

Senate File 517 - Enrolled

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SENATE FILE 517

AN ACT

RELATING TO THE DEVELOPMENT, MANAGEMENT, AND EFFICIENT USE OF ENERGY RESOURCES, MAKING ENERGY-RELATED MODIFICATIONS TO THE STATE BUILDING CODE, SETTING FEES, MAKING APPROPRIATIONS, AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. Section 8.60, subsection 15, Code 2007, is amended by striking the subsection.
Sec. 2. Section 12.28, subsection 6, Code 2007, is amended to read as follows:

6. The maximum principal amount of financing agreements which the treasurer of state can enter into shall be one million dollars per state agency in a fiscal year, subject to the requirements of section 8.46. For the fiscal year, the treasurer of state shall not enter into more than one million dollars of financing agreements per state agency, not considering interest expense. However, the treasurer of state may enter into financing agreements in excess of the one million dollar per agency per fiscal year limit if a constitutional majority of each house of the general assembly, or the legislative council if the general assembly is not in session, and the governor, authorize the treasurer of state to enter into additional financing agreements above the one million dollar authorization contained in this section. The treasurer of state shall not enter into a financing agreement for real or personal property which is to be constructed for use as a prison or prison-related facility without prior authorization by a constitutional majority of each house of the general assembly and approval by the governor of the use, location, and maximum cost, not including interest expense, of the real or personal property to be financed. However,

financing agreements for an energy conservation measure, as defined in section 7D.34, for an energy management improvement, as defined in section 473.19, or for costs associated with projects under section 473.13A, are exempt from the provisions of this subsection, but are subject to the requirements of section 7D.34 ~~or 473.20A~~. In addition, financing agreements funded through the materials and equipment revolving fund established in section 307.47 are exempt from the provisions of this subsection.

Sec. 3. Section 103A.3, Code 2007, is amended by adding the following new subsection:

NEW SUBSECTION. 23. "Sustainable design" means construction design intended to minimize negative environmental impacts and to promote the health and comfort of building occupants including but not limited to measures to reduce consumption of nonrenewable resources, minimize waste, and create healthy, productive environments.

Sec. 4. Section 103A.7, subsection 6, Code 2007, is amended to read as follows:

6. The conservation of energy through thermal ~~and lighting~~ efficiency standards for buildings intended for human occupancy ~~or use and which are heated or cooled and lighting~~ efficiency standards for buildings intended for human occupancy which are lighted.

Sec. 5. Section 103A.7, Code 2007, is amended by adding the following new subsection:

NEW SUBSECTION. 7. Standards for sustainable design, also known and referred to as green building standards.

Sec. 6. Section 103A.8, subsections 7 and 8, Code 2007, are amended to read as follows:

7. Limit the application of thermal efficiency standards for energy conservation to new construction of buildings which will incorporate a heating or cooling system are heated or cooled. Air exchange fans designed to provide ventilation shall not be considered a cooling system. The commissioner shall exempt any new construction from any thermal efficiency ~~standards standard~~ for energy conservation if the commissioner determines that the ~~standards are~~ standard is unreasonable as

3 4 they apply it would apply to a particular building or class of
3 5 buildings including farm buildings for livestock use. No
3 6 standard adopted by the commissioner for energy conservation
3 7 in construction shall be interpreted to require the
3 8 replacement or modification of any existing equipment or
3 9 feature solely to ensure compliance with requirements for
3 10 energy conservation in construction. Lighting efficiency
3 11 standards shall recognize variations in lighting intensities
3 12 required for the various tasks performed within the building.
3 13 The commissioner shall consult with the department of natural
3 14 resources regarding standards for energy conservation prior to
3 15 the adoption of the standards. However, the standards shall
3 16 be consistent with section 103A.8A.

3 17 8. Facilitate the development and use of solar renewable
3 18 energy.

3 19 Sec. 7. Section 103A.8A, Code 2007, is amended to read as
3 20 follows:

3 21 103A.8A ENERGY CONSERVATION REQUIREMENTS.

3 22 The state building code commissioner shall adopt as a part
3 23 of the state building code a requirement that new
3 24 single-family or two-family residential construction shall
3 25 comply with energy conservation requirements. The
3 26 requirements adopted by the commissioner shall be based upon a
3 27 nationally recognized standard or code for energy
3 28 conservation. The requirements shall only apply to
3 29 single-family or two-family residential construction commenced
3 30 after the adoption of the requirements. ~~This chapter shall~~

~~3 31 not be construed to prohibit a governmental subdivision from~~
~~3 32 adopting or enacting a minimum energy standard which is~~
~~3 33 substantially in accordance and consistent with energy codes~~
~~3 34 and standards developed by a nationally recognized~~
3 35 organization in effect on or after July 1, 2002. A

~~4 1 governmental subdivision that adopts or enacts a minimum~~
~~4 2 energy standard which is substantially in accordance and~~
~~4 3 consistent with energy codes and standards developed by a~~
~~4 4 nationally recognized organization shall adopt or enact any~~
~~4 5 update or revision to the energy codes and standards.~~
4 6 Notwithstanding any other provision of this chapter to the
4 7 contrary, the energy conservation requirements adopted by the
4 8 commissioner and approved by the council shall apply to new
4 9 single-family or two-family residential construction commenced
4 10 on or after July 1, 2008, and shall supersede and replace any
4 11 minimum requirements for energy conservation adopted or
4 12 enacted by the governmental subdivision prior to that date
4 13 applicable to such construction. The state building code
4 14 commissioner may provide training to builders, contractors,
4 15 and other interested persons on the adopted energy
4 16 conservation requirements.

4 17 Sec. 8. NEW SECTION. 103A.8B SUSTAINABLE DESIGN OR GREEN
4 18 BUILDING STANDARDS.

4 19 The commissioner, after consulting with and receiving
4 20 recommendations from the department of natural resources and
4 21 the office of energy independence, shall adopt rules pursuant
4 22 to chapter 17A specifying standards and requirements for
4 23 sustainable design and construction based upon or
4 24 incorporating nationally recognized ratings, certifications,
4 25 or classification systems, and procedures relating to
4 26 documentation of compliance. The standards and requirements
4 27 shall be incorporated into the state building code established
4 28 in section 103A.7, but in lieu of general applicability shall
4 29 apply to construction projects only if such applicability is
4 30 expressly authorized by statute, or as established by another
4 31 state agency by rule.

4 32 Sec. 9. Section 103A.10, subsection 4, paragraphs a and b,
4 33 Code Supplement 2007, are amended to read as follows:

4 34 a. Provisions of the state building code establishing
4 35 thermal efficiency energy conservation standards shall be
5 1 applicable to all new construction owned by the state, an
~~5 2 agency of the state or a political subdivision of the state,~~
~~5 3 to all new construction located in a governmental subdivision~~
~~5 4 which has adopted either the state building code or a local~~
~~5 5 building code or compilation of requirements for building~~
~~5 6 construction and to all other new construction in the state~~
5 7 which will contain more than one hundred thousand cubic feet
~~5 8 of enclosed space that is heated or cooled. The commissioner~~
5 9 shall provide appropriate exceptions for construction where
5 10 the application of an energy conservation requirement adopted
5 11 pursuant to this chapter would be impractical.

5 12 b. Provisions of the state building code establishing
5 13 lighting efficiency standards shall be applicable to all new
5 14 construction owned by the state, an agency of the state or a

~~5 15 political subdivision of the state and to all new
5 16 construction, in the state, of buildings which are open to the
5 17 general public during normal business hours and to new and
5 18 replacement lighting in existing buildings.~~

5 19 Sec. 10. Section 103A.10, subsection 5, Code Supplement
5 20 2007, is amended by striking the subsection and inserting in
5 21 lieu thereof the following:

5 22 5. Notwithstanding any other provision of this chapter to
5 23 the contrary, the energy conservation requirements adopted by
5 24 the commissioner and approved by the council shall apply to
5 25 all new construction commenced on or after July 1, 2008, and
5 26 shall supersede and replace any minimum requirements for
5 27 energy conservation adopted or enacted by the governmental
5 28 subdivision prior to that date and applicable to such
5 29 construction.

5 30 Sec. 11. Section 103A.10A, subsections 1 and 2, Code
5 31 Supplement 2007, are amended to read as follows:

5 32 1. ~~Beginning on January 1, 2007, all All newly constructed~~
5 33 ~~buildings or structures subject to the state building code,~~
5 34 ~~excluding including any addition, but excluding any~~
5 35 ~~renovation, or repair of a building or structure, whether~~
6 1 ~~existing prior to January 1, 2007, or thereafter, that are~~
6 2 ~~owned by the state or an agency of the state, except as~~
6 3 ~~provided in subsection 2, shall be subject to a plan review~~
6 4 ~~and inspection by the commissioner or an independent building~~
6 5 ~~inspector appointed by the commissioner. A fee shall be~~
6 6 ~~assessed for the cost of plan review and the cost of~~
6 7 ~~inspection. The commissioner may inspect an existing building~~
6 8 ~~that is undergoing renovation or remodeling to enforce the~~
6 9 ~~energy conservation requirements established under this~~
6 10 ~~chapter.~~

6 11 2. ~~Beginning on July 1, 2007, all All newly constructed~~
6 12 ~~buildings, excluding including any addition, but excluding any~~
6 13 ~~renovation, or repair of a building, whether existing prior to~~
6 14 ~~July 1, 2007, or thereafter, that are owned by the state board~~
6 15 ~~of regents shall be subject to a plan review and inspection by~~
6 16 ~~the commissioner or the commissioner's staff or assistant.~~
6 17 ~~The commissioner and the state board of regents shall develop~~
6 18 ~~a plan to implement the requirements of this subsection,~~
6 19 ~~including funding recommendations related to plan review and~~
6 20 ~~inspection, by March 1, 2007. The commissioner may inspect an~~
6 21 ~~existing building that is undergoing renovation or remodeling~~
6 22 ~~to enforce the energy conservation requirements established~~
6 23 ~~under this chapter. The commissioner and the state board of~~
6 24 ~~regents shall develop a plan to implement this provision.~~

6 25 Sec. 12. Section 103A.19, subsection 1, Code Supplement
6 26 2007, is amended to read as follows:

6 27 1. The examination and approval or disapproval of plans
6 28 and specifications, the issuance and revocation of building
6 29 permits, licenses, certificates, and similar documents, the
6 30 inspection of buildings or structures, and the administration
6 31 and enforcement of building regulations shall be the
6 32 responsibility of the governmental subdivisions of the state
6 33 and shall be administered and enforced in the manner
6 34 prescribed by local law or ordinance. All provisions of law
6 35 relating to the administration and enforcement of local
7 1 building regulations in any governmental subdivision shall be
7 2 applicable to the administration and enforcement of the state
7 3 building code in the governmental subdivision. An application
7 4 made to a local building department or to a state agency for
7 5 permission to construct a building or structure pursuant to
7 6 the provisions of the state building code shall, in addition
7 7 to any other requirement, be signed by the owner or the
7 8 owner's authorized agent, and shall contain the address of the
7 9 owner, and a statement that the application is made for
7 10 permission to construct in accordance with the provisions of
7 11 the code. The application shall also specifically include a
7 12 statement that the construction will be in accordance with all
7 13 applicable energy conservation requirements.

7 14 Sec. 13. Section 103A.22, subsection 1, Code 2007, is
7 15 amended to read as follows:

7 16 1. Nothing in this chapter shall be construed as
7 17 prohibiting any governmental subdivision from adopting or
7 18 enacting any building regulations relating to any building or
7 19 structure within its limits, but a governmental subdivision in
7 20 which the state building code has been accepted and is
7 21 applicable shall not have the power to supersede, void, or
7 22 repeal or make more restrictive any of the provisions of this
7 23 chapter or of the rules adopted by the commissioner. This
7 24 subsection shall not apply to energy conservation requirements
7 25 adopted by the commissioner and approved by the council

7 26 pursuant to section 103A.8A or 103A.10.

7 27 Sec. 14. Section 216A.102, subsection 2, paragraph b, Code
7 28 2007, is amended by striking the paragraph.

7 29 Sec. 15. Section 266.39C, subsection 3, Code 2007, is
7 30 amended to read as follows:

7 31 3. Iowa state university of science and technology shall
7 32 employ a director for the center, who shall be appointed by
7 33 the president of Iowa state university of science and
7 34 technology. The director of the center shall employ necessary
7 35 research and support staff. The director and staff shall be
8 1 employees of Iowa state university of science and technology.

~~8 2 No more than seven hundred thousand dollars of the funds made
8 3 available by appropriation from state revenues in any one year
8 4 shall be expended by the center for the salaries and benefits
8 5 of the employees of the center, including the salary and
8 6 benefits of the director. The limit on expenditures for
8 7 salaries and benefits shall be adjusted annually by a
8 8 percentage equal to the average percentage salary adjustment
8 9 approved annually by the state board of regents for
8 10 professional and scientific employees at Iowa state university
8 11 of science and technology. The remainder of the funds
8 12 appropriated from state funds Funds appropriated to the center
8 13 shall be used to sponsor research grants and projects
8 14 submitted on a competitive basis by Iowa colleges and
8 15 universities and private nonprofit agencies and foundations,
8 16 and for the salaries and benefits of the employees of the
8 17 center. The center may also solicit additional grants and
8 18 funding from public and private nonprofit agencies and
8 19 foundations.~~

8 20 Sec. 16. Section 388.9, subsection 2, Code 2007, is
8 21 amended by adding the following new unnumbered paragraph:

8 22 NEW UNNUMBERED PARAGRAPH. For purposes of this subsection,
8 23 "proprietary information" includes customer records that if
8 24 disclosed would harm the competitive position of a customer;
8 25 or information required by a noncustomer contracting party to
8 26 be kept confidential pursuant to a nondisclosure agreement
8 27 which relates to electric transmission planning and
8 28 construction, critical energy infrastructure, an ownership
8 29 interest or acquisition of an ownership interest in an
8 30 electric generating facility, or other information made
8 31 confidential by law or rule.

8 32 Sec. 17. Section 455E.11, subsection 2, paragraph e, Code
8 33 2007, is amended by striking the paragraph.

8 34 Sec. 18. Section 473.1, Code 2007, is amended by adding
8 35 the following new subsections:

9 1 NEW SUBSECTION. 0A. "Alternative and renewable energy"
9 2 means the same as in section 469.31.

9 3 NEW SUBSECTION. 4A. "Renewable fuel" means the same as in
9 4 section 469.31.

9 5 Sec. 19. Section 473.1, subsection 5, Code 2007, is
9 6 amended to read as follows:

9 7 5. "Supplier" means any person engaged in the business of
9 8 selling, importing, storing, or generating energy sources,
9 9 alternative and renewable energy, or renewable fuel in Iowa.

9 10 Sec. 20. Section 473.2, subsection 1, paragraph a, Code
9 11 2007, is amended to read as follows:

9 12 a. Physical, human, natural, and financial resources are
9 13 allocated efficiently.

9 14 Sec. 21. Section 473.3, Code 2007, is amended to read as
9 15 follows:

9 16 473.3 ENERGY EFFICIENCY RESOURCE MANAGEMENT GOAL.

9 17 1. The goal of this state is to ~~more~~ efficiently utilize
9 18 energy resources, ~~especially those that are nonrenewable or~~
~~9 19 that have negative environmental impacts, in order to enhance~~
9 20 the economy of the state ~~and to decrease by decreasing the~~
9 21 state's dependence on nonrenewable energy resources from
9 22 outside the state and by reducing the amount of energy used.
9 23 This goal is to be implemented through the development of
9 24 policies and programs that promote energy efficiency, and
9 25 energy conservation, and alternative and renewable energy use
9 26 by all Iowans, through the development and enhancement of an
9 27 energy efficiency and alternative and renewable energy
9 28 industry, through the development of indigenous
9 29 commercialization of energy resources and technologies that
9 30 are economically and environmentally viable, and through the
9 31 development and implementation of effective public information
9 32 and education programs.

9 33 2. State government shall be a model and testing ground
9 34 for the use of energy efficiency, energy conservation, and
9 35 alternative and renewable energy systems.

10 1 Sec. 22. Section 473.7, subsections 2 and 3, Code

10 2 Supplement 2007, are amended by striking the subsections.

10 3 Sec. 23. Section 473.7, subsections 4, 5, 11, 12, and 14,
10 4 Code Supplement 2007, are amended to read as follows:

~~10 5 4. a. Establish a central depository within the state for
10 6 energy data. The central depository shall be located at or
10 7 accessible through a library which is a member of an
10 8 interlibrary loan program to facilitate access to the data and
10 9 information contained in the central depository. The
10 10 department shall collect and analyze data necessary to
10 11 forecast to use in forecasting future energy demands in demand
10 12 and supply for the state. The department may require a A
10 13 supplier is required to provide information pertaining to the
10 14 supply, storage, distribution, and sale of energy sources in
10 15 this state when requested by the department. The information
10 16 shall be furnished on a periodic basis, shall be of a nature
10 17 which directly relates to the supply, storage, distribution,
10 18 and sale of energy sources, and shall not include any records,
10 19 documents, books, or other data which relate to the financial
10 20 position of the supplier. Provided the The department, prior
10 21 to requiring any supplier to furnish it with such information,
10 22 shall make every reasonable effort to determine if the same
10 23 such information is available from any other governmental
10 24 source. If it finds such information is available, the
10 25 department shall not require submission of the same
10 26 information from a supplier. Notwithstanding the provisions
10 27 of chapter 22, information and reports obtained under this
10 28 section shall be confidential except when used for statistical
10 29 purposes without identifying a specific supplier and when
10 30 release of the information will not give an advantage to
10 31 competitors and serves a public purpose. The department shall
10 32 use this data to conduct energy forecasts which shall be
10 33 included in the biennial update required by this section.~~

~~10 34 b. The department may subpoena witnesses, administer
10 35 oaths, and require the production of records, books, and
11 1 documents for examination in order to obtain information
11 2 required to be submitted under this section. In case of
11 3 failure or refusal on the part of any person to comply with a
11 4 subpoena issued by the department, or in case of the refusal
11 5 of any witness to testify as to any matter regarding which the
11 6 witness may be interrogated under this chapter, the district
11 7 court, upon the application of the department, may order the
11 8 person to show cause why the person should not be held in
11 9 contempt for failure to testify or comply with a subpoena, and
11 10 may order the person to produce the records, books, and
11 11 documents for examination, and to give testimony. The courts
11 12 may punish for contempt as in the case of disobedience to a
11 13 like subpoena issued by the court, or for refusal to testify.~~

~~11 14 5. Develop, recommend, and implement with appropriate
11 15 agencies public and professional education and communication
11 16 programs in energy efficiency, energy conservation, and
11 17 conversion to alternative sources of energy alternative and
11 18 renewable energy.~~

~~11 19 11. Develop, in coordination with the office of energy
11 20 independence, a program to annually give public recognition to
11 21 innovative methods of energy conservation, energy management,
11 22 and alternative and renewable energy production.~~

~~11 23 12. Administer and coordinate, in coordination with the
11 24 office of energy independence, federal funds for energy
11 25 conservation, energy management, and alternative and renewable
11 26 energy programs including, but not limited to, the
11 27 institutional conservation program, state energy conservation
11 28 program, and energy extension service program, and related
11 29 programs which provide energy management and conservation
11 30 assistance to schools, hospitals, health care facilities,
11 31 communities, and the general public.~~

~~11 32 14. Perform Provide information from monthly fuel surveys
11 33 which establish a statistical average of motor fuel prices for
11 34 various motor fuels provided throughout the state.
11 35 Additionally, the department shall perform provide statewide
12 1 monthly fuel surveys in cities with populations of over fifty
12 2 thousand survey information which establish a statistical
12 3 average of motor fuel prices for various motor fuels provided
12 4 in those individual cities both metropolitan and rural areas
12 5 of the state. The survey results shall be publicized in a
12 6 monthly press release issued by the department.~~

12 7 Sec. 24. Section 473.15, Code 2007, is amended to read as
12 8 follows:

12 9 473.15 ANNUAL REPORT.

~~12 10 The department shall include in the complete an annual
12 11 report required under section 455A.4 an assessment of to
12 12 assess the progress achieved by public agencies of state~~

~~12 13 agencies in implementing energy management improvements,
12 14 alternative and renewable energy systems, and life cycle cost
12 15 analyses under chapter 470, and on the use of renewable fuels.
12 16 The department shall work with state agencies and with any
12 17 entity, agency, or organization with which they are associated
12 18 or involved in such implementation, to use available
12 19 information to minimize the cost of preparing the report. The
12 20 department shall also provide an assessment of the economic
12 21 and environmental impact of the progress made by state
12 22 agencies related to energy management and alternative and
12 23 renewable energy, along with recommendations on technological
12 24 opportunities and policies necessary for continued improvement
12 25 in these areas.~~

12 26 Sec. 25. Section 473.19, Code 2007, is amended to read as
12 27 follows:

12 28 473.19 ENERGY BANK PROGRAM.

12 29 1. The energy bank program is established by the
12 30 department. The energy bank program consists of the following
12 31 forms of assistance for the state, state agencies, political
12 32 subdivisions of the state, school districts, area education
12 33 agencies, community colleges, and nonprofit organizations:

12 34 1- a. Promoting program availability.

12 35 b. Developing or identifying guidelines and model energy

~~13 1 techniques for the completion of energy analyses for state~~

~~13 2 agencies, political subdivisions of the state, school~~

~~13 3 districts, area education agencies, community colleges, and~~

~~13 4 nonprofit organizations.~~

13 5 c. Providing moneys from the petroleum overcharge fund

13 6 technical assistance for conducting or evaluating energy

~~13 7 audits analyses for school districts under section 279.44, for~~

~~13 8 conducting comprehensive engineering analyses for school~~

~~13 9 districts and for conducting energy audits and comprehensive~~

~~13 10 engineering analyses for state agencies, and political~~

~~13 11 subdivisions of the state agencies, political subdivisions of~~

~~13 12 the state, school districts, area education agencies,~~

~~13 13 community colleges, and nonprofit organizations.~~

13 14 2- d. Providing or facilitating loans, leases, and other

13 15 methods of alternative financing from under the energy loan

~~13 16 fund established in section 473.20 and section 473.20A program~~

~~13 17 for the state, state agencies, political subdivisions of the~~

~~13 18 state, school districts, area education agencies, community~~

~~13 19 colleges, and nonprofit organizations to implement energy~~

~~13 20 conservation measures management improvements or energy~~

~~13 21 analyses.~~

~~13 22 3. Serving as a source of technical support for energy~~

~~13 23 conservation management.~~

13 24 4- e. Providing assistance for obtaining insurance on the

13 25 energy savings expected to be realized from the implementation

13 26 of energy conservation measures management improvements.

13 27 5- f. Providing Facilitating self-liquidating financing

13 28 for the state, state agencies, political subdivisions of the

13 29 state, school districts, area education agencies, community

13 30 colleges, and nonprofit organizations pursuant to section

13 31 473.20A.

13 32 g. Assisting the treasurer of state with financing

~~13 33 agreements entered into by the treasurer of state on behalf of~~

~~13 34 state agencies to finance energy management improvements~~

~~13 35 pursuant to section 12.28.~~

14 1 2. For the purpose of this section, section 473.20, and

14 2 section 473.20A, "energy conservation measure" management

14 3 improvement" means construction, rehabilitation, acquisition,

14 4 or modification of an installation in a facility or vehicle

14 5 which is intended to reduce energy consumption, or energy

14 6 costs, or both, or allow the use of an alternative energy

~~14 7 source, which may contain integral alternative and renewable~~

~~14 8 energy. "Energy management improvement" may include control~~

~~14 9 and measurement devices. "Nonprofit organization" means an~~

~~14 10 organization exempt from federal income taxation under section~~

~~14 11 501(c)(3) of the Internal Revenue Code.~~

14 12 3. The department shall submit a report by January 1

14 13 annually to the governor and the general assembly detailing

14 14 services provided and assistance rendered pursuant to the

14 15 energy bank program and pursuant to sections 473.20 and

14 16 473.20A, and receipts and disbursements in relation to the

14 17 energy bank fund created in section 473.19A.

14 18 4. Moneys awarded or allocated to the state, its citizens,

14 19 or its political subdivisions as a result of the federal court

14 20 decisions and United States department of energy settlements

14 21 resulting from alleged violations of federal petroleum pricing

14 22 regulations attributable to or contained within the Stripper

14 23 Well fund shall be allocated to and remain under the control

14 24 of the department for utilization for energy program-related
14 25 staff support purposes.

14 26 Sec. 26. NEW SECTION. 473.19A ENERGY BANK FUND.

14 27 1. The energy bank fund is created within the state
14 28 treasury under the control of the department, in collaboration
14 29 with the office of energy independence established in section
14 30 469.2. The fund shall be used for the operational expenses
14 31 and administrative costs incurred by the department in
14 32 facilitating and administering the energy bank program
14 33 established in section 473.19.

14 34 2. The energy bank fund shall consist of amounts deposited
14 35 into the fund or allocated from the following sources:

15 1 a. Any moneys awarded or allocated to the state, its
15 2 citizens, or its political subdivisions as a result of the
15 3 federal court decisions and United States department of energy
15 4 settlements resulting from alleged violations of federal
15 5 petroleum pricing regulations attributable to or contained
15 6 within the Exxon fund. Amounts remaining in the oil
15 7 overcharge account established in section 455E.11, subsection
15 8 2, paragraph "e", and the energy conservation trust
15 9 established in section 473.11, as of June 30, 2008, shall be
15 10 deposited into the energy bank fund pursuant to this
15 11 paragraph, notwithstanding section 8.60, subsection 15.

15 12 b. (1) Moneys received in the form of fees imposed upon
15 13 the state, state agencies, political subdivisions of the
15 14 state, school districts, area education agencies, community
15 15 colleges, and nonprofit organizations for services performed
15 16 or assistance rendered pursuant to the energy bank program.
15 17 Fees imposed pursuant to this paragraph shall be established
15 18 by the department in an amount corresponding to the
15 19 operational expenses or administrative costs incurred by the
15 20 department in performing services or providing assistance
15 21 authorized pursuant to the energy bank program, as follows:

15 22 (a) For a building of up to twenty-five thousand square
15 23 feet, two thousand five hundred dollars.

15 24 (b) For a building in excess of twenty-five thousand
15 25 square feet, an additional eight cents per square foot.

15 26 (c) A building that houses more energy intensive functions
15 27 may be subject to a higher fee than the fees specified in
15 28 subparagraphs (a) and (b) as determined by the department.

15 29 (2) Any fees imposed shall be retained by the department
15 30 and are appropriated to the department for purposes of
15 31 providing the services or assistance under the program.

15 32 c. Moneys appropriated by the general assembly and any
15 33 other moneys, including grants and gifts from government and
15 34 nonprofit organizations, available to and obtained or accepted
15 35 by the department for placement in the fund.

16 1 d. Moneys contained in the intermodal revolving loan fund
16 2 administered by the department of transportation for the
16 3 fiscal year beginning July 1, 2019, and succeeding fiscal
16 4 years.

16 5 e. Moneys in the fund are not subject to section 8.33.
16 6 Notwithstanding section 12C.7, interest or earnings on moneys
16 7 in the fund shall be credited to the fund.

16 8 3. The energy bank fund shall be limited to a maximum of
16 9 one million dollars. Amounts in excess of this maximum
16 10 limitation shall be transferred to and deposited in the
16 11 rebuild Iowa infrastructure fund created in section 8.57,
16 12 subsection 6.

16 13 Sec. 27. Section 473.20, unnumbered paragraph 1, Code
16 14 2007, is amended to read as follows:

16 15 An energy loan ~~fund program~~ is established ~~in the office of~~
16 16 ~~the treasurer of state to and shall~~ be administered by the
16 17 department.

16 18 Sec. 28. Section 473.20, subsections 1, 5, and 6, Code
16 19 2007, are amended to read as follows:

16 20 1. The department may ~~make loans to the state, state~~
16 21 ~~agencies, facilitate the loan process for political~~
16 22 ~~subdivisions of the state, school districts, area education~~
16 23 ~~agencies, community colleges, and nonprofit organizations for~~
16 24 ~~implementation of energy conservation measures management~~
16 25 ~~improvements identified in a comprehensive engineering an~~
16 26 ~~energy analysis. Loans shall be made facilitated for all~~
16 27 ~~cost-effective energy management improvements. For the state,~~
16 28 ~~state agencies, political subdivisions of the state, school~~
16 29 ~~districts, area education agencies, community colleges, and~~
16 30 ~~nonprofit organizations to receive a loan from the fund~~
16 31 ~~assistance under the program, the department shall require~~
16 32 ~~completion of an energy management plan including an energy~~
16 33 ~~audit and a comprehensive engineering analysis. The~~
16 34 department shall approve loans ~~made facilitated~~ under this

16 35 section.

17 1 5. ~~The state, state agencies, political~~ Political
17 2 subdivisions of the state, school districts, area education
17 3 agencies, and community colleges shall design and construct
17 4 the most energy cost-effective facilities feasible and ~~shall~~
17 5 ~~use the financing made available~~ may use financing facilitated
17 6 by the department to cover the incremental costs above minimum
17 7 building code energy efficiency standards of purchasing energy
17 8 efficient devices and materials unless other lower cost
17 9 financing is available. As used in this section, "facility"
17 10 means a structure that is heated or cooled by a mechanical or
17 11 electrical system, or any system of physical operation that
17 12 consumes energy to carry out a process.

17 13 6. The department shall not require the state, state
17 14 agencies, political subdivisions of the state, school
17 15 districts, area education agencies, and community colleges to
17 16 implement a specific energy ~~conservation measure~~ management
17 17 ~~improvement identified in a comprehensive engineering an~~
17 18 ~~energy analysis if the entity which prepared the analysis~~
17 19 ~~demonstrates to the department that the facility which is the~~
17 20 ~~subject of the energy conservation measure~~ management
17 21 ~~improvement is unlikely to be used or operated for the full~~
17 22 ~~period of the expected savings payback of all costs associated~~
17 23 ~~with implementing the energy conservation measure~~ management
17 24 ~~improvement, including without limitation, any fees or charges~~
17 25 ~~of the department, engineering firms, financial advisors,~~
17 26 ~~attorneys, and other third parties, and all financing costs~~
17 27 ~~including interest, if financed.~~

17 28 Sec. 29. Section 473.20, subsection 3, Code 2007, is
17 29 amended by striking the subsection.

17 30 Sec. 30. Section 473.20A, Code 2007, is amended to read as
17 31 follows:

17 32 473.20A SELF-LIQUIDATING FINANCING.

17 33 1. The department of natural resources may ~~enter into~~
17 34 ~~facilitate~~ financing agreements that may be entered into with
17 35 ~~the state, state agencies, political subdivisions of the~~
18 1 state, school districts, area education agencies, community
18 2 colleges, or nonprofit organizations ~~in order to provide the~~
18 3 ~~financing to pay finance~~ the costs of furnishing energy
18 4 ~~conservation measures~~ management improvements on a
18 5 ~~self-liquidating basis.~~ The provisions of section 473.20
18 6 defining eligible energy ~~conservation measures and the method~~
18 7 ~~of repayment of the loans~~ management improvements apply to
18 8 financings under this section.

18 9 The financing agreement may contain provisions, including
18 10 interest, term, and obligations to make payments on the
18 11 financing agreement beyond the current budget year, as may be
18 12 ~~agreed upon between the department of natural resources and~~
18 13 ~~the state, state agencies, acceptable to~~ political
18 14 subdivisions of the state, school districts, area education
18 15 agencies, community colleges, or nonprofit organizations.

18 16 2. For the purpose of funding its obligation to furnish
18 17 moneys under the financing agreements, or to fund the energy
18 18 loan fund created in section 473.20, the treasurer of state,
18 19 with the assistance of the department of natural resources, or
18 20 the treasurer of state's duly authorized agents or
18 21 representatives, may incur indebtedness or enter into master
18 22 lease agreements or other financing arrangements to borrow to
18 23 accomplish energy conservation measures, or the department of
18 24 natural resources may enter into master lease agreements or
18 25 other financing arrangements to permit the state, state
18 26 agencies, political subdivisions of the state, school
18 27 districts, area education agencies, community colleges, or
18 28 nonprofit organizations to borrow sufficient funds to
18 29 accomplish the energy conservation measure. The obligations
18 30 may be in such form, for such term, bearing such interest and
18 31 containing such provisions as the department of natural
18 32 resources, with the assistance of the treasurer of state,
18 33 deems necessary or appropriate. Funds remaining after the
18 34 payment of all obligations have been redeemed shall be paid
18 35 into the energy loan fund. The department shall assist the
19 1 treasurer of state with financing agreements entered into by
19 2 the treasurer of state on behalf of state agencies pursuant to
19 3 section 12.28 to finance energy management improvements being
19 4 implemented by state agencies.

19 5 3- 2. ~~The state, state agencies, political~~ Political
19 6 subdivisions of the state, school districts, area education
19 7 agencies, community colleges, and nonprofit organizations may
19 8 enter into financing agreements and issue obligations
19 9 necessary to carry out the provisions of the chapter. Chapter
19 10 75 shall not be applicable.

19 11 Sec. 31. Section 476.46, subsection 2, paragraph d,
19 12 subparagraph (2), Code 2007, is amended to read as follows:
19 13 (2) A facility shall be eligible for no more than ~~two~~
~~19 14 hundred fifty thousand~~ one million dollars in loans
19 15 outstanding at any time under this program.

19 16 Sec. 32. Sections 473.11, 473.13, 473.16, 473.17, 473.42,
19 17 and 473.44, Code 2007, are repealed.

19 18 Sec. 33. EFFECTIVE DATE. This Act, being deemed of
19 19 immediate importance, takes effect upon enactment.

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19 23 _____
19 24 JOHN P. KIBBIE
19 25 President of the Senate

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19 28 _____
19 29 PATRICK J. MURPHY
19 30 Speaker of the House

19 31 I hereby certify that this bill originated in the Senate and
19 32 is known as Senate File 517, Eighty=second General Assembly.
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20 1 _____
20 2 MICHAEL E. MARSHALL
20 3 Secretary of the Senate

20 3 Approved _____, 2008

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20 7 _____
20 8 CHESTER J. CULVER
20 8 Governor