

House File 2399

H-8274

1 Amend House File 2399 as follows:

2 1. Page 1, before line 1 by inserting:

3 <Sec. _____. Section 476.6, Code Supplement 2009, is
4 amended by adding the following new subsection:

5 NEW SUBSECTION. 22. *a.* It is the intent of the
6 general assembly to require certain rate-regulated
7 public utilities to undertake analyses of and
8 preparations for the possible construction of nuclear
9 generating facilities in this state that would be
10 beneficial in a carbon-constrained environment.
11 *b.* A rate-regulated electric utility that was
12 subject to a revenue sharing settlement agreement with
13 regard to its electric base rates as of January 1,
14 2010, shall recover, through a rider and pursuant to a
15 tariff filing made on or after the effective date of
16 this Act and through December 31, 2013, the reasonable
17 and prudent costs of its analyses of and preparations
18 for the possible construction of facilities of the type
19 referenced in paragraph "a". Cost recovery shall be
20 accomplished by instituting a revenue increase applied
21 in the same percentage amount to each customer class
22 and not designed to recover, on an annual basis, more
23 than five-tenths percent of the electric utility's
24 calendar year 2009 revenues attributable to billed base
25 rates in this state. At the conclusion of the cost
26 recovery period, the board shall conduct a contested
27 case proceeding pursuant to chapter 17A to evaluate the
28 reasonableness and prudence of the cost recovery. The
29 utility shall file such information with the board as
30 the board deems appropriate, including the filing of an
31 annual report identifying and explaining expenditures
32 identified in the rider as items for cost recovery,
33 and any other information required by the board. If
34 the board determines that the utility has imprudently
35 incurred costs, or has incurred costs that are less
36 than the amount recovered, the board shall order
37 the utility to modify the rider to adjust the amount
38 recoverable.

39 *c.* Costs that may be recovered through the rider
40 described in paragraph "b" shall be consistent with
41 the United States nuclear regulatory guide, section
42 4.7, general site suitability criteria for nuclear
43 power stations, revision two, April 1998, including
44 costs related to the study and use of sites for nuclear
45 generation.>

46 2. Page 1, line 8, after <state.> by inserting
47 <It is also the intent of the general assembly
48 to encourage rate-regulated public utilities to
49 consider altering existing electric generating
50 facilities, where reasonable, to manage carbon emission

1 intensity in order to facilitate the transition to a
2 carbon-constrained environment.>

3 3. By striking page 1, line 25, through page 2,
4 line 2, and inserting:

5 ~~<4. 3. a.~~ The board shall specify in advance, by
6 order issued after a contested case proceeding, the
7 ratemaking principles that will apply when the costs
8 of the electric power generating facility, the costs
9 of significant alteration of the generating facility
10 as defined in section 476A.2, subsection 2, and any
11 related emissions control or storage facilities, or
12 the costs of the alternate energy production facility,
13 ~~co-generation pilot project facility, or energy sales~~
14 ~~agreement are included in regulated electric rates~~
15 whenever a rate-regulated public utility does any of
16 the following:

17 (1) Files an application pursuant to section 476A.3
18 to construct in Iowa a baseload electric generating
19 facility, or to significantly alter an existing
20 generating facility, with a nameplate generating
21 capacity equal to or greater than three hundred
22 megawatts or a combined-cycle electric power generating
23 facility, or an alternative energy production facility
24 as defined in section 476.42. For purposes of this
25 subparagraph, a significant alteration of an existing
26 generating facility must, in order to qualify for
27 establishment of ratemaking principles, fall into one
28 of the following categories:

29 (a) Conversion of a coal fueled facility into a gas
30 fueled facility.

31 (b) Addition of carbon capture and storage
32 facilities at a coal fueled facility.

33 (c) Addition of gas fueled capability to a coal
34 fueled facility, in order to convert the facility
35 to one that will rely primarily on gas for future
36 generation.

37 (d) Addition of a biomass fueled capability to a
38 coal fueled facility.

39 With respect to a significant alteration of an
40 existing generating facility, an original facility
41 shall not be required to be either a baseload or
42 a combined-cycle facility. Only the incremental
43 investment undertaken by a utility under subparagraph
44 divisions (a), (b), (c), or (d) shall be eligible to
45 apply the ratemaking principles established by the
46 order issued pursuant to paragraph "e". Facilities
47 for which advanced ratemaking principles are obtained
48 pursuant to this section shall not be subject to a
49 subsequent board review pursuant to section 476.6,
50 subsection 21 to the extent that the investment has

1 been considered by the board under this section. To
2 the extent an eligible utility has been authorized to
3 make capital investments subject to section 476.6,
4 subsection 21, such investments shall not be eligible
5 for ratemaking principles pursuant to this section.>

6 4. Page 4, after line 33 by inserting:
7 <Sec. ____ . EFFECTIVE UPON ENACTMENT. This Act,
8 being deemed of immediate importance, takes effect upon
9 enactment.>

10 5. Title page, by striking lines 1 through 2 and
11 inserting <An Act requiring certain rate-regulated
12 public utilities to undertake analyses of and
13 preparation for the possible construction of low carbon
14 emitting nuclear generating facilities in this state,
15 and including effective date provisions.>

REICHERT of Muscatine

D. OLSON of Boone

QUIRK of Chickasaw

SODERBERG of Plymouth

WAGNER of Linn