

Transportation and Infrastructure – 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

What do you think is the biggest opportunity that Iowa has as it relates to energy?

- Decrease energy use as a proportion of the gross state product; fuel in all forms (ethanol & others) can be used to achieve energy independence with improves the economy.
- Focus on multimodal transportation. Expanding passenger rail could be an opportunity to explore, although there is a recognition that the costs are high.
- Freight movement consumes a significant amount of fuel, and can be made more efficient through a variety of strategies that include more efficient forms of transportation and freight optimization, better connections between transportation modes; perhaps more port development, and passenger rail.
- Important to look at congestion points for car and rail transit to give consumer choices. Also important to reduce idle-time at rest stops along interstates.
- Expand use of biofuels as a transportation fuel. Also look at natural gas as an opportunity for transportation fuels.

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.*

- Use of propane as a transportation fuel could be expanded. One benefit of this is being able to sell more propane year-round and not just in the winter thus maintaining supply and demand consistency, and therefore consistent pricing.
- It is important to link the timing of the Energy Plan development process to the strategies presented in Iowa Department of Transportation Long-range Transportation Plan. We should explore how one process can feed into the other.
- There is a need to better understand intrastate vs. interstate transportation movement as well as infrastructure – road, pipes, wire.
- Identify opportunities for farm-to-market roads that are necessary but require large investments to build and maintain. We cannot abandon the way that we get products to market or ignore the urban and rural linkage in transportation.
- Electric vehicles might be an opportunity for the state.

What are the greatest challenges for the future?

- Iowa's electricity transmission infrastructure is aging and there are a lot of new demands on it.
 - This brings challenges associated with keeping electricity rates low and attractive.
 - Wind energy requires high voltage lines in places where they do not exist.
- There are similar challenges with natural gas pipelines, especially when trying to serve potential new industrial users while wanting to maintain attractive rates.
 - In rural Iowa there are pipeline capacity issues as well. The federal regulatory structure does not allow for growth in pipeline capacity unless customers pay upfront, which is not affordable.
 - Can we get enough natural gas throughout the year when we have limited pipeline capacity for natural gas or propane?
- Iowa has its own Renewable Fuels Standard and the goal is set too high to be achievable.
- Other states have incentives to help fleets switch to alternative fuel vehicles
- Trains and locomotives could possibly use more biodiesel but there are challenges associated with the warranties on engines.
- Is energy storage a viable option for attracting businesses interested in renewable energy?
- Education is extremely important. We need to consider how we educate on economy, technology and environmental impacts and benefits.
- If Iowa is to incentivize electric vehicles, then there needs to be a discussion about how owners pay for their use of the state's infrastructure.
- Use of propane as a transportation fuel has some challenges, as there seem to be discriminatory regulations against propane when compared to compressed natural gas (CNG) fueling stations due to the requirements of Iowa Fire Marshall along the lines of training and testing.
- Consider storage technology and how that will interface with infrastructure.
- Cost of fleet turnover to non-petroleum fuels is dependent on the price of crude oil.
 - There are challenges associated with the volatile price of petroleum.
 - However, there are also some federal incentives available for conversion of fleets and some states also have incentives available.
- Closure of power plants and coal movement up and down the rivers has led to less paying jobs in towns with coal plants. This is a big problem for economic development. How do we identify alternative jobs or industries?
- Need for regulatory certainty: RFS; without it the price of corn was driven down and farmers can't produce ethanol without cash flow which will create a decrease in the economy.
- Use of eminent domain should be evaluated.

- The wholesale electricity market is not regulated. How do we keep the value of electricity produced in the state in Iowa.

IV. Comments and Questions Received from the Public

- Will policy issues like continued access to net metering for home solar be included in the energy plan?
- Opportunity: if we developed all the wind energy in Iowa, it would double our Gross Domestic Product (GDP). To make this work we need improvements in transmission and storage.
- Smart grid is highly important to enable higher use of Iowa wind. Using locally produced Iowa electricity creates local jobs vs. importing coal or gas from outside the state.
- Some of the large technology firms like Google and Microsoft have located computer server centers here in the Midwest because of our access to low-cost wind energy.