LEGAL SERVICES DIVISION

Legislative Guide

ENERGY EFFICIENCY PROGRAMS

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December 2007

Iowa Legislative Services Agency • State Capitol • Des Moines, IA 50319

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LEGISLATIVE GUIDE TO ENERGY EFFICIENCY PROGRAMS

Legislative Services Agency

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December 2007

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Energy Efficiency Programs

I. Introduction.

Rising demand for limited and increasingly expensive sources of energy is generating an unprecedented level of concern and attention internationally, at the federal level, and through various state initiatives. Efforts to enhance or achieve energy efficiency range from identifying and developing new and alternative forms of energy production to refining and enhancing the manner in which existing energy sources are applied and utilized.

While the concept of energy efficiency is generally understood to refer to an action or approach which results in an energy "savings," definitions of the term vary. Some representative examples:

- Energy efficiency refers to the reduction of energy consumption on the basis of technological and economic changes and changes in behavior, through which the same or a higher standard or degree of comfort is assured.
- Energy efficiency can be defined in terms of how much energy it takes to perform a certain amount of work.
- Energy efficiency can be defined as the use of products or systems that use less energy to do the same or better job as conventional products or systems.
- Energy efficiency means doing the same thing but using less energy to do it.
- Energy efficiency means using energy in the most economical way possible and keeping its use to a minimum.
- Energy efficiency means using improved technology to decrease energy demand.

The Code of Iowa does not expressly define energy efficiency, but numerous references to the concept of energy efficiency exist in the form of state agency programs, policies, and directives; building code regulations; project financing options; and requirements imposed upon gas and electric utilities.[1] The objective of this Legislative Guide is to summarize existing Code provisions dealing with energy efficiency, with a focus on energy efficiency programs and requirements as opposed to sources of energy production and requirements and incentives related thereto. References to the Iowa Code are to the 2007 Iowa Code and 2007 Iowa Code Supplement. References to the Iowa Administrative Code are current through September 26, 2007.

II. State Agency Energy Efficiency Requirements.

A. Energy Efficiency Audits and Analyses.

State agencies and political subdivisions of the state are required to complete or perform energy-related reviews or analyses under specified circumstances involving the lease or lease-purchase of energy-related buildings or equipment, construction or renovation of public buildings, execution of competitive bidding or product purchasing procedures, and obtaining specified financing for energy efficiency improvements.

[1] A related concept, "energy conservation measure," is defined in Iowa Code §§ 7D.34(1) and 473.19, as subsequently discussed in this Guide.

Generally, these reviews or analyses involve the performance of one or a combination of three procedures — a comprehensive engineering analysis, a life cycle cost analysis, and the performance of energy audits.

1. State Agency Lease and Lease-purchase Agreements.

A state agency is permitted to enter into a lease or lease-purchase agreement relating to real or personal property or facilities to be used in connection with an energy conservation measure, subject to the approval of the Executive Council.[2] For this purpose, an energy conservation measure is defined as "an installation or modification of an installation in a building which is primarily intended to reduce energy consumption or allow the use of an alternative energy source, which may contain integral control and measurement devices."[3] State agencies to which this provision applies include a board, department, commission, or authority of or acting on behalf of the state having the power to enter into contracts for the acquisition of property in its own name or in the name of the state. However, the General Assembly, the court system, the Governor, and political subdivisions of the state are not included.[4] Under terms of such an agreement, the state agency either pays rental costs from the annual appropriations to the state agency by the General Assembly or from other funds legally available to the agency.[5] Prior to requesting Executive Council approval, an agency seeking to improve the energy efficiency of a building is required to submit the results of a comprehensive engineering analysis performed on the building by an engineering firm approved by the Department of Natural Resources through a competitive selection process.[6] Selection of the engineering firm is also subject to council approval. Prior to approving a lease or lease-purchase in connection with an energy conservation measure, the council, in conjunction with the department, conducts a review of the engineering analysis to determine that leasing or purchasing the properties or facilities will result not only in an energy cost-savings to the state, but also that the amount of the savings will allow for cost-recovery within six years after initial acquisition.[7]

2. Department of Natural Resources Facilitated Financing.

An engineering analysis is also required to be performed, accompanied by an energy audit, by the state, state agencies, political subdivisions of the state, school districts, area education agencies, and community colleges who are receiving financing for energy conservation measures facilitated by the Department of Natural Resources. Financing programs to which this requirement applies will be discussed in Section III. Energy conservation measures subject to such financing are required to be supported through payments from energy savings resulting from implementation of the measure.[8] An engineering analysis will not be required, however, if a school district, community college, area education agency, city, or county can demonstrate to the department that the facility which is the subject of the proposed engineering

[2] Iowa Code § 7D.34.
[3] Iowa Code § 7D.34(1).
[4] Iowa Code § 7D.34(1).
[5] Iowa Code § 7D.34(2).
[6] Iowa Code § 7D.34(2).
[7] Iowa Code § 7D.34(2).
[8] Iowa Code § 473.13A.

analysis is unlikely to be in use or operation at the expiration of a six-year period by the entity currently using or occupying the facility.[9]

3. State Agency Purchases — Public Improvement Projects — Life Cycle Cost Analysis Application.

The concept of "life cycle cost analysis" is utilized in connection with requirements relating to state agency purchases of energy-consuming products, public improvements, and public building construction and renovation efforts.

a. State Agency Product Procurement.

The Department of Administrative Services, institutions under the control of the State Board of Regents, the State Department of Transportation, the Department for the Blind, and other state agencies purchasing energy-consuming products either directly or through competitive bidding procedures are required to develop standards and specifications applicable to such purchases, and to include life cycle cost and energy efficiency in criteria relating to those standards and specifications.[10] A life cycle cost analysis is defined for this purpose as the expected total cost of ownership during the life of a product.[11]

b. Public Improvements and Construction.

Additionally, a contract for a public improvement or construction of a public building, including new construction or renovation of an existing public building, by the state, or an agency of the state, must, prior to being let for bidding, be subject to at least one design proposal reflecting the lowest life cycle cost possible in light of existing commercially available technology.[12] Intent language contained in the applicable Code section discourages construction of public buildings based upon lowest acquisition cost in favor of contracts based upon life cycle costs to reduce, among other factors, energy consumption.[13]

In the case of public buildings or facilities in excess of 20,000 square feet or which exceed a specified energy consumption threshold for heating or cooling constructed or renovated by a state agency, political subdivision of the state, school district, area education agency, or community college, more specific and stringent life cycle cost analysis provisions apply. Code chapter 470 establishes a public policy that energy management is of primary importance in the design of publicly owned facilities, and mandates that a public agency responsible for the construction or renovation of a facility include as a design criterion the requirement that a life cycle cost analysis be conducted with the objective of optimizing energy efficiency at an acceptable life cycle cost.[14] Elements of the analysis are identified to include specification of energy management objectives,

[9] Iowa Code § 473.13A.
[10] Iowa Code § 8A.311(19).
[11] Iowa Code § 8A.301(3).
[12] Iowa Code § 72.5(1).
[13] Iowa Code § 72.5(4).
[14] Iowa Code § 470.2.

identification of the energy needs of the facility and energy system alternatives to meet those needs, and the cost of energy system alternatives.[15]

A completed analysis is required to be submitted to the State Building Code Commissioner, who shall review the analysis in consultation with the Department of Natural Resources.[16] A public agency may request an exemption from aspects of an analysis for specified reasons including the particular purpose of the facility or renovation, preservation of historical architectural features, site considerations, and health and safety concerns.[17] Otherwise, the agency is required to implement the recommendations contained in the analysis. These provisions do not apply to certain buildings used as maximum security detention facilities or to the renovation of property nominated to or entered in the National Register of Historic Places, designated by statute, or included in an established list of historic places compiled by the Historical Division of the Department of Cultural Affairs.[18]

B. State Building Code Energy Efficiency Requirements.

The state building code contained in Code chapter 103A is applicable to all buildings and structures owned by the state or an agency of the state, in a governmental subdivision of the state where the governing body of the political subdivision has enacted an ordinance accepting the application of the code, in a city with a population exceeding 15,000 which has not adopted a local building code substantially in accordance with nationally recognized standards, and to all newly constructed buildings and structures not owned by the state with construction costs paid for in whole or in part with state-appropriated moneys.[19]

1. Residential Construction.

The building code requires new single-family or two-family residential construction to comply with energy conservation requirements to be adopted by the State Building Code Commissioner based upon a nationally recognized standard or code for energy conservation. The requirements shall only apply to single-family or two-family residential construction commenced after the adoption of the requirements, and shall not be construed to prohibit a governmental subdivision from adopting or enacting a minimum energy standard which is substantially in accordance and consistent with energy codes and standards developed by a nationally recognized organization in effect on or after July 1, 2002. In the event that a governmental subdivision does adopt or enact such a minimum code or standard, the subdivision is required to adopt or enact any update or revision applicable thereto.[20]

2. Nonresidential Construction.

The building code also contains energy efficiency-related provisions applicable to larger-scale construction, requiring the specifications for all buildings constructed after July 1, 1977, which exceed a total volume of 100,000 cubic feet of enclosed space that

[15] Iowa Code § 470.3(1).
[16] Iowa Code § 470.7.
[17] Iowa Code § 470.8.
[18] Iowa Code § 470.5.
[19] Iowa Code § 103A.10(2).
[20] Iowa Code § 103A.8A.

are heated or cooled, to be reviewed by a registered architect or licensed engineer for compliance with applicable energy efficiency standards. A statement that a review has been accomplished and that the design is in compliance with energy efficiency standards must be filed with the State Building Code Commissioner prior to commencement of construction. If the specifications relating to energy efficiency for a specific structure have been approved, additional buildings may be constructed from those same plans and specifications without need of further approval if construction begins within a five-year period, and alterations of a structure which has previously been approved will not require another review if the basic structure of the building remains unchanged.[21] It should be noted that the building code also contains provisions establishing thermal efficiency energy conservation standards and lighting efficiency standards applicable to specified new construction projects.[22]

3. Iowa Utilities Board and Office of Consumer Advocate — Housing.

Energy efficiency building construction was also addressed during the 2006 Legislative Session with reference to construction of a new building to house the Iowa Utilities Board and the Consumer Advocate Division of the Department of Justice in the vicinity of the state Capitol complex. The Department of Administrative Services, in consultation with the board and the division, is directed to provide for construction of a model energy-efficient building that may be used as a public example for similar efforts. The building is required to comply with the previously discussed life cycle cost provisions contained in Code section 72.5.[23]

C. Department of Natural Resources and Office of Energy Independence.

Additional energy efficiency-related requirements or specifications concern certain aspects of the operation of the Department of Natural Resources, and related thereto, the scope and responsibilities of a newly created and independently established Office of Energy Independence.

1. Department of Natural Resources — Implementation of Goals.

Code section 473.3 states:

> *The goal of this state is to more efficiently utilize energy resources, especially those that are nonrenewable or that have negative environmental impacts, in order to enhance the economy of the state and to decrease the state's dependence on energy resources from outside the state by reducing the amount of energy used. This goal is to be implemented through the development of programs that promote energy efficiency and energy conservation by all Iowans, through the development and enhancement of an energy efficiency industry, through the development of indigenous energy resources that are economically and environmentally viable, and through the development and implementation of effective public information and education programs.*
>
> *State government shall be a model and testing ground for the use of energy efficiency systems.*

[21] Iowa Code § 103A.19.
[22] Iowa Code § 103A.10(4).
[23] Iowa Code § 476.10B(2).

In furtherance of this goal, the Department of Natural Resources is directed to compile and annually update information relating to the historical use and distribution of energy in Iowa; the growth rate of energy consumption in the state, including rates of growth for each energy source; a projection of Iowa's energy needs at a minimum through the year 2025; the impact of meeting the state's energy needs on the state's economy and environment; and an evaluation of renewable energy sources and their potential.[24] This information is required to be submitted to the Director of the Office of Energy Independence, as discussed below. The Department of Natural Resources is also required to identify a state facility to be used as a showcase demonstrating energy efficiency; to exchange energy information with other states; to develop a central depository for use in forecasting future energy demands; to develop, recommend, and implement energy-related public and professional education and communication programs, and to develop a program to annually give public recognition to innovative methods of energy conservation; and to administer and coordinate federal funds for energy conservation programs providing energy management and conservation assistance to schools, hospitals, health care facilities, communities, and the general public.[25] The department is further directed to administer an Energy Conservation Trust, established to increase energy conservation efforts and save the citizens energy expenditures. Moneys in the trust are to be expended only upon appropriation by the General Assembly and only for programs which will benefit citizens who may have suffered economic penalties resulting from alleged petroleum overcharges in violation of federal petroleum pricing regulations.[26]

2. Office of Energy Independence.

As previously mentioned, legislation enacted during the 2007 Legislative Session established an Office of Energy Independence.[27] Relating specifically to energy efficiency, the director of the office is required to lead outreach and public education efforts concerning energy efficiency; coordinate and monitor all existing state and federal energy efficiency grants, programs, and policy; advise the Governor and General Assembly concerning energy efficiency policy and legislation; establish performance measures for determining the effectiveness of energy efficiency efforts; develop, with the assistance of the Department of Natural Resources and other public and private partners, an energy independence plan; and to prepare and submit an annual report including an assessment of needs and fiscal recommendations relating to energy efficiency efforts.[28] The energy independence plan, again as it relates to energy efficiency as opposed to sources of energy and research related thereto, shall identify cost-effective options and strategies to maximize use of emerging technologies and practices to enhance energy efficiency and conservation; identify strategies to increase affordability of energy for individuals, families, organizations, and businesses,

[24] Iowa Code § 473.7(1).
[25] Iowa Code § 473.7.
[26] Iowa Code § 473.11(1).
[27] 2007 Iowa Acts ch. 168, § 2.
[28] 2007 Iowa Acts ch. 168, §§ 3, 4.

including low-income persons; and develop short-term and long-term recommendations regarding state energy independence efforts.[29] The legislation also provided for the establishment of an Iowa Power Fund, expenditures from which shall be used, among others, to improve energy efficiency and encourage, support, and provide for research, development, commercialization, and the implementation of energy technologies and practices.[30] The legislation additionally requires the Iowa Utilities Board to conduct two studies relating to energy efficiency, one related to the status and effectiveness of energy efficiency plans and programs offered by gas and electric utilities pursuant to Code section 476.6 (discussed subsequently in this Guide) and the other relating to consumer knowledge of energy use, energy efficiency, and methods for increasing such knowledge and reducing consumer energy utilization.[31]

III. Energy Efficiency Programs and Services.

Energy efficiency-related provisions in the Code also take the form of programs or services for which other state agencies, political subdivisions of the state, or citizens may qualify. As described below, these programs or services include energy efficiency recommendations for applicants from the Department of Economic Development, low-income energy assistance and weatherization programs, energy efficiency project financing options, qualification for designation as an energy city, and requirements imposed upon or offered by gas and electric utilities by the Iowa Utilities Board.

A. Department of Economic Development Applicant Referral Assistance.

Applicants receiving funding assistance from the Department of Economic Development in relation to efforts to encourage investment in low-income or other areas of the state to promote economic development receive information from the department regarding the nature and source of other technical assistance available in the state to assist the applicant on design and management matters concerning energy efficiency and waste reduction. The department reviews the extent to which recommendations made to grant recipients are in fact implemented.[32]

B. Low-income Energy and Weatherization Assistance.

The Division of Community Action Agencies of the Department of Human Rights administers programs relating to both the provision of assistance to low-income individuals regarding energy bill payments and weatherization programs to enhance energy efficiency. Legislation enacted during the 2007 Legislative Session established an Energy Utility Assessment and Resolution Program directed at low-income individuals in need of a deferred payment agreement to address home energy utility costs. Pursuant to the program, community action agencies are required to analyze a program participant's financial situation, review the participant's resource and money management options, assist in negotiating a deferred payment agreement with the participant's energy utility, develop a written household energy affordability plan, and provide energy-related training and assistance. The division is required to implement accountability measures relating to the

[29] 2007 Iowa Acts ch. 168, § 4.
[30] 2007 Iowa Acts ch. 168, § 9.
[31] 2007 Iowa Acts ch. 168, § 17.
[32] Iowa Code § 15.109(3).

program.[33] Code section 216A.93 also directs the division, in addition to low-income energy assistance, to provide weatherization programs. As provided by administrative rule, the purpose of the program is "to provide assistance in achieving a healthful dwelling environment and maximum practicable energy conservation in the dwellings of low-income persons, particularly those of elderly and handicapped persons, in order to both aid those persons least able to afford higher utility costs and to conserve needed energy."[34] Assistance in the form of weatherization materials, e.g., insulation, storm windows, caulking, weather stripping, and other related items, and related training and technical assistance is provided to qualifying low-income individuals pursuant to the program.[35] Notice of the existence of assistance programs is required to be provided to customers facing utility disconnection by rate-regulated gas and electric utilities.[36]

C. Energy Efficiency Financing and Investment.

As previously mentioned, the Department of Natural Resources administers programs involving financing options for energy efficiency improvements and upgrades.

1. Energy Bank.

An Energy Bank Program provides several forms of indirect financial assistance to the state, state agencies, political subdivisions of the state, school districts, area education agencies, community colleges, and nonprofit organizations. The energy bank coordinates the financing and conducting of the previously discussed comprehensive engineering analyses and energy audits for state agencies and political subdivisions of the state, and for school districts pursuant to Code section 279.44, which requires energy audits on a five-year basis for buildings owned or leased by a district unless the district documents that its energy consumption falls below a statewide average amount.[37] The energy bank also renders assistance in qualification for loans, leases, and other methods of alternative financing obtained or secured to implement energy conservation measures, serves as a source of technical support for energy conservation management, and provides assistance in obtaining insurance on the energy savings expected to be realized from the implementation of energy conservation measures. For these purposes, an "energy conservation measure" is defined as the "construction, rehabilitation, acquisition, or modification of an installation in a facility or vehicle which is intended to reduce energy consumption, or energy costs, or both, or allow the use of an alternative energy source, which may contain integral control and measurement devices," which is substantially similar to the definition contained in Code section 7D.34 regarding energy-related lease and lease-purchase agreements.[38]

2. Energy Loan Fund.

An Energy Loan Fund is established in Code section 473.20 to provide direct financial assistance to the same entities served by the energy bank previously

[33] 2007 Iowa Acts ch. 218, § 136
[34] Iowa Admin. Code 427-5.1.
[35] Iowa Admin. Code 427-5.3.
[36] Iowa Code § 476.20(2).
[37] Iowa Code § 473.19.
[38] Iowa Code § 473.19.

discussed in implementing cost-effective energy conservation measures identified in a comprehensive engineering analysis. A "loan" for purposes of this fund can refer to loans, leases, or alternative financing arrangements.[39] Qualification for a loan is contingent upon the completion of an energy management plan, including the engineering analysis and an energy audit.[40] Provisions relating to repayment of loan proceeds vary depending upon the nature of the loan recipient.[41] Loans are envisioned to be supported by, but not limited to, payments from energy savings resulting from the energy management improvements.[42] The loans would be funded by the Department of Natural Resources in the form of gifts, federal funds, state appropriations, and other moneys for deposit in the Energy Loan Fund, or through the self-liquidating financing provisions of Code section 470.20A (discussed below). Loan recipients are directed to "design and construct the most energy cost-effective facilities feasible and shall use the financing made available by the department to cover the incremental costs above minimum building code energy efficiency standards of purchasing energy efficient devices and materials unless other lower cost financing is available."[43] It should be noted that a loan recipient is not required to implement a specific energy conservation measure identified in a comprehensive engineering analysis if it can be demonstrated that the facility subject to the energy conservation measure is unlikely to be used or operated for the full period of the measure's expected payback.[44]

3. Self-liquidating Financing.

A related provision authorizes the Department of Natural Resources to enter into financing agreements with the same list of entities to provide the financing to pay the costs of furnishing energy conservation measures, with financing agreements containing provisions including interest, term, and obligations to make payments on the financing agreement beyond the current budget year as agreed upon between the department and the borrower on a self-liquidating basis.[45] While not defined in the Code, the department indicates that for this purpose, "self-liquidating financing" refers to a financing arrangement whereby the terms and duration of the loan correspond directly to the period of time during which resulting energy savings will provide for loan repayment.

4. Private Financing.

While the provisions establishing the Energy Loan Fund and self-liquidating financing provided by the Department of Natural Resources remain in the Code, the department indicates that the Energy Loan Fund has not, in fact, been funded and that all loans for energy efficiency purposes are instead financed through private banks and lending institutions on a self-liquidating basis facilitated with the assistance of the

[39] Iowa Code § 473.20(1) and 473.20(4).
[40] Iowa Code § 473.20(1). The department facilitates short-term financing for required analyses and audits pursuant to Iowa Admin. Code 565-6.6(3).
[41] Iowa Code § 473.20(2).
[42] Iowa Admin. Code 565-6.6(4).
[43] Iowa Code § 473.20(5).
[44] Iowa Code § 473.20(6).
[45] Iowa Code § 473.20A.

department and the energy bank. Such arrangements appear to be authorized in Code section 470.20A by virtue of the statement that "[t]he state, state agencies, political subdivisions of the state, school districts, area education agencies, community colleges, and nonprofit organizations may enter into financing agreements and issue obligations necessary to carry out the provisions of the chapter."[46]

D. Energy City Designation.

Legislation enacted during the 2007 Legislative Session provided for the establishment of an Energy City Designation Program administered by the Department of Natural Resources. The objective of the designation is to encourage cities to develop and implement innovative energy efficiency programs. To qualify for designation as an energy city, a city shall submit an application detailing community-based plans for energy reduction projects, energy-efficient building construction and rehabilitation, efforts to secure local funding for energy efficiency plans, involvement of local schools and community organizations, any existing or proposed ordinances encouraging energy efficiency and conservation, and community recycling efforts. Additionally, an applicant city is required to organize an energy day observance and proclamation with a commemorating event and awards ceremony for leading energy-efficient community businesses, groups, schools, or individuals. The department is directed to award designations to cities of varying populations, to identify and publicize state grant and loan programs relating to energy efficiency, and to develop a procedure for coordinating preferences with other state agencies for the awarding of grants or making of loans to energy city-designated applicants.[47]

E. Iowa Utilities Board.

Energy efficiency programs are required to be developed and offered to customers of rate-regulated gas and electric utilities, under the purview of the Iowa Utilities Board as provided in Code chapter 476. The programs can be offered either directly by the utility or by a third party or agent contracted with the utility. The programs are contained within energy efficiency plans which are filed with the board, and subject to board approval. Energy efficiency plans are, in general, required to be cost-effective, other than programs for qualified low-income persons and relating to tree planting, education, and assessments of consumers' needs for information to make effective choices regarding energy use and energy efficiency.[48] The plans are required to include a range of programs offering energy efficiency opportunities tailored to the needs of all customer classes, including residential, commercial, and industrial customers.[49] Programs relating to low-income energy assistance can take the form of a cooperative countywide or communitywide program with one or more community action agencies within a utility's service area. Iowa agencies and contractors are to be utilized to the maximum extent that is cost-effective in implementing programs contained within the plans.[50]

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[46] Iowa Code § 473.20A(3).
[47] 2007 Iowa Acts ch. 157, § 1.
[48] Iowa Code § 476.6(14). See 2007 Iowa Acts ch. 168, § 16.
[49] Iowa Code § 476.6(16).
[50] Iowa Code § 476.6(16).

Additionally, rate-regulated gas and electric utilities are required to submit an assessment to the board determining potential energy and capacity savings available from actual and projected customer usage through the application of commercially available technology and improved operating practices to energy-using equipment and buildings. Based on the assessments, and in consultation with the Department of Natural Resources, the board develops specific capacity and energy savings performance standards for incorporation into a utility's energy efficiency plan. The board may approve, reject, or modify submitted plans, and conduct contested case proceedings in relation thereto.[51]

Energy efficiency plans are also required to be filed by nonrate-regulated gas and electric utilities, but are not subject to board approval. Electric public utilities having fewer than 10,000 customers and electric cooperative corporations and associations, municipally owned utilities furnishing gas or electricity, and gas public utilities having fewer than 2,000 customers, must submit plans which are, on the whole, cost effective. Plans may be submitted individually or in combination with other similarly classified utilities, and may be waived by the board in whole or in part if a utility can demonstrate superior results with existing energy efficiency efforts.[52]

IV. Miscellaneous Provisions.

In addition to the provisions discussed in the previous three categories, several other references to energy efficiency programs or requirements exist throughout the Code.

A. State Vehicle Fleet.

The Director of the Department of Administrative Services is required to consider energy efficiency in assigning motor vehicles for use directly by the department or through the department for other specified state agencies. Standards applicable to such assignments are required to be developed by the director to assure assignment of the most energy-efficient vehicle or combination of vehicles available for a trip. Special work vehicles and law enforcement vehicles are exempt from the standards.[53]

B. School District Physical Plant and Equipment Levy.

One of the authorized uses for property tax revenue derived from the physical plant and equipment levy imposed by school districts for school finance-related purposes is for energy conservation.[54]

C. State Transportation Commission.

Among the duties listed for the State Transportation Commission is consideration of energy and environmental issues in transportation development, and promoting the efforts of political subdivisions in developing energy-efficient public transit systems, including bus and rail systems.[55]

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[51] Iowa Code § 476.6(16).
[52] Iowa Code §§ 476.1A, 476.1B, and 476.1C.
[53] Iowa Code § 8A.362(4).
[54] Iowa Code § 298.3(7).
[55] Iowa Code § 307.10(5) and (7).

D. Energy Efficiency Lighting.

All exterior floodlighting owned by a city, including but not limited to street and security lighting, must be replaced when worn out with high-pressure sodium lighting or lighting with equivalent or better energy efficiency as established by the Iowa Utilities Board by administrative rule. This requirement does not apply to period lighting, which has a minimum efficiency rating of 58 lumens per watt, or to stadium or ballpark lighting, but in the latter case worn out lighting must be replaced with the most energy-efficient lighting available at the time of replacement.[56] A similar provision applies to public utility-owned exterior floodlighting.[57]

E. Iowa Energy Center.

Code section 266.39C establishes an Iowa Energy Center at Iowa State University, with several specified objectives:

- Striving to increase energy efficiency in all areas of Iowa energy use.
- Serving as a model for state efforts to decrease dependence on imported fuels and to decrease reliance on energy production from nonrenewable, resource-depleting fuels.
- Conducting research on energy efficiency and conservation that will improve the environmental, social, and economic well-being of Iowans, minimize the environmental impact of existing energy production and consumption, and reduce the need to add new power plants.
- Assisting Iowans in assessing technology related to energy efficiency and alternative energy production systems and supporting educational and demonstration programs that encourage their implementation.
- Conducting and sponsoring research to develop alternative energy systems that are based upon renewable sources and that will reduce the negative environmental and economic impact of energy production systems.
- Developing a program to provide assistance to rural residents for energy efficiency efforts.
- Cooperating with the State Board of Education in developing a curriculum which promotes energy efficiency and conservation.[58]

The center is advised by a council, and the director and staff are comprised of employees of Iowa State University. Maximum funding allocation limitations apply regarding amounts to be expended annually on salaries and benefits out of state funds appropriated to the center, with remaining amounts used to sponsor research grants and projects submitted on a competitive basis by Iowa colleges and universities and private nonprofit agencies and foundations. The center is also authorized to solicit grants and

[56] Iowa Code § 364.23.
[57] Iowa Code § 476.62.
[58] Iowa Code § 266.39C(1),(5), and (6).

funding from public and private nonprofit agencies and foundations.[59] An additional source of funding for the center, along with a Center for Global and Regional Environmental Research established by the State Board of Regents, consists of remittances to the Treasurer of State by regulated and nonregulated gas and electric utilities of one-tenth of 1 percent of total gross operating revenues during a calendar year derived from their intrastate public utility operations. A schedule of remittances is established by the Iowa Utilities Board by administrative rule. Eighty-five percent of the remittances are allocated to the Iowa Energy Center, with the remaining 15 percent allocated to the Center for Global and Regional Environmental Research.[60]

F. Midwest Energy Compact.

Provisions relating to the establishment of a Midwest Energy Compact were enacted during the 1991 Legislative Session which envisioned Iowa joining with contiguous states in a compact to promote the economic and general welfare of citizens of the joining states by increasing energy efficiency and energy independence. The compact was to be governed by a commission made up of representatives from member states, which would conduct studies and investigations of energy efficiency measures and their effect on the citizens and economies of the member states, and make recommendations in relation thereto, including proposed state or federal legislation.[61] The Department of Natural Resources indicates that to date no implementation activity in relation to this compact has occurred.

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[59] Iowa Code § 266.39C(2-4).
[60] Iowa Code § 476.10A(1).
[61] Iowa Code § 473A.1.