

15.269 Cogeneration pilot program.

1. *Definitions.* For purposes of this section, unless the context otherwise requires:

a. "*Cogeneration pilot project facility*" means either a utility-owned cogeneration pilot project facility or a qualified cogeneration pilot project facility. Both a utility-owned cogeneration pilot project facility and a qualified cogeneration pilot project facility must be approved by the department of economic development for participation in the cogeneration pilot program established pursuant to subsection 2.

b. "*Energy sales agreement*" means a negotiated agreement for the sale of the electric output from the cogeneration pilot project, between a qualified cogeneration pilot project facility and an electric utility.

c. "*Qualified cogeneration pilot project facility*" means a qualifying facility as defined in the federal Public Utility Regulatory Policies Act of 1978, 16 U.S.C. § 2601 et seq., and related federal regulations.

d. "*Utility-owned cogeneration pilot project facility*" means a cogeneration facility owned, in whole or in part, by a rate-regulated electric utility that produces electric energy and thermal energy for commercial purposes and is not a qualifying facility as defined in the federal Public Utility Regulatory Policies Act of 1978, 16 U.S.C. § 2601 et seq., and related federal regulations.

2. *Pilot program established.*

a. It is the policy of this state to foster both the development of cogeneration in Iowa and related economic development associated with cogeneration projects.

It is the policy of this state that cogeneration projects operate to the mutual benefit of businesses, industry, and electric utilities in Iowa, financially and otherwise.

b. A cogeneration pilot program is established within the department of economic development to obtain reliable energy and economic benefits associated with successful development of new, Iowa-based, electric power cogeneration strategies. The department shall develop and administer the cogeneration pilot program, according to the following:

(1) The department may choose up to two projects for participation in the cogeneration pilot program:

(a) Each cogeneration pilot project facility must involve two hundred megawatts or less of electricity, in combination with one or more other cogeneration pilot project facilities.

(b) Each cogeneration pilot project facility must be constructed in Iowa.

(c) Each project chosen for participation in the cogeneration pilot program must also have the approval and support of the department for economic development purposes.

(2) The department may adopt specific application guidelines and deadlines by rule pursuant to chapter 17A, or follow established departmental procedures and guidelines, if applicable. The guidelines, rules, and procedures shall not require participation in a cogeneration pilot project or program by any rate-regulated public utility providing retail electric service to more than five hundred twenty thousand customers in the state as of January 1, 2003, but any such utility shall have the option to participate.

(3) The department shall assist in the implementation of the cogeneration pilot program and monitor the progress of the participants. The department shall file its initial report assessing the results of the pilot program with the general assembly by December 1, 2004, and shall also file yearly pilot program progress updates with the general assembly through December 1, 2007.

c. The selection of a cogeneration project under this program does not authorize an electric utility to furnish or offer to furnish electric services to the public outside its assigned area of service established under sections 476.22 through 476.26.

3. *Future repeal.* This section is repealed July 1, 2007. However, any utilities board proceeding that involves a cogeneration pilot project facility that is pending on July 1, 2007, and that is being conducted pursuant to section 476.53 shall be completed notwithstanding the repeal of this section.

2003 Acts, ch 159, §1; 2004 Acts, ch 1086, §10