

House Amendment 5427

Amendment Text

PAG LIN

1 1 Amend the amendment, [H-5174](#), to [House File 2087](#) as
1 2 follows:

1 3 #1. By striking page 1, line 2, through page 5,
1 4 line 13, and inserting the following:

1 5 "#___. By striking everything after the enacting
1 6 clause and inserting the following:

1 7 "Section 1. Section [476.1A](#), Code 1995, is amended
1 8 by adding the following new subsection:

1 9 NEW SUBSECTION. 7. Encouragement of alternate
1 10 energy production and the purchase of alternate
1 11 energy.

1 12 Sec. 2. Section [476.1A](#), unnumbered paragraph 3,
1 13 Code 1995, is amended to read as follows:

1 14 However, sections 476.20, 476.21,

~~476.41 through~~

1 15

~~476.44,~~

~~476.51, 476.56, 476.62, and 476.66 and~~
1 16 chapters 476A and 478, to the extent applicable, apply
1 17 to such electric utilities.

1 18 Sec. 3. Section [476.1B](#), subsection 1, paragraph g,
1 19 Code 1995, is amended by striking the paragraph and
1 20 inserting in lieu thereof the following:

1 21 g. Encouragement of alternate energy production
1 22 and the purchase of alternate energy.

1 23 Sec. 4. Section [476.42](#), subsection 1, paragraph a,
1 24 Code 1995, is amended to read as follows:

1 25 a. A solar, wind

~~turbine~~

~~waste management,~~

1 26

~~resource~~

~~methane recovery,~~

~~refuse derived fuel,~~

1 27 agricultural crops or residues, or woodburning
1 28 facility.

1 29 Sec. 5. Section [476.42](#), subsection 3, Code 1995,
1 30 is amended by striking the subsection.

1 31 Sec. 6. Section [476.42](#), Code 1995, is amended by
1 32 adding the following new subsection:

1 33 NEW SUBSECTION. 5. "Alternate energy" means
1 34 electricity derived from hydro, solar, wind, methane
1 35 recovery, agricultural crops or residues, or
1 36 woodburning energy.

1 37 Sec. 7. Section [476.43](#), Code 1995, is amended by
1 38 striking the section and inserting in lieu thereof the
1 39 following:

1 40 476.43 ALTERNATE ENERGY - RATES - PENALTIES.
1 41 1. a. By December 31, 1997, an electric utility
1 42 shall derive a minimum of two percent of the electric
1 43 utility's annual peak demand from alternate energy
1 44 sources. By July 1, 1999, an electric utility shall
1 45 derive a minimum of five percent of the utility's
1 46 annual peak demand from alternate energy sources.
1 47 b. A utility shall derive at least thirty percent
1 48 of the utility's alternate energy generation, required
1 49 under paragraph "a", from the following sources in the
1 50 amounts as indicated:
2 1 (1) Ten percent shall be derived from dedicated
2 2 energy crops grown within the state, fifty percent of
2 3 which shall be from projects of five hundred kilowatts
2 4 or less.
2 5 (2) Ten percent shall be derived from agricultural
2 6 wastes produced from agricultural crops grown within
2 7 the state, fifty percent of which shall be from
2 8 projects of five hundred kilowatts or less.
2 9 (3) Ten percent shall be derived from small scale
2 10 wind generation projects located within the state of
2 11 two hundred fifty kilowatts or less.
2 12 2. The board shall establish a uniform competitive
2 13 bidding process so that an electric utility may
2 14 acquire alternate energy at a just and economically
2 15 based market rate. An electric utility may produce
2 16 its own alternate energy by constructing and operating
2 17 an alternate energy production facility or small hydro
2 18 facility. However, the electric utility shall
2 19 participate in the competitive bidding process using a
2 20 third-party evaluator. A bid from an electric utility
2 21 producing its own alternate energy shall not take into
2 22 account regulated industry-based factors in order to
2 23 produce a lower cost bid. Regulated industry-based
2 24 factors include eminent domain and transmission
2 25 ownership. An electric utility may combine with one
2 26 or more electric utilities to construct and operate an
2 27 alternate energy production facility or small hydro
2 28 facility for purposes of this subsection.
2 29 3. Notwithstanding section 476.51, an electric
2 30 utility which fails to comply with the requirements of
2 31 subsection 1 shall be subject to a civil penalty,
2 32 levied by the board, in an amount that is equivalent
2 33 to three times the amount of the lowest bid filed with
2 34 the board to comply with the requirements of
2 35 subsection 1. Civil penalties collected under this
2 36 subsection shall be forwarded to the treasurer of
2 37 state to be credited to the general fund of the state
2 38 to be used only for the alternate energy demonstration
2 39 projects administered by the Iowa energy center.
2 40 These penalties shall be excluded from the electric
2 41 utility's costs when determining the electric
2 42 utility's revenue requirement, and shall not be
2 43 included either directly or indirectly in the electric
2 44 utility's rates or charges to customers.
2 45 4. If the state adopts a full and open competitive
2 46 retail electric market, a retail electric supplier
2 47 shall be prohibited from supplying electricity at
2 48 retail in this state unless the retail supplier
2 49 derives at least five percent of the supplier's energy
2 50 supply from alternate energy sources.
3 1 Sec. 8. Section [476.44](#), Code 1995, is repealed.
3 2 Sec. 9. APPLICABILITY TO EXISTING CONTRACTS. This
3 3 Act shall not affect the terms and conditions of any
3 4 contract between an alternate energy production
3 5 facility or small hydro facility and an electric
3 6 utility that was entered into pursuant to sections

3 7 476.43 and 476.44 for purchase of alternate energy if
3 8 the contract was entered into prior to the effective
3 9 date of this Act. In addition, the Act shall not
3 10 affect potential contracts between alternate energy
3 11 production facilities and electric utilities if a
3 12 petition relating to the potential contracts has been
3 13 filed and an action is currently pending before the
3 14 Iowa utilities board. For purposes of the pending
3 15 actions, the Iowa utilities board shall not take into
3 16 account the changes contained in this Act.

3 17 Sec. 10. EFFECTIVE DATE. This Act, being deemed
3 18 of immediate importance, takes effect upon
3 19 enactment. ""

3 20 #2. By renumbering as necessary.

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3 23 _____

3 24 [SHOULTZ](#) of Black Hawk

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3 28 [BURNETT](#) of Story

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3 31 _____

3 32 [VANDE HOEF](#) of Osceola

3 33

3 34

3 35 _____

3 36 [WITT](#) of Black Hawk

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3 39 _____

3 40 [MASCHER](#) of Johnson

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3 42

3 43 _____

3 44 [HOLVECK](#) of Polk

3 45 [HF 2087.705](#) 76

3 46 js/sc