

RENEWABLE ENERGY

Successful applicants receive a low-interest loan from a combination of Energy Center and lender funds. The Energy Center provides loan funds equal to 50% of the project's financed cost (up to \$1 million) at 0% interest*. Matching financing must be obtained from a lender of the applicant's choice. The lender manages the entire loan and arranges repayment to the Energy Center. The maximum loan term for the Energy Center's funds is 20 years.

The lending institutions are responsible for financially qualifying the borrower, while the Energy Center assists in technically qualifying the borrower. By partnering with expertise from lending institutions the Energy Center is able to cost-effectively process the loans in a timely manner and maximize the impact of the loan program.

* Rural Electric Cooperatives and Municipal Utilities may borrow up to \$500,000 of AERLP funds once every two years.



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**Investing in
Iowa's Future**

*through low-interest
financing to encourage
renewable energy production
and development.*

The Iowa Energy Center's
Alternate Energy Revolving
Loan Program (AERLP)

plays a
supporting
role in
stimulating
renewable
energy

development within the state.

Since its inception in 1996, the AERLP has supported numerous commercial, school and independent power producer projects – primarily wind and biomass.



funding

The AERLP was created by the state legislature in 1996 as an amendment to the 1990 Iowa Energy Efficiency Act and was originally funded by Iowa's investor-owned utilities. AERLP initial funding totaled \$5.9 million, which was collected over a three-year period from 1995 to 1997. In 2009 the state legislature allocated an additional \$10 million over two years to the program.



The nature of the revolving loan program ensures that the funding source will continue to be available to other applicants. As loans are repaid to the AERLP, that money "revolves back" and becomes available to fund new renewable energy projects. Whereas other types of incentives may be dependent on funding sources that could be reduced or eliminated depending upon budget shortfalls, the revolving loan fund is exempt from such uncertainty.

The amount of money available at any given time will depend on the number of applications, amount of funds requested, outstanding loan balances and the overall repayment rate.



types of renewable energy projects

The AERLP was designed to encourage development of a wide variety of renewable energy production projects. The Energy Center reserves the right to set aside portions of the AERLP funds are set aside for specific technologies and/or size of facilities: **biomass*, wind, solar, hydro or a combination of technologies.**

* Waste management, resource recovery, refuse-derived fuel, agricultural crops or residues, and wood burning facilities.

This loan program is open to all individuals and groups who want to build renewable energy production facilities in Iowa. AERLP loan funds may not be used to refinance an existing loan or be applied to existing alternate energy facilities.

eligibility

application process

To be considered, borrowers must complete a technical loan application. The technical application provides information to help determine the project's potential for success. The technical application then receives a ranking. Loans are provided in order of the highest ranked projects first until the funds for that lending period are gone. Applications and guidelines are available by contacting the Energy Center or visiting its Web site: www.energy.iastate.edu.



owner requirements

The Energy Center prepares case studies, which are available on its web site, to help promote the AERLP and other renewable energy efforts. The information for these case studies is gathered through a series of reports that borrowers are required to submit to the Energy Center over the duration of the loan.

• Start-up Report

Thirty days after the production facility becomes operational, the owner will submit a start-up report to the Energy Center.

• Annual Report

The owner will submit an annual report to the Energy Center, which includes performance data, installed costs, energy produced and/or consumed by the production facility, details of project benefits, operation/maintenance details, etc., from the energy production facility.

deadlines

Technical applications for projects with a total financed cost of \$50,000 or less are accepted on a continuous basis. All other application cycles run on a quarterly basis and close on (or the first business day following) January 31, April 30, July 31, and October 31. Technical applications must be postmarked by the closing date of a cycle to be considered during that cycle.



The AERLP is administered by the Energy Center. The Energy Center is a research, demonstration and education organization dedicated to improving Iowa's energy efficiency and use of renewable fuels.

The Energy Center has established a number of programs to address energy-related issues and their associated economic and environmental benefits

The Energy Center's work helps increase the value of products and services produced in Iowa, creates jobs and boosts the competitiveness of local businesses.

www.iowaenergycenter.org