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

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

## A BILL FOR

An Act relating to carbon neutral standards for electric
generating plants and major stationary sources of air
contaminants.
BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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Section 1. <u>NEW SECTION</u>. 473.45 CARBON NEUTRAL STANDARDS. 1. As used in this section, unless the context otherwise 1 1 1 2 3 requires: 1 a. "Facility" means the same as defined in section 476A.1. b. "Greenhouse gases" means gases identified by the 1 4 1 5 6 department including but not limited to carbon dioxide, 1 1 7 methane, and nitrous oxide. 8 c. "Major stationary source" means the same as defined in 1 9 section 455B.131. 1 1 10 10 2. Prior to the construction of a new facility or new 11 major stationary source or an expansion to an existing 1 1 12 facility or an existing major stationary source the department 1 13 shall approve a carbon neutral plan for the facility or major 1 14 stationary source. In order for a carbon neutral plan to be 1 15 approved, the department must find that the new or expanded 1 16 facility or major stationary source will not contribute to an 1 17 overall increase in the emission rate of greenhouse gases in 1 18 the state. In the review and approval process for new or 1 19 expanded facilities, the department shall consult with the 1 20 utilities board within the utilities division of the 1 21 department of commerce. 1 22 3. The carbon neutral plan of a new or expanded facility 1 23 or major stationary source may utilize any of the following 1 24 methods for purposes of meeting the requirements of subsection 1 25 2: 1 26 a. Reduction of greenhouse gas emissions by the facility 27 or major stationary source as compared to emissions by the 28 facility or major stationary source prior to construction or 1 1 1 29 expansion. 1 30 30 b. Through the use of energy conservation measures or 31 energy efficiency measures, assistance to other facilities, 1 1 32 major stationary sources, or consumers in reducing their 1 33 greenhouse gas emissions. 1 34 c. Offsetting of increased greenhouse gas emissions 35 through the production of increased energy from wind, solar, 1 2 1 or geothermal sources. d. Provision of sequestration of carbon dioxide.e. Purchasing of credits for greenhouse gas emissions.f. Any other method approved by the department. 2 3 2 2 2 4 2 EXPLANATION 5 2 6 This bill relates to carbon neutral standards. 2 7 The bill provides that prior to the construction of a new 2 8 facility or new major stationary source or an expansion to an 2 9 existing facility or existing major stationary source the 2 10 department shall approve a carbon neutral plan for the 2 11 facility or major stationary source. The bill provides that, 2 12 in order for a carbon neutral plan to be approved, the 2 13 department must find that the new or expanded facility or 2 14 major stationary source will not contribute to an overall 2 15 increase in the emission rate of greenhouse gases in the 2 16 state. The bill provides that in the review and approval 2 17 process for new or expanded facilities, the department shall 2 18 consult with the utilities board. The bill provides possible 2 19 methods for achieving greenhouse gas emission limitations.

2 20 The bill defines a major stationary source as a stationary 2 21 air contaminant source which directly emits, or has the 2 2 potential to emit, 100 tons or more of an air pollutant per 2 3 year including a major source of fugitive emissions of a 2 4 pollutant as determined by rule by the department or the 2 5 administrator of the United States environmental protection 2 6 agency. 2 7 The bill defines a facility as any electric power 2 8 generating plant or a combination of plants at a single site, 2 9 owned by any person, with a total capacity of 25 megawatts of 3 0 electricity or more and those associated transmission lines 3 1 connecting the generating plant to either a power transmission 2 3 system or an interconnected primary transmission system or 2 3 both. 2 3 5 tm:rj/es/88