



NEWS & INFORMATION

350 Maple Street • Des Moines, Iowa 50319 • 515.281.5979

John Norris, Chairman

Krista Tanner, Board member

Darrell Hanson, Board member

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Contact: Rob Hillesland 515.281.3551

Email: rob.hillesland@iub.state.ia.us

Web site: www.state.ia.us/iub

IUB places renewable generating conditions on certificate for Marshall County plant

After lengthy deliberations, the Iowa Utilities Board (IUB) today voted 2-1 to grant conditional approval for Interstate Power and Light Company's electric generating certificate application for a proposed power plant in Marshall County. Certificate conditions will include renewable energy production requirements for IPL, both for this plant and across its Iowa electric generation portfolio.

Board Chairman John Norris said conditions tied to the certificate would include requirements that five percent of the plant's electric generation be from biomass within two years and 10 percent be from biomass within five years. Possible penalties for failure to meet those requirements will be considered in a separate docket described below. According to Norris, additional conditions would be that 10 percent of IPL's electricity generation in Iowa be from renewable sources by 2013 and 25 percent from renewable sources by 2028.

"This reduces the burden of risk for consumers and provides continued incentive for wind and renewable energy, not only at this plant but throughout their entire fleet in Iowa, while adding generation for the company's customer base to support reliability," said Norris.

All specific details of the Board's decision in this case, identified as Docket No. GCU-07-1 will be included in its written decision order, which is expected to be issued in a few weeks and will be available at www.state.ia.us/iub.

IPL's generating certificate will be contingent upon the utility also obtaining all necessary permitting from the Iowa Department of Natural Resources and the regional electric reliability council. In reaching its decision, the IUB reviewed many criteria of Iowa law relating to issuance of a generating certificate. This included the need to develop facilities to ensure reliable electric service to Iowa customers and provide economic benefits to the state. It also included studying whether the facility will be consistent with reasonable utilization of air, land, and water resources while considering available technologies and the economics of other alternatives.

Most cost and financial aspects of IPL's proposal to build the coal-fired plant in Marshall County will be addressed in an advance ratemaking principles case, identified as Docket No. RPU-08-1. Advance ratemaking principles cases in Iowa stem from the passage of House File 577 in 2001, which has enabled utilities to learn certain forms of regulatory treatment a plant will receive in advance of it being built. This can include a rate of return on equity, plant costs, and the regulated life of the plant. Afterward, the utility determines how, or if, it wants to proceed with building the plant. The Board's decision in the ratemaking principles case is expected late in 2008 or early in 2009.

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