

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  CEDAR FALLS MUNICIPAL ELECTRIC UTILITY	DOCKET NO. AEP-2016-0015
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**ORDER APPROVING PRELIMINARY ELIGIBILITY  
AS A RENEWABLE ENERGY FACILITY**

(Issued June 27, 2016)

**BACKGROUND**

On June 24, 2015, Cedar Falls Municipal Electric Utility (Cedar Falls) filed with the Utilities Board (Board) an application for certification of a solar energy conversion facility as an eligible facility pursuant to Iowa Code § 476C.3(4)(b)(3). On February 18, 2016, Cedar Falls filed an amendment to its application. The application has been docketed as Docket No. AEP-2016-0015.

In the application, Cedar Falls states the sole owner of the solar energy conversion facility will be Cedar Falls Solar Farm, LLC, an Iowa limited liability company. Cedar Falls filed additional ownership information on May 26 and June 10, 2016. Cedar Falls indicated that Cedar Falls Solar Farm, LLC, is fully owned by General Energy Solutions USA, Inc., a Nevada corporation. General Energy Solutions USA, Inc., is fully owned by General Energy Solutions, UK, Limited. General Energy Solutions, UK, Limited, is fully owned by General Energy Solutions, Inc. General Energy Solutions, Inc., is 75.89 percent owned by Neo Solar Power

Corporation (NSP). General Energy Solutions, Inc., has no other shareholders with a significant ownership interest. Further, none of the equity owners of Cedar Falls Solar Farm, LLC, have an ownership interest in another eligible renewable energy facility in Iowa, therefore Cedar Falls Solar Farm, LLC, does not violate any of the ownership limitations in Iowa Code chapter 476C.

Cedar Falls states that it is a municipally-owned utility as defined in Iowa Code § 362.2 and that Cedar Falls will purchase all of the renewable energy produced by the facility. Cedar Falls has provided a copy of the power purchase agreement and a signed statement from Cedar Falls Solar Farm, LLC, that it will sell all of the renewable energy produced to Cedar Falls.

Cedar Falls states that it meets the requirements of Iowa Code § 476C.1(6) and Cedar Falls requests eligibility for the 1.476 megawatt (MW) facility that will be located in the City of Cedar Falls, Iowa. Cedar Falls states that it intends to use the renewable energy produced by the facility as a portion of the total power delivered into its distribution system and sold to end users. The facility will be placed into service by December 31, 2016.

Iowa Code § 476C.1(6) defines an “eligible renewable energy facility” as a wind energy conversion facility, a biogas recovery facility, a biomass conversion facility, a methane gas recovery facility, a solar energy conversion facility, or a refuse conversion facility that is located in Iowa and meets the ownership requirements in

Iowa Code § 476C.1(6)(b). Cedar Falls Solar Farm, LLC, satisfies the ownership requirements as an authorized limited liability company pursuant to § 476C.1(6)(b)(2)(b).

Iowa Code § 476C.3(4)(b)(3) provides that of the maximum amount of energy production capacity equivalent of all other facilities found eligible under Iowa Code chapter 476C, 10 MW of nameplate generating capacity or energy production equivalent shall be reserved for solar facilities with a generating capacity of 1.5 MW or less owned or contracted for by utilities described in Iowa Code §§ 476C.1(6)(b)(4-5).

Iowa Code § 476C.3 provides that a producer or purchaser of renewable energy may apply to the Board for a written determination regarding whether a facility is an eligible renewable energy facility and this section requires certain information be filed in support of the application. The Board has adopted rules in 199 IAC 15.19(1) that establish additional filing requirements for applications for certification of renewable energy tax credits.

### **BOARD ANALYSIS**

The Board has reviewed the information provided by Cedar Falls and finds the application is complete and the Cedar Falls facility meets the eligible renewable energy facility definition pursuant to Iowa Code § 476C.1(6). Cedar Falls has applied for renewable energy tax credit eligibility for a solar energy conversion facility to be located in Iowa. The facility is owned by Cedar Falls Solar Farm, LLC, which is an

authorized limited liability company. Cedar Falls is a municipally-owned city utility as defined in Iowa Code § 362.2 and has contracted for all of the renewable energy produced by the facility. Cedar Falls will be eligible to apply for tax credits as the purchaser of the renewable energy.

The Cedar Falls facility comes within the 10 MW solar reserve established in Iowa Code § 476C.3(4)(b)(3) and will be eligible for tax credits under that statute. The nameplate generating capacity of the facility is 1.476 MW. Cedar Falls will purchase the renewable energy produced by the facility and deliver it into the Cedar Falls electric distribution system for sale to end users.

Pursuant to Iowa Code § 476C.1(6) and § 476C.3(3)(a), and 199 IAC 15.19(4), the facility must be operational within 30 months following the Board's preliminary eligibility approval and prior to the statutory deadline in order to maintain preliminary eligibility for renewable energy tax credits.

### **ORDERING CLAUSES**

#### **IT IS THEREFORE ORDERED:**

1. The application filed on June 24, 2015, and amended on February 18, 2016, by Cedar Falls Municipal Electric Utility is complete and the Cedar Falls solar energy conversion facility is preliminarily eligible for renewable energy tax credits pursuant to Iowa Code chapter 476C.

2. The Cedar Falls Municipal Electric Utility facility must be operational within 30 months from the date of this order and prior to the statutory deadline in Iowa Code § 476C.1(6)(d).

**UTILITIES BOARD**

/s/ Geri D. Huser

/s/ Elizabeth S. Jacobs

ATTEST:

/s/ Trisha M. Quijano  
Executive Secretary, Designee

/s/ Nick Wagner

Dated at Des Moines, Iowa, this 27<sup>th</sup> day of June 2016.