiate; Hubbell, yes to negotiate. Results: 8 yes to negotiate, 2 no. Negotiating Team: Conrad, Hemken, Norton, Hubbell

Brian reported Amaizing Energy Holding Company, LLC project was requesting \$2,500,000 to collaborate with Pioneer Astronautics, Inc. and EAD Engineering, LLC to construct a pilot scale advanced biofuels reactor and biomass processing system.

Action: A roll call vote resulted as follows: Hemken, yes to negotiate; Higby, yes to negotiate; Wind, no; Elderkin, yes to negotiate; Conrad, yes to negotiate; Brees, no; Norton, yes to negotiate; Northey, yes to negotiate; Tramontina, yes to negotiate; Hubbell, yes to negotiate. Results: 8 yes to negotiate, 2 no. Negotiating Team: Northey, Tramontina, Wind, Hubbell

Brian reported Iowa Renewable Energy Association requested \$80,000 to host an I-Renew Energy Expo for the public to gain practical knowledge about energy efficiency and renewable energy from workshops and also provide the opportunity for attendees to talk directly to vendors who offer a wide variety of renewable energy and energy efficiency products.

Action: A roll call vote resulted as follows: Hemken, yes to negotiate; Higby, recused; Wind, ; yes to negotiate; Elderkin, yes to negotiate; Conrad, yes to negotiate; Brees, yes to negotiate; Norton, yes to negotiate; Northey, yes to negotiate; Tramontina, yes to negotiate; Hubbell, yes to negotiate. Results: 9 yes to negotiate, 1 recused. Negotiating Team: Wind, Elderkin, Northey, Hubbell

### **Contracts**

Carbon-Free Energy, LLC is a small-scale wind turbine start-up company. A patent applied for technology has increased vane RPMs by 207% in wind tunnel tests with a scale model. The project details stated 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.

Action: Mr. Bilsten moved, Ms. Norton seconded, to approve an award to Carbon Free Energy, LLC in the amount of \$250,000 on the terms and conditions described in the Term Sheet as presented. A roll call vote resulted as follows: Brees, yes; Elderkin, yes; Norton, yes; Wind, yes; Higby, yes; Hemken, yes; Conrad, yes; Northey, yes; Tramontina, yes; Hubbell, yes. Motion carried.

Iowa State University — Animal Science proposes to construct distillers grains feeding studies for swine, poultry, and cattle to address strategies to overcome the insoluble fiber, antibiotic, and sulfate limitations, respectively, so that the use of distillers grains in livestock diets may be increased.

Action: Ms. Norton moved, Mr. Hemken seconded, to approve an award to ISU, Animal Science, in the amount of \$172,994 on the terms and conditions described in the Term Sheet as presented. A roll call vote resulted as follows: Brees, yes; Elderkin, yes; Norton, yes; Wind, yes; Higby, yes; Hemken, yes; Conrad, yes; Northey, yes; Tramontina, yes; Hubbell, yes. Motion carried.

Consumers Energy Coop will purchase and retrofit a standard hybrid electric vehicle (HEV) so that it can be plugged into a standard electrical outlet. They want to test and monitor the performance of a plug-In Hybrid Electric Vehicle (PHEV) to determine the performance levels for climate and then also assess the viability of converting internal combustion engine (ICE) fleets to PHEV.

Action: Ms. Higby moved, Ms. Conrad seconded, to approve an award to Consumers Energy Coop in the amount of \$19,000 on the terms and conditions described in the Term Sheet as presented. A roll call vote resulted as follows: Brees, yes; Elderkin, yes; Norton, yes; Wind, yes; Higby, yes; Hemken, yes; Conrad, yes; Northey, yes; Tramontina, yes; Hubbell, yes. Motion carried.

The 21<sup>st</sup> Century Green Energy Project will determine a path forward for implementing a solution to critical, post-flood energy system issues in Cedar Rapids. This will be done through completion of a detailed assessment to develop the business and technical basis for the creation of a renewable cogeneration solution for downtown Cedar Rapids. The flood-related loss of the historic, district energy system is negatively impacting the viability of Cedar Rapids industries, hospitals, and businesses. The 21<sup>st</sup> Century Green Energy Project offers the opportunity to provide renewable, cogenerated energy to these customers, improves system efficiency, and helps retain and build on the economic base of Cedar Rapids. The project will identify and integrate local fuel sources including the abundant biomass from Cedar Rapids industries and city operations to create a true community model for green energy development. The documentation of the business and technical cases to be completed by this assessment will facilitate attracting the capital resources necessary for development.

Action: Mr. Tramontina moved, Mr. Hemken seconded, to approve an award to 21<sup>st</sup> Century Green Energy Project in the amount of \$253,406.50 on the terms and conditions described in the Term Sheet as presented. A roll call vote resulted as follows: Brees, yes; Elderkin, yes; Norton, yes; Wind, yes; Higby, no; Hemken, yes; Conrad, yes; Northey, yes; Tramontina, yes; Hubbell, yes. Motion carried.

**Amended contract**

Brian reviewed the TPI Iowa, LLC contract amendments and reported these were substantive and requested board approval. The following amendments were discussed: allow TPI to seek patents for technologies developed under this project; prohibit TPI from using any funding received from the state of Iowa to pursue a patent or other intellectual property protection; required TPI to report any patents they have sought or received relating to their Power Fund project; TPI is held to the same obligations as under the original agreement.

Action: Mr. Wind moved, Mr. Hemken seconded, to amend the current TPI contract as presented. A roll call vote resulted as follows: Brees, yes; Elderkin, yes; Norton, yes; Wind, yes; Higby, yes; Hemken, yes; Conrad, yes; Northey, yes; Tramontina, yes; Hubbell, yes. Motion carried.

Brian reported all other contract amendments have not been substantive and did not require any board action.

**Public Comments:**

Kamyar Enshayan, Dave Williams, Courtney Schiappa and Seth Grissett gave an update on the AmeriCorps project in Black Hawk County. Ms. Higby reported she had contacted OEI to request an update as to whether the activities they were performing was the contract requirements. Brian reported he had completed a site visit on July 7<sup>th</sup> and felt their performance was appropriate and in agreement with the contract

**Other Business:**

There was further discussion on the board getting project updates. Brian reported for the next several months, project status reports will be presented to the Board. If the Board feels that a project is not meeting project expectations, the necessary actions would be taken.

**Adjournment:**

There being no further business to discuss at this time, Mr. Northey moved, Ms. Norton seconded, the meeting be adjourned at 5:00 P.M. All members present voted "aye". The next Power Fund Board meeting will be held on Wednesday, August 12, 2009.

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Fred Hubbell, Chair

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Sherry James, Recording Secretary