

# Senate File 2192 - Introduced

SENATE FILE \_\_\_\_\_  
BY HOGG

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to greenhouse gas emissions, specifying  
2 greenhouse gas reduction goals, carbon dioxide sequestration  
3 assessments, and cost recovery disallowance of designated  
4 public utility investments under certain circumstances.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
6 TLSB 6250XS 82  
7 rn/rj/5

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1 1 Section 1. Section 455B.851, subsection 7, Code Supplement  
1 2 2007, is amended to read as follows:  
1 3 7. After consideration of a full range of policies and  
1 4 strategies, including the cost-effectiveness of the  
1 5 strategies, the council shall develop multiple scenarios  
1 6 designed to reduce statewide greenhouse gas emissions  
1 7 ~~including one scenario that would reduce such emissions by~~  
1 8 ~~fifty to ninety~~ percent by 2050. The council shall also  
1 9 develop short-term, medium-term, and long-term scenarios  
1 10 designed to reduce statewide greenhouse gas emissions and  
1 11 shall consider the cost-effectiveness of the scenarios. The  
1 12 council shall establish ~~a 2005 as the~~ baseline year for  
1 13 purposes of calculating reductions in statewide greenhouse gas  
1 14 emissions ~~and assessing the extent to which the goal is being~~  
1 15 ~~achieved~~. The council shall submit the proposal to the

1 16 governor and the general assembly by January 1, ~~2008~~ 2009.  
1 17 Sec. 2. Section 476.6, Code Supplement 2007, is amended by  
1 18 adding the following new subsection:

1 19 NEW SUBSECTION. 23. COST RECOVERY DISALLOWANCE ==  
1 20 GREENHOUSE GAS ATTRIBUTION. In determining or approving rates  
1 21 applicable to gas and electric utilities subject to rate  
1 22 regulation under this chapter, the board may disallow cost  
1 23 recovery of all or a portion of investment expenses incurred  
1 24 by the utility on or after July 1, 2008, which the board  
1 25 determines are attributable to greenhouse gas emissions and  
1 26 associated emission control equipment.

1 27 Sec. 3. CARBON DIOXIDE SEQUESTRATION == FEASIBILITY STUDY.  
1 28 The department of natural resources shall conduct a  
1 29 feasibility study regarding the potential for carbon dioxide  
1 30 storage in underground geological formations in this state.  
1 31 The study shall include identification of potential storage  
1 32 locations, carbon dioxide gas transmission to storage  
1 33 locations, greenhouse gas reduction estimates, and estimated  
1 34 costs. The department shall submit a report summarizing the  
1 35 results of the study and making recommendations to the  
2 1 governor, the director of the office of energy independence,  
2 2 and the general assembly by January 1, 2009.

2 3 EXPLANATION

2 4 This bill relates to greenhouse gas emission reduction and  
2 5 related matters.

2 6 The bill modifies provisions relating to greenhouse gas  
2 7 reduction strategies to be developed by the Iowa climate  
2 8 change advisory council to specify a statewide greenhouse gas  
2 9 emission reduction goal of from 50 to 90 percent by 2050, when  
2 10 compared to 2005 as the baseline year.

2 11 The bill also authorizes the Iowa utilities board, in  
2 12 determining or approving rates applicable to rate-regulated  
2 13 gas and electric utilities, to disallow cost recovery of all  
2 14 or a portion of investment expenses incurred by a utility on  
2 15 or after July 1, 2008, which the board determines are  
2 16 attributable to greenhouse gas emissions and associated  
2 17 emission control equipment.

2 18 Additionally, the bill directs the department of natural

2 19 resources to conduct a feasibility study regarding the  
2 20 potential for carbon dioxide storage in underground geological  
2 21 formations in this state, and to submit a report summarizing  
2 22 the results of the study and making recommendations to the  
2 23 governor, the director of the office of energy independence,  
2 24 and the general assembly by January 1, 2009.  
2 25 LSB 6250XS 82  
2 26 rn/rj/5