

# IWEA NEWSLETTER

IOWA WIND ENERGY ASSOCIATION

## The President's Corner

The Iowa Wind Energy Association continues its growth both in membership and influence as it approaches its 18th month of existence.



The accomplishments of the association are directly related to the work of our Board of Directors, lobbyist, fiscal agent and most importantly the membership.

In a short period of time, IWEA has had a positive impact on the growth of the wind industry in Iowa. With concerted effort the association will continue to be an important factor in Iowa's growth in the wind industry nationally.

On April 2nd, the Annual Meeting and Conference was held at the Estherville Campus of Iowa Lakes Community College. Slightly over 200 registered for the conference which also featured several corporate sponsors for the first time.

The conference evaluation results were very positive and will provide valuable guidance for the planning of next year's conference. The speakers all did an outstanding job and as always, most people wished there was even more time for dialogue and networking.

Our legislative agenda was well received by the Iowa Legislature and supported by Governor Culver. In a session marked by serious fiscal issues, IWEA's proposals were approved and some additional money was allocated to support the growth of the industry in Iowa. It is clear that the Governor and Legislature recognize the potential for job and manufacturing growth that the wind industry represents. A more detailed summary of our legislative accomplishments is in this newsletter.

Our finances are solid again this year with revenues from all sources expected to be in excess of \$30,000. With continued growth in memberships and another successful conference next year, our financial base should continue to grow and afford an opportunity to support our industry advocacy initiatives to an even greater extent.

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## 2009 IWEA CONFERENCE • APRIL 2, 2009



John Dunlop, AWEA, speaks to the attendees at the 2009 IWEA Conference in Estherville.

## Conference Attendance Up 45 Percent

Not only was the wind blowing during the 2009 IWEA Conference in Estherville on April 2nd; the sun was also shining, and the attendees were charged with energy.

By all accounts, there was increased activity at this second conference of the IWEA organization. The facilities were set up to encourage networking by including, for the first time, sponsors and sponsor table displays in the conference area.

Attendance was up approximately 45 percent over the previous year. This was attributed to a much broader group of stakeholders participating. The diversity of the attendees included many different segments of the wind energy distribution chain.

Although this is an Iowa organization, we hosted individuals from several states – some nearby and some from as far away as Texas and California.

The two keynote speakers set the stage of Wind Energy on a National Perspective. John Dunlop, Area Representative for the AWEA, shared a timely report on the Stimulus Package and Ian Baring Gould, Senior Engineer at NREL, took us into his world of wind research.

A panel including Scott Buchanan, Joe Rubino, Tom Wind and John Bilsten addressed Issues of Deployment and Development. Then

a second panel consisting of Doug Collins, Joe Sullivan, Mike Tramontina and Bob Loyd focused on the Emerging Solutions through System Integration. Each of the conference speakers displayed their considerable knowledge, enriching the experience for the attendees.

The information, some believe, was almost too much for a one day event. Fortunately, each of speakers have allowed us to post their presentations on the organization's Web site: [www.IowaWindEnergy.org](http://www.IowaWindEnergy.org). This has taken more time than anticipated, but should be on the Web site soon.

The conference received many positive comments and useful feedback; many thanks to everyone who completed an evaluation form. The committee will implement as many of the recommendations as possible into the 2010 conference planning.

We thank everyone for your contribution toward another successful event; this includes this year's sponsors: Hartwig, Dickinson MacKaman Tyler & Hagen, ITC, SOS Staffing, Alliant Energy, Anemometry Specialists, Iowa Lakes Corridor Development Corp., Mid-West Tech, Inc., Iowa Lakes Community College and those on the Iowa Lakes Community College staff who assisted in the planning and coordination.

*~ Submitted by Jan Bowles, Alliant Energy*



On April 23, 2009 Iowa Governor Chet Culver signed into law two major pieces of legislation that will help promote small and medium wind farm development in the state of Iowa.



IWEA President Harold Prior shakes hands with Iowa Governor Chet Culver at the Statehouse where the Governor signed legislation that will benefit wind farms in Iowa.

## IWEA Legislation Backed In 2009 Session Of The Iowa Legislature

The wind energy industry in Iowa continues to mature in the public policy arena, as the results of the just completed 2009 Session of the Iowa Legislature prove.

Led by Chairman Randy Van Dyke, the IWEA Legislative Committee developed an aggressive agenda of issues to assist the continued development of wind, expanded transmission opportunities and continued research and development of wind technologies.

Many thanks go out to all the members of our Legislative Committee, all the IWEA members who contacted lawmakers during the legislative session, and IWEA President Harold Prior who made several visits to the Statehouse to meet with lawmakers on wind policy issues.

We would be remiss if we did not acknowledge the efforts of the lawmakers who devoted much time, effort and energy to the passage of wind energy legislation.

Once again we thank wind energy stalwarts Rep. Donovan Olson, Rep. Nate Reichert, Rep. Chuck Soderberg, Sen. Rob Hogg and Sen. Joe Bolkom. Special thanks go to Rep. Vicki Lensing, who successfully shepherded the House version of the Small and Medium Wind Power Production Tax Credit bill. And of course IWEA thanks all of the Senators and Representatives who vot-

ed for pro-wind energy legislation.

Here's a summary of the IWEA developed and backed legislation from the 2009 Session of the Iowa Legislature:

### SF 456 - SMALL AND MEDIUM WIND POWER PRODUCTION TAX CREDITS

This was the major wind policy bill of the 2009 Session. It has six main components:

1) The bill increases the amount of production tax credits available for "small" scale generation projects (code chapter 476C) to 330 megawatts of nameplate generating capacity;

2) Reduces the amount of unused production tax credits available for "large" scale generation projects (476B) to 150 megawatts of nameplate generating capacity;

3) Creates a new "medium" scale wind production tax credit program by allowing projects up to 30 megawatts of nameplate capacity to be eligible for production tax credits (476B);

4) Makes community colleges, public hospitals, public and private schools and the state's universities eligible for the production tax credits if they generate wind power solely for use at their facility;

5) Provides "small" producers

with an extra 12-months of time between the awarding of a tax credit and the time in which they must be generating if necessary equipment is unavailable; and

6) Tasks the Iowa Utilities Board with updating the "waiting list" for code chapter 476C production tax credits.

### HF 817 - WIND RESEARCH TAX CREDIT

The bill adds an additional \$1 million dollars to the Innovative Renewable Energy Generation Components tax credit program. The program is used to provide an incentive for the development of "next generation" wind generation technology.

### HF 810 - SMALL WIND INNOVATION ZONES

This bill is targeted at promoting the installation of residential scale wind turbines in Iowa. The bill allows for cities and counties to establish a small wind innovation zone within the political subdivision's boundaries. The bill provides for the development of a model interconnection agreement as well as a model ordinance for use by cities and counties to encourage residential scale wind generation. The bill also makes the turbines erected in such a zone eligible for the wind production

tax credit in code section 476C.

### SF 471 - OFFICE OF ENERGY INDEPENDENCE

Included in this bill, which moves the energy duties of the DNR over to OEI, is a study of climate change and its expected impacts on Iowa. The University of Iowa, Iowa State University and the University of Northern Iowa will be conducting the study.

### SF 452 - COMMUNITY ENERGY GRANTS

Utilizes four percent of the annual appropriation to the Iowa Power Fund for the newly created Energy Efficiency Community Grant program.

### SF 376 - I-JOBS BONDING

Included in this major infrastructure bonding bill is \$5 million to the Iowa Energy Center for deposit in the alternative energy revolving loan program.

### SF 279 - EXPEDITED TRANSMISSION UPGRADE POLICY

The policy establishes an abbreviated transmission franchise approval process when a utility or transmission provider wishes to upgrade their facilities from 34.5 kilovolts to 69 kilovolts.

~ Submitted by Jim Obradovich, IWEA Lobbyist

# Go To The Back Of The Line

*When does an amended application for wind energy tax credit eligibility become a “new” application so as to cause one to lose one’s place in the queue?*

**O**n May 4, 2009, the Iowa Utilities Board (IUB) issued two declaratory orders – In Re: Windharvestors, LLC DRU – 2009-0002 and In Re: Blowing In The Wind, LLC DRU – 2009-0003.

The orders regarding these Applicants concerned previously filed applications for wind energy production tax credits which had been placed on a waiting list because the then available credits had been over subscribed.

Subsequently, the Iowa legislature increased the capacity of available chapter 476C tax credits and the IUB notified these Applicants that their facilities had been granted preliminary eligibility. The IUB also advised of the need to immediately notify it of any significant changes to the project described in the application.

Claiming the facilities were relocated in order to save expenses related to connection to the power grid, the Applicants asked IUB to determine such relocation not constitute such a significant change so as to jeopardize their place in the tax credit queue. The IUB determined that the Applicants’ relocation was significant enough to require it to be treated as a “new” application, with consequent loss of placement in the tax credit queue.

## BACKGROUND

Prior to the subject Applicants’ request to IUB, the agency had reviewed amendments to previously-approved eligibility applications on a case by case basis to determine whether the proposed change was significant enough to be regarded as a new application.

Review involved a fairness issue, since eligibility applications are processed on a “first come, first served” basis (meaning that applicants with projects that are not fully developed can potentially gain eligibility ahead of others who are still finalizing the details of their projects simply by filing their applications first). To counterbalance this early-filing advantage, IUB had determined that significant changes to a previously-approved application might in some circumstances be regarded as a new application.

In approving facility eligibility IUB recognized that final siting may change because of the broad range of facility identifications submitted in the

applications. Some applications deemed acceptable simply identified the county in which the facility was to be located; others, also deemed acceptable, identified specific sections and quarter sections of the land on which the facility would be located. IUB thus determined that applicants who specified exact locations in their original applications should not be treated more harshly than those who listed only more general locations.

## THE SAFE HARBOR RULE

In order to balance the interests of all applicants, the IUB issued its order in In Re: Green Prairie Energy, LLC, Docket No. 199 IAC 15.19 (3/2/2008), establishing a safe harbor for the relocation of eligible facilities. IUB allowed (without need for any further action) relocations within the same county, and to different counties if the relocation was 25 miles or less from the original site.

Recognizing that a hard and fast rule may not be equitable in every situation and that there may be good cause, such as enhanced project efficiency, for a change in location in excess of the safe harbor limits, IUB advised applicants to seek a declaratory order to determine whether such relocation constituted “good cause.”

## THE APPLICANTS’ POSITION

The subject Applicants filed declaratory judgment actions which sought IUB’s answer to three questions relating to their ability to relocate their wind project turbines and amend their applications without those amendments being treated as a “new” application with resulting loss of their place in the tax credit queue.

The Applicants posed three questions: 1) Do enhanced project efficiencies constitute good cause so as to preserve their original place in the queue? 2) Given the lack of a statute mandating inclusion of wind turbine location in the chapter 476C application, can applicants freely amend the project location without the application being treated as a new one? 3) Given the lack of a statute or rule preventing amendment of an approved application, can they freely amend the project location without the application being treated as a new one? The Applicants urged the IUB to answer each question affirmatively.

## THE IUB RESPONSE

Before addressing the Applicants’ specific con-

tentions, IUB addressed its overall authority to determine whether relocation in any given instance is a substantial change requiring it to be treated as a “new” application. IUB contended (as did the Office of Consumer Advocate (OCA), that Iowa Code §476C.3(1) “specifically authorizes IUB to establish requirements for chapter 476C eligibility determinations.” §465C.3(1) does not specifically address relocation. It provides:

1. A producer or purchaser of renewable energy may apply to the board for a written determination regarding whether a facility is an eligible facility by submitting to the board a written application containing all of the following:
  - a. Information regarding the ownership of the facility...
  - b. The nameplate generating capacity of the facility...
  - c. Information regarding the facility’s initial placement in service.
  - d. Information regarding the type of facility and what type of renewable energy the facility will produce.
  - e. A copy of the power purchase agreement or other agreement to purchase electricity...
  - f. Any other information the board may require. (emphasis added)

IUB Rules, however, specifically provide that the applications contain “a description of the location of the facility in Iowa....” See IAC 199 §§ 15.18 -15.21.

## THE IUB DECISION

IUB determined that the three questions posed by the Applicants be answered in the negative. IUB determined that Applicants had not established good cause for an exception to the safe harbor rule. While increased wind efficiencies might constitute good cause for such an exception, such was not the case here; rather, interconnection cost issues were the driving force behind the Applicants’ turbine relocation.

IUB maintained that such cost issues could have been known, or should have been known, at the time of the original application. Thus the Applicants were relegated to the back of the tax credit line.

~ Submitted by Paul E. Horvath,  
Dickinson, Mackaman, Tyler & Hagen, P.C.

## The President's Corner

*Continued from front page*

The IWEA Board of Directors met June 10th at 2:00 p.m. at the Wind Energy and Turbine Technology building on the Estherville Campus of Iowa Lakes Community College.

The Board will welcomed new members and thanked the outgoing ones. Officers of the Board will be elected and new committee appointments reviewed and approved as appropriate. With committee reports and many other items of business, this meeting was to be full of activity and helped take another important step in the continued growth of the Iowa Wind Energy Association.

Thank you for your membership and activities in support of the association and the wind industry in Iowa. Our association is strong due to its membership.

Let's all work to recruit new members and continue to expand upon the great work that has been started.

Iowa stands as the number two producer of wind energy in the United States and I believe produces a higher percentage of electricity from wind than any other state. IWEA continues to play an important role in supporting the growth of the wind industry in Iowa!

Harold D. Prior, Ph.D.  
President  
Iowa Wind Energy Association

## Board Of Directors Meeting Updates

The election of officers was held at the last IWEA meeting on June 10th, 2009. There were no new additions to the group. All officers will remain the same. The group is a follows:

President – Harold Prior  
Vice President – Randy Van Dyke  
Secretary/Treasurer – Rob Hach

The following is a list of committee members as updated from the last IWEA meeting:

The Marketing Committee:  
Mark Nolte will be the Chair, with Rick Lovenduski, Regi Goodale and Craig Malt- by also serving on the committee.

Nomination Committee:  
Tom Ellenbecker will be the Chair.

Legislative Committee:

Randy Van Dyke will be the Chair, with Harold Prior, Jim Martin-Schramm, Terry Bailey, Phil Sundblad, Larry I. James Jr. and Gregg Heide also serving on the committee.

Membership/Membership Drive Committee:  
Michael Moore will be the Chair, with Rob Hach, Eric Wittrock, Dave Klostermann, Cory Harris and Bob L'Heureux also serving on the committee.

Safety Committee:  
Mike Kelley will be the Chair, with Al Zeitz and David Bressert also serving on the committee.

Annual Meeting Committee:  
Jan Bowles/Val Newhouse will be Co-Chairs, with Jim McCalley and Kathy Law also serving on the committee.

## IWEA President To Serve On Advisory Group

In February IWEA President Harold Prior was nominated by Governor Culver to serve on an advisory group that will work on the Midwestern Governors Association 2009 Chair's Agenda, Creating Jobs in the New Energy Economy. The other Iowans nominated include Robert Denson, President of Des Moines Area Community College and Nathaniel Baer, Energy Program Director of the Iowa Environmental Council.

A total of eleven Midwestern states are included in the MGA and 36 individuals have been appointed to complete this advisory group. According to the information released to members of the advisory group, this group

includes leaders from the energy, economic development, education, workforce development and venture capital sectors. The first meeting was a webinar held on May 14th. The first meeting in person is scheduled for Detroit on June 3 and 4. It is expected that a formal platform on "Creating Jobs in the New Energy Economy" will be released October 6 and 7 at the MGA Jobs and Energy Summit also in Detroit.

Following the summit, the group will continue with an expectation that the Advisory Group will work to transform the Jobs Platform into a series of recommendations for state action.

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A complete list of the  
Iowa Wind Energy Association  
members can be found on  
our Web Site:

[www.IowaWindEnergy.org](http://www.IowaWindEnergy.org)

## Safety Committee Update

The IWEA Safety Committee will be meeting by conference call June 29th, 2009 at 1:00 P.M.

Conference call: (218) 936-3808  
Access code 296-956-831

The purpose is to get this committee up and running. We have been contacted by several individuals since our meeting in April.

The time is now. If you are interested in helping the Safety Committee, please join the call and we will move forward from there.

There are many issues that are facing the wind business near future.

- Personnel Lifts
- ANSI A10 Construction/Demolition of Wind Turbines
- Crane Rules
- Construction Confined Spaces

We also want to discuss the Charter and Mission Statements, so please join us on June 29th, 2009 at 1:00 PM.

~ Submitted by Michael Kelley,  
Upwind Solutions