

The Iowa administrative code and bulletin may be distributed with each order for purchase of the Code. The Iowa administrative code, its supplements, the Iowa administrative bulletin or the Code may be distributed with the Code or separately. There shall be established separate prices for the Iowa administrative code, for its supplements, for the Iowa administrative bulletin and for the Code. The price charged for the Iowa administrative code, its supplements or the Iowa administrative bulletin shall represent the cost of compiling and indexing plus the amount charged for the printing and distribution.

When the Code is published in more than one volume the superintendent of printing may distribute each volume on order, after payment of the estimated purchase price for the set, when said the volume becomes available.

Approved June 6, 1983

CHAPTER 182

ALTERNATIVE ENERGY PRODUCING FACILITIES AND RESEARCH

S.F. 380

AN ACT to encourage economic development by providing incentives for certain energy producing facilities and research and development activities.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 419.1, subsection 2, paragraph a, Code 1983, is amended to read as follows:

a. ~~Any land~~ Land, buildings or improvements, whether or not in existence at the time of issuance of the bonds issued under ~~authority of~~ this chapter, which are suitable for the use of ~~any a~~ voluntary nonprofit hospital, clinic or health care facility as defined in section 135C.1, subsection 4, or of one or more physicians for an office building to be used exclusively by professional health care providers, including appropriate ancillary facilities, or of ~~any a~~ private college or university, or ~~any a~~ state institution governed under chapter 262 whether for the establishment or maintenance of the college or university, or of ~~any an~~ industry or industries for the manufacturing, processing or assembling of ~~any~~ agricultural or manufactured products, even though the processed products may require further treatment before delivery to the ultimate consumer, or of ~~any a~~ commercial enterprise engaged in storing, warehousing or distributing products of agriculture, mining or industry including but not limited to barge facilities and riverfront improvements useful and convenient for the handling and storage of goods and products, or of a facility for the generation of electrical energy through the use of a renewable energy source including but not limited to hydroelectric and wind generation facilities, or of a facility engaged in research and development activities, or of a national, regional or divisional headquarters facility of a company that does multistate business, or of a telephone company, or of a beginning businessperson for any purpose, or of ~~any a~~ commercial amusement or theme park, or of ~~any a~~ housing unit or complex for the elderly or handicapped, or of ~~any a~~ fair or exposition held in the state, other than the Iowa state fair, which is a member of the association of Iowa fairs, or

Sec. 2. NEW SECTION. 476.34 PURPOSE. It is the policy of this state to encourage the development of alternate energy production facilities and small hydro facilities in order to conserve our finite and expensive energy resources and to provide for their most efficient use.

Sec. 3. NEW SECTION. 476.35 DEFINITIONS. As used in this division, unless the context otherwise requires:

1. "Alternate energy production facility" means any or all of the following:
 - a. A solar, wind turbine, waste management, resource recovery, refuse-derived fuel, or woodburning facility.
 - b. Land, systems, buildings, or improvements that are located at the project site and are necessary or convenient to the construction, completion, or operation of the facility.
 - c. Transmission or distribution facilities necessary to conduct the energy produced by the facility to users located at or near the project site.
2. "Electric utility" means a public utility that furnishes electricity to the public for compensation.
3. "Small hydro facility" means any or all of the following:
 - a. A hydroelectric facility at a dam.
 - b. Land, systems, buildings, or improvements that are located at the project site and are necessary or convenient to the construction, completion, or operation of the facility.
 - c. Transmission or distribution facilities necessary to conduct the energy produced by the facility to users located at or near the project site.

Sec. 4. NEW SECTION. 476.36 RATES FOR ALTERNATE ENERGY PRODUCTION FACILITIES.

1. Subject to section 476.37, the commission shall require electric utilities to enter into long-term contracts to do the following:
 - a. Purchase or wheel electricity from alternate energy production facilities or small hydro facilities located in the utility's service area under the terms and conditions that the commission finds are just and economically reasonable to the electric utilities' ratepayers, are non-discriminatory to alternate energy producers and small hydro producers and will further the policy stated in section 476.34.
 - b. Provide for the availability of supplemental or backup power to alternate energy production facilities or small hydro facilities on a nondiscriminatory basis and at just and reasonable rates.
2. Upon application by the owner or operator of an alternate energy production facility or small hydro facility or any interested party, the commission shall establish for the affected public utility just and economically reasonable rates for electricity purchased under subsection 1, paragraph a. The rates shall be established at levels sufficient to stimulate the development of alternate energy production and small hydro facilities in Iowa and to encourage the continuation of existing capacity from those facilities.
3. The commission shall base the rates for new facilities or new capacity from existing facilities on the following factors:
 - a. The estimated capital cost of the next generating plant, including related transmission facilities, to be placed in service by the electric utility serving the area.
 - b. The term of the contract between the electric utility and the seller.
 - c. A levelized annual carrying charge based upon the term of the contract and determined in a manner consistent with both the methods and the current interest or return requirements associated with the electric utility's new construction program.
 - d. The electric utility's annual energy costs, including current fuel costs, related operation and maintenance costs, and other energy-related costs considered appropriate by the commission.

4. The commission shall consider the factors listed in subsection 3 in setting rates for existing facilities. However, the commission may consider other factors and may establish a rate for existing facilities that is less than the rate established for new facilities if the commission determines that a lower rate is sufficient to encourage small power production.

5. In the case of a utility that purchases all or substantially all of its electricity requirements, the rates established under this section must be equal to the current cost to the electric utility of similar types and quantities of electrical service.

6. In lieu of the other procedures provided by this section, an electric utility and an owner or operator of an alternate energy production facility or small hydro facility may enter into a long-term contract in accordance with subsection 1 and may agree to rates for purchase and sale transactions. A contract entered into under this subsection must be filed with the commission in the manner provided for tariffs under section 476.4.

7. This section does not require an electric utility to construct additional facilities unless those facilities are paid for by the owner or operator of the affected alternate energy production facility or small hydro facility.

Sec. 5. NEW SECTION. 476.37 EXCEPTIONS.

1. The commission shall not require an electric utility to purchase or wheel electricity from an alternate energy production facility or small hydro facility unless the facility meets all of the following conditions:

a. Has an electric generating capacity of not more than eighty megawatts.

b. Is owned or operated by an individual, firm, copartnership, corporation, company, association, joint stock association, city, town, or county that:

(1) Is not primarily engaged in the business of producing or selling electricity, gas, or useful thermal energy other than electricity, gas, or useful thermal energy sold solely from alternate energy production facilities or small hydro facilities.

(2) Does not sell electricity, gas, or useful thermal energy to residential users other than the tenants or the owner or operator of the facility.

2. The commission shall not require an electric utility to purchase or wheel electricity from a small hydro facility unless the facility has an electric generating capacity of not more than eighty megawatts.

Sec. 6. NEW SECTION. 476.38 EXEMPTION FROM EXCESS CAPACITY. Capacity purchased from an alternate energy production facility or small hydro facility shall not be included in a calculation of an electric utility's excess generating capacity for rate-making purposes.

Sec. 7. Until July 1, 1986, the rate for a new facility under section 476.36, subsection 2, shall not exceed eight cents per kilowatt hour.

Approved June 6, 1983