

Sec. 81. Section 912.6, subsection 1, Code Supplement 1989, is amended to read as follows:

1. Reasonable charges incurred for medical care not to exceed ten thousand five hundred dollars. Reasonable charges incurred for mental health care not to exceed one thousand five hundred dollars which includes services provided by a psychologist licensed under chapter 154B, a person holding at least a master's degree in social work or counseling and guidance, or a victim counselor as defined in section 236A.1.

Sec. 82. Section 912.6, subsections 2 and 3, Code Supplement 1989, are amended by striking the subsections.

Sec. 83.

The department of public safety shall study the feasibility and usefulness of implementing a pilot program for determining the extent of drug and alcohol use and abuse among persons arrested for felony offenses, of determining whether there is any correlation between drug and alcohol abuse and crime in this state, for developing data comparing rural and urban areas in this state, and for developing a comparison with similar data collected in other states. The study shall be under the direction of the drug enforcement and abuse prevention coordinator who shall consult with the department of public safety to accomplish the purposes described in this section.

Sec. 84. ALTERNATIVE DRUG TESTING FOR OFFICERS.

The department of public safety shall develop a plan for the implementation of alternative drug testing programs for law enforcement, parole, and probation officers. The plan shall be submitted to the general assembly by January 15, 1991, in a form which could be adopted and implemented by the department of public safety or individual law enforcement agencies throughout the state.

Sec. 85.

Chapter 421A, as enacted in this Act, takes effect September 1, 1990.

Sec. 86. Section 35 takes effect July 1, 1991.

Approved May 6, 1990

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## CHAPTER 1252

### ENERGY EFFICIENCY

*S.F. 2403*

**AN ACT** relating to energy efficiency.

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

Section 1. Section 8.23, Code 1989, is amended to read as follows:

8.23 ANNUAL DEPARTMENTAL ESTIMATES.

On or before September 1, next prior to each legislative session, all departments and establishments of the government shall transmit to the director, on blanks to be furnished by the director, estimates of their expenditure requirements, including every proposed expenditure, for the ensuing fiscal year, classified so as to distinguish between expenditures estimated for administration, operation, and maintenance, and the cost of each project involving the purchase of land or the making of a public improvement or capital outlay of a permanent character, together with supporting data and explanations as called for by the director. The budget estimates shall include for those agencies which pay for energy directly a line item for energy expenses itemized by type of energy and location. The estimates of expenditure requirements

shall be based upon seventy-five percent of the funding provided for the current fiscal year accounted for by program and the remainder of the estimate of expenditure requirements prioritized by program. The estimates shall be accompanied with performance measures for evaluating the effectiveness of the program. If a department or establishment fails to submit estimates within the time specified, the governor shall cause estimates to be prepared for that department or establishment as in the governor's opinion are reasonable and proper. The director shall furnish standard budget request forms to each department or agency of state government.

Sec. 2. Section 15.109, Code 1989, is amended by adding the following new subsection:

**NEW SUBSECTION. 3.** At the time the department approves assistance for an applicant, provides the person with information regarding the nature and source of other technical assistance available in the state to assist the applicant on design and management matters concerning energy efficiency and waste reduction. The department shall review the extent to which recommendations made to grantees are in fact implemented by the grantees.

Sec. 3. Section 18.115, subsection 4, unnumbered paragraph 2, Code Supplement 1989, is amended to read as follows:

In conjunction with the requirements of section 18.3, subsection 1, effective January 1, 1990 1991, the state vehicle dispatcher, and any other state agency or local governmental political subdivision purchasing new motor vehicles for other than law enforcement purposes, shall each year purchase new passenger automobiles vehicles and light trucks such that the average fuel efficiency for the fleet of new passenger automobiles vehicles and light trucks purchased in that year by the state vehicle dispatcher is not less than two miles per gallon under or other state agency or local governmental political subdivision equals or exceeds the average fuel economy standard for the automobiles' vehicles' model year as established by the United States secretary of transportation under 15 U.S.C. § 2002. This paragraph does not apply to automobiles vehicles purchased for any of the following: law enforcement purposes; school buses; off-road maintenance work; or work vehicles used to pull loaded trailers. The group of comparable automobiles vehicles within the total fleet purchased by the state vehicle dispatcher, or any other state agency or local governmental political subdivision purchasing motor vehicles for other than law enforcement purposes, shall have an average fuel efficiency rating not less than two miles per gallon under equal to or exceeding the average fuel economy rating for that model year for that class of comparable automobiles vehicles as defined in 40 C.F.R. § 315-82. As used in this paragraph, "fuel economy" means the average number of miles traveled by an automobile per gallon of gasoline consumed as determined by the United States environmental protection agency administrator in accordance with 26 U.S.C. § 4064(c). For purposes of this paragraph, "state agency" includes, but is not limited to, a community college or an institution under the control of the state board of regents.

Sec. 4. Section 18.115, subsection 4, Code Supplement 1989, is amended by adding the following new paragraphs:

a. Effective January 1, 1993, the state vehicle dispatcher, after consultation with the department of management and the various state agencies exempted from obtaining vehicles for use through the state vehicle dispatcher, shall adopt by rule pursuant to chapter 17A, a system of uniform standards for assigning vehicles available for use to maximize the average passenger miles per gallon of motor vehicle fuel consumed. The standards should consider the number of passengers traveling to a destination, the fuel economy of and passenger capacity of vehicles available for assignment, and any other relevant information, to assure assignment of the most energy efficient vehicle or combination of vehicles for a trip from those vehicles available for assignment. The standards adopted by the state vehicle dispatcher shall not apply to special work vehicles, and law enforcement vehicles. The rules when adopted shall apply to the following agencies:

- (1) State vehicle dispatcher.
- (2) State department of transportation.

- (3) Institutions under the control of the state board of regents.
- (4) The department for the blind.
- (5) Any other state agency exempted from obtaining vehicles for use through the state vehicle dispatcher.

b. As used in paragraph "a", "fuel economy" means the average number of miles traveled by an automobile per gallon of gasoline consumed as determined by the United States environmental protection agency administrator in accordance with 26 U.S.C. § 4064(c).

**Sec. 5. NEW SECTION. 72.5 LIFE CYCLE COST.**

1. A contract for a public improvement or construction of a public building, including new construction or renovation of an existing public building, by the state, or an agency or political subdivision of the state, shall not be let without satisfying the following requirements:

a. A design professional submitting a design development proposal for consideration of the public body shall at minimum prepare one proposal meeting the design program's space and use requirements which reflects the lowest life cycle cost possible in light of existing commercially available technology.

b. Submission of a cost benefit analysis of any deviations from the lowest life cycle cost proposal contained in other design proposals requested by or prepared for submission to the public body.

The public body may request additional design proposals in light of funds available for construction, aesthetic considerations, or any other reason.

This subsection applies for all design development proposals requested on or after January 1, 1991.

2. In connection with development of a statewide building energy efficiency rating system, pursuant to section 93.40, the director of the department of natural resources in consultation with the department of management, state building code director, and state fire marshal, shall develop standards and methods to evaluate design development documents and construction documents based upon the energy efficiency rating system for public buildings, and other life cycle cost factors, to facilitate fair and uniform comparisons between design proposals and informed decision making by public bodies.

3. The department of management shall develop a proposal for submission to the general assembly on or before January 10, 1991, to create a division within the department of management to evaluate life cycle costs on design proposals submitted on public improvement and construction contracts for agencies and political subdivisions of the state, to assure uniform comparisons and professional evaluations of design proposals by an independent agency. The report shall also address potential redundancy and conflicts within existing state law regarding life cycle cost analysis and recommend the resolution of any problems which are identified.

4. It is the intent of the general assembly to discourage construction of public buildings based upon lowest acquisition cost, and instead to require that such decisions be based upon life cycle costs to reduce energy consumption, maintenance requirements, and continuing burdens upon taxpayers.

**Sec. 6. NEW SECTION. 93.3 ENERGY EFFICIENCY GOAL.**

The goal of this state is to more efficiently utilize energy resources, especially those that are nonrenewable or that have negative environmental impacts, in order to enhance the economy of the state and to decrease the state's dependence on energy resources from outside the state by reducing the amount of energy used. This goal is to be implemented through the development of programs that promote energy efficiency and energy conservation by all Iowans, through the development and enhancement of an energy efficiency industry, through the development of indigenous energy resources that are economically and environmentally viable, and through the development and implementation of effective public information and education programs.

State government shall be a model and testing ground for the use of energy efficiency systems.

Sec. 7. Section 93.7, subsection 1, unnumbered paragraph 2, Code Supplement 1989, is amended to read as follows:

The department shall develop the plan with the assistance of, and in consultation with, representatives of the energy industry, economic interests, the public, and other interested parties. The department shall submit a report to the general assembly concerning the status and implementation of the plan on a biennial basis. The biennial update shall contain an evaluation of all state energy programs including expected versus actual benefits and forecasts of future energy demand in Iowa.

Sec. 8. Section 93.7, subsection 4, unnumbered paragraph 1, Code Supplement 1989, is amended to read as follows:

Establish a central depository within the state for energy data. The central depository shall be located at or accessible through a library which is a member of an interlibrary loan program to facilitate access to the data and information contained in the central depository. The department shall collect data necessary to forecast future energy demands in the state. The department may require a supplier to provide information pertaining to the supply, storage, distribution and sale of energy sources in this state. The information shall be furnished on a periodic basis, shall be of a nature which directly relates to the supply, storage, distribution and sale of energy sources, and shall not include any records, documents, books or other data which relate to the financial position of the supplier. Provided the department, prior to requiring any supplier to furnish it with such information, shall make every reasonable effort to determine if the same is available from any other governmental source. If it finds such information is available, the department shall not require submission of the same from a supplier. Notwithstanding the provisions of chapter 22, information and reports obtained under this section shall be confidential except when used for statistical purposes without identifying a specific supplier and when release of the information will not give an advantage to competitors and serves a public purpose. The department shall use this data to conduct energy forecasts which shall be included in the biennial update required by section 93.7, subsection 1.

Sec. 9. Section 93.7, subsection 5, Code Supplement 1989, is amended to read as follows:

5. Develop, recommend, and ~~recommend~~ implement with appropriate agencies public and professional education and communication programs in energy efficiency, energy conservation, and conversion to alternative sources of energy.

Sec. 10. Section 93.7, Code Supplement 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 15. Conduct a study on activities related to energy production and use which contribute to global climate change and the depletion of the stratospheric ozone layer. The study shall identify the types and relative contributions of these activities in Iowa. The department shall develop a strategy to reduce emissions from activities identified as having an adverse impact on the global climate and the stratospheric ozone layer. The department shall submit a report containing its findings and recommendations to the governor and general assembly by January 1, 1992.

Sec. 11. Section 93.13A, Code Supplement 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The department shall not require a school district, area school, area education agency, city, or county to perform an engineering analysis if the school district, area education agency, city, or county demonstrates to the department that the facility which is the subject of the proposed engineering analysis at issue is unlikely to be in use or operation in six years by the governmental entity currently using or occupying the facility.

Sec. 12. Section 93.20, Code 1989, is amended by adding the following new unnumbered paragraphs:

NEW UNNUMBERED PARAGRAPH. A school district, area school, area education agency, city, or county shall design and construct the most energy cost-effective facilities feasible and shall use the financing made available by the department to cover the incremental costs above

minimum building code energy efficiency standards of purchasing energy efficient devices and materials unless other lower cost financing is available. As used in this section, "facility" means a structure that is heated or cooled by a mechanical or electrical system, or any system of physical operation that consumes energy to carry out a process.

**NEW UNNUMBERED PARAGRAPH.** The department shall not require a school district, area school, area educational agency, city, or county to implement a specific energy conservation measure identified in a comprehensive engineering analysis if the political subdivision which prepared the analysis demonstrates to the department that the facility which is the subject of the energy conservation measure is unlikely to be used or operated for the full period of the expected payback of the energy conservation measure.

**Sec. 13. NEW SECTION. 93.40 STATEWIDE BUILDING ENERGY EFFICIENCY RATING SYSTEM.**

1. The director shall adopt rules, pursuant to chapter 17A, establishing a statewide building energy efficiency rating system. The rating system shall apply to all new and existing public, commercial, industrial, and residential buildings in the state and shall be established subject to the following schedule:

- a. Ratings for new residential buildings by July 1, 1992.
- b. Ratings for existing residential buildings by July 1, 1993.
- c. Ratings for new public buildings by July 1, 1994.
- d. Ratings for existing public buildings by July 1, 1995.
- e. Ratings for new commercial and industrial buildings by July 1, 1995.
- f. Ratings for existing commercial and industrial buildings by July 1, 1995.

The director shall adopt a minimum acceptable energy efficiency standard for each class of new buildings.

2. a. The energy efficiency rating shall be disclosed at the request of the prospective purchaser according to the terms of the offer to purchase.

b. The energy efficiency rating shall be disclosed to a prospective lessee whose rent does not include energy cost upon request.

c. The designer of a new residential or commercial building shall state in writing to the department that to the best of the person's knowledge, information, and belief, the new building design is in substantial compliance with the minimum energy efficiency standards established by rule of the department.

d. Concurrent with the disclosure of an energy efficiency rating pursuant to paragraphs "a" through "c", the prospective purchaser or lessee shall be provided with a copy of an information brochure prepared by the department which includes information relevant to that class of building, including, but not limited to:

- (1) How to analyze the building's energy efficiency rating.
- (2) Comparisons to statewide averages for new and existing construction of that class.
- (3) Notice to the prospective purchaser that the seller must disclose a building's energy efficiency rating upon the prospective purchaser's request.
- (4) Information concerning methods to improve a building's energy efficiency rating.
- (5) A notice for residential buyers that qualifying income for mortgage loan purposes may be affected by the energy efficiency rating.

e. A new residential, commercial, or industrial building shall not be hooked up or connected to any provider of electricity, whether a regulated utility, rural electric cooperative, municipal utility, or otherwise; or natural gas, except liquid petroleum, unless the builder states in writing to the utility that to the best of the builder's knowledge, information, and belief, the building was built in accordance with the construction documents.

f. Each public building proposed for construction, renovation, or acquisition shall be rated pursuant to the energy efficiency rating system provided in subsection 1 prior to contracting for the construction, renovation, or acquisition. The public body proposing to contract for construction, renovation, or acquisition for a public building shall consider the energy efficiency ratings of alternatives when contracting.

3. The energy efficiency rating system adopted by the department shall provide a means of analyzing and comparing the relative energy efficiency of buildings upon sale or lease of new or existing residential, commercial, or industrial buildings. The system shall provide for rating each public building in existence to assist public officials in decision making with regard to capital improvements and public energy costs.

4. The director shall establish a voluntary working group of persons and interest groups interested in the energy efficiency rating system or energy efficiency, including, but not limited to such persons as electrical engineers, mechanical engineers, architects, and builders. The interest group shall advise the department in the development of the energy efficiency rating system and shall assist the department in implementation of the rating system by coordinating education programs for designers, builders, businesses, and other interested persons to assist compliance and to facilitate incorporation of the rating system into existing practices. The intent of the general assembly is to encourage the consideration of the energy efficiency rating system in the market, so as to provide market rewards for energy efficient buildings and those designing, building, or selling energy efficient buildings.

5. All public buildings shall be analyzed for energy efficiency using this rating system by July 1, 1996. The results of that analysis shall be submitted to the department by August 1, 1996. The department shall submit a report to the governor and general assembly by January 15, 1997, that analyzes the results of this evaluation of public buildings and includes recommendations. The results of the analysis of each building shall be submitted to the public agency or governmental subdivision which owns or operates that building as well.

6. The director shall make available energy efficiency practices information to be used by individuals involved in the design, construction, retrofitting, and maintenance of buildings for state and local governments.

7. For purposes of this section and section 93.41:

a. "Builder" means the prime contractor that hires and coordinates building subcontractors or if there is no prime, the contractor that completes more than fifty percent of the total construction work performed on the building. Construction work includes, but is not limited to, foundation, framing, wiring, plumbing, and finishing work.

b. "Designer" means the architect, engineer, landscape architect, builder, interior designer or other person who performs the actual design work or if under whose direct supervision and responsible charge the construction documents are prepared.

c. "Public building" means a building owned or operated by the state, a state agency, or a governmental subdivision, including but not limited to a city, county, or school district.

8. The director may report an architect, professional engineer, or landscape architect to the appropriate examining board if the director believes the person has engaged in fraudulent conduct in connection with an energy efficiency rating for a building. The director may report a builder to the division of labor, bureau of contractor registration, if the director believes the builder has engaged in fraudulent conduct in connection with an energy efficiency rating for a building.

Sec. 14. Section 214A.2, subsection 3, Code Supplement 1989, is amended by striking the subsection and inserting in lieu thereof the following:

3. a. Gasoline with a mixture of ten percent or more ethanol, but not more than thirteen percent, shall be known as gasohol.

b. Gasoline with a mixture of more than thirteen percent ethanol, but not more than twenty-five percent, shall be known as high blend ethanol. For purposes of chapters 323A, 324, and 422, high blend ethanol shall be treated as gasohol.

c. Gasoline shall not contain a mixture of more than twenty-five percent ethanol.

Sec. 15. NEW SECTION. 214A.19 DEMONSTRATION GRANTS AUTHORIZED.

1. The department of natural resources, conditioned upon the availability of funds, is authorized to award demonstration grants to persons who purchase vehicles which operate on alternative fuels, including but not limited to, high blend ethanol, compressed natural gas, electricity, solar energy, or hydrogen. A grant shall be for the purpose of conducting research connected

with the fuel or the vehicle, and not for the purchase of the vehicle itself, except that the money may be used for the purchase of the vehicle if all of the following conditions are satisfied:

- a. The department retains the title to the vehicle.
- b. The vehicle is used for continuing research.
- c. If the vehicle is sold or when the research related to the vehicle is completed, the proceeds of the sale of the vehicle shall be used for additional research.

2. The governor shall seek the cooperation of the governors of other states willing to cooperate to establish an alternative fuels consortium. The purposes of the consortium may include, but are not limited to, coordinating the research, production, and marketing of alternative fuels within the participating states. The consortium may also coordinate presentation of consortium policy on alternative fuels to automakers and federal regulatory authorities.

Sec. 16. Section 258A.2, Code 1989, is amended by adding the following new subsection:  
**NEW SUBSECTION. 2A.** The state board of engineering and land surveyors, the board of architectural examiners, the board of landscape architectural examiners, and the department of natural resources shall cooperate with each other and with persons who typically offer continuing education courses for design professionals to make available energy efficiency related continuing education courses, and to encourage interdisciplinary cooperation and education concerning available energy efficiency strategies for employment in the state's construction industry.

Sec. 17. **NEW SECTION. 266.39C THE IOWA ENERGY CENTER.**

1. The Iowa energy center is established at Iowa state university of science and technology. The center shall strive to increase energy efficiency in all areas of Iowa energy use. The center shall serve as a model for state efforts to decrease dependence on imported fuels and to decrease reliance on energy production from nonrenewable, resource-depleting fuels. The center shall conduct and sponsor research on energy efficiency and conservation that will improve the environmental, social, and economic well-being of Iowans, minimize the environmental impact of existing energy production and consumption, and reduce the need to add new power plants.

The center shall assist Iowans in assessing technology related to energy efficiency and alternative energy production systems and shall support educational and demonstration programs that encourage implementation of energy efficiency and alternative energy production systems.

The center shall also conduct and sponsor research to develop alternative energy systems that are based upon renewable sources and that will reduce the negative environmental and economic impact of energy production systems.

2. An advisory council is established consisting of the following members:
  - a. One person from Iowa state university of science and technology, appointed by its president.
  - b. One person from the university of Iowa, appointed by its president.
  - c. One person from the university of northern Iowa, appointed by its president.
  - d. One representative of private colleges and universities within the state, to be nominated by the Iowa association of independent colleges and universities, and appointed by the Iowa coordinating council for post-high school education.
  - e. One representative of community colleges, appointed by the state board for community colleges.
  - f. One representative of the energy and geological resources division of the department of natural resources, appointed by the director.
  - g. One representative of the state department of transportation, appointed by the director.
  - h. One representative of the office of consumer advocate, appointed by the consumer advocate.
  - i. One representative of the utilities board, appointed by the utilities board.
  - j. One representative of the rural electric cooperatives, appointed by the governing body of the Iowa association of electric cooperatives.

k. One representative of municipal utilities, appointed by the governing body of the Iowa association of municipal utilities.

l. Two representatives from investor-owned utilities, one representing gas utilities, appointed by the Iowa utility association, and one representing electric utilities, appointed by the Iowa utility association.

The terms of the members shall begin and end as provided in section 69.19 and any vacancy shall be filled by the original appointing authority. The terms shall be for four years and shall be staggered as determined by the president of Iowa state university of science and technology.

3. Iowa state university of science and technology shall employ a director for the center, who shall be appointed by the president of Iowa state university of science and technology. The director of the center shall employ necessary research and support staff. The director and staff shall be employees of Iowa state university of science and technology. No more than five hundred thousand dollars of the funds made available by appropriation from state revenues in any one year shall be expended by the center for the salaries and benefits of the employees of the center, including the salary and benefits of the director. The remainder of the funds appropriated from state funds shall be used to sponsor research grants and projects submitted on a competitive basis by Iowa colleges and universities and private nonprofit agencies and foundations. The center may also solicit additional grants and funding from public and private nonprofit agencies and foundations.

The director shall prepare an annual report.

4. The advisory council shall provide the president of Iowa state university of science and technology with a list of three candidates from which the director shall be selected. The council shall provide an additional list of three candidates if requested by the president. The council shall advise the director in the development of a budget, on the policies and procedures of the center, in the funding of research grant proposals, and regarding program planning and review.

Sec. 18. Section 476.1, unnumbered paragraph 7, Code 1989, is amended to read as follows:

The jurisdiction of the board under this chapter shall include programs designed to promote the use of energy ~~conservation~~ efficiency strategies by rate or service-regulated gas and electric utilities. These programs shall be cost effective. The board may initiate these programs as pilot projects to accumulate sufficient data to determine if the programs meet the requirements of this paragraph.

Sec. 19. Section 476.1A, Code Supplement 1989, is amended to read as follows:

476.1A APPLICABILITY OF AUTHORITY — CERTAIN ELECTRIC UTILITIES.

Electric public utilities having ~~less~~ fewer than ten thousand customers and electric cooperative corporations and associations are not subject to the rate regulation authority of the board. Such utilities are subject to all other regulation and enforcement activities of the board, including:

1. Assessment of fees for the support of the division.
2. Safety and engineering standards for equipment, operations, and procedures.
3. Assigned area of service.
4. Pilot projects of the board.

5. Assessment of fees for the support of the Iowa energy center created in section 266.39C and the center for global warming established by the state board of regents.

6. Filing energy efficiency plans and energy efficiency results with the board. The board may permit these utilities to file joint plans.

The board may waive all or part of the energy efficiency filing and review requirements for electric cooperative corporations and associations and electric public utilities which demonstrate superior results with existing energy efficiency programs.

However, sections 476.20, 476.21, 476.41 through 476.44, 476.51, 476.56, 476.62, and 476.66 and chapters 476A and 478, to the extent applicable, apply to such electric utilities.



Electric cooperative corporations and associations and electric public utilities exempt from rate regulation under this section shall not make or grant any unreasonable preferences or advantages as to rates or services to any person or subject any person to any unreasonable prejudice or disadvantage.

The board of directors or the membership of an electric cooperative corporation or association otherwise exempt from rate regulation may elect to have the cooperative's rates regulated by the board. The board shall adopt rules prescribing the manner in which the board of directors or the membership of an electric cooperative may so elect. If the board of directors or the membership of an electric cooperative has elected to have the cooperative's rates regulated by the board, after two years have elapsed from the effective date of such election the membership of the electric cooperative may elect to exempt the cooperative from the rate regulation authority of the board.

Sec. 20. Section 476.1B, Code Supplement 1989, is amended to read as follows:

476.1B APPLICABILITY OF AUTHORITY — MUNICIPALLY OWNED UTILITIES.

1. Unless otherwise specifically provided by statute, a municipally owned utility is not subject to regulation by the board under this chapter, except for regulatory action pertaining to:

a. Assessment of fees for the support of the division and the office of consumer advocate, as set forth in section 476.10.

b. Safety standards.

c. Assigned areas of service, as set forth in sections 476.22 through 476.26.

d. Enforcement of civil penalties pursuant to section 476.51.

e. Disconnection of service, as set forth in section 476.20.

f. Discrimination against users of renewable energy resources, as set forth in section 476.21.

g. Encouragement of alternate energy production facilities, as set forth in sections 476.41 through 476.45.

h. Enforcement of section 476.56.

i. Enforcement of section 476.66.

j. Enforcement of section 476.62.

2. Municipally owned utilities shall be required to adhere to the requirements of the following sections of the Code but all rules and regulations to enforce these sections shall lie with each local municipal utility's governing board. The board has no authority concerning these sections as they apply to municipal utilities:

a. Peak-load management techniques, as set forth in section 476.17.

b. Promulgation of rules concerning the use of energy conservation strategies, as set forth in section 476.2.

k. Assessment of fees for the support of the Iowa energy center created in section 266.39C and the global warming center created by the state board of regents.

1. Filing energy efficiency plans and energy efficiency results with the board. The board may permit these utilities to file joint plans.

2. The board may waive all or part of the energy efficiency filing and review requirements for municipally owned utilities which demonstrate superior results with existing energy efficiency programs.

Sec. 21. Section 476.1C, subsection 1, Code 1989, is amended to read as follows:

1. Gas public utilities having less fewer than two thousand customers are not subject to the regulation authority of the utilities board under this chapter unless otherwise specifically provided. Sections 476.10, 476.20, 476.21, and 476.51 apply to such gas utilities.

Gas public utilities having fewer than two thousand customers shall be subject to the assessment of fees for the support of the Iowa energy center created in section 266.39C and the global warming center created by the state board of regents and shall file energy efficiency plans and energy efficiency results with the board. The board may waive all or part of the energy efficiency filing requirements if the gas utility demonstrates superior results with existing energy efficiency programs.

Gas public utilities having less fewer than two thousand customers shall keep books, accounts, papers and records accurately and faithfully in the manner and form prescribed by the board. The board may inspect the accounts of the utility at any time.

A gas public utility having less fewer than two thousand customers may make effective a new or changed rate, charge, schedule, or regulation after giving written notice of the proposed new or changed rate, charge, schedule, or regulation to all affected customers served by the public utility. The notice shall inform the customers of their right to petition for a review of the proposal to the utilities board within sixty days after notice is served if the petition contains the signatures of at least one hundred of the gas utility's customers. The notice shall state the address of the utilities board. The new or changed rate, charge, schedule, or regulation takes effect sixty days after such valid notice is served unless a petition for review of the new or changed rate, charge, schedule, or regulation signed by at least one hundred of the gas utility's customers is filed with the board prior to the expiration of the sixty-day period.

If such a valid petition is filed with the board within the sixty-day period, any new or changed rate, charge, schedule, or regulation shall take effect, under bond or corporate undertaking, subject to refund of all amounts collected in excess of those amounts which would have been collected under the rates or charges finally approved by the board. The board shall within five months of the date of filing make a determination of just and reasonable rates based on a review of the proposal, applying established regulatory principles. The board may call upon the gas public utility and its customers to furnish factual evidence in support of or opposition to the new or changed rate, charge, schedule, or regulation. If the gas public utility disputes the finding, the utility may within twenty days file for further review, and the board shall docket the case as a formal proceeding under section 476.6, subsection 7, and set the case for hearing. The gas public utility shall submit factual evidence and written argument in support of the filing.

A gas public utility having less fewer than two thousand customers shall not make effective a new or changed rate, charge, schedule, or regulation which relates to services for which a rate change is pending within twelve months following the date the petition to review the prior proposed rate, charge, schedule, or regulation was filed with the board or until the board has made its determination of just and reasonable rates, whichever date is earlier, unless the utility applies to the board for authority and receives authority to make a subsequent rate change at an earlier date.

Gas public utilities having less fewer than two thousand customers shall not make or grant any unreasonable preferences or advantages as to rates or services to any person or subject any person to any unreasonable prejudice or disadvantage. Rates charged by a gas public utility having less than two thousand customers for transportation of customer-owned gas shall not exceed the actual cost of such transportation services including a fair rate of return.

Sec. 22. Section 476.2, Code 1989, is amended to read as follows:

476.2 POWERS — RULES.

1. The board shall have broad general powers to effect the purposes of this chapter notwithstanding the fact that certain specific powers are hereinafter set forth. The board shall have authority to issue subpoenas and to pay the same fees and mileage as are payable to witnesses in the courts of record of general jurisdiction and shall establish all needful, just and reasonable rules, not inconsistent with law, to govern the exercise of its powers and duties, the practice and procedure before it, and to govern the form, contents and filing of reports, documents and other papers provided for in this chapter or in the board's rules. In the establishment, amendment, alteration or repeal of any of such rules, the board shall be subject to the provisions of chapter 17A.

2. The board shall employ at rates of compensation consistent with current standards in industry such professionally trained engineers, accountants, attorneys, and skilled examiners and inspectors, secretaries, clerks, and other employees as it may find necessary for the full and efficient discharge of its duties and responsibilities as required by this chapter.

3. The board is hereby authorized and empowered to intervene in any proceedings before the federal power commission or any other federal or state regulatory body when it finds that any decision of such tribunal would adversely affect the costs of any public utility service within the state of Iowa.

4. The board shall have authority to inquire into the management of the business of all public utilities, and shall keep itself informed as to the manner and method in which the same is conducted, and may obtain from any public utility all necessary information to enable the board to perform its duties.

~~The board shall promulgate rules concerning the use of energy conservation strategies by rate or service-regulated gas and electric utilities by July 1, 1981. The board may prescribe appropriate rates for any approved energy conservation program. Nothing in this paragraph subjects the rates of municipal utilities to the regulatory authority of the board.~~

5. The board shall provide to the governor and the general assembly on or before December 1, 1992, a report on the level of intended energy efficiency activity of nonrate-regulated utilities based on the energy efficiency plans previously filed by the nonrate-regulated utilities. The report shall include any recommendations of the board for legislative action.

6. The board shall provide to the governor and general assembly on or before December 1, 1994, a report on the results of implementation of the energy efficiency plans filed with the board by nonrate-regulated utilities. The report shall include any recommendations of the board for legislative action.

7. The board shall notice rules concerning the filing requirements for energy efficiency plans by rate-regulated gas and electric utilities on or before October 1, 1990. Rate-regulated gas and electric utilities shall be required to file initial plans no later than four months after the effective date of the rules required by this subsection. The board shall also adopt rules concerning the filing requirements for energy efficiency plans by all other utilities.

Sec. 23. Section 476.6, subsection 15, unnumbered paragraph 3, Code Supplement 1989, is amended by striking the paragraph.

Sec. 24. Section 476.6, subsection 15, unnumbered paragraphs 5 and 6, Code Supplement 1989, are amended by striking the paragraphs.

Sec. 25. Section 476.6, subsection 16, unnumbered paragraph 2, Code Supplement 1989, is amended by striking the paragraph.

Sec. 26. Section 476.6, subsection 17, Code Supplement 1989, is amended to read as follows:

17. **COMPREHENSIVE ENERGY MANAGEMENT REQUIRED FOR ELECTRIC UTILITIES.** An electric utility shall not have an increased revenue requirement finally approved under this section in any application for increased rates filed on or after January 1, 1992, unless the utilities board finds that the electric utility has in effect a comprehensive energy management program which meets the primary objectives of section 476A.6, subsection 4.

Sec. 27. Section 476.6, Code Supplement 1989, is amended by adding the following new subsections:

**NEW SUBSECTION. 19. ENERGY EFFICIENCY IMPLEMENTATION, COST REVIEW, AND COST RECOVERY.**

a. The board shall conduct contested case proceedings for review of energy efficiency plans and budgets filed by rate-regulated gas or electric utilities. The board may approve, reject, or modify the plans and budgets. Notwithstanding the provisions of section 17A.19, subsection 5, in an application for judicial review of the board's decision concerning a utility's energy efficiency plan or budget, the reviewing court shall not order a stay. Whenever a request to modify an approved plan or budget is filed subsequently by the office of consumer advocate or a rate-regulated gas or electric public utility, the board shall promptly initiate a formal proceeding if the board determines that any reasonable ground exists for investigating the request. The formal proceeding may be initiated at any time by the board on its own

motion. Implementation of board approved plans or budgets shall be considered continuous in nature and shall be subject to investigation at any time by the board or the office of the consumer advocate.

b. An energy efficiency plan and budget shall be designed to expend annually, at a minimum, the following designated percentage of the gas and electric rate-regulated utility's gross operating revenues during the previous calendar year derived from intrastate public utility operations:

- (1) For electric rate-regulated utilities, two percent.
- (2) For gas rate-regulated utilities, one and one-half percent.

A rate-regulated electric utility or rate-regulated gas utility shall have the designated expenditure requirement included in its energy efficiency plan and budget on or before January 1, 1992. The board may waive the spending requirement for an individual utility if the board determines after the contested case proceeding in section 476.6, subsection 19, paragraph "a", that the expenditure level of the energy efficiency programs included in the utility's approved energy efficiency plan is less than the spending requirement.

Energy efficiency expenditures incurred on or after July 1, 1990, may be included in a utility's initial energy efficiency plan and budget submitted pursuant to paragraph "a".

c. A rate-regulated utility shall submit for consideration in its energy efficiency plan, at a minimum, the following programs, where relevant to the utility's services:

- (1) A hot water heater insulation blanket distribution program.
- (2) A commercial lighting program.

(3) A rebate, coupon, or other program for purchases of goods, including but not limited to light bulbs, which contribute to energy efficiency.

(4) A tree planting program to moderate the physical environment and to consume atmospheric carbon dioxide resulting from burning fossil fuels within the state for energy; provided, however, that the tree planting program is not required to itself be energy efficient or cost effective.

(5) A cooperative program with any community action agency within the utility's service area to implement countywide or communitywide energy efficiency programs for qualified low-income persons.

Each of these programs, except the tree planting program contained in subparagraph (4), shall be approved as part of the utility's plan only if the board determines the program to be cost effective for that utility.

d. The board may periodically conduct a contested case proceeding to evaluate the reasonableness and prudence of a gas or electric rate-regulated public utility's implementation of the utility's approved energy efficiency plan and budget and provide for the recovery of expenditures and related costs of the provision of energy efficiency projects. Notice to customers shall be in a manner prescribed by the board; provided, however, that the board shall not allow energy efficiency to be represented in customer billings as a separate cost or expense. The board shall consider the cost effectiveness of the projects and shall allow the utility to recover the reasonable expenditures and related costs of the projects determined to be cost effective. A utility shall also recover the reasonable expenditures and related costs of an energy efficiency project which is not cost-effective if the board determines the utility was prudent and reasonable in the planning and implementation of the energy efficiency project. The board may treat the expenditures and related costs incurred by a utility pursuant to the utility's approved energy efficiency plan and budget as capital items for ratemaking purposes. Recovery pursuant to this paragraph shall not be allowed until eighteen months after the board's final order in the initial contested case to review a utility's proposed energy efficiency plan and budget pursuant to paragraph "a".

e. In addition to the expenditures and related costs collected pursuant to section 476.6, subsection 19, paragraph "d", if the board determines sufficient justification exists for assessing a reward or penalty on the utility for its performance regarding energy efficiency, the board may allow the utility to collect an amount as a reward or may require an amount to be deducted

from the recovery of expenditures and related costs as a penalty. The rewards and penalties of this paragraph shall be in addition to the provisions of section 476.52.

f. The legislative council shall consider the appointment of a legislative interim study committee in 1996 to review the success or failure of the substantive and procedural provisions for energy efficiency cost recovery contained in this section. The interim study committee, if appointed, shall make recommendations to the general assembly on any required changes due to the experience gained from the previous two biennial energy efficiency plan and budget cycles.

**NEW SUBSECTION. 20. FILING OF FORECASTS.**

The board shall periodically require each rate-regulated gas or electric public utility to file a forecast of future gas requirements or electric generating needs and the board shall evaluate the forecast. The forecast shall include, but is not limited to, a forecast of the requirements of its customers, its anticipated sources of supply, and its anticipated means of addressing the forecasted gas requirements or electric generating needs.

**NEW SUBSECTION. 21. ENERGY EFFICIENCY PROGRAM FINANCING.**

The board may require each rate-regulated gas or electric public utility to offer qualified customers the opportunity to enter into an agreement for the amount of moneys reasonably necessary to finance cost-effective energy efficiency improvements to the qualified customers' residential dwellings or businesses.

Sec. 28. Section 476.8, unnumbered paragraph 1, Code 1989, is amended to read as follows:

Every public utility is required to furnish reasonably adequate service and facilities. "Reasonably adequate service and facilities" for public utilities furnishing gas or electricity includes programs for customers to encourage the use of energy ~~conservation~~ efficiency and renewable energy sources. The charge made by any public utility for any heat, light, gas, energy ~~conservation~~ efficiency and renewable energy programs, water or power produced, transmitted, delivered or furnished, or communications services, or for any service rendered or to be rendered in connection therewith shall be reasonable and just, and every unjust or unreasonable charge for such service is prohibited and declared unlawful. In determining reasonable and just rates, the board shall consider all factors relating to value and shall not be bound by rate base decisions or rulings made prior to the adoption of this chapter.

Sec. 29. Section 476.10, unnumbered paragraph 4, Code Supplement 1989, is amended to read as follows:

Whenever the board shall deem it necessary in order to carry out the duties imposed upon it in connection with rate regulation under section 476.6, investigations under section 476.3, or review proceedings under section 476.31, the board may employ additional temporary or permanent staff, or may contract with persons who are not state employees for engineering, accounting, or other professional services, or both. The costs of these additional employees and contract services shall be paid by the public utility whose rates are being reviewed in the same manner as other expenses are paid under this section. The board shall increase quarterly assessments specified in unnumbered paragraph two, by amounts necessary to enable the board to hire additional staff and contract for services under this section. The authority to hire additional temporary or permanent staff that is granted to the board by this section shall not be subject to limitation by any administrative or executive order or decision that restricts the number of state employees or the filling of employee vacancies, and shall not be subject to limitation by any law of this state that restricts the number of state employees or the filling of employee vacancies unless that law is made applicable to this section by express reference to this section. Before the board expends or encumbers an amount in excess of the funds budgeted for rate regulation and before the board increases quarterly assessments pursuant to this paragraph, the director of the department of management shall approve the expenditure or encumbrance. Before approval is given, the director of the department of management shall determine that the expenses exceed the funds budgeted by the general assembly to the board for rate regulation and that the board does not have other funds from which the expenses can

be paid. Upon approval of the director of the department of management the board may expend and encumber funds for the excess expenses, and increase quarterly assessments to raise the additional funds. The board and the office of consumer advocate may add additional personnel or contract for additional assistance to review and evaluate energy efficiency plans and the implementation of energy efficiency programs including, but not limited to, professionally trained engineers, accountants, attorneys, skilled examiners and inspectors, and secretaries and clerks. The board and the office of the consumer advocate may expend additional sums beyond those sums appropriated. However, the authority to add additional personnel or contract for additional assistance must first be approved by the department of management. The additional sums shall be provided to the board and the office of the consumer advocate by the utilities subject to the energy efficiency requirements in this chapter. The assessments shall be in addition to and separate from the quarterly assessment.

Sec. 30. **NEW SECTION. 476.10A FUNDING FOR IOWA ENERGY CENTER AND GLOBAL WARMING CENTER.**

The board shall direct all gas and electric utilities to remit to the treasurer of state one-tenth of one percent of the total gross operating revenues during the last calendar year derived from their intrastate public utility operations. The board shall by rule provide a schedule for remittances which shall require that the first remittance be made not before July 1, 1991. The amounts collected pursuant to this section shall be in addition to the amounts permitted to be assessed pursuant to section 476.10. The board shall allow inclusion of these amounts in the budgets approved by the board pursuant to section 476.6, subsection 19, paragraph "a". Eighty-five percent of the remittances collected pursuant to this section is appropriated to the Iowa energy center created in section 266.39C. Fifteen percent of the remittances collected pursuant to this section is appropriated to the center for global warming established by the state board of regents.

Sec. 31. Section 476.42, subsection 1, Code 1989, is amended by adding the following new unnumbered paragraph:

**NEW UNNUMBERED PARAGRAPH.** A facility which is a qualifying facility under 18 C.F.R. part 292, subpart B is not precluded from being an alternate energy production facility under this division.

Sec. 32. Section 476.42, Code 1989, is amended by adding the following new subsection:  
**NEW SUBSECTION. 2A.** "Next generating plant" means an electric utility's assumed next coal-fired base load electric generating plant, whether planned or not, based on current technology and undiscounted current cost.

Sec. 33. Section 476.42, subsection 3, Code 1989, is amended by adding the following new unnumbered paragraph:

**NEW UNNUMBERED PARAGRAPH.** A facility which is a qualifying facility under 18 C.F.R. part 292, subpart B is not precluded from being a small hydro facility under this division.

Sec. 34. Section 476.43, subsection 3, unnumbered paragraph 1, Code 1989, is amended by striking the unnumbered paragraph and inserting in lieu thereof the following:

The board may adopt individual utility or uniform statewide facility rates. The board shall consider the following factors in setting individual or uniform rates:

Sec. 35. Section 476.43, subsection 3, Code 1989, is amended by adding the following new paragraphs:

**NEW PARAGRAPH. e.** External factors, including but not limited to, environmental and economic factors.

**NEW PARAGRAPH. f.** Other relevant factors.

**NEW PARAGRAPH. g.** If the board adopts uniform statewide rates, the board shall use representative data in lieu of utility specific information in applying the factors listed in paragraphs "a" through "f".

Sec. 36. Section 476.43, subsection 4, Code 1989, is amended by striking the subsection.

Sec. 37. Section 476.43, subsection 5, Code 1989, is amended to read as follows:

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 based on the electric utility's current purchased power costs.

Sec. 38. Section 476.44, Code 1989, is amended to read as follows:

476.44 EXCEPTIONS.

1. The board 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 is owned or operated by an individual, firm, copartnership, corporation, company, association, joint stock association, city, town, or county that meets both of the following:

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) a. 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) b. 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 board shall not require an An electric utility shall not be required to purchase or wheel electricity from a small hydro facility unless the facility has an electric generating capacity of not, at any one time, more than eighty fifteen megawatts of power from alternate energy production facilities.

Sec. 39. Section 476.63, Code Supplement 1989, is amended to read as follows:

476.63 ENERGY CONSERVATION AND EFFICIENCY PROGRAMS.

The division shall consult with the energy and geological resources division of the department of natural resources in the development and implementation of public utility energy conservation and efficiency programs.

Sec. 40. Section 476.65, subsection 1, paragraph b, Code 1989, is amended to read as follows:

b. That the results of the audit are available to any person engaged in the business of making or providing energy conservation efficiency improvements or services who requests the information whether the request is made for the customer individually or the request is made for the customer as a class.

Sec. 41. Section 476A.1, subsection 1, Code 1989, is amended to read as follows:

1. "Facility" means any electric power generating plant or a combination of plants at a single site, owned by any person, with a total capacity of one hundred twenty-five megawatts of electricity or more and those associated transmission lines connecting the generating plant to either a power transmission system or an interconnected primary transmission system or both. Transmission lines subject to the provisions of this chapter shall not require a franchise under chapter 478.

Sec. 42. Section 476A.2, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 4. This chapter shall not apply to an electric power generating plant, or combination of plants at a single site, with a total capacity of more than twenty-five but less than one hundred megawatts of electricity if the owner or operator prior to January 1, 1990, has met all of the following conditions:

a. Acquired a site for the facility.

b. Publicly announced the intention to construct a facility at that site.

c. Let contracts for major components of the facility.

Sec. 43. Section 476A.6, subsection 4, paragraph c, Code 1989, is amended to read as follows:  
c. Establishment of cost-effective energy ~~conservation~~ efficiency and renewable energy services and programs.

Sec. 44. Section 476A.6, subsection 4, unnumbered paragraph 1, Code 1989, is amended to read as follows:

The applicant, if a public utility as defined in section 476.1, has in effect a comprehensive energy management program designed to reduce peak loads and to increase efficiency of use of energy by all classes of customers of the utility, and the facility in the application is necessary notwithstanding the existence of the comprehensive energy management program. As used in this subsection, a "comprehensive energy management program" includes at a minimum the following:

Sec. 45. Section 476A.6, Code 1989, is amended by adding the following new subsection:  
NEW SUBSECTION. 4A. The applicant, if a public utility as defined in section 476.1, shall demonstrate to the board that the utility has considered sources for long-term electric supply from either purchase of electricity or investment in facilities owned by other persons.

Sec. 46. Section 476A.6, subsection 5, Code 1989, is amended to read as follows:

5. The applicant, if a public utility as defined in section 476.1, has considered all feasible alternatives to the proposed facility including nongeneration alternatives; has ranked those alternatives by cost; has implemented the least-cost alternatives first; and the facility in the application is necessary notwithstanding the implementation of these alternatives.

Sec. 47. Section 476A.15, Code 1989, is amended by striking the section and inserting in lieu thereof the following:

**476A.15 WAIVER.**

The board, if it determines that the public interest would not be adversely affected, may waive any of the requirements of this chapter for facilities with a capacity of one hundred or fewer megawatts.

Sec. 48.

The department of natural resources shall make recommendations to the general assembly on or before January 1, 1991, on whether Iowa should adopt appliance standards and the extent to which such state appliance standards are not preempted by federal law. As used in this section "appliance" includes, but is not limited to, air conditioners, space heaters, commercial lighting, cooling, and cooking devices, and refrigerators.

Sec. 49.

1. The state department of transportation, in consultation with units of local government, including representatives of cities of 200,000 or more population, cities of 50,000 or more but less than 200,000 population, and cities under 50,000 population, shall conduct, conditioned upon the availability of funds, a comprehensive study of the relationship between transportation planning, systems development, and management to urban and rural development, land use planning, and energy demand. The purpose of the study shall be to identify opportunities to improve the long-term energy efficiency of transportation, as well as to improve traffic safety and service. The results of the study shall be reported to the general assembly and shall contain recommended policies and legislation.

The department may use any appropriation or other funds available to it for the purpose of this study, may contract with one or more universities located within the state for assistance with the study, and may contract with consultants for assistance with the study as necessary. An interim report shall be made to the general assembly by January 31, 1991.

2. The study shall include where appropriate:

a. An energy demand and planning survey to determine the amounts of energy which is consumed for transportation related purposes.

b. An analysis of regional commuting patterns.



c. Development of alternatives to commuting by single occupant motor vehicles, including:

(1) A feasibility study for implementing light rail passenger service as an alternative to highway construction or expansion, including specifically providing commuter service on existing rail lines in the Cedar Rapids-Iowa City area and the Des Moines-Ames area.

(2) A feasibility study for implementing high occupancy vehicle (HOV) lanes during rush hours on urban controlled access freeways or interstate highways within metropolitan areas.

d. An evaluation of the need to conduct a trial program, for a six-month period at minimum, of a ramp metering system on at least one metropolitan interchange of the interstate highway system.

e. The preparation of model legislation or rules to encourage the creation and use of vanpools or carpools for commuters. Proposed legislation or rules may include, but are not limited to, an interest-free loan program for vanpools and other incentives for the formulation and operation of vanpools or carpools.

f. The preparation of a feasibility study of using bike and pedestrian ways for movement of people from residential areas to work centers as an alternative to motor vehicles.

g. An analysis of the costs of each possible solution which shall include environmental, health, and other costs or benefits which are not otherwise accounted for.

#### Sec. 50.

The state department of transportation shall, conditioned upon the availability of funds, compile an inventory of traffic signals and their use in the state. The inventory shall be detailed enough to allow consideration of the appropriateness of the signals and their operation following the most current policies both as identified by the institute of transportation engineers and identified in the manual on uniform traffic control devices for streets and highways by the federal highway administration. The assessment shall consider what improvements, if any, should be made to signals to improve energy efficiency, safety, and traffic service, and shall consider what signals, if any, should be eliminated. The department may identify and add other classes of or uses of traffic control devices to the inventory, and review the impact on energy usage, safety, and traffic service of specified classes of traffic control devices. The department shall recommend as part of the comprehensive report any changes needed in state statutes or policy to provide for the improved management, control, and use of all traffic devices. The inventory with a summary report shall be submitted to the general assembly on or before January 31, 1992.

#### Sec. 51.

1. The state department of transportation, in consultation with the department of management and other appropriate public agencies, shall recommend projects including but not limited to projects to encourage additional public employees to carpool, vanpool, or use public transportation.

2. Funds repaid from state transit assistance loans pursuant to section 307.38 may be used as necessary to provide the incentives for the projects.

3. The state department of transportation, in consultation with the department of management, shall report the recommendations to the general assembly on or before January 1, 1991.

4. The report shall include the cost of providing parking spaces at representative locations owned or operated by state government, including the capitol complex.

5. The report shall recommend specific sources of funding for incentives and other related expenses for promotion and administration.

#### Sec. 52.

The department of management, in consultation with the department of natural resources, division of energy and geological resources, shall conduct an interest survey of state employees' interest in and willingness to use telecommuting. The survey shall especially target state employees whose primary duties and services are typically performed by phone or upon a computer, and who currently have access to a computer or other telecommunication equipment at work, but need not be limited to such employees. The results of the survey shall be presented to the general assembly on or before January 15, 1991.

## Sec. 53.

The department of natural resources shall make recommendations to reduce fuel costs and other expenses incurred by local school districts in both urban and rural areas to transport students. The recommendations may include methods or criteria for the bus scheduling and other strategies deemed economically feasible by the department.

## Sec. 54.

The state board of education shall require driver education courses offered by schools under the board's jurisdiction to include instruction in the following additional subject areas:

1. Routine maintenance of motor vehicles to maximize energy efficiency and safety.
2. Operation of motor vehicles to maximize energy efficiency and safety.

## Sec. 55.

The department of natural resources, subject to the availability of funds, shall contract with a qualified person or persons to offer a free car care clinic at\* least fourteen sites geographically distributed throughout the state. Each such clinic shall inspect vehicles of attendees and instruct owners and operators of motor vehicles in the maintenance of motor vehicles to maximize energy efficiency. Vehicle inspections conducted at the clinic may include minor adjustments, including, but not limited to, adjusting belt tensions or inflating tires. The department shall cooperate with appropriate vocational educational programs to utilize students skilled in the field to the extent possible. The administrator shall coordinate with local officials and vocational educational programs for each site the scheduling and promotion of the clinic.

## Sec. 56.

The department of natural resources shall develop a proposal to phase in on a statewide basis, or on a multistate basis, automotive tailpipe emission standards as established by the state of California as of January 1, 1990. The department shall submit the proposal to the general assembly on or before January 15, 1991.

Approved May 8, 1990

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## CHAPTER 1253

### HIGHER EDUCATION COORDINATION, ADMINISTRATION, STANDARDS, AND FUNDING

*S.F. 2410*

**AN ACT** relating to higher education, including coordination, administration, standards, and funding, making appropriations, and providing effective dates.

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

Section 1. Section 18.29, Code 1989, is amended to read as follows:

**18.29 PRINTING FOR STATE INSTITUTIONS.**

The power of the director to let contracts shall not embrace printing for any state penal, correctional or board of regents institution, or ~~area vocational schools, area~~ community colleges, or school corporations under the jurisdiction of the department of education when the institution is able and desires to do its own printing.

Sec. 2. Section 149.4, Code 1989, is amended to read as follows:

**149.4 APPROVED SCHOOL.**

~~No~~ A school of podiatry shall ~~not~~ be approved by the board of podiatry examiners as a school of recognized standing unless ~~said~~ the school:

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\*An additional "at" probably intended