



Iowa Energy Bank Program

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Iowa Energy Bank - Basics

- Established in Iowa Code Ch. 473.19
- Serves schools, local governments, hospitals, private colleges & non-profits
- Facilitates energy management improvements by offering:
 - Technical assistance
 - Facilitation of financial assistance

Iowa Energy Bank - Basics

- Financing only for cost-effective measures
 - Cost effective = Payback within the useful life of the measure
- Can be used for both energy efficiency and renewable energy
 - Usually for energy efficiency
 - Most of the 9 Iowa school districts that own wind turbines utilized Energy Bank

Energy Bank - Process

- Step 1: Preliminary energy assessment
 - Done by Energy Bank staff to determine what level of energy study, if any, is appropriate
- Step 2: Appropriate level of energy study completed
 - Energy audit (smaller, less complicated buildings); or
 - Technical engineering analysis (comprehensive study)
 - List of qualified engineering firms to conduct studies
 - All studies reviewed by DNR engineer
 - Approval letter sent to client, Ahlers Law Firm & PFM
- Step 3: Financing available for cost-effective measures
 - Capital loan notes from private lending institutions
 - Client can self-finance

Energy Bank – In Numbers

| | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Cumulative 89-07 |
|------------------------------|----------|---------|---------|---------|------------------|
| Clients enrolled | 21 | 6 | 5 | 7 | 678 |
| Studies approved | 33 | 26 | 9 | 13 | 1,238 |
| Finance letters | 13 | 14 | 7 | 6 | 323 |
| Implementation (millions \$) | \$15.0 M | \$5.7 M | \$0 | \$5.2 M | \$142 M |

Cumulative energy savings estimate 1989-2007: \$161 million

Energy Bank - Hurdles

- Cost of studies
 - Some utilities participate in the cost
 - Cost of study can be rolled into financing of improvements
- Program needs more significant financial incentives
 - Best incentive for public schools: Can use energy savings in operating budget to cover loan payments
- Lack of relevant assistance to small facilities
- Diminished DNR resources for marketing the program
 - Oil overcharge funds gone; DOE funding cuts

Energy Bank – Possible Enhancements

- More financial incentives to encourage program participation:
 - Funds to cover cost of studies
 - Ability to offer lower interest or zero-interest financing
- Ability to provide very low-cost or free assistance/audits to small facilities
- More DNR resources to market the program

State of Iowa Facilities Improvement Corporation

- Organized as a non-profit corporation
- Serves state facilities
- Implemented \$51 million in improvements since 1989
- Saved \$120 million in energy bills
- SIFIC board looking into the possibility of dissolving the non-profit and incorporating it into the Iowa Energy Bank

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