

Senate File 2311

H-8414

1 Amend the amendment, H-8340, to Senate File 2311, as
2 amended, passed, and reprinted by the Senate, as follows:

3 1. Page 3, by striking lines 15 through 24 and inserting:

4 ~~<g. Filing energy efficiency plans and energy efficiency~~
5 ~~results with the board. The energy efficiency plans as a~~
6 ~~whole shall be cost-effective. The board may permit these~~
7 ~~utilities to file joint plans. The board shall periodically~~
8 ~~report the energy efficiency results including energy savings~~
9 ~~of each of these utilities to the general assembly. The board~~
10 ~~may waive all or part of the energy efficiency filing and~~
11 ~~review requirements for electric cooperative corporations and~~
12 ~~associations and electric public utilities which demonstrate~~
13 ~~superior results with existing energy efficiency efforts.>~~

14 2. Page 4, lines 10 and 11, by striking <paragraph f, Code
15 2018, is amended by striking the paragraph> and inserting
16 <paragraphs f and 1, Code 2018, are amended by striking the
17 paragraphs>

18 3. Page 5, line 7, after <with> by inserting <and approved
19 by>

20 4. Page 5, line 14, after <with> by inserting <and approved
21 by>

22 5. By striking page 5, line 35, through page 7, line 11, and
23 inserting:

24 <Sec. _____. Section 476.6, subsection 15, paragraph a, Code
25 2018, is amended to read as follows:

26 a. (1) (a) ~~Gas and electric~~ Electric utilities required
27 to be rate-regulated under this chapter shall file five-year
28 energy efficiency plans and demand response plans with the
29 board. Gas utilities required to be rate-regulated under
30 this chapter shall file five-year energy efficiency plans
31 with the board. An energy efficiency plan and budget or a
32 demand response plan and budget shall include a range of energy
33 efficiency or demand response programs, tailored to the needs
34 of all customer classes, including residential, commercial,
35 and industrial customers, for energy efficiency opportunities.

1 The plans shall include programs for qualified low-income
2 persons including a cooperative program with any community
3 action agency within the utility's service area to implement
4 countywide or communitywide energy efficiency programs for
5 qualified low-income persons. Rate-regulated gas and electric
6 utilities shall utilize Iowa agencies and Iowa contractors to
7 the maximum extent cost-effective in their energy efficiency
8 plans or demand response plans filed with the board.

9 (b) The board shall allow a customer of an electric utility
10 that is required to be rate-regulated to request an exemption
11 from participation in any five-year energy efficiency plan
12 offered by an electric utility if the energy efficiency plan
13 and demand response plan, at the time of approval by the board,
14 have a cumulative rate-payer impact test result of less than
15 one. Upon receipt of a request for exemption submitted by
16 a customer, the electric utility shall grant the exemption
17 and, beginning January 1 of the following year, the customer
18 shall no longer be assessed the costs of the plan and shall be
19 prohibited from participating in any program included in such
20 plan until the exemption no longer applies, as determined by
21 the board.

22 (2) Gas and electric utilities required to be
23 rate-regulated under this chapter may request an energy
24 efficiency plan or demand response plan modification during the
25 course of a five-year plan. A modification may be requested
26 due to changes in funding as a result of public utility
27 customers requesting exemptions from the plan or for any other
28 reason identified by the gas or electric utility. The board
29 shall take action on a modification request made by a gas or
30 electric utility within ninety days after the modification
31 request is filed. If the board fails to take action within
32 ninety days after a modification request is filed, the
33 modification request shall be deemed approved.

34 (3) The board shall adopt rules pursuant to chapter 17A
35 establishing reasonable processes and procedures for utility

1 customers from any customer class to request exemptions
2 from energy efficiency plans that meet the requirements of
3 subparagraph (1), subparagraph division (b). The rules adopted
4 by the board shall only apply to electric utilities that are
5 required to be rate-regulated.>

6 6. By striking page 7, line 14, through page 9, line 34, and
7 inserting:

8 <Sec. _____. Section 476.6, subsection 15, paragraphs e, f,
9 and g, Code 2018, are amended to read as follows:

10 e. (1) The board shall conduct contested case proceedings
11 for review of energy efficiency plans, demand response plans,
12 and budgets filed by gas and electric utilities required to be
13 rate-regulated under this chapter.

14 (2) Notwithstanding the goals developed pursuant to
15 paragraph "b", the board shall not require a gas utility to
16 adopt an energy efficiency plan that results in projected
17 cumulative average annual costs that exceed one and one-half
18 percent of the gas utility's expected annual Iowa retail rate
19 revenue from retail customers in the state, shall not require
20 an electric utility to adopt an energy efficiency plan that
21 results in projected cumulative average annual costs that
22 exceed two percent of the electric utility's expected annual
23 Iowa retail rate revenue from retail customers in the state,
24 and shall not require an electric utility to adopt a demand
25 response plan that results in projected cumulative average
26 annual costs that exceed two percent of the electric utility's
27 expected annual Iowa retail rate revenue from retail customers
28 in the state. For purposes of determining the two percent
29 threshold amount, the board shall exclude from an electric
30 utility's expected annual Iowa retail rate revenue the revenues
31 expected from customers that have received exemptions from
32 energy efficiency plans pursuant to paragraph "a". This
33 subparagraph shall apply to energy efficiency plans and demand
34 response plans that are effective on or after January 1, 2019.

35 (3) The board may approve, reject, or modify the plans and

1 budgets. Notwithstanding the provisions of section 17A.19,
2 subsection 5, in an application for judicial review of the
3 board's decision concerning a utility's ~~energy efficiency~~ plan
4 or budget, the reviewing court shall not order a stay.

5 (4) The board shall approve, reject, or modify a plan filed
6 pursuant to this subsection no later than March 31, 2019. If
7 the board fails to approve, reject, or modify a plan filed by a
8 gas or electric utility on or before such date, any plan filed
9 by the gas or electric utility that was approved by the board
10 prior to the effective date of this Act shall be terminated.
11 The board shall not require a gas or electric utility to
12 implement an energy efficiency plan or demand response plan
13 that does not meet the requirements of this subsection.

14 (5) Whenever a request to modify an approved plan or budget
15 is filed subsequently by the office of consumer advocate or a
16 gas or electric utility required to be rate-regulated under
17 this chapter, the board shall promptly initiate a formal
18 proceeding if the board determines that any reasonable ground
19 exists for investigating the request. The formal proceeding
20 may be initiated at any time by the board on its own motion.
21 Implementation of board-approved plans or budgets shall
22 be considered continuous in nature and shall be subject to
23 investigation at any time by the board or the office of the
24 consumer advocate.

25 *f.* Notice to customers of a contested case proceeding for
26 review of energy efficiency plans, demand response plans, and
27 budgets shall be in a manner prescribed by the board.

28 *g.* (1) A gas or electric utility required to be
29 rate-regulated under this chapter may recover, through an
30 automatic adjustment mechanism filed pursuant to subsection 8,
31 over a period not to exceed the term of the plan, the costs of
32 an energy efficiency plan or demand response plan approved by
33 the board, ~~including amounts for a plan approved prior to July~~
34 ~~1, 1996,~~ in a contested case proceeding conducted pursuant to
35 paragraph "e". Customers that have been granted exemptions from

1 energy efficiency plans pursuant to paragraph "a", shall not
2 be charged for recovery of energy efficiency costs beginning
3 January 1 of the year following the year in which the customer
4 was granted the exemption.

5 (2) The board shall periodically conduct a contested case
6 proceeding to evaluate the reasonableness and prudence of the
7 utility's implementation of an approved energy efficiency
8 or demand response plan and budget. If a utility is not
9 taking all reasonable actions to cost-effectively implement
10 an approved ~~energy efficiency~~ plan, the board shall not allow
11 the utility to recover from customers costs in excess of those
12 costs that would be incurred under reasonable and prudent
13 implementation and shall not allow the utility to recover
14 future costs at a level other than what the board determines
15 to be reasonable and prudent. If the result of a contested
16 case proceeding is a judgment against a utility, that utility's
17 future level of cost recovery shall be reduced by the amount
18 by which the programs were found to be imprudently conducted.
19 ~~The Beginning January 1, 2019, a gas or electric utility~~
20 shall ~~not~~ represent energy efficiency and demand response in
21 customer billings as a separate cost or expense ~~unless the~~
22 ~~board otherwise approves.~~>

23 7. Page 10, after line 7 by inserting:

24 <Sec. _____. Section 476.6, Code 2018, is amended by adding
25 the following new subsection:

26 NEW SUBSECTION. 23. *Federal tax reduction — customer*
27 *benefits.* Customers of gas and electric utilities subject to
28 rate regulation by the board shall receive the full benefits
29 of the utilities' reduced federal corporate income taxes as
30 provided in the federal Tax Cuts and Jobs Act of 2017, Pub.
31 L. No. 115-97, 131 Stat. 2054. Notwithstanding any other
32 provision of law or rule to the contrary, the board shall,
33 no later than June 1, 2018, approve any proposal filed by a
34 rate-regulated gas or electric utility to pass such benefits
35 on to customers. The board may approve rates with provision

1 for adjustments to ensure that the rates are accurate and that
2 customers receive the full benefits.>

3 8. Page 12, by striking lines 4 through 6 and inserting <the
4 actual costs and revenues are reasonably consistent with those
5 approved by the board. If the actual costs and revenues are
6 not reasonably consistent with those approved by the board, the
7 board shall>

8 9. Page 12, line 15, by striking <paragraph> and inserting
9 <subsection>

10 10. Page 13, by striking lines 10 and 11 and inserting:

11 <1. The section of this Act amending section 476.6,
12 subsection 15, paragraphs "e", "f", and "g".

13 2. The section of this Act enacting section 476.6,
14 subsection 23.>>

15 11. By renumbering as necessary.

CARLSON of Muscatine