Feed-in Tariffs . . . Providing certainty to all parties

A feed-in tariff is a long-term contract between the owner of a wind turbine or solar panels and the utility company.

The contract specifies how much money per kilowatt hour the utility pays for a set period of time (usually years) for the purchase of the renewable energy. Another feature is that utility companies pay owners a fair price for the energy they produce. Feed-in tariffs can vary between renewable energy sources with different rates paid for solar energy as compared to wind energy. They can also vary by size of the generator. Renewable energy projects more likely will receive financing with a contract in hand.

Germany has been successful in small and community-based renewable energy generation technologies, such as wind turbines and solar photovoltaic arrays, throughout the country. Two elements contributed to their success:

- a requirement that distributed renewable energy generation facilities are allowed to connect to the grid
- feed-in tariff contracts with a utility to purchase the power produced by the renewable energy generator at a fair price

Iowa has as much solar potential as Germany. If Germany can do it, so can Iowa!

With a feed-in tariff, Iowans can continue to reap the benefits of the state’s abundant solar and wind resources.

The installation and maintenance of small-scale renewable energy generation creates jobs.

Renewable energy does not require the purchase of fuel, such as coal, natural gas or uranium. Iowa does not have those fuel sources and must purchase them from out-of-state companies. Renewable energy allows money that would normally be spent on fuel to stay in the pockets of Iowans.

Solar and wind energy do not create air pollution. The public increasingly supports the amount of electricity generated from renewable energy sources. Renewable energy emits no pollution like coal-fired power plants and it does not leave behind radioactive waste like nuclear power.

Policy recommendations

- The Chapter supports state-wide, consistent implementation of feed-in tariffs used by all utilities – municipals, investor-owned and rural electric cooperatives – that provides a fair, competitive price for the energy produced for a set period of time. Community renewable energy projects should qualify for feed-in-tariffs as well as individual homeowners, businesses and farms.
- The Chapter supports the use of homeowner or business owner liability insurance coverage for the renewable energy generation equipment and the elimination of prohibitively expensive liability insurance requirements such as the $1 million dollar coverage required by some utility companies.
- The Chapter supports all utilities in Iowa using the standard interconnections the Iowa Utilities Board approved for the investor-owned utilities. Utilities should strive to keep the interconnections simplified and appropriate to ensure safety and satisfactory installation.