



# IADG Energy Bank RLF

## Status Report

2012 Inception - June 30, 2023

## History of IADG Energy Bank

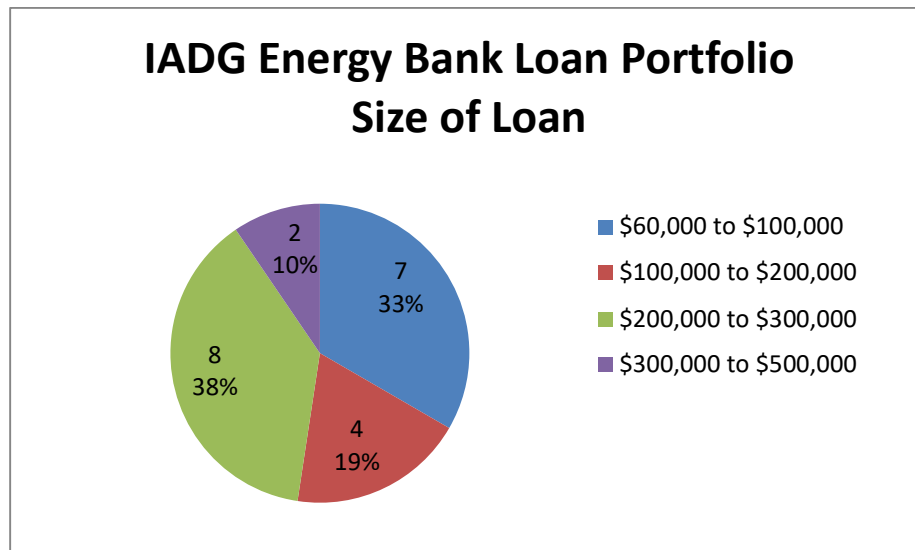
In 2012, Iowa Area Development Group (IADG) was awarded nearly \$2 million from the Iowa Economic Development Authority's (IEDA) state energy program to establish and administer a revolving loan fund targeting energy efficiency. The Federal Government's 2009 American Recovery and Reinvestment Act and the U.S. Department of Energy provided the funding source for this IEDA award. The IADG Energy Bank loan program offers Iowa businesses and industries a low interest financing option for energy efficiency improvements, renewable energy projects and energy management and implementation plans.

## Loans Made and Available Funds

The 21 loans the RLF has made since inception have more than exhausted the initial \$1.9M capitalization of the Energy Bank. As loan repayments are returned to the IADG Energy Bank, additional energy projects around the state of Iowa are eligible to receive funds through an open enrollment and application process.

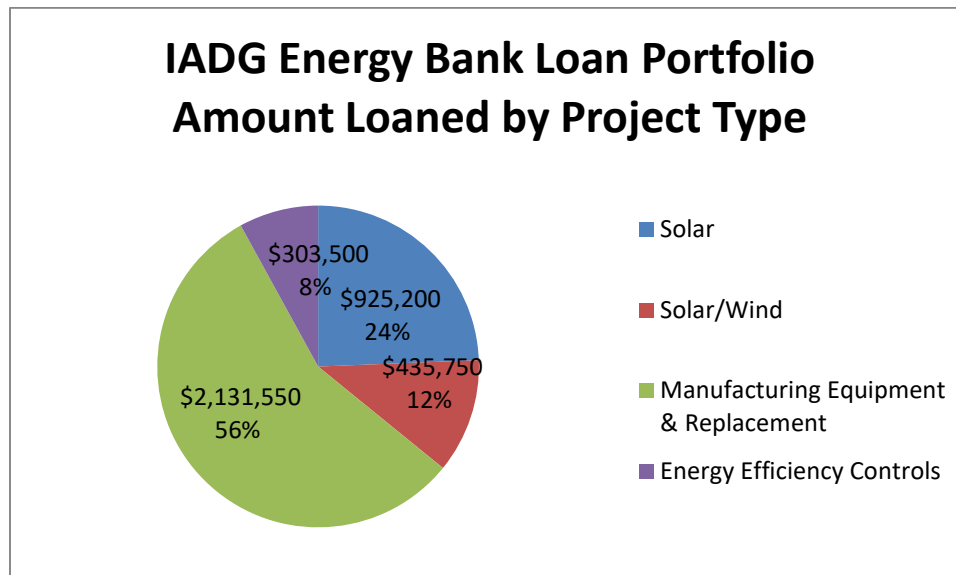
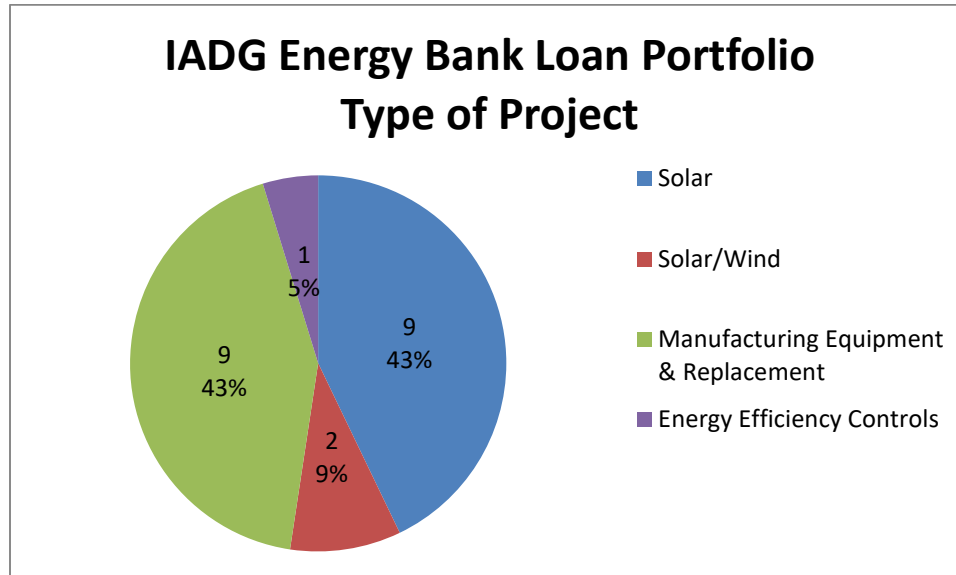
As of June 30, 2023, the current amount available in the Energy Bank for loans is approximately \$580,223. This figure reflects one loan that has not been fully dispersed but does not account for applications in process. Of the 21 loans made, 15 loans have been paid in full and completed.

The chart below shows the size of the loans in the Energy Bank's portfolio. The majority of loans made have been over \$100,000 – 14 total. The average loan size in our portfolio is \$181,000, with \$303,500 being the largest amount loaned to date.



## Type of Projects Funded

To date, most of the Energy Bank loans have been for solar projects and manufacturing equipment replacement. There have also been loans that were for solar/wind and energy efficiency controls. The charts below show both the breakdown in project loan type, as well as the amount of funds that have been awarded to each project type.



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## Renewable Energy Portfolio Lending Overview

In examining the renewable energy component of IADG Energy Bank lending, the following observations can be made:

- Many of the first Energy Bank loans were for the purpose of renewable energy projects. In fact, these types of projects account for 52% of the total of loans originated since inception of the RLF.
- Renewable energy lending has totaled \$1,360,900 (36%) of total lending.
- The Energy Bank's 11 loans for renewable energy have reduced electrical purchases by 417,465 kWh annually which has allowed for avoided cost and energy savings to borrowers of \$52,249 annually.
- Renewable energy project investment has increased profitability and helped retain over 76 jobs.

## Energy & Efficiency Portfolio Lending Overview

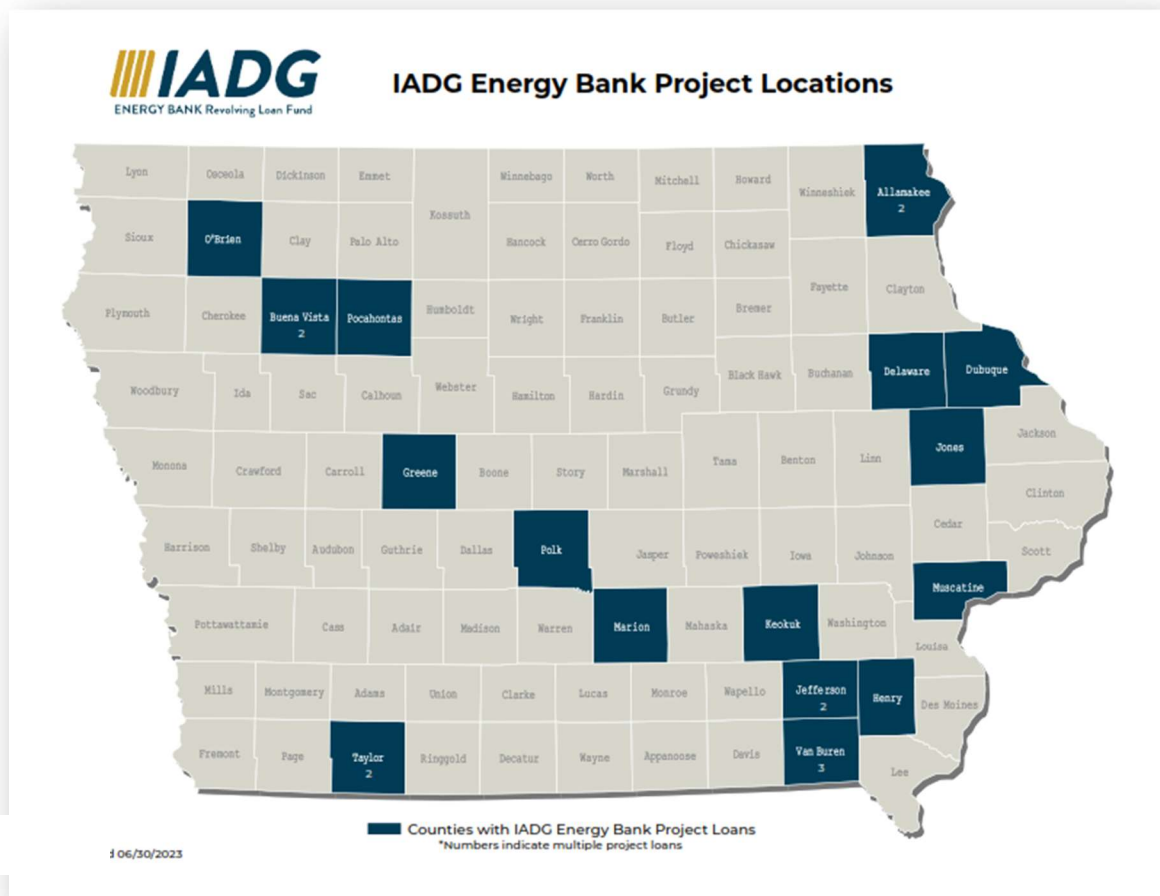
In examining the energy and other efficiencies component of IADG Energy Bank lending, the following observations can be noted:

- Efficiency related projects account for 48% of the Energy Bank loans originated since inception and totaled \$2,435,050 or 64% of total lending.
- Energy efficiency lending has principally been devoted to enhancing manufacturing and service industry efficiency and profitability.
- Energy efficiency lending has been projected to save 765,000 kWh annually. For example:
  - Mills Manufacturing throughput determined a savings percentage of 35% per unit piece.
  - Trinity Fabricators investment will reduce energy cost 4% per unit, and will reduce labor costs 42%.
- Energy efficiency lending has been predicted to save borrowers over \$261,768 annually.
- The 10 energy efficiency loans made by the Energy Bank have helped retain 207 jobs, and created eight new positions.

## Location of IADG Energy Bank Projects

Any commercial business in Iowa is eligible to apply to the IADG Energy Bank regardless of location.

To date, the 21 IADG Energy Bank project loans are located in 16 counties throughout Iowa. The map below shows the geographic spread of projects.



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## Energy Savings and Electric Utility Provider

As part of the administration of the program, IADG documents the efficiencies that result from each project. For example, a year after each Energy Bank loan has been in place, the IADG Energy Bank administration team requests electric bills and other documentation to analyze the efficiencies and savings the project is generating for Iowa businesses and industries on their energy costs.

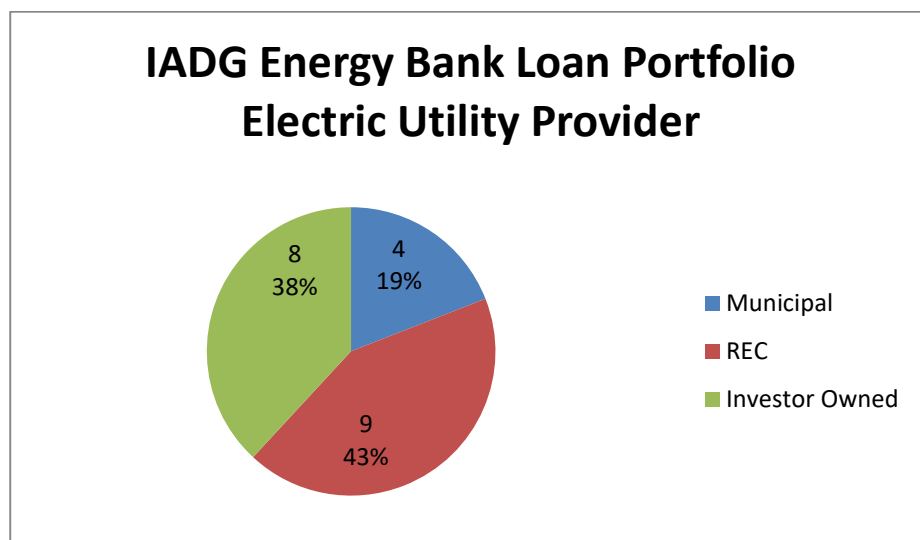
One example of this savings was a agricultural company reducing purchased electricity from nearly 70,000 kWh a year to zero. This business saved over \$8,000 in one year on energy, and is now only paying the monthly service charge for the electric utility account.

Another noteworthy example involved a grocery store's installation of new energy efficient refrigeration cases. Due to this modernization, product space availability has tripled in size resulting in an estimated 25% increase in sales. Additionally, based upon the improvements in the technology, individual cases are predicted to have a primary energy savings of 24%. Further, the community is also benefiting from broader food availability and safety resulting from the improved reliability of the new cases.

Recently, the Energy Bank helped leverage matching funds from rural utility revolving loan funds to help a manufacturer become both more energy and labor efficient through equipment replacement and automation. The new equipment helped retain 18 jobs and create three new positions.

Project loan recipients have included customers of Iowa's investor owned utilities, municipal utilities, and rural electric cooperative (REC) members. In many instances these utilities have provided project related energy rebates, technical assistance and support.

The chart below shows Energy Bank loan recipients by utility type. The main loan provider is shared between Investor Owner Utility (IOU) systems and REC systems.



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## Delinquencies and Charge Offs

All loan applications are reviewed by an independent Loan Review Committee.

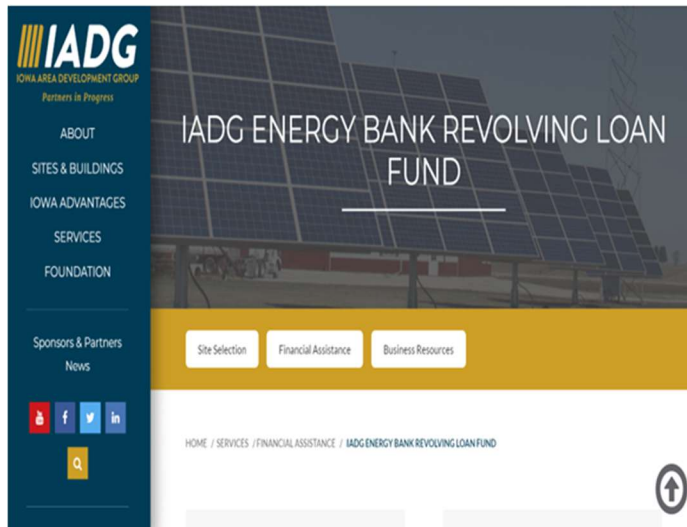
All loans of the IADG Energy Bank are current. There have been no delinquencies or defaults to date.

## IADG Energy Bank Marketing & Manufacturing Emphasis

The IADG Energy Bank program is marketed to the general public through the organization's website, advertising, and a program brochure. More focused and targeted outreach is pursued through relevant trade shows, meetings, programs and special presentations.

The focus of Energy Bank marketing efforts has become more manufacturing oriented. As such, IADG is working more closely with the Center for Industrial Research and Service (CIRAS) at Iowa State University and the Iowa Association of Business & Industry (ABI) for lead generation. IADG utility partners, economic development allies, and the Iowa Economic Development Authority are likewise engaged in Energy Bank marketing and outreach.

With the emphasis the IADG Energy Bank places on manufacturing, it is noteworthy that nearly one third of the loan portfolio and over fifty percent of lending has been devoted to this area of funding. Manufacturing related funding has helped create and retain nearly 200 jobs.



**The IADG Energy Bank**  
Low Interest Financing for Qualified  
Energy Efficiency and Renewable Energy Projects

**LOW INTEREST REVOLVING LOAN FUND**  
Finance energy efficiency and renewable energy projects through the IADG Energy Bank. With qualified energy improvement projects, facilities need no upfront or additional capital. Loan payments can be flexibly arranged to meet your energy savings.

**ELIGIBLE BORROWERS**  
The IADG Energy Bank is focused on making loans to businesses and industries for qualifying energy related projects within Iowa. Preference will be given to manufacturers.

ENERGY BANK LOAN PARAMETERS	
Rate	1%
Loan Amount	Minimum \$50,000 - Maximum \$300,000
Origination Fee	1% of loan amount which can be financed
Term	Up to 10 years Term determined by project energy savings and payback calculation Electronic payments required
Timeline	Determined by application readiness and borrower initiative
Reporting Requirements	Federal and State regulatory compliance and reporting required

**SERVICES PROVIDED**

- Easy Application and Approval Process
- Independent and Unbiased Project Review
- Customized Financing Solutions
- Project Implementation Assistance
- Ongoing Project Monitoring and Support

**MORE DETAILS**

More information about the IADG Energy Bank is available at:  
[www.IADG.com/EnergyBank](http://www.IADG.com/EnergyBank).

To ensure availability of funds and overview program related requirements, contact the Iowa Area Development Group.

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## IADG Energy Bank Accomplishments Summary

The IADG Energy Bank team compiles the following numbers annually as key indicators of program accomplishments and impact.

- Number of Projects: 21**
- IADG Loan Totals: \$3,796,000**
- Additional Project Funding: \$509,250**
- Energy Savings Estimates: 1,182,465 kWh annually**
- Jobs Retained & Created: 287**

## Partnership Appreciation

Iowa Area Development Group is grateful to the finance and energy professionals serving on the IADG Energy Bank Loan Review Committee. Their time and expertise have been most helpful in reviewing loan applications. Likewise, IADG would like to express its gratitude to the Iowa Economic Development Authority, and particularly to the staff of the Iowa Energy Office.

## Photographic Appendix

Included with this report are photographs of both past and recent Energy Bank loan projects. These photographs serve to further illustrate the quality and variety of projects the IADG Energy Bank has funded.





**Solar Project**



**Electric Press Brake**



**Automated Robotic Saw**



**Energy Efficient Refrigeration Cases**



**Energy Efficient Plasma Cutter**



**Robotic Welding Equipment**