

Iowa's Energy Resources – Working Group Kick-Off Meeting

February 29, 2016; 2:30 pm – 4:30 pm

Meeting Summary¹

I. Meeting Objectives

- Explain approach to working group meetings and member contributions.
- Introduce working group topics and scope for discussion moving forward.
- Engage in a high-level conversation about Iowa's opportunities and challenges as it relates to energy.
- Begin identifying programs, policies, and initiatives that work well and could serve as best practices.

II. Questions for Discussion

- What do you think is the biggest opportunity that Iowa has as it relates to energy?
- What are the greatest challenges for the future?
- From your perspective what are some existing energy policies and programs that are exemplary and work well?
- Are you aware of any best practices in terms of policies and programs from the region or other states that would be beneficial to Iowa?

III. Summary of Key Comments

- There is a need to protect utilities and their infrastructure. The renewable standards have been successful because they allow the utilities to make a profit.
 - There is currently nothing to replace the RPS goal; what is Iowa's long term plan and how do we get there?
- There is a need to conduct a value of solar (VOS) analysis to determine the true value of solar energy in the state. Once this information is available it would be possible to make policy decision that addresses rate design, tax incentives, etc.
 - How can utilities partner with other organizations for solar development?
- Cities need to be aware that zoning and land use regulations might have an impact on solar developers. How can we remove barriers to solar development?
- Large manufacturing businesses look at the cost of energy when determining when to establish their operations. Keeping energy costs low is critical to retaining businesses in Iowa.
 - At the same time, we need to be efficient with the money that we spend on energy, even if it means building and/or taking advantage of resources outside of the state, we shouldn't focus on borders.

¹ *Disclaimer: The ideas and items included in this document represent a high level summary of what was discussed during the meeting as interpreted by multiple staff assisting in the note-taking process. They are not to be construed as verbatim comments from any working group member.*

- PACE financing has experienced challenges, and state-level issues have prevented city-level work from being done, but the mechanism is coming back into relevance at the state level and has the potential to attract lenders.
- Should take advantage of hydropower, there are lots of rivers in the state and it can provide a balance between intermittent renewable resources and baseload power. Can it be done cost effectively?

What are the greatest challenges for the future?

- Utilities today are different than in the 1960s. There is an evolution of where power comes from and how it is connected to the grid in a way that it ensures reliability.
 - How do we look at costs over the long term? It's critical to keep rates low and preserve in-state investments wherever possible.
- How do we take technology to market? We need to keep jobs and tax base in the state. We get more research and development money from outside of the state than in the state for biofuel research and technology investment.
- Planning for new generation assets deserves a discussion:
 - In other states they do Integrated Resource Planning (IRP), how is the current process working in Iowa?
 - We have been lucky so far, but there are three different plans that are submitted, each relying on different numbers. It's difficult because the information is always changing. We may need to explore more frequent rate cases.
 - The Renewable Portfolio Standard (RPS) goals were exceeded many years ago, how do we think about new technologies and integrate other options then?
 - Important for utilities to coordinate their planning efforts with the Midwest Independent System Operator.
- Currently energy storage options are too cost prohibitive, but Iowa resources would be more competitive with it.

Examples of existing energy policies and programs that working group members consider exemplary:

- CAfirst.org to learn more on Property Assessed Clean Energy (PACE) financing.
- Municipal electric communities in Minnesota are using on bill financing for commercial properties and for projects that includes small Heating, Ventilation and Air Conditioning (HVAC) and energy efficiency improvements.
- State Solar Ready Program.
- DNR report on hydropower.

IV. Comments and Questions Received from the Public

- N/A.