



**IOWA SMART SOLAR SITING**

*Photo Credit: Shutterstock, DZMITRY PALUBIATKA*

There has been a noticeable increase in the development of commercial and utility scale solar in the Midwest. The rapid expansion creates opportunities for farmers and landowners, but also poses threats to farmland. Iowa farmers and landowners have an opportunity to protect the viability and production of their farmland while addressing the need for renewable energy through smart solar siting. This summary will explain how Iowa renewable goals can be coupled with Smart Solar Siting or Agrivoltaic practices to create a sustainable path to keep farms in production and increase the states renewable portfolio.

**WHAT IS AGRIVOLTAICS?**

Agrivoltaics is the practice of installing solar photovoltaic panels on farmland in such a manner that primary agricultural activities (such as animal grazing and crop/vegetable production) are maintained alongside energy production on that farmland.

**WHAT ARE THE BENEFITS OF SMART SOLAR SITING?**



**PROTECTS**

Protects farmland from permanent solar or other development



**PRODUCES**

Produces a safety net through the panels improving soil moisture retention for plants during times of high heat and low precipitation



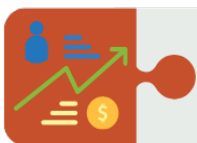
**PROVIDES**

Provides opportunities for exiting farmers to transition land to other or new farmers to maintain on-site agriculture activity



**SHIELDS**

Shields the land's potential for increased carbon sequestration



**CREATES**

Creates income diversification and improved income stability



**OFFERS**

Offers added shade in summer months from the panels that can help reduce heat-stress in livestock



## WHAT ARE THE INCENTIVES AVAILABLE TO FARMERS AND LANDOWNERS?

Iowa defines “alternate energy” as solar, wind turbine, small hydro, and more. **The Department of Commerce is required to set rates for alternate energy at a level that stimulates development of these projects.** Electric utilities must allow customers to voluntarily contribute to development of alternate energy through a power purchase program. This means the state guarantees a competitive market for alternate energy, so long as projects can identify a customer base. Farmers and landowners can use the incentives listed below to access resources that will help them protect the viability of their operations.

### STATE INCENTIVES\*

#### 1. State Incentives

There are funds and tax breaks available to farmers for conventional ag activities, as well as renewable energy development.

#### 2. Land Lease Options

In Iowa there are unique situations where a landowner and a solar developer work together on a renewable facility. The developer typically leases the land from the owner at a rate average of between \$800-\$1,200 per acre for a term of between 20-30 years. Grazing of animals or organic crops can be utilized as additional revenue to the landowner.

#### 3. Net Metering

Net metering is the process of being tied to the grid and your excess power that is produced by the renewable facility will be credited to the owner's utility account or in some situations paid out at a certain rate. There are variations of Net Metering across the state so contact your local utility for details.

*\*This information is accurate as of 5.12.2022*

### FEDERAL INCENTIVES\*

#### 1. Federal Investment Tax Credit

The federal government allows a 26% federal tax credit on purchase and installation of solar facilities. This means a dollar-for-dollar tax credit of 26% of the cost of installation. This credit can be used to offset federal tax burden or help for a length of time and sold on the open market.

#### 2. Modified Accelerated Cost Recovery System Depreciation

A solar facility used for business or commercial use is eligible for modified accelerated cost recovery system depreciation. This is typically a 5-year schedule for depreciation of 85% of the total cost of the facility.

#### 3. Rural Energy For America

This grant is federally funded and made available by the United States Department of Agriculture (USDA). The grant can pay for up to 25% of the cost of a renewable facility. These grants are awarded each year and applications are available at your local USDA rural development service center.

*\*This information is accurate as of 5.12.2022*

### THE FUTURE OF SOLAR

American Farmland Trust supports accelerated solar development and believes that agricultural lands can also play a meaningful role in hosting solar energy while maintaining active, productive agriculture. American Farmland Trust does not support solar siting that converts farmland or displaces agriculture from the landscape. **More information can be found at: <https://farmlandinfo.org/solar-siting/>.**

*For over 40 years, the mission of **American Farmland Trust** has been to protect farmland, promote sound farming practices, and keep farmers on the land. AFT is a leader in working side-by-side with farmers and landowners to accelerate adoption of conservation practices.*

Find out more at: [www.farmland.org](http://www.farmland.org)

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