

September 15, 2015

IOWA UTILITIES BOARD

I am Larry Grimstad, President of Oneota Solar LLC. and Decorah Solar Field LLC. **NOI-2015-0001**

I have built one community solar project and am in the final stage of completing a second project. The first project was a 280 kW solar field built in 2012 that was based on two years of preparation. The second project, a 667 kW solar project, is expected to be completed in two weeks and has taken two and one half years of work to complete this project.

These projects are unusual because they are “community solar” in an environment where community solar has limited support. The projects were originally structured around selling power to a rural electric cooperative. After learning those project plans would not work, the projects were shifted to Luther College in Decorah. Luther has sustainability goals and agreed to a solar lease on the first 280 kW project and a Power Purchase Agreement on the 667 kW second project.

Each of these projects has taken almost three years to complete.

The 280 kW project owned by Decorah Solar Field, LLC was approved for the Iowa Production Tax Credit “476C Other” in the original project stage using a potential PPA however under the solar lease would not qualify for the IPTC. The solar lease had the potential of being converted to a Power Purchase Agreement should that option be available in the future but the decision was made to give up the IPTC authorization to give other solar projects a chance to qualify. The IPTC was not used to help finance this project due to the technicalities.

The 667 kW project owned by Oneota Solar, LLC was approved for the Iowa Production Tax Credit “476C Other” as a 500 kW project in its original project stage. The project size changed from 500 kW to 667 kW under a PPA with Luther College. Oneota Solar applied for a 167 kW increase in the IPTC authorization and is on the waiting list.

I am a community banker who believes in local community development and am interested in growing community solar projects in Iowa communities. I would expect the demand for community solar projects to increase but financing continues to be challenging and in need of the IPTC.

Community solar projects need financial commitments from all the incentive sources but if there is an overall State authorized limit, there is also a need for time limitations. My opinion would be a two-year limitation with a one-year extension for good cause. After three years the project can be expected to reapply.