

FILED FEB 3 1993

*Substituted for HF 137
(P. 494) 3-4-93
See
filed*

SENATE FILE 74
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 48)

(P. 363)
Passed Senate, Date 2-18-93 Passed House, Date 3/4/93
Vote: Ayes 48 Nays 0 Vote: Ayes 96 Nays 1
(P. 494)
Approved March 18, 1993

A BILL FOR

1 An Act relating to the reestablishment of an energy conservation
2 trust and providing for retroactive applicability.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SENATE FILE 74

S-3044

1 Amend Senate File 74 as follows:
2 1. Page 3, line 13, by inserting after the word
3 "house" the following: ", after consultation with the
4 majority leader and the minority leader of the house".
5 2. Page 5, by inserting after line 17 the
6 following:
7 "Sec. 3. REPEAL. This Act is repealed June 30,
8 2000."
9 3. Title, by striking line 2 and inserting the
10 following: "trust, providing for retroactive
11 applicability, and providing for a repeal of the Act."
By RALPH ROSENBERG

S-3044 FILED FEBRUARY 18, 1993
ADOPTED

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1 Section 1. NEW SECTION. 473.11 ENERGY CONSERVATION TRUST
2 ESTABLISHED -- RECEIPTS AND DISBURSEMENTS.

3 1. a. The energy conservation trust is created within the
4 state treasury. This state, on behalf of itself, its
5 citizens, and its political subdivisions accepts any moneys
6 awarded or allocated to the state, its citizens, and its
7 political subdivisions as a result of the federal court
8 decisions and United States department of energy settlements
9 resulting from alleged violations of federal petroleum pricing
10 regulations and deposits the moneys in the energy conservation
11 trust.

12 b. The energy conservation trust is established to provide
13 for an orderly, efficient, and effective mechanism to make
14 maximum use of moneys available to the state, in order to
15 increase energy conservation efforts and thereby to save the
16 citizens of this state energy expenditures. The moneys in the
17 funds in the trust shall be expended only upon appropriation
18 by the general assembly and only for programs which will
19 benefit citizens who may have suffered economic penalties
20 resulting from the alleged petroleum overcharges.

21 c. The moneys awarded or allocated from each court
22 decision or settlement shall be placed in a separate fund in
23 the energy conservation trust. Notwithstanding section 12C.7,
24 interest and earnings on investments from moneys in the trust
25 shall be credited proportionately to the funds in the trust.

26 d. Unless prohibited by the conditions applying to a
27 settlement, the petroleum overcharge moneys in the energy
28 conservation trust may be used for the payment of attorney
29 fees and expenses incurred by the state to obtain the moneys
30 and shall be paid by the director of revenue and finance from
31 the available moneys in the trust subject to the approval of
32 the attorney general.

33 e. However, petroleum overcharge moneys received pursuant
34 to claims filed on behalf of the state, its institutions,
35 departments, agencies, or political subdivisions shall be

1 deposited in the general fund of the state to be disbursed
2 directly to the appropriate claimants in accordance with
3 federal guidelines and subject to the approval of the attorney
4 general.

5 f. The moneys deposited in the energy research and
6 development fund shall be used for research and development of
7 selected projects to improve Iowa's energy independence by
8 developing improved methods of energy efficiency, or by
9 increased development and use of Iowa's renewable nonresource-
10 depleting energy resources. The moneys credited to the fund
11 under section 556.18 shall be used for energy conservation and
12 alternative energy resource projects. The projects shall be
13 selected by the director and administered by the department.
14 Selection criteria for funded projects shall include
15 consideration of indirect restitution to those persons in the
16 state in the utility customer classes and the utility service
17 territories affected by unclaimed utility refunds or deposits.

18 Notwithstanding the provisions of this paragraph directing
19 that moneys be deposited into the energy research and
20 development fund, for the fiscal period beginning July 1,
21 1991, and ending June 30, 1993, all moneys shall be deposited
22 into the general fund of the state.

23 2. The treasurer of state shall be the custodian of the
24 energy conservation trust and shall invest the moneys in the
25 trust, in consultation with the energy fund disbursement
26 council established in subsection 3 and the investment board
27 of the Iowa public employees' retirement system, in accordance
28 with the following guidelines:

29 a. To maximize the rate of return on moneys in the trust
30 while providing sufficient liquidity to make fund
31 disbursements, including contingency disbursements.

32 b. To absolutely insure the trust against loss.

33 c. To use such investment tools as are necessary to
34 achieve these purposes.

35 3. An energy fund disbursement council is established.

1 The council shall be composed of the governor or the
2 governor's designee, the director of the department of
3 management, who shall serve as the council's chairperson, the
4 administrator of the division of community action agencies of
5 the department of human rights, the administrator of the
6 energy and geological resources division of the department of
7 natural resources, and a designee of the director of
8 transportation, who is knowledgeable in the field of energy
9 conservation. The council shall include as nonvoting members
10 two members of the senate appointed by the president of the
11 senate, after consultation with the majority leader and the
12 minority leader of the senate, and two members of the house of
13 representatives appointed by the speaker of the house. The
14 legislative members shall be appointed upon the convening and
15 for the period of each general assembly. Not more than one
16 member from each house shall be of the same political party.
17 The council shall be staffed by the energy and geological
18 resources division of the department of natural resources.
19 The attorney general shall provide legal assistance to the
20 council.

21 The council shall do all of the following:

22 a. Oversee the investment of moneys deposited in the
23 energy conservation trust.

24 b. Make recommendations to the governor and the general
25 assembly regarding annual appropriations from the energy
26 conservation trust.

27 c. Work with the energy and geological resources division
28 in adopting administrative rules necessary to administer
29 expenditures from the trust, encourage applications for grants
30 and loans, review and select proposals for the funding of
31 competitive grants and loans from the energy conservation
32 trust, and evaluate their comparative effectiveness.

33 d. Monitor expenditures from the trust.

34 e. Approve any grants or contracts awarded from the energy
35 conservation trust in excess of five thousand dollars.

1 f. Prepare, in conjunction with the energy and geological
2 resources division, an annual report to the governor and the
3 general assembly regarding earnings of and expenditures from
4 the energy conservation trust.

5 4. The administrator of the energy and geological
6 resources division of the department of natural resources
7 shall be the administrator of the energy conservation trust.
8 The administrator shall disburse moneys appropriated by the
9 general assembly from the funds in the trust in accordance
10 with the federal court orders, law and regulation, or
11 settlement conditions applying to the moneys in that fund, and
12 subject to the approval of the energy fund disbursement
13 council if such approval is required. The council, after
14 consultation with the attorney general, shall immediately
15 approve the disbursement of moneys from the funds in the trust
16 for projects which meet the federal court orders, law and
17 regulations, or settlement conditions which apply to that
18 fund.

19 5. The following funds are established in the energy
20 conservation trust:

21 a. The Warner/Imperial fund.

22 b. The Exxon fund.

23 c. The Stripper Well fund.

24 d. The Diamond Shamrock fund.

25 e. The office of hearings and appeals second-stage
26 settlement fund.

27 f. The energy research and development fund.

28 6. The moneys in the fund in the energy conservation trust
29 distributed to the state as a result of the federal court
30 decisions finding oil companies in violation of federal
31 petroleum pricing regulations shall be expended expeditiously,
32 until all the receipts are depleted and shall be disbursed for
33 projects which meet the strict guidelines of the five existing
34 federal energy conservation programs specified in Pub. L. No.
35 97-377, § 155, 96 Stat. 1830, 1919 (1982). The council shall

1 approve the disbursement of moneys from the fund in the trust
2 for other projects only if the projects meet one or more of
3 the following conditions:

4 a. The projects meet the guidelines for allowable projects
5 under a modification order entered by the federal court in the
6 case involving Exxon corporation.

7 b. The projects meet the guidelines for allowable projects
8 under a directive order entered by the federal court in the
9 case involving Exxon corporation.

10 c. The projects meet the guidelines for allowable projects
11 under the regulations adopted or written clarifications issued
12 by the United States department of energy.

13 d. The projects meet the guidelines for allowable projects
14 under the petroleum violation settlement agreement expenditure
15 plan approved by the United States department of energy.

16 Sec. 2. RETROACTIVE APPLICATION. This bill applies
17 retroactively to June 30, 1992.

18 EXPLANATION

19 This bill reestablishes the energy conservation trust for
20 the deposits of settlements from oil overcharge refunds. The
21 bill provides that for the fiscal period beginning July 1,
22 1991, and ending June 30, 1993, the moneys are to be deposited
23 in the general fund instead of the energy research and
24 development fund.

25 The bill applies retroactively to June 30, 1992.

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30 and shall be paid by the director of revenue and finance from
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32 the attorney general.

33 e. However, petroleum overcharge moneys received pursuant
34 to claims filed on behalf of the state, its institutions,
35 departments, agencies, or political subdivisions shall be

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4 general.

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9 increased development and use of Iowa's renewable nonresource-
10 depleting energy resources. The moneys credited to the fund
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16 state in the utility customer classes and the utility service
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23 2. The treasurer of state shall be the custodian of the
24 energy conservation trust and shall invest the moneys in the
25 trust, in consultation with the energy fund disbursement
26 council established in subsection 3 and the investment board
27 of the Iowa public employees' retirement system, in accordance
28 with the following guidelines:

29 a. To maximize the rate of return on moneys in the trust
30 while providing sufficient liquidity to make fund
31 disbursements, including contingency disbursements.

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33 c. To use such investment tools as are necessary to
34 achieve these purposes.

35 3. An energy fund disbursement council is established.

1 The council shall be composed of the governor or the
2 governor's designee, the director of the department of
3 management, who shall serve as the council's chairperson, the
4 administrator of the division of community action agencies of
5 the department of human rights, the administrator of the
6 energy and geological resources division of the department of
7 natural resources, and a designee of the director of
8 transportation, who is knowledgeable in the field of energy
9 conservation. The council shall include as nonvoting members
10 two members of the senate appointed by the president of the
11 senate, after consultation with the majority leader and the
12 minority leader of the senate, and two members of the house of
13 representatives appointed by the speaker of the house, after
14 consultation with the majority leader and the minority leader
15 of the house. The legislative members shall be appointed upon
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17 Not more than one member from each house shall be of the same
18 political party. The council shall be staffed by the energy
19 and geological resources division of the department of natural
20 resources. The attorney general shall provide legal
21 assistance to the council.

22 The council shall do all of the following:

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24 energy conservation trust.
- 25 b. Make recommendations to the governor and the general
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- 28 c. Work with the energy and geological resources division
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30 expenditures from the trust, encourage applications for grants
31 and loans, review and select proposals for the funding of
32 competitive grants and loans from the energy conservation
33 trust, and evaluate their comparative effectiveness.
- 34 d. Monitor expenditures from the trust.
- 35 e. Approve any grants or contracts awarded from the energy

1 conservation trust in excess of five thousand dollars.

2 f. Prepare, in conjunction with the energy and geological
3 resources division, an annual report to the governor and the
4 general assembly regarding earnings of and expenditures from
5 the energy conservation trust.

6 4. The administrator of the energy and geological
7 resources division of the department of natural resources
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9 The administrator shall disburse moneys appropriated by the
10 general assembly from the funds in the trust in accordance
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16 plan approved by the United States department of energy.

17 Sec. 2. RETROACTIVE APPLICATION. This bill applies
18 retroactively to June 30, 1992.

19 Sec. 3. REPEAL. This Act is repealed June 30, 2000.

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SSB 48

APPROPRIATIONS

SENATE/HOUSE FILE 74
BY (PROPOSED DEPARTMENT OF
NATURAL RESOURCES BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the reestablishment of an energy conservation
2 trust and providing for retroactive applicability.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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14 under the petroleum violation settlement agreement expenditure
15 plan approved by the United States department of energy.

16 Sec. 2. RETROACTIVE APPLICATION. This bill applies
17 retroactively to June 30, 1992.

18 EXPLANATION

19 This bill reestablishes the energy conservation trust for
20 the deposits of settlements from oil overcharge refunds. The
21 bill provides that for the fiscal period beginning July 1,
22 1991, and ending June 30, 1993, the moneys are to be deposited
23 in the general fund instead of the energy research and
24 development fund.

25 The bill applies retroactively to June 30, 1992.

26 BACKGROUND STATEMENT

27 SUBMITTED BY THE AGENCY

28 When the energy conservation trust was first established in
29 1986, the state anticipated that all oil overcharge refund
30 moneys would be deposited in and appropriated from the trust
31 by July 1, 1992. Legislation establishing the trust,
32 therefore, also included a repeal clause, to take effect July
33 1, 1992. Unforeseen at that time were additional delays in
34 the legal process at the federal level, before all refund
35 moneys become available to the states. Consequently, Iowa has

1 not yet received its entire share of all the oil overcharge
2 settlements. The language of the bill reestablishes the
3 energy conservation trust to handle these future settlements,
4 and makes the bill retroactive to June 30, 1992.

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SENATE FILE 74

AN ACT
RELATING TO THE REESTABLISHMENT OF AN ENERGY CONSERVA-
TION TRUST, PROVIDING FOR RETROACTIVE APPLICABILITY,
AND PROVIDING FOR A REPEAL OF THE ACT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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b. The energy conservation trust is established to provide for an orderly, efficient, and effective mechanism to make maximum use of moneys available to the state, in order to increase energy conservation efforts and thereby to save the

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state in the utility customer classes and the utility service territories affected by unclaimed utility refunds or deposits.

Notwithstanding the provisions of this paragraph directing that moneys be deposited into the energy research and development fund, for the fiscal period beginning July 1, 1991, and ending June 30, 1993, all moneys shall be deposited into the general fund of the state.

2. The treasurer of state shall be the custodian of the energy conservation trust and shall invest the moneys in the trust, in consultation with the energy fund disbursement council established in subsection 3 and the investment board of the Iowa public employees' retirement system, in accordance with the following guidelines:

a. To maximize the rate of return on moneys in the trust while providing sufficient liquidity to make fund disbursements, including contingency disbursements.

b. To absolutely insure the trust against loss.

c. To use such investment tools as are necessary to achieve these purposes.

3. An energy fund disbursement council is established. The council shall be composed of the governor or the governor's designee, the director of the department of management, who shall serve as the council's chairperson, the administrator of the division of community action agencies of the department of human rights, the administrator of the energy and geological resources division of the department of natural resources, and a designee of the director of transportation, who is knowledgeable in the field of energy conservation. The council shall include as nonvoting members two members of the senate appointed by the president of the senate, after consultation with the majority leader and the minority leader of the senate, and two members of the house of representatives appointed by the speaker of the house, after consultation with the majority leader and the minority leader of the house. The legislative members shall be appointed upon

the convening and for the period of each general assembly. Not more than one member from each house shall be of the same political party. The council shall be staffed by the energy and geological resources division of the department of natural resources. The attorney general shall provide legal assistance to the council.

The council shall do all of the following:

a. Oversee the investment of moneys deposited in the energy conservation trust.

b. Make recommendations to the governor and the general assembly regarding annual appropriations from the energy conservation trust.

c. Work with the energy and geological resources division in adopting administrative rules necessary to administer expenditures from the trust, encourage applications for grants and loans, review and select proposals for the funding of competitive grants and loans from the energy conservation trust, and evaluate their comparative effectiveness.

d. Monitor expenditures from the trust.

e. Approve any grants or contracts awarded from the energy conservation trust in excess of five thousand dollars.

f. Prepare, in conjunction with the energy and geological resources division, an annual report to the governor and the general assembly regarding earnings of and expenditures from the energy conservation trust.

4. The administrator of the energy and geological resources division of the department of natural resources shall be the administrator of the energy conservation trust. The administrator shall disburse moneys appropriated by the general assembly from the funds in the trust in accordance with the federal court orders, law and regulation, or settlement conditions applying to the moneys in that fund, and subject to the approval of the energy fund disbursement council if such approval is required. The council, after consultation with the attorney general, shall immediately

approve the disbursement of moneys from the funds in the trust for projects which meet the federal court orders, law and regulations, or settlement conditions which apply to that fund.

5. The following funds are established in the energy conservation trust:

- a. The Warner/Imperial fund.
- b. The Exxon fund.
- c. The Stripper Well fund.
- d. The Diamond Shamrock fund.
- e. The office of hearings and appeals second-stage settlement fund.

f. The energy research and development fund.

6. The moneys in the fund in the energy conservation trust distributed to the state as a result of the federal court decisions finding oil companies in violation of federal petroleum pricing regulations shall be expended expeditiously, until all the receipts are depleted and shall be disbursed for projects which meet the strict guidelines of the five existing federal energy conservation programs specified in Pub. L. No. 97-377, § 155, 96 Stat. 1830, 1919 (1982). The council shall approve the disbursement of moneys from the fund in the trust for other projects only if the projects meet one or more of the following conditions:

- a. The projects meet the guidelines for allowable projects under a modification order entered by the federal court in the case involving Exxon corporation.
- b. The projects meet the guidelines for allowable projects under a directive order entered by the federal court in the case involving Exxon corporation.
- c. The projects meet the guidelines for allowable projects under the regulations adopted or written clarifications issued by the United States department of energy.
- d. The projects meet the guidelines for allowable projects under the petroleum violation settlement agreement expenditure plan approved by the United States department of energy.

Sec. 2. RETROACTIVE APPLICATION. This bill applies retroactively to June 30, 1992.

Sec. 3. REPEAL. This Act is repealed June 30, 2000.

LEONARD L. BOSWELL
President of the Senate

HAROLD VAN MAANEN
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 74, Seventy-fifth General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved 3-15, 1993

TERRY E. BRANSTAD
Governor