AN ACT

RELATING TO ENERGY EFFICIENCY BY ESTABLISHING A COMMISSION ON
ENERGY EFFICIENCY STANDARDS AND PRACTICES, PROVIDING FOR
THE REPORTING OF ENERGY EFFICIENCY RESULTS AND SAVINGS BY
GAS AND ELECTRIC PUBLIC UTILITIES, SPECIFYING PROCEDURES FOR
ASSESSING POTENTIAL ENERGY AND CAPACITY SAVINGS AND DEVELOP-
ING ENERGY EFFICIENCY GOALS BY GAS AND ELECTRIC UTILITIES
NOT SUBJECT TO RATE REGULATION, PROVIDING FOR THE ESTAB-
LISHMENT OR PARTICIPATION IN A PROGRAM TO TRACK, RECORD, OR
VERIFY THE TRADING OF CREDITS FOR ELECTRICITY GENERATED
FROM SPECIFIED SOURCES, AND PROVIDING FOR THE ESTABLISH-
MENT OF AN INTERIM STUDY COMMITTEE TO CONDUCT AN EXAMINATION OF
ENERGY EFFICIENCY PLANS AND PROGRAMS WITH AN EMPHASIS ON
THE DEMAND OR CUSTOMER PERSPECTIVE, AND PROVIDING AN EFFEC-
TIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1.  NEW SECTION.  103A.27 COMMISSION ON ENERGY
EFFICIENCY STANDARDS AND PRACTICES.

1.  A commission on energy efficiency standards and
practices is established within the department of public
safety. The commission shall be composed of the following
members:

   a.  The state building code commissioner, or the
commissioner's designee.
   b.  The director of the office of energy independence, or
the director's designee.
   c.  A professional engineer licensed pursuant to chapter
542B.
   d.  An architect registered pursuant to chapter 544A.
   e.  Two individuals recognized in the construction industry
as possessing expertise and experience in the construction or
renovation of energy efficient residential and commercial
buildings.
   f.  A member of a local planning and zoning commission or
county board of supervisors.
   g.  Three individuals representing gas and electric public
utilities within this state, comprised of one individual
representing rural electric cooperatives, one individual
representing municipal utilities, and one individual
representing investor-owned utilities.
   h.  A local building official whose duties include
enforcement of requirements for energy conservation in
construction.
   i.  Two consumers, one of whom owns and occupies a
residential building in this state and one of whom owns and
occupies a building used in commercial business or
manufacturing.

2.  The commissioner shall appoint all members to the
commission other than those members designated in subsection
1, paragraphs "a" and "b". Appointment of members are subject
to the requirements of sections 69.16 and 69.16A. A vacancy
on the commission shall be filled for the unexpired portion of
the regular term in the same manner as regular appointments
are made. Members appointed by the commissioner shall be
reimbursed for actual and necessary expenses incurred in
performance of their duties. Such members may also be
eligible to receive compensation as provided in section 7E.6.

A majority of the members shall constitute a quorum.

3.  Duties of the commission shall include but are not
limited to the following:

   a.  Evaluate energy efficiency standards applicable to
existing or newly constructed residential, commercial, and
industrial buildings and vertical infrastructure at the state
and local level and make suggestions for their improvement and
enforcement. The evaluation of energy efficiency standards
shall include but not be limited to a review of the following:
   (1)  The reduction in energy usage likely to result from
the adoption and enforcement of the standards.
   (2)  The effect of compliance with the standards on indoor
air quality.

(3) The relationship of the standards to weatherization
programs for existing housing stock and to the availability of
affordable housing, including rental units.

b. Develop recommendations for new energy efficiency
standards, specifications, or guidelines applicable to newly
constructed residential, commercial, and industrial buildings
and vertical infrastructure.

c. Develop recommendations for the establishment of
incentives for energy efficiency construction projects which
exceed currently applicable state and local building codes.

d. Develop recommendations for adoption of a statewide
energy efficiency building labeling or rating system for
residential, commercial, and industrial buildings and
complexes.

e. Obtain input from individuals, groups, associations,
and agencies in carrying out the duties specified in
paragraphs "a" through "d", including but not limited to the
Iowa league of cities regarding local building code adoption
and enforcement in both large and small communities, the Iowa
landlord association, the department of transportation, the
department of public health, the division of community action
agencies of the department of human rights regarding
low-income residential customers, and obtain additional input
from any other source that the commission determines
appropriate.

4. The commission shall be formed for the two-year period
beginning July 1, 2008, and ending June 30, 2010, and shall
submit a report to the governor and the general assembly by
January 1, 2011, regarding its activities and recommendations.

Administrative support shall be furnished by the department of
public safety and assistance of the office of energy
independence and the department of natural resources.

Sec. 2. Section 476.1A, subsection 7, Code 2007, is
amended to read as follows:

7. Filing energy efficiency plans and energy efficiency
results with the board. The energy efficiency plans as a
whole shall be cost-effective. The board may permit these
utility joint plans. The board shall periodically
report the energy efficiency results including energy savings
of each of these utilities to the general assembly.

Sec. 3. Section 476.1B, subsection 1, paragraph 1, Code
2007, is amended to read as follows:

1. Filing energy efficiency plans and energy efficiency
results with the board. The energy efficiency plans as a
whole shall be cost-effective. The board may permit these
utilities to file joint plans. The board shall periodically
report the energy efficiency results including energy savings
of each of these utilities to the general assembly.

Sec. 4. Section 476.6, subsection 16, paragraph b, Code
Supplement 2007, is amended to read as follows:

b. A gas and electric utility required to be
rate-regulated under this chapter shall assess potential
energy and capacity savings available from actual and
projected customer usage by applying commercially available
technology and improved operating practices to energy-using
equipment and buildings. The utility shall submit the
assessment to the board. Upon receipt of the assessment, the
board shall consult with the department of natural resources
to develop specific capacity and energy savings performance
standards for each utility. The utility shall submit an
energy efficiency plan which shall include economically
achievable programs designed to attain these energy and
capacity performance standards. The board shall periodically
report the energy efficiency results including energy savings
of each utility to the general assembly.

Sec. 5. Section 476.6, subsection 16, Code Supplement
2007, is amended by adding the following new paragraphs:

NEW PARAGRAPH. bb. (1) Gas and electric utilities that
are not required to be rate-regulated under this chapter shall
assess maximum potential energy and capacity savings available
from actual and projected customer usage through
cost-effective energy efficiency measures and programs, taking
into consideration the utility service area's historic energy
load, projected demand, customer base, and other relevant
factors. Each utility shall establish an energy efficiency
goals base upon the assessment of potential and shall
establish cost-effective energy efficiency programs designed
to meet the energy efficiency goal. Separate goals may be
established for various customer groupings.

(2) Energy efficiency programs shall include efficiency
5 improvements to a utility infrastructure and system and
6 activities conducted by a utility intended to enable or
7 encourage customers to increase the amount of heat, light,
8 cooling, motive power, or other forms of work performed per
9 unit of energy used. In the case of a municipal utility, for
10 purposes of this paragraph, other utilities and departments of
11 the same extent that such utilities and departments would be
12 considered customers if served by an electric or gas utility
13 that is not a municipal utility. Energy efficiency programs
14 include activities which lessen the amount of heating,
15 cooling, or other forms of work which must be performed,
16 including but not limited to energy studies or audits, general
17 assistance, direct rebates to customers
18 or vendors of energy-efficient products, research projects,
19 direct installation by the utility of energy-efficient
20 equipment, direct and indirect load control, time-of-use
21 rates, tree planting programs, educational programs, and hot
22 water insulation distribution programs.
23
24 (3) Each utility shall commence the process of determining
25 its cost-effective energy efficiency goal on or before July 1,
26 2008, shall provide a progress report to the board on or
27 before January 1, 2009, and complete the process and submit a
28 final report to the board on or before January 1, 2010. The
29 report shall include the utility's cost-effective energy
30 efficiency goal and any updates or amendments to their energy
31 efficiency plans and goals. Filings made pursuant to this
32 paragraph "bb" shall be deemed to meet the filing requirements
33 of section 476.1A, subsection 7, and section 476.1B,
34 subsection 1, paragraph "l".
35
36 NEW PARAGRAPH. bbb. (1) The board shall evaluate the
37 reports required to be filed pursuant to paragraph "b" by gas
38 and electric utilities required to be rate-regulated, and
39 shall submit a report summarizing the evaluation to the
40 general assembly on or before January 1, 2009.
41 The board shall evaluate the reports required to be
42 filed pursuant to paragraph "bb" by gas and electric utilities
43 that are not required to be rate-regulated, and shall submit a
44 report summarizing the evaluation to the general assembly on
45 or before January 1, 2011.
46 (3) The reports submitted by the board to the general
47 assembly pursuant to this paragraph "bbb" shall include the
48 goals established by each of the utilities. The reports shall
49 also include the projected costs of achieving the goals,
50 potential rate impacts, and a description of the programs
51 offered and proposed by each utility or group of utilities,
52 and may take into account differences in system
53 characteristics, including but not limited to sales to various
54 classes of customers, age of facilities of new large customers,
55 and heating fuel type. The reports may contain
56 recommendations concerning the achievability of certain
57 intermediate and long-term energy efficiency goals based upon
58 the results of the assessments submitted by the utilities.
59 Sec. 6. NEW SECTION. 476.44A TRADING OF CREDITS.
60 The board may establish or participate in a program to
61 track, record, and verify the trading of credits for
62 electricity generated from alternative energy production
63 facilities or renewable energy sources among electric
64 generators, utilities, and other interested entities, within
65 this state and with similar entities in other states.
66 Sec. 7. RENEWABLE ENERGY GENERATION == COST-EFFECTIVE
67 POTENTIAL STUDY. The Iowa utility association, in
68 consultation with the Iowa association of electric
69 cooperatives and the Iowa association of municipal utilities,
70 shall conduct a technical study of the potential for achieving
71 or engaging in renewable energy generation on a cost-effective
basis by 2025. The study shall be transmitted to the office of energy independence by December 1, 2008, to be submitted with the energy independence plan required to be submitted by the office to the governor and the general assembly by December 14, 2008.

Sec. 8. ENERGY EFFICIENCY INTERIM STUDY COMMITTEE ==

CONSUMER FOCUS == REQUEST TO ESTABLISH. The legislative council is requested to establish an interim study committee to examine the existence and effectiveness of energy efficiency plans and programs implemented by gas and electric public utilities, with an emphasis on results achieved by current plans and programs from the demand, or customer, perspective, and to make recommendations for additional requirements applicable to energy efficiency plans and programs that would improve such results. In conducting the study and developing recommendations, the committee shall consider testimony from the Iowa utilities board, rate and nonrate-regulated gas and electric utilities, the consumer advocate, state agencies involved with energy efficiency program administration, environmental groups and associations, and consumers. The committee shall be composed of ten members, representing both political parties and both houses of the general assembly. Five members shall be members of the senate, three of whom shall be appointed by the majority leader of the senate and two of whom shall be appointed by the minority leader of the senate. The other five members shall be members of the house of representatives, three of whom shall be appointed by the speaker of the house of representatives, and two of whom shall be appointed by the minority leader of the house of representatives. The committee shall issue a report of its recommendations to the general assembly by January 15, 2009.

Sec. 9. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

JOHN P. KIBBIE
President of the Senate

PATRICK J. MURPHY
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2386, Eighty-second General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved ______________, 2008

CHESTER J. CULVER
Governor