



Wind & Renewable Energy Tax Credits

2014 Legislative Tax Expenditure Committee



The Iowa Utilities Board

The IUB is a fact-finding body that hears evidence in cases filed before it and makes decisions based on the evidence presented in those cases. The IUB is required by state statute to make decisions that balance the interests of all parties to ensure the utilities provide adequate and reliable service at reasonable prices.

Iowa Code §§ 476B and 476C Tax Credits

- 10-year production tax credits established to encourage the development of wind and other renewable energy resources.
- Jointly administered by IUB and Iowa Department of Revenue (IDR).
 - IUB screens applicants for eligibility.
 - Iowa Department of Revenue (IDR) issues credits.

Application – Step One

Eligibility Application

- Filed with and evaluated by IUB. If project is appropriate and capacity available, IUB grants preliminary eligibility.

Application – Step Two

Annual Application

- Contains information about energy generated during the year to determine amount of tax credit eligibility.
- Filed with and evaluated by IUB.
- Taking IUB opinion into consideration, IDR decides whether or not to issue credits for the year.

§ 476B Wind Tax Credit

- 10-year production tax credit of \$0.01 per kilowatt-hour.
- Eligible facility size ranges from $\frac{3}{4}$ to 30 megawatts nameplate capacity.
- The total capacity of all facilities found eligible under 476B not to exceed 50 megawatts

§ 476B Wind Tax Credit

- Facility must have been originally placed in service on or after July 1, 2005, but before July 1, 2012. (Program closed as of this date.)
- 10-year duration means IUB & IDR will continue to process tax credits through 2022.

§ 476C Renewable Energy Tax Credit

- 10-year production tax credit of \$0.015 per kilowatt-hour.
- Eligible facilities include wind, biogas, biomass, methane, solar, refuse conversion, and cogeneration facilities.
- Originally placed in service on or after July 1, 2005, but before January 1, 2017.

§ 476C Renewable Energy Tax Credit

- Each facility owner eligible for 2.5 megawatts of nameplate capacity.
- Maximum capacity/heat generation eligible:
 - Wind energy conversion facilities: 363 megawatts nameplate capacity.
 - Non-wind energy conversion facilities: 53 megawatts or megawatt-equivalent nameplate capacity.
 - Refuse conversion facilities: 167 billion Btu of heat for a commercial purpose.



For questions or more information, contact:

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