

House Amendment 1933

Amendment Text

PAG LIN

1 1 Amend [House File 751](#) as follows:
1 2 #1. Page 4, by inserting after line 9, the
1 3 following:
1 4 "Sec. _____. Section [476.1A](#), Code 2001, is amended
1 5 by adding the following new subsection:
1 6 NEW SUBSECTION. 5A. Filing alternative energy
1 7 purchase program plans with the board, and offering
1 8 such programs to customers, pursuant to section
1 9 476.47.
1 10 Sec. _____. Section [476.1B](#), subsection 1, Code 2001,
1 11 is amended by adding the following new paragraphs:
1 12 NEW PARAGRAPH. m. An electric power agency as
1 13 defined in chapters 28F and 476A that includes as a
1 14 member a city or municipality owned utility that
1 15 builds transmission facilities after July 1, 2001, is
1 16 subject to applicable transmission reliability rules
1 17 or standards adopted by the board for those
1 18 facilities.
1 19 NEW PARAGRAPH. n. Filing alternative energy
1 20 purchase program plans with the board, and offering
1 21 such programs to customers, pursuant to section
1 22 476.47.
1 23 Sec. _____. Section [476.6](#), Code 2001, is amended by
1 24 adding the following new subsection:
1 25 NEW SUBSECTION. 16A. POWER PURCHASE CONTRACTS.
1 26 a. A rate-regulated public utility shall file with
1 27 the board any contract for the purchase of electric
1 28 power to serve Iowa retail electric consumers if the
1 29 contract meets all of the following conditions:
1 30 (1) The contract term is for a period of five
1 31 years or longer.
1 32 (2) The amount of power purchased equals or
1 33 exceeds five percent of the public utility's Iowa
1 34 retail load.
1 35 (3) The power is being purchased from a new
1 36 electric power generating facility that is being
1 37 planned or is under construction in Iowa as of the
1 38 date of the contract.
1 39 b. A public utility, at its option, may file with
1 40 the board other contracts for the purchase of electric
1 41 power from an electric power generating facility in
1 42 Iowa if the amount of power purchased equals or
1 43 exceeds twenty-five megawatts.
1 44 c. The board shall issue its decision within
1 45 ninety days after the public utility's filing is
1 46 deemed complete; however, upon good cause shown, the
1 47 board may extend the time for issuing the order as
1 48 follows:
1 49 (1) The board may grant an extension of twenty
1 50 days.
2 1 (2) The board may grant more than one extension,
2 2 but each extension must rely upon a separate showing
2 3 of good cause.
2 4 (3) A subsequent extension must not be granted any
2 5 earlier than five days prior to the expiration of the
2 6 original ninety-day period, or the current extension.
2 7 d. The board shall approve the contract if it

2 8 finds, after a contested case proceeding, that the
2 9 terms of the contract are reasonable and prudent. In
2 10 determining whether the terms of the contract are
2 11 reasonable and prudent, the board may consider the
2 12 reliability and economic benefits of new, Iowa-based
2 13 generation. The rate-regulated public utility shall
2 14 also demonstrate to the board that it has considered
2 15 other sources for long-term electric supply, and that
2 16 the purchase power contract is reasonable when
2 17 compared to other feasible alternative sources of
2 18 supply including the building of utility-owned
2 19 generation. The board may condition its approval upon
2 20 the utility and the successful bidder agreeing to
2 21 contract modifications identified by the board.

2 22 e. Board approval of a contract shall constitute
2 23 an irrevocable determination of the prudence and
2 24 reasonableness of the contract and its terms. The
2 25 board, subsequent to approval of a contract, may at
2 26 anytime by order compel the public utility to enforce
2 27 the terms of the contract.

2 28 f. The costs of the contract shall be included in
2 29 the public utility's regulated retail electric rates.
2 30 The public utility may propose to recover the costs
2 31 through an automatic adjustment of rates as provided
2 32 in subsection 11.

2 33 g. The board shall adopt rules pursuant to chapter
2 34 17A regarding the filing and approval of contracts
2 35 under this subsection, including rules to ensure that
2 36 there is a fair and open bidding process for power
2 37 purchase contracts.

2 38 Sec. _____. NEW SECTION. 476.47 ALTERNATE ENERGY
2 39 PURCHASE PROGRAMS.

2 40 1. Beginning January 1, 2004, an electric utility,
2 41 whether or not rate-regulated under this chapter,
2 42 shall offer an alternate energy purchase program to
2 43 its customers, based on energy produced by alternate
2 44 energy production facilities in Iowa.

2 45 2. The board shall require electric utilities to
2 46 file plans for alternate energy purchase programs
2 47 offered pursuant to this section.

2 48 a. Rate-regulated electric utilities shall file
2 49 alternate energy purchase programs that allow
2 50 customers to contribute voluntarily to the development
3 1 of alternative energy in Iowa, and shall file tariffs
3 2 as required by the board by rule.

3 3 b. Electric utilities that are not rate-regulated
3 4 shall offer alternate energy purchase programs at
3 5 rates determined by their governing authority, and
3 6 shall file tariffs with the board for informational
3 7 purposes only. Electric utilities that are not rate-
3 8 regulated may satisfy the alternate energy purchase
3 9 program requirement by allowing customers to
3 10 contribute voluntarily to the development of
3 11 alternative energy in Iowa or through the inclusion of
3 12 alternative energy in the utility's generation
3 13 portfolio.

3 14 3. The electric utility shall notify consumers of
3 15 its alternate energy purchase program and any proposed
3 16 modifications to such program at least sixty days
3 17 prior to implementation of the program or any
3 18 modification.

3 19 4. For purposes of this section, an electric
3 20 utility may base its program on energy produced by
3 21 alternate energy production facilities located outside
3 22 of Iowa under either of the following circumstances:

3 23 a. The energy is purchased by the electric utility
3 24 pursuant to a contract in effect prior to July 1,

3 25 2001, and continues until the expiration of the
3 26 contract, including any options to renew that are
3 27 exercised by the electric utility.

3 28 b. The electric utility has a financial interest,
3 29 as of July 1, 2001, in the alternate energy production
3 30 facility that is located outside of Iowa, or in an
3 31 entity that has a financial interest in an alternate
3 32 energy production facility located outside of Iowa.

3 33 5. This section shall not apply to non-rate-
3 34 regulated electric utilities physically located
3 35 outside of Iowa that serve Iowa customers.

3 36 Sec. _____. Section [476.53](#), Code 2001, is amended by
3 37 striking the section and inserting in lieu thereof the
3 38 following:

3 39 476.53 ELECTRIC GENERATING AND TRANSMISSION
3 40 FACILITIES.

3 41 1. It is the intent of the general assembly to
3 42 attract the development of electric power generating
3 43 and transmission facilities within the state in
3 44 sufficient quantity to ensure reliable electric
3 45 service to Iowa consumers and provide economic
3 46 benefits to the state.

3 47 2. The general assembly's intent with regard to
3 48 the development of electric power generating and
3 49 transmission facilities, as provided in subsection 1,
3 50 shall be implemented in a manner that is cost-
4 1 effective and compatible with the environmental
4 2 policies of the state, as expressed in Title XI.

4 3 3. a. If a rate-regulated public utility files an
4 4 application pursuant to section 476A.3 to construct an
4 5 electric power generating facility in Iowa equal to or
4 6 greater than three hundred megawatts of nameplate
4 7 baseload or combined-cycle capacity, or an alternate
4 8 energy facility as defined in section 476.42, or if a
4 9 rate-regulated public utility leases or owns, in whole
4 10 or in part, a new electric power generating facility
4 11 in Iowa equal to or greater than three hundred
4 12 megawatts of nameplate baseload or combined-cycle
4 13 capacity, or a new alternate energy facility as
4 14 defined in section 476.42, the board shall specify in
4 15 advance, by order issued after a contested case
4 16 proceeding, the ratemaking principles that will apply
4 17 when the costs of the facility are included in
4 18 regulated electric rates.

4 19 b. In determining the applicable ratemaking
4 20 principles, the board shall not be limited to
4 21 traditional ratemaking principles or traditional cost
4 22 recovery mechanisms.

4 23 c. In determining the applicable ratemaking
4 24 principles, the board must find that the rate-
4 25 regulated public utility has demonstrated to the board
4 26 that the public utility has considered other sources
4 27 for long-term electric supply and that the facility or
4 28 lease is reasonable when compared to other feasible
4 29 alternative sources of supply. The rate-regulated
4 30 public utility may satisfy the requirements of this
4 31 paragraph through a competitive bidding process, under
4 32 rules adopted by the board, that demonstrate the
4 33 facility or lease is a reasonable alternative to meet
4 34 its electric supply needs.

4 35 d. The applicable ratemaking principles shall be
4 36 determined in a contested case proceeding, which
4 37 proceeding may be combined with the proceeding for
4 38 issuance of a certificate conducted pursuant to
4 39 chapter 476A.

4 40 e. The order setting forth the applicable
4 41 ratemaking principles shall be issued prior to the

4 42 commencement of construction or lease of the facility.
4 43 f. Following issuance of the order, the rate-
4 44 regulated public utility shall have the option of
4 45 proceeding with construction or lease of the facility
4 46 in Iowa, or withdrawing its application for a
4 47 certificate under chapter 476A.

4 48 g. Notwithstanding any provision of this chapter
4 49 to the contrary, the ratemaking principles established
4 50 by the order issued pursuant to paragraph "e" shall be
5 1 binding with regard to the specific electric power
5 2 generating facility in any subsequent rate proceeding.

5 3 Sec. _____. Section [476A.4](#), Code 2001, is amended by
5 4 adding the following new subsection:

5 5 NEW SUBSECTION. 5. A proceeding for the issuance
5 6 of a certificate under section 476A.5 may be
5 7 consolidated with a contested case proceeding for
5 8 determination of applicable ratemaking principles
5 9 under section 476.53.

5 10 Sec. _____. Section [476A.6](#), Code 2001, is amended to
5 11 read as follows:

5 12 476A.6 DECISION CRITERIA.

5 13 The board shall render a decision on the
5 14 application in an expeditious manner. A certificate
5 15 shall be issued to the applicant if the board finds
5 16 all of the following:

5 17 1. The services and operations resulting from the
5 18 construction of the facility are

~~required by the~~

5 19

~~present or future public convenience, use and~~

5 20

~~necessity~~

~~compatible with the energy policy of the~~

5 21 state as developed under section 476.53 and the
5 22 economic development policy of the state as expressed
5 23 in Title I, subtitle 5, and will not be detrimental to
5 24 the provision of adequate and reliable electric
5 25 service.

5 26 2. The applicant is willing to

~~perform such~~

5 27

~~services and~~

~~construct, maintain, and operate the~~

5 28 facility pursuant to the provisions of the certificate
5 29 and this chapter.

5 30 3. The construction, maintenance, and operation of
5 31 the facility will

~~cause minimum adverse~~

~~be consistent~~

5 32 with reasonable land use

~~and~~ environmental

~~, and~~

5 33

~~aesthetic impact~~
~~— policies and~~
.
~~are~~
~~— consonant with~~
5 34 reasonable utilization of air, land, and water
5 35 resources,
.
~~for beneficial purposes~~
~~— considering~~
5 36 reasonably available technology
.
~~and the economics of~~
~~—~~
5 37
.
~~available alternatives~~
~~—~~
5 38
.
~~4. The applicant, if a public utility as defined~~
~~—~~
5 39
.
~~in section 476.1, has in effect a comprehensive energy~~
~~—~~
5 40
.
~~management program designed to reduce peak loads and~~
~~—~~
5 41
.
~~to increase efficiency of use of energy by all classes~~
~~—~~
5 42
.
~~of customers of the utility, and the facility in the~~
~~—~~
5 43
.
~~application is necessary notwithstanding the existence~~
~~—~~
5 44
.
~~of the comprehensive energy management program. As~~
~~—~~
5 45
.
~~used in this subsection, a "comprehensive energy~~
~~—~~
5 46
.
~~management program" includes at a minimum the~~
~~—~~
5 47
.
~~following:~~
~~—~~
5 48
.
~~a. Establishment of load management and~~
~~—~~
5 49
.
~~interruptible service programs, where cost effective.~~
~~—~~
5 50

~~b. Development of wheeling agreements and other~~

~~6 1~~

~~energy sharing agreements, where cost effective with~~

~~6 2~~

~~utilities that have available capacity.~~

~~6 3~~

~~c. Establishment of cost effective energy~~

~~6 4~~

~~efficiency and renewable energy services and programs.~~

~~6 5~~

~~d. Compliance with board rules on energy~~

~~6 6~~

~~management procedures.~~

~~6 7~~

~~5. The applicant, if a public utility as defined~~

~~6 8~~

~~in section 476.1, shall demonstrate to the board that~~

~~6 9~~

~~the utility has considered sources for long term~~

~~6 10~~

~~electric supply from either purchase of electricity or~~

~~6 11~~

~~investment in facilities owned by other persons.~~

~~6 12~~

~~6. The applicant, if a public utility as defined~~

~~6 13~~

~~in section 476.1, has considered all feasible~~

~~6 14~~

~~alternatives to the proposed facility including~~

~~6 15~~

~~nongeneration alternatives; has ranked those~~

~~6 16~~

~~alternatives by cost; has implemented the least cost~~

6 17

~~alternatives first; and the facility in the~~

6 18

~~application is necessary notwithstanding the~~

6 19

~~implementation of these alternatives.~~

6 20 Sec. _____. Section [476A.7](#), Code 2001, is amended by
6 21 adding the following new subsection:

6 22 NEW SUBSECTION. 3. Pursuant to the provisions of
6 23 section 476.53, a rate-regulated public utility shall
6 24 have the option of withdrawing its application for
6 25 issuance of a certificate at any time prior to the
6 26 issuance of the certificate, or after the certificate
6 27 has been issued.

6 28 Sec. _____. Section [476A.15](#), Code 2001, is amended
6 29 to read as follows:

6 30 476A.15 WAIVER.

6 31 The board, if it determines that the public
6 32 interest would not be adversely affected, may waive
6 33 any of the requirements of this chapter

~~for facilities~~

6 34

~~with a capacity of one hundred or fewer megawatts~~

6 35 Sec. _____. NEW SECTION. 476A.20 DEFINITIONS.

6 36 For purposes of this subchapter, unless the context
6 37 otherwise requires:

6 38 1. "Electric power agency" means an entity as
6 39 defined in section 28F.2.

6 40 2. "Facility" means an electric power generating
6 41 plant, or transmission line or system, as defined in
6 42 section 476A.1.

6 43 3. "Public bond or obligation" means an obligation
6 44 as defined in section 76.14.

6 45 Sec. _____. NEW SECTION. 476A.21 ELECTRIC POWER
6 46 AGENCY GENERAL AUTHORITY.

6 47 In addition to other powers conferred upon an
6 48 electric power agency by chapter 28F or other
6 49 applicable law, an electric power agency may enter
6 50 into and carry out joint agreements with other
7 1 participants for the acquisition of ownership of a
7 2 joint facility and for the planning, financing,
7 3 operation, and maintenance of the joint facility, as
7 4 provided in this subchapter.

7 5 Sec. _____. NEW SECTION. 476A.22 ELECTRIC POWER
7 6 AGENCY AUTHORITY CONFLICTING PROVISIONS.

7 7 1. In addition to any powers conferred upon an
7 8 electric power agency under chapter 28F or other
7 9 applicable law, an electric power agency may exercise
7 10 all other powers reasonably necessary or appropriate
7 11 for or incidental to the effectuation of the electric
7 12 power agency's authorized purposes, including without
7 13 limitation, the powers enumerated in chapters 6A and
7 14 6B for purposes of constructing or acquiring an
7 15 electric power facility.

7 16 2. An electric power agency, in connection with
7 17 its property and affairs, and in connection with
7 18 property within its control, may exercise any and all

7 19 powers that might be exercised by a natural person or
7 20 a private corporation in connection with similar
7 21 property and affairs.

7 22 3. The enumeration of specified powers and
7 23 functions of an electric power agency in this
7 24 subchapter is not a limitation of the powers of an
7 25 electric power agency, but the procedures prescribed
7 26 for exercising the powers and functions enumerated in
7 27 this subchapter control and govern in the event of any
7 28 conflict with any other provision of law.

7 29 4. The authority conferred pursuant to this
7 30 subchapter applies to electric power agencies,
7 31 notwithstanding any contrary provisions of section
7 32 28F.1.

7 33 Sec. _____. NEW SECTION. 476A.23 ISSUANCE OF
7 34 PUBLIC BONDS OR OBLIGATIONS PURPOSES
7 35 LIMITATIONS.

7 36 1. An electric power agency may from time to time
7 37 issue its public bonds or obligations in such
7 38 principal amounts as the electric power agency deems
7 39 necessary to provide sufficient funds to carry out any
7 40 of its purposes and powers, including but not limited
7 41 to any of the following:

7 42 a. The acquisition or construction of any project
7 43 to be owned or leased by the electric power agency, or
7 44 the acquisition of any interest in such project or any
7 45 right to the capacity of such project, including the
7 46 acquisition, construction, or acquisition of any
7 47 interest in an electric power generating plant to be
7 48 constructed in this state, or the acquisition,
7 49 construction, or acquisition of any interest in a
7 50 transmission line or system.

8 1 b. The funding or refunding of the principal of,
8 2 or interest or redemption premiums on, any public
8 3 bonds or obligations issued by the electric power
8 4 agency whether or not the public bonds or obligations
8 5 or interest to be funded or refunded have become due.

8 6 c. The establishment or increase of reserves to
8 7 secure or to pay the public bonds or obligations or
8 8 interest on the public bonds or obligations.

8 9 d. The payment of all other costs or expenses of
8 10 the electric power agency incident to and necessary to
8 11 carry out its purposes and powers.

8 12 2. Notwithstanding anything in this subchapter or
8 13 chapter 28F to the contrary, a facility shall not be
8 14 financed with the proceeds of public bonds or
8 15 obligations, the interest on which is exempt from
8 16 federal income tax, unless the public issuer of such
8 17 public bonds or obligations covenants that the issuer
8 18 shall comply with the requirements or limitations
8 19 imposed by the Internal Revenue Code or other
8 20 applicable federal law to preserve the tax exemption
8 21 of interest payable on the bonds or obligations.

8 22 3. Notwithstanding anything in this subchapter or
8 23 chapter 28F to the contrary, an electric power
8 24 generating facility shall not be financed under this
8 25 subchapter unless all of the following conditions are
8 26 satisfied:

8 27 a. The electric power generating facility is
8 28 designed to serve only the electric power requirements
8 29 of retail customers of members that were municipal
8 30 electric utilities established in the state prior to
8 31 January 1, 2001.

8 32 b. The electric power agency annually files with
8 33 the board, in a manner to be determined by the board,
8 34 information regarding sales from the electric power
8 35 generating facility in sufficient detail to determine

8 36 compliance with these provisions.

8 37 The board shall report to the general assembly if
8 38 any of the provisions are being violated.

8 39 Sec. _____. NEW SECTION. 476A.24 PUBLIC BONDS OR
8 40 OBLIGATIONS AUTHORIZED BY RESOLUTION OF BOARD
8 41 TERMS.

8 42 1. The board of directors of an electric power
8 43 agency, by resolution, may authorize the issuance of
8 44 public bonds or obligations of the electric power
8 45 agency.

8 46 2. The public bonds or obligations may be issued
8 47 in one or more series under the resolution or under a
8 48 trust indenture or other security agreement.

8 49 3. The resolution, trust indenture, or other
8 50 security agreement, with respect to such public bonds
9 1 or obligations, shall provide for all of the
9 2 following:

9 3 a. The date on the public bonds or obligations.

9 4 b. The time of maturity.

9 5 c. The rate of interest.

9 6 d. The denomination.

9 7 e. The form, either coupon or registered.

9 8 f. The conversion, registration, and exchange
9 9 privileges.

9 10 g. The rank or priority.

9 11 h. The manner of execution.

9 12 i. The medium of payment, including the place of
9 13 payment, either within or outside of the state.

9 14 j. The terms of redemption, either with or without
9 15 premium.

9 16 k. Such other terms and conditions as set forth by
9 17 the board in the resolution, trust indenture, or other
9 18 security agreement.

9 19 4. Public bonds or obligations authorized by the
9 20 board of directors shall not be subject to any
9 21 restriction under other law with respect to the
9 22 amount, maturity, interest rate, or other terms of
9 23 obligation of a public agency or private person.

9 24 5. Chapter 75 shall not apply to public bonds or
9 25 obligations authorized by the board of directors as
9 26 provided in this section.

9 27 Sec. _____. NEW SECTION. 476A.25 PUBLIC BONDS OR
9 28 OBLIGATIONS PAYABLE SOLELY FROM AGENCY REVENUES OR
9 29 FUNDS.

9 30 1. The principal of and interest on any public
9 31 bonds or obligations issued by an electric power
9 32 agency shall be payable solely from the revenues or
9 33 funds pledged or available for their payment as
9 34 authorized in this subchapter.

9 35 2. Each public bond or obligation shall contain
9 36 all of the following terms:

9 37 a. That the principal of or interest on such
9 38 public bonds or obligation is payable solely from
9 39 revenues or funds of the electric power agency.

9 40 b. That neither the state or a political
9 41 subdivision of the state other than the electric power
9 42 agency, nor a public agency that is a member of the
9 43 electric power agency is obligated to pay the
9 44 principal or interest on such public bonds or
9 45 obligations.

9 46 c. That neither the full faith and credit nor the
9 47 taxing power of the state, of any political
9 48 subdivision of the state, or of any such public agency
9 49 is pledged to the payment of the principal of or the
9 50 interest on the public bonds or obligations.

10 1 Sec. _____. NEW SECTION. 476A.26 PUBLIC BONDS OR
10 2 OBLIGATIONS TYPES SOURCES FOR PAYMENT

10 3 SECURITY.

10 4 1. Except as otherwise expressly provided by this
10 5 subchapter or by the electric power agency, every
10 6 issue of public bonds or obligations of the electric
10 7 power agency shall be payable out of any revenues or
10 8 funds of the electric power agency, subject only to
10 9 any agreements with the holders of particular public
10 10 bonds or obligations pledging any particular revenues
10 11 or funds.

10 12 2. An electric power agency may issue types of
10 13 public bonds or obligations as it may determine,
10 14 including public bonds or obligations as to which the
10 15 principal and interest are payable exclusively from
10 16 the revenues from one or more projects, or from an
10 17 interest in such project or projects, or a right to
10 18 capacity of such project or projects, or from any
10 19 revenue-producing contract made by the electric power
10 20 agency with any person, or from its revenues
10 21 generally.

10 22 3. Any public bonds or obligations may be
10 23 additionally secured by a pledge of any grant,
10 24 subsidy, or contribution from any public agency or
10 25 other person, or a pledge of any income or revenues,
10 26 funds, or moneys of the electric power agency from any
10 27 other source.

10 28 Sec. _____. NEW SECTION. 476A.27 PUBLIC BONDS OR
10 29 OBLIGATIONS AND RATES FOR DEBT SERVICE NOT SUBJECT TO
10 30 STATE APPROVAL.

10 31 Public bonds or obligations of an electric power
10 32 agency may be issued under this subchapter, and rents,
10 33 rates, and charges may be established in the same
10 34 manner as provided in section 28F.5 and pledged for
10 35 the security of public bonds or obligations and
10 36 interest and redemption premiums on such public bonds
10 37 or obligations, without obtaining the consent of any
10 38 department, division, commission, board, bureau, or
10 39 agency of the state and without any other proceeding
10 40 or the happening of any other condition or occurrence,
10 41 except as specifically required by this subchapter.

10 42 Sec. _____. NEW SECTION. 476A.28 PUBLIC BONDS OR
10 43 OBLIGATIONS TO BE NEGOTIABLE.

10 44 All public bonds or obligations of an electric
10 45 power agency shall be negotiable within the meaning
10 46 and for all of the purposes of the uniform commercial
10 47 code, chapter 554, subject only to the registration
10 48 requirement of section 76.10.

10 49 Sec. _____. NEW SECTION. 476A.29 VALIDITY OF
10 50 PUBLIC BONDS OR OBLIGATIONS AT DELIVERY TEMPORARY
11 1 BONDS.

11 2 1. Any public bonds or obligations may be issued
11 3 and delivered, notwithstanding that one or more of the
11 4 officers executing them shall have ceased to hold
11 5 office at the time when the public bonds or
11 6 obligations are actually delivered.

11 7 2. Pending preparation of definitive bonds
11 8 obligations, an electric power agency may issue
11 9 temporary bonds or obligations that shall be exchanged
11 10 for the definitive bonds or obligations upon their
11 11 issuance.

11 12 Sec. _____. NEW SECTION. 476A.30 PUBLIC OR PRIVATE
11 13 SALE OF BONDS AND NOTES.

11 14 Public bonds or obligations of an electric power
11 15 agency may be sold at public or private sale for a
11 16 price and in a manner determined by the electric power
11 17 agency.

11 18 Sec. _____. NEW SECTION. 476A.31 PUBLIC BONDS OR
11 19 OBLIGATIONS AS SUITABLE INVESTMENTS FOR GOVERNMENTAL

11 20 UNITS, FINANCIAL INSTITUTIONS, AND FIDUCIARIES.

11 21 The following persons may legally invest any debt
11 22 service funds, money, or other funds belonging to such
11 23 person or within such person's control in any public
11 24 bonds or obligations issued pursuant to this
11 25 subchapter:

11 26 1. A bank, trust company, savings association,
11 27 building and loan association, savings and loan
11 28 association, or investment company.

11 29 2. An insurance company, insurance association, or
11 30 any other person carrying on an insurance business.

11 31 3. An executor, administrator, conservator,
11 32 trustee, or other fiduciary.

11 33 4. Any other person authorized to invest in bonds
11 34 or obligations of the state.

11 35 Sec. ____ NEW SECTION. 476A.32 RESOLUTION, TRUST
11 36 INDENTURE, OR SECURITY AGREEMENT CONSTITUTES CONTRACT
11 37 PROVISIONS.

11 38 The resolution, trust indenture, or other security
11 39 agreement under which any public bonds or obligations
11 40 are issued shall constitute a contract with the
11 41 holders of the public bonds or obligations, and may
11 42 contain provisions, among others, prescribing any of
11 43 the following terms:

11 44 1. The terms and provisions of the public bonds or
11 45 obligations.

11 46 2. The mortgage or pledge of and the grant of a
11 47 security interest in any real or personal property and
11 48 all or any part of the revenue from any project or any
11 49 revenue producing contract made by the electric power
11 50 agency with any person to secure the payment of public
12 1 bonds or obligations, subject to any agreements with
12 2 the holders of public bonds or obligations which might
12 3 then exist.

12 4 3. The custody, collection, securing, investment,
12 5 and payment of any revenues, assets, money, funds, or
12 6 property with respect to which the electric power
12 7 agency may have any rights or interest.

12 8 4. The rates or charges for electric energy sold
12 9 by, or services rendered by, the electric power
12 10 agency, the amount to be raised by the rates or
12 11 charges, and the use and disposition of any or all
12 12 revenue.

12 13 5. The creation of reserves or debt service funds
12 14 and the regulation and disposition of such reserves or
12 15 funds.

12 16 6. The purposes to which the proceeds from the
12 17 sale of any public bonds or obligations to be issued
12 18 may be applied, and the pledge of the proceeds to
12 19 secure the payment of the public bonds or obligations.

12 20 7. Limitations on the issuance of any additional
12 21 public bonds or obligations, the terms upon which
12 22 additional public bonds or obligations may be issued
12 23 and secured, and the refunding of outstanding public
12 24 bonds or obligations.

12 25 8. The rank or priority of any public bonds or
12 26 obligations with respect to any lien or security.

12 27 9. The creation of special funds or moneys to be
12 28 held for operating expenses, payment, or redemption of
12 29 public bonds or obligations, reserves or other
12 30 purposes, and the use and disposition of moneys held
12 31 in these funds.

12 32 10. The procedure by which the terms of any
12 33 contract with or for the benefit of the holders of
12 34 public bonds or obligations may be amended or
12 35 abrogated, the amount of public bonds or obligations
12 36 the holders of which must consent to such amendment or

12 37 abrogation, and the manner in which consent may be
12 38 given.

12 39 11. The definition of the acts or omissions to act
12 40 that constitute a default in the duties of the
12 41 electric power agency to holders of its public bonds
12 42 or obligations, and the rights and remedies of the
12 43 holders in the event of default including, if the
12 44 electric power agency so determines, the right to
12 45 accelerate the date of the maturation of the public
12 46 bonds or obligations or the right to appoint a
12 47 receiver or receivers of the property or revenues
12 48 subject to the lien of the resolution, trust
12 49 indenture, or other security agreement.

12 50 12. Any other or additional agreements with or for
13 1 the benefit of the holders of public bonds or
13 2 obligations or any covenants or restrictions necessary
13 3 or desirable to safeguard the interests of the
13 4 holders.

13 5 13. The custody of any of the electric power
13 6 agency's property or investments, the safekeeping of
13 7 such property or investments, the insurance to be
13 8 carried on such property or investments, and the use
13 9 and disposition of insurance proceeds.

13 10 14. The vesting in a trustee or trustees, within
13 11 or outside the state, of such property, rights,
13 12 powers, and duties as the electric power agency may
13 13 determine; or the limiting or abrogating of the rights
13 14 of the holders of any public bonds or obligations to
13 15 appoint a trustee, or the limiting of the rights,
13 16 powers, and duties of such trustee.

13 17 15. The appointment of and the establishment of
13 18 the duties and obligations of any paying agent or
13 19 other fiduciary within or outside the state.

13 20 Sec. _____. NEW SECTION. 476A.33 MORTGAGE OR TRUST
13 21 DEED TO SECURE BONDS.

13 22 For the security of public bonds or obligations
13 23 issued or to be issued by an electric power agency,
13 24 the electric power agency may mortgage or execute
13 25 deeds of trust of the whole or any part of its
13 26 property.

13 27 Sec. _____. NEW SECTION. 476A.34 NO PERSONAL
13 28 LIABILITY ON PUBLIC BONDS OR OBLIGATIONS.

13 29 An official, director, member of an electric power
13 30 agency, or any person executing public bonds or
13 31 obligations shall not be liable personally on the
13 32 public bonds or obligations or be subject to any
13 33 personal liability or accountability by reason of the
13 34 issuance of such public bonds or obligations.

13 35 Sec. _____. NEW SECTION. 476A.35 REPURCHASE OF
13 36 SECURITIES.

13 37 An electric power agency may purchase public bonds
13 38 or obligations out of any funds available for such
13 39 purchase, and hold, pledge, cancel, or resell the
13 40 public bonds or obligations, subject to and in
13 41 accordance with any agreements with the holders.

13 42 Sec. _____. NEW SECTION. 476A.36 PLEDGE OF REVENUE
13 43 AS SECURITY.

13 44 An electric power agency may pledge its rates,
13 45 rents, and other revenues, or any part of such rates,
13 46 rents, and revenues, as security for the repayment,
13 47 with interest and redemption premiums, if any, of the
13 48 moneys borrowed by the electric power agency or
13 49 advanced to the electric power agency for any of its
13 50 authorized purposes and as security for the payment of
14 1 moneys due and owed by the electric power agency under
14 2 any contract.

14 3 Sec. _____. Section [478.3](#), Code 2001, is amended by

14 4 adding the following new subsection:
14 5 NEW SUBSECTION. 3. For the purpose of this
14 6 section, the term "public" shall not be interpreted to
14 7 be limited to consumers located in this state.
14 8 Sec. _____. CODE EDITOR DIRECTIVE. The Code editor
14 9 shall change references to "this chapter" in sections
14 10 476A.1 through 476A.15 as necessary and appropriate to
14 11 reflect the addition of the new subchapter to chapter
14 12 476A as a result of this Act."
14 13 #2. Title page, line 3, by inserting after the
14 14 word "credits" the following: ", and making other
14 15 changes related to electric power generation and
14 16 transmission in Iowa, including the criteria for
14 17 construction of an electric generating facility;
14 18 waivers; approval of power purchase contracts;
14 19 providing for the development of a state electric
14 20 energy policy; providing for joint agreements for
14 21 acquisition of ownership of a joint facility for
14 22 electric power generation and transmission, and for
14 23 the planning, financing, operation, and maintenance of
14 24 the joint facility; providing for the bonding
14 25 authority of electric power agencies; and making
14 26 certain other changes and requirements related to
14 27 electric generation and transmission".
14 28 #3. By renumbering, redesignating, and correcting
14 29 internal references as necessary.
14 30
14 31
14 32 _____
14 33 JENKINS of Black Hawk
14 34
14 35
14 36 _____
14 37 HANSEN of Pottawattamie
14 38
14 39
14 40 _____
14 41 KETTERING of Sac
14 42
14 43
14 44 _____
14 45 HOFFMAN of Crawford
14 46
14 47
14 48 _____
14 49 JOHNSON of Osceola
14 50 HF 751.703 79
15 1 jj/cls