

November 05, 2015

IOWA UTILITIES BOARD

1. I am not qualified to interpret the statute.
2. I am not qualified of interpret the statute.
3. The equity owners can provide a what, why, when and how explanation of their project and an attestation of existence and ownership level.
4. Since we are in an evolutionary stage with wind and solar projects, it is important to prove there is still direction to the proposed project and clarify the project still has good possibilities. I discovered on two occasions the initial project was denied by the utility but then became attractive to another entity and the projects were built. On a third occasion a REAP grant was in place which means a Technical and Feasibility Study were completed but the financial partner was missing. Once the financial partner was found the project was completed. The board should expect to see a reasonable plan every six months.
 - a. I am a banker and have seen projects become successful without strong financial support in the initial stage of the development. An LLC completes the REAP grant application along with the Technical Study and Feasibility Study then applies for the Iowa Production Tax Credit then goes to the utility or third party power purchaser for firming up the Power Purchase Agreement. The financially strong partner is expected to commit at some stage of this process but may want to wait until after the IPTC has been approved. It is important to make these projects available to start-up developers and not just available to seasoned wealthy developers. Developers know they need to include financially qualified investors or partners to make the project work. Financial capability must be established and could be established prior to the 476C application. That requirement may actually help attract financially Strong investors earlier in the project development.
 - b. A project should be reviewed after one year for feasibility and if that passes again at the two-year anniversary. If there are no good prospects the developer should be required to withdraw and can file again when the prospects for a feasible project exist.
 - c. Applicants should establish to the IUB the project is feasibility. The Iowa Energy Center and USDA establish project feasibility in their programs for wind and solar projects. Contractors and other technical assistants should have been used to build the project before applying for the state tax credit.
 - d. Applicants should establish to the IUB the project is feasible. Developers should have already provided this information to contractors or manufacturers or other project professionals. Documenting the steps taken prior to the filing of the eligibility application would be helpful.
5. The IUB should expect applications to be supported by feasible projects. Minimum requirements would be documented project costs, a reasonable potential for a Power Purchase Agreement and general qualifications of the developer's project team.
6. I am not qualified to interpret the statute.

Larry Grimstad, President
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