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***Iowa Stored Energy Park Project Terminated***

Des Moines, IA – July 28, 2011

The Iowa Stored Energy Plant Agency (ISEPA, [www.isepa.com](http://www.isepa.com)) announced today the termination of the Iowa Stored Energy Park (ISEP) project.

ISEP is a proposed 270 Megawatt (MW), \$400 million compressed air energy storage (CAES) electric generation facility to be located at Dallas Center, Iowa, near Des Moines. In-service was planned for 2015. The project would take renewable wind and other resources available on the electric transmission grid during off-peak weeknight and weekend hours when customer electric loads and prices are low, and store the energy as compressed air in a unique sandstone aquifer geologic structure 3000 feet underground. Then, the compressed air would be used during higher value, on-peak hours on weekdays to generate electricity and deliver it back to the grid when customers need it most.

As an illustration, ISEP's 270 MW generation output would be more than twice the size of the electric load of downtown Des Moines on a hot summer day. Its 220 MW compression (storage) cycle could absorb the output of 100 to 150 large wind machines when operating at their rated wind speed.

"We have learned a great deal about what it takes to do utility-scale energy storage and coordinate it with regional wind energy resources", said Bob Schulte of Schulte Associates LLC, a management consulting firm retained by ISEPA to lead the due diligence assessment of the project. "The economic studies performed for ISEP show that an innovative CAES project like this can be cost-effective compared to conventional generation alternatives, and supportive of additional wind energy development in the region.

However, the geology studies of the project site show the storage reservoir is not suitable for the scale of project that was envisioned. While the CAES project concept and potential long-term economics are sound, due to geology limitations specific to the Dallas Center site the ISEPA members have easier, less expensive and less risky conventional alternatives to meet their customers' future electric needs."

The Iowa Stored Energy Plant Agency (ISEPA) owns ISEP. ISEPA represents 57 municipal electric utilities located in Iowa, Minnesota and the Dakotas. The decision today affects only the ISEP project. The ISEPA members will determine at a later date whether they will consider or pursue additional projects.

About \$8.6 million (or about 2% of the total projected project cost, if completed) has been spent on the ISEP project to-date. In addition to investments by the ISEPA members, the majority of ISEP development funding has been provided by the U.S. Department of Energy's (DOE) Energy Storage Program, with additional support from the Iowa Power Fund.

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