

**FILED WITH
Executive Secretary**

September 25, 2015

IOWA UTILITIES BOARD

NOI-2015-0001

September 25, 2015

CGC Methane 1, LLC
2754 Royal Oaks Dr NW
Swisher, IA 52338

Re: Docket NOI-2015-0001
Wind and Renewable Energy Tax Credits

Dear Ms. Shaw:

We appreciate the chance to comment on Docket No. NOI 2015-0001. Our comments are listed below and are numbered similarly to the seven questions listed in Section III of the Order Opening Inquiry and Soliciting Comments (8/21/15).

1. Should the Board set conditions or milestone requirements upon which a 12-month extension of the operational deadline would be granted? 476C allows, but does not mandate, that the IUB grant additional 12 month extensions after the first 12 month extension. If the intent of the law is to encourage the development of renewable energy, then it makes sense to allow the IUB to prune out applicants which have received preliminary approval for the tax credits but whose projects are, even after years on the preliminary approval list, not able to realistically be developed. However, this same logic does not hold for applicants who are only on the waiting list because the cause for their delay is that those specific projects may need those tax credits in order to be financially viable. Those waiting list companies may be forced to delay full development of their projects until they see whether they are finally advanced to the preliminary approval list.

2. Does the Board have the authority to adopt criteria for 12-month extensions without modifying its rules? Yes. Again, 476C allows, but does not mandate, that the IUB grant additional 12 month extensions after the first 12 month extension. If subsequent 12 month extensions are not mandated by law, then some criteria *must* be used to evaluate the possible extensions. It is appropriate that the IUB be the agency which set that criteria. Currently that criteria used may have only been that the applicant has extended the effort to file a request for an extension but it would seem appropriate to set the bar much higher than that.

3. Comment on possible criteria to evaluate requests for a 12 month extension. Contracts themselves are not good indicators of developmental progress. Provisions written into any contract can make it an unreliable indicator of whether a given project will actually be developed. Financial expenditures for project development are a much more meaningful indicator of whether a progress is truly moving forward. If a project has had its preliminary approval authorized 42 months ago (that period being the 30 month initial approval and then the first 12 month extension), then it should be obligated to show that it has at least seriously tried to proceed with the project's development. In order to receive the second 12 month extension, proof of expenditure of the minimum of 1) 50% of the total project cost, or 2) \$400/kw of the

peak capacity of the system would be an appropriate level to require of each not-yet-operational applicant.

4. Should the Board limit the number of 12 month extensions for a facility? If so, how many extensions? How should the Board address those that have exceeded this number of extensions? I would recommend that the proof-of-expenditures criteria be implemented. If that criteria is implemented and the format that I suggested in Response No. 3 above is used, the majority of the projects of those applicants who are on the preliminary approval list, but have made no progress, would likely be removed at the end of their current 12 month extension period. If there is a project which is making developmental progress but needs a third 12 month extension, a still higher bar could be set (say the minimum of 75% of project costs expended or \$600/kw) And if there is a project which then needs yet a fourth 12 month extension (which would be bring their total time on the preliminary approval list to a rather lengthy 6 ½ years), that extension might granted if even further funds have been expended.

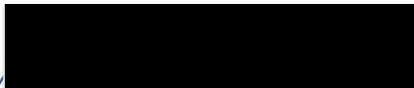
5. Should the rule (198 IAC 12.19(6)) be modified in such a way that it would only pertain to applicants on the waiting list who have not provided a periodic update during the previous 12 months? No comment.

6. Should the rule (for filing of tax credit applications in paper format) be modified to allow for electronic filing? No comment.

7. Other suggestions for modification of Chapter 15.19 rules. No comment.

Thank you for looking at this important issue regarding the 476C tax credit program for renewable energy in Iowa.

Sincerely,

A black rectangular redaction box covering the signature of Steve Jennerjohn.

Steve Jennerjohn
President
CGC Methane 1, LLC