

MINUTES

AMRCC Alternative Materials & Energy Resources Work Group

November 18, 2009

Iowa Department of Economic Development

Des Moines, Iowa

DRAFT

Members Present: Chair, Sam McCord, MCG BioComposites; Steve Devlin, Center for Industrial Research and Service, Iowa State University; Bob Janeczko, Innovative Injection Technologies; Terry Johnston, Cedar Valley TechWorks; Mark Laurenzo, Iowa Department of Economic Development; Chris Manning, Weitz Industrial Services Group; Scott McCoy, Innovative Injection Technologies; Karen Merrick, Iowa Department of Economic Development; Jay Olson, Deere & Company; Dean Reck, MCG BioComposites; Eric Renteria, Green Line Armor; Dave Roederer, Iowa Chamber Alliance; Jeff Rose, University of Northern Iowa; Elliott Smith, Iowa Business Council; and, Glenn Stelzner (for Mike Birkinbine), HNI Corporation.

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Welcome & Introductions

Alternative Materials & Energy Resources (AM&ER) Work Group Chair Sam McCord called the meeting to order at 10:03 a.m. Mr. McCord reminded AM&ER members that anything discussed in this venue is considered public disclosure and cannot later be held out as proprietary or privileged.

Review of AM&ER Meeting - 10.7.09

Sam McCord asked if there were any changes to be made to the minutes of the AM&ER Work Group meeting held in West Des Moines on October 7, 2009 (previously distributed). **Steve Devlin** moved that the minutes be approved as distributed. Seconded by **Scott McCoy**. Hearing no objections, the motion passed unanimously.

Presentation - Iowa Department of Economic Development

- **Karen Merrick, Division Administrator, Innovation and Commercialization**
- **Mark Laurenzo, Biosciences Coordinator**

Karen Merrick gave a brief background/history of the Iowa Department of Economic Development (IDED) Innovation & Commercialization Division. She explained that in an attempt to elevate start-up/entrepreneurial activity in the state beyond what was done by the three industry-led targeted industry committees that resulted from the Battelle Study recommendations (Biosciences Alliance of Iowa, Advanced Manufacturing Council, & the Information Technology Committee), the Department will propose legislation during the 2010 Session of the Iowa General Assembly that creates a nonpartisan, industry-led, scientifically objective group called the Iowa Innovation Council (IIC). The IIC will be responsible for providing real-time information to the Governor, legislative leadership, and IDED regarding technology-driven economic development, identifying Iowa's current state of manufacturing technology and scientific capacity, and determining future directions for Iowa.

Mark Laurenzo and Ms. Merrick proceeded to describe several other initiatives IDED is currently supporting:

Iowa Demonstration Fund

- Open to Iowa-based companies in information technology, advanced manufacturing, and bioscience industries. Focused on developing new products/processes.
- Innovation must be protected by patents, licenses, and/or trade secrets
- Up to \$150,000 is available per project. 2:1 match of State funds to private investor dollars.

The Iowa Demonstration Fund has made 69 awards since 2007, and all recipient companies are still in business. More information can be found at www.iowaentrepreneur.com.

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The Networking Fund

- Provides financial assistance to support networking events within targeted industries that generate new innovations, partnerships, and deal flow.
- Topics must be substantive in nature and address key innovations, opportunities, resources, and/or needs of the event attendees.
- Up to \$5,000 per event available; can be approved on a weekly basis

Management Talent Recruitment Program

- Develops activities for the recruitment of executive and operations management personnel.
- New and expanding targeted industries are provided technical assistance to identify potential human resources appropriate for the targeted industries business life cycle.
- Engagements can be short term, discrete projects, or continue as career employment opportunities.
- Open to Iowa companies with five years of operation experience.
- Awards available up to \$10,000 per company, requiring a 2:1 match of private dollars to State dollars, which can be used for management talent wages, salaries, or relocation expenses.
- Two-month approval cycle

Iowa Supply Chain Development

- Encourages manufacturing supply chain development initiatives, primarily developing technical assistance through improved linkages to Iowa suppliers, targeted industries production capabilities and capacities, performance improvement programs, and technology commercialization services.
- Eligible applicants must be a for-profit business located in Iowa, demonstrating the commitment of more than one company from one or more of the following targeted industries of biosciences, advanced manufacturing, or information technology as defined by the NAICS codes.
- Applicants must clearly demonstrate how the award will strengthen Iowa manufacturing companies' abilities to effectively and efficiently meet the requirements of their existing customers, to identify new customers, and implement performance improvement programs.
- Awards up to \$100,000, with a 1:1 match.

Bob Janeczko questioned the use of the term "advanced manufacturing" vs. simply "manufacturing." Mr. Lorenzo said IDED looks for companies that apply modern manufacturing methodology, e.g., computer aided design (CAD). **Sam McCord** added that it is difficult to define "advanced manufacturing," as people often have different ideas as to what the phrase means.

Steve Devlin stressed that IDED initiatives ought to focus on computer driven robotics, and not support what he calls "manufacturing chop shops."

Karen Merrick noted that the process of applying for any of these funds begins with contacting Doug Lewis at the IDED in Des Moines (ph: 515.281.0142; e-mail: doug.lewis@iowalifechanging.com)

Presentation – Iowa Office of Energy Independence

- **Roya Stanley, Director**

Roya Stanley briefly introduced the Iowa Office of Energy Independence (OEI), informing the group that it was established in 2007 by Governor Culver and the Iowa Legislature. OEI promotes an integrated approach in regards to technology applications, policy development, and market forces. Ms. Stanley explained that a job can be classified as green in one instance and not in another. For the purposes of her work at OEI, a job must have "environmentally green" aspects and also "money green" (i.e., economic and workforce oriented) in order to be considered a "green job."

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Dave Roederer asked whether a job can be "green" focused yet still be considered part of the old/established economy, to which Ms. Stanley replied. "Absolutely." She agreed with Mr. Roederer that this often gets misinterpreted.

Eric Renteria said the product line of his company, Green Line Armor, has little to do with energy and inquired how OEI could benefit Green Line Armor. Ms. Stanley referred to OEI's mission statement, which says the office seeks to help Iowans create an economically viable and environmentally sound future by providing leadership through education, planning, investments, and also by developing policies & research to produce market transformations.

Ms. Stanley described the **Iowa Power Fund** (IPF), which was created to promote the goals of Iowa energy independence. OEI uses the \$100 million appropriated for the Power Fund to provide financial assistance to entities conducting biofuel, renewable energy, or energy efficiency-based business, research, or programs in Iowa that: (1) accelerate research and development, knowledge transfer, technology innovation, and improve the economic competitiveness of efforts; and, (2) increase the demand for and educate the public about technologies and approaches.

The first two years of funding, \$50 million, are completed. Of that, \$5 million was given to community colleges for renewable energy-related work and \$7.5 million was redirected to flood relief. So far, 255 applications worth \$487 million in capital investment have been requested, with over \$1.6 billion in potential matching funds. Twenty-six projects, representing a broad range of renewable energy interests, have been approved and are listed on OEI's Web site.

Ms. Stanley shared her belief that photovoltaic technology will be cost effective for consumers within 10 years --- which ties in with the goals OEI has for Iowa. These include optimizing energy use, fully developing the state's renewable energy potential, and maximizing the development & use of economically and environmentally sustainable low carbon fuels.

State government is trying to "lead by example," implementing directives within Executive Order 6, signed by Governor Culver in 2008, that created the Green Government Initiative (GGI). The GGI looks for ways Iowa can improve energy efficiency and become a model for sustainability utilizing Green government coordinators, a state steering committee, and task forces focused on energy efficient buildings, sustainable materials, and bio-fuels/vehicles.

Terry Johnson asked what OEI might be doing in regards to land use, noting that Iowa is currently losing up to 26,000 acres of farm land each year due to urban sprawl. Ms. Stanley said her office will be looking at that issue more in the coming years. She stressed that, from a "smart growth" perspective, enhanced tele-communications will allow more people to work from home and not burn as much fuel or contribute to urban sprawl. Mr. Johnson suggested proving companies with some sort of credit to create/encourage more working opportunities from remote locales, e.g., at home, which would reduce fuel consumption. As an aside, Ms. Stanley noted that the State is currently increasing the number of hybrid/biofuel cars in its fleet in an effort to cut down on gas consumption.

Jeff Rose asked if OEI is doing anything to help companies determine their carbon footprints. Ms. Stanley said OEI first needs to conduct an inventory of companies with carbon emissions before it can help figure out extent/size of footprints. OEI has some Federal stimulus money available, one target area for which being low-interest loans for manufacturers who make expenditures to reduce energy consumption. Another round of federal funding for this purpose should materialize in 2010. **Steve Devlin** followed-up, asking if the energy reduction aspect of the loan means simply achieving a lower energy bill or, alternatively, utilizing different materials, i.e., petroleum-based energy consumption vs. non-petroleum based. Ms. Stanley wasn't certain about the answer but hopes/expects it is the latter. She will follow-up on that issue with Elliott Smith.

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Moving Forward

Sam McCord proposed Wednesday, January 13, 2010, for the next AM&ER Meeting. The meeting will be held from 10:00 – Noon at Iowa State University in Ames, hosted by Steve Devlin. Mr. McCord would like attendees to be prepared to discuss those issue areas on which AM&ER should focus moving forward.

Adjournment

With no further business to come before the AMRCC Alternative Materials & Energy Resources Work Group, Sam McCord entertained a motion that the meeting adjourn. By group consensus, the meeting was adjourned by Mr. McCord at 11:54 a.m.

Respectfully submitted,
Elliott G. Smith

12.9.09