



### Upcoming Events

November 5, 2009

Rainscaping Rain Gardens, F.W. Kent Park, Johnson County. More information [here](#)

November 17 — 19, 2009

Annual Water/Wastewater Operator Conference, Holiday Inn Northwest, Des Moines. Early discount registration deadline Nov. 2. Register/more information [here](#)

### Questline Newsletter helps with EE communication

◆ If you're looking for good energy efficiency information for your key commercial and industrial electric and gas accounts, IAMU would like to offer a tip:

For many utilities and joint action groups, the answer has been an eNewsletter from Questline.



The newsletter is customized with the sponsoring utility's logo and offers access to interactive energy calculators, an eLibrary of information, and "ask an expert" service. IAMU has made favorable subscription arrangements for members. If your utility is interested and if the service is not already available through your joint action agency, email Joel Logan ([jlogan@iamu.org](mailto:jlogan@iamu.org)) at IAMU, or call 800-810-4268. Questline is an associate member of IAMU, and also provides other communication and marketing services for businesses. More information is available at [www.questline.com](http://www.questline.com).



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Click on the "Informer" tab

## "Super Tuesday" for IAMU wind projects October 27

### IAMWind to receive \$128.5 million in fed CREBS funding

◆ The IAMWind project received welcome news October 27 when the Internal Revenue Service posted the allocations of new Clean Renewable Energy Bonds (CREBS). IAMWind



has been granted authority to issue up to \$128.5 million in CREBS for the purpose of financing its Ridgeport wind project.

This significant allocation, the second largest in the nation, will provide a major savings in debt service costs over the life of the project. Holders of CREBS bonds receive a tax credit in lieu of interest, and the IRS provides the issuer with a 70% interest subsidy.

The Ridgeport wind project has been under development since 2006, when a group of Iowa municipal electric utilities funded studies of glacial ridges in central Iowa for the purpose of securing long-term wind energy to be delivered to Iowa municipal electric customers. At the start, the group worked through IAMU and contracted with JW Prairie Wind Power (JWPW) to coordinate all project activities, including acquisition of land easements.

In November, 2008 the group formed IAMWind, a joint powers agency consisting of public power utilities, for the purpose of funding the second phase of studies and all necessary efforts to achieve financing and construction. Thirty-three Iowa municipal utilities are members of IAMWind, including IAMU members Algona, Atlantic, Auburn, Breda, Cedar Falls, Eldridge, Fairbank, Glidden, Muscatine, Stratford, Tipton, West Point and the members of SIMECA and WIMECA.

The project is in the MISO queue and poised to enter the Definitive Planning Phase of transmission interconnection studies this month. IAMWind and JWPW are completing numerous studies on the Ridgeport site with plans to complete financing agreements.

### ISEP part of Washington, D.C. Clean Energy Economy Forum

◆ The Iowa Stored Energy Park (ISEP) was part of a Department of Energy (DOE) Clean Energy Economic Forum at the White House October 27. This was one in a series of meetings arranged



by Energy Secretary Steven Chu, Commerce Secretary Gary Locke and Assistant to the President for Energy and Climate Change Carol

Browner. Kent Holst, ISEP Development Director, represented ISEP as one of several interests in the two and one-half hour meeting.



Holst reported two individuals from the Iowa Power Fund Board – Peter Hemken of DuPont and Lucy Norton of the Iowa Renewable Fuels Association – were also on hand for what he called a vehicle to "assure us that the administration is strongly behind renewables, and that we should continue working at full speed on our various projects."

Secretary Chu has announced that the DOE will be issuing billions of dollars in loan guarantees for renewable energy, but more needs to be done at the grassroots level to spread positive public relations about renewable energy. At the forum, Cathy Zoi of the DOE challenged all on hand to do more to convince Americans that the nation is on the cusp of "a new industrial revolution" (in building a green energy economy).

Holst said all participants were invited by the White House to take part in the forum, where Secretary Chu and four individuals on a panel made presentations, followed by a question and answer session between guests and Chu.

ISEP is a planned Compressed Air Energy Storage facility that will be constructed near Dallas Center. The stored energy will be made available to member utilities as a low-cost energy alternative.

For more information on ISEP contact Kent Holst at 319-239-8968 or [kentholst@traer.net](mailto:kentholst@traer.net). The ISEP web site can be found at [www.isepa.com](http://www.isepa.com).

### Culver updates progress on budget cutting submissions



◆ On October 28 Governor Culver took further action regarding departmental budget reduction plans submitted by all state departments, approving 34 of the 36 plans submitted.

As stated in the October 27 edition of the IAMU *Informer*, the plans submitted by four departments could potentially have a direct effect on municipalities and municipal utilities: The Department of Commerce – Iowa Utilities Board, the Department of Economic Development, the Department of Energy Independence and the Department of Natural Resources. The Iowa Utilities Board has been ruled exempt from the plans submitted; the plans submitted by the other three departments were approved.

For a detailed summary of all departmental preliminary budget cutting plans, click [here](#).

### McCaskey Co. donates overhead electric switch

◆ IAMU has received a 3-phase 15kV overhead electric line switch from associate member The McCaskey Company.



Manufactured by Siemens, the unit, valued at \$4,000, will be installed on IAMU's steel pole 15kV overhead line on its Safety & Training Field next spring.

The donation continues a long history of support of IAMU electric training by The McCaskey Company.

## New direction for power supply?

An editorial by IAMU Executive Director Bob Haug

◆ President Clinton's science advisor, John Gibbons, is quoted as saying "if we don't change direction, we'll end up where we're headed." One change in direction we are likely to see is a reduction in our region's reliance on coal for new electric generation.



This comes as no surprise, but a look at the numbers is compelling. Using just the minimum carbon emission auction price in the Kerry/Boxer bill of \$10/ton of CO<sub>2</sub> in 2010 escalating by 5%/year plus inflation, the cost of energy from a new coal-fueled power plant exceeds the cost of new combined cycle gas and barely noses out biomass and nuclear. According to the Energy Information Administration (EIA) the total system cost levelized for the output of a new advanced coal plant entering service in 2016 is \$104/MWH. Current costs for the older fleet of coal fueled power plants on which Iowa now depends are about \$20/MWH. EIA estimates the total cost of new biomass and nuclear units coming on line in the same year at just over \$107/MWH and wind at \$141 (the wind number seems high, but it assumes a 35% capacity factor).



A conservative analysis by IAMU yields only slightly lower results. We looked at the future cost of a supercritical coal plant brought in service in 2009 with these assumptions: a heat rate of 9,750; capital cost of \$4,300/kW; 25-year municipal financing at 4.5%; PRB coal at \$1.25/MMBtu, an 85% capacity factor, and carbon emissions at the minimum auction rate in the Kerry/Boxer bill, described above. If capital and fuel costs increase by 3% per year, all-in costs at the busbar in 2016 would be \$83/MWH in 2009 dollars. Costs for a new plant placed in service in 2020 would be \$96/MWH. Carbon emission credits make up just over \$16 of the all-in cost in 2016 and about \$22 of the 2020 cost. If carbon emission credits hit \$50/ton in 2020, the all-in cost of a new plant coming on in that year would be over \$125/MWH.

These considerations are among the reasons utilities ought to invest aggressively in energy efficiency, reduce peak loads, and hold an open mind regarding new technologies. IAMU has begun planning a power supply workshop to be held in conjunction with the association's Winter Meeting in February, 2010. The workshop will focus on a wide variety of alternative generating technologies and may also address technologies for avoiding the need for new capacity.

IAMU is also working with investor-owned and rural cooperative associations to develop customer information about our nation's energy future. Consumers need to know that the era of cheap energy is rapidly coming to a close.

### LIHEAP in effect; funding increased for 2009-2010



◆ Municipalities and municipal utilities are reminded that the Low Income Home Energy Assistance Program (LIHEAP) is now in effect, with applications from households being accepted starting November 1 (the application period for elderly, disabled and crisis households began October 1). Applications are permitted through April 30, 2010.

Iowa anticipates having approximately \$67.8 million in federal funds available for the program this heating season and one-time benefits to customers this winter will be about \$600, up from about \$550 last winter and \$390 from two years ago.

Under Iowa's Winter Disconnection Moratorium, from November 1 to April 1, a utility cannot disconnect service to any resident that is certified as eligible for LIHEAP. Iowans can apply for LIHEAP through their local Community Action Program (CAP) office. Those offices may be located by calling the Iowa Department of Human Rights at 515-281-0859.

To access the recently revised IAMU Handbook for Municipal Utility Disconnection of Residential Gas, Electricity and Water Services for Non-Payment, click [here](#).

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