

House File 672

AN ACT
RELATING TO WIND AND OTHER SOURCES OF RENEWABLE ENERGY
DEVELOPMENT AND PRODUCTION, AND INCLUDING EFFECTIVE DATE
PROVISIONS.

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

Section 1. NEW SECTION. **476.53A Renewable electric power generation.**

It is the intent of the general assembly to encourage the development of renewable electric power generation. It is also the intent of the general assembly to encourage the use of renewable power to meet local electric needs and the development of transmission capacity to export wind power generated in Iowa.

Sec. 2. Section 476B.5, subsection 4, Code 2011, is amended to read as follows:

4. The maximum amount of nameplate generating capacity of all qualified facilities the board may find eligible under this chapter shall not exceed ~~one hundred~~ fifty megawatts of nameplate generating capacity.

Sec. 3. Section 476C.1, subsection 6, paragraph d, Code 2011, is amended to read as follows:

d. Was initially placed into service on or after July 1, 2005, and before January 1, ~~2012~~ 2015.

Sec. 4. Section 476C.1, subsection 6, Code 2011, is amended by adding the following new paragraphs:

NEW PARAGRAPH. e. For applications filed on or after July 1, 2011, is a facility of not less than three-fourths megawatts of nameplate generating capacity or the energy production capacity equivalent if all or a portion of the renewable energy produced is for on-site consumption by the producer.

NEW PARAGRAPH. f. For applications filed on or after July 1, 2011, except for wind energy conversion facilities, is a facility of no greater than five megawatts of nameplate generating capacity or the energy production capacity equivalent.

Sec. 5. Section 476C.1, subsection 8, Code 2011, is amended to read as follows:

8. "*Heat for a commercial purpose*" means the heat in British thermal unit equivalents from refuse-derived fuel, methane, or other biogas produced in this state either for commercial use by a producer for on-site consumption or sold to a purchaser of renewable energy for use for a commercial purpose in this state or for use by an institution in this state.

Sec. 6. Section 476C.2, subsection 1, Code 2011, is amended to read as follows:

1. A producer or purchaser of renewable energy may receive renewable energy tax credits under this chapter in an amount equal to one and one-half cents per kilowatt-hour of electricity, or four dollars and fifty cents per million British thermal units of heat for a commercial purpose, or four dollars and fifty cents per million British thermal units of methane gas or other biogas used to generate electricity, or one dollar and forty-four cents per one thousand standard cubic feet of hydrogen fuel generated by and purchased from an eligible renewable energy facility or used for on-site consumption by the producer.

Sec. 7. Section 476C.3, subsection 1, paragraph e, Code 2011, is amended to read as follows:

e. A Except when the renewable energy is produced for on-site consumption by the producer, a copy of the power purchase agreement or other agreement to purchase electricity, hydrogen fuel, methane or other biogas, or heat for a commercial purpose which shall designate either the producer or purchaser of renewable energy as eligible to apply for the renewable energy tax credit.

Sec. 8. Section 476C.3, subsection 3, Code 2011, is amended to read as follows:

3. a. A facility that is not operational within thirty months after issuance of an approval for the facility by the board shall cease to be an eligible renewable energy facility. However, a wind energy conversion facility that is approved as eligible under this section but is not operational within eighteen months due to the unavailability of necessary equipment shall be granted an additional twenty-four months to become operational.

b. A facility which notifies the board prior to the expiration of the time periods specified in paragraph "a" that the facility intends to become operational and wishes to preserve its eligibility shall be granted a twelve-month extension. An extension may be renewed for succeeding twelve-month periods if the board is notified prior to the expiration of the extension of the continued intention to become operational during the succeeding period of extension.

c. If the owner of a facility discontinues efforts to achieve operational status, the owner shall notify the board. Upon receipt of such notification, the board shall no longer consider the facility as an eligible renewable energy facility under this chapter.

d. A facility that is granted and thereafter loses approval may reapply to the board for a new determination.

Sec. 9. Section 476C.3, subsection 4, Code 2011, is amended to read as follows:

4. a. The maximum amount of nameplate generating capacity of all wind energy conversion facilities the board may find eligible under this chapter shall not exceed three hundred ~~thirty~~ sixty-three megawatts of nameplate generating capacity.

b. The maximum amount of energy production capacity equivalent of all other facilities the board may find eligible under this chapter shall not exceed a combined output of ~~twenty~~

fifty-three megawatts of nameplate generating capacity and one hundred sixty-seven billion British thermal units of heat for a commercial purpose. Of the maximum amount of energy production capacity equivalent of all other facilities found eligible under this chapter, fifty-five billion British thermal units of heat for a commercial purpose shall be reserved for an eligible facility that is a refuse conversion facility for processed, engineered fuel from a multicounty solid waste management planning area. The maximum amount of energy production capacity the board may find eligible for a single refuse conversion facility is fifty-five billion British thermal units of heat for a commercial purpose. Of the maximum amount of energy production capacity equivalent of all other facilities found eligible under this chapter, an amount equivalent to ten megawatts of nameplate generating capacity shall be reserved for eligible renewable energy facilities incorporated within or associated with an ethanol cogeneration plant engaged in the sale of ethanol to states to meet a low carbon fuel standard.

Sec. 10. Section 476C.4, subsections 1 and 2, Code 2011, are amended to read as follows:

1. A producer or purchaser of renewable energy may apply to the board for the renewable energy tax credit by submitting to the board all of the following:

a. A completed application in a form prescribed by the board.

b. A copy of the determination granting approval of the facility as an eligible renewable energy facility by the board.

c. A copy of a signed power purchase agreement or other agreement to purchase electricity, hydrogen fuel, methane or other biogas, or heat for a commercial purpose from an eligible renewable energy facility which shall designate either the producer or purchaser of renewable energy as eligible to apply for the renewable energy tax credit.

d. Sufficient documentation that the electricity, heat for a commercial purpose, methane gas or other biogas, or hydrogen fuel has been generated by the eligible renewable energy facility and sold to the purchaser of renewable energy.

e. To the extent the produced electricity, hydrogen fuel, methane or other biogas, or heat for a commercial purpose is used for on-site consumption, the requirements of paragraphs "c" and "d" shall not be applicable. For such renewable energy production, the owner must submit a certification under penalty of perjury that the claimed amount of electricity, hydrogen

fuel, methane or other biogas, or heat for a commercial purpose was produced by the eligible facility and consumed by the owner.

~~e.~~ f. Any other information the board deems necessary.

2. The board shall notify the department of the amount of kilowatt-hours, British thermal units of heat for a commercial purpose, British thermal units of methane gas or other biogas used to generate electricity, or standard cubic feet of hydrogen fuel generated and purchased from an eligible renewable energy facility or generated and used by the producer for on-site consumption. The department shall calculate the amount of the tax credit for which the applicant is eligible and shall issue the tax credit certificate for that amount or notify the applicant in writing of its refusal to do so. An applicant whose application is denied may file an appeal with the department within sixty days from the date of the denial pursuant to the provisions of chapter 17A.

Sec. 11. Section 476C.4, subsection 5, Code 2011, is amended to read as follows:

5. The department shall not issue a tax credit certificate if the facility approved by the board as an eligible renewable energy facility is not operational within eighteen months after the approval is issued, subject to the extension provisions of section 476C.3, subsection 3.

Sec. 12. Section 476C.5, Code 2011, is amended to read as follows:

476C.5 Certificate issuance period.

A producer or purchaser of renewable energy may receive renewable energy tax credit certificates for a ten-year period for each eligible renewable energy facility under this chapter. The ten-year period for issuance of the tax credit certificates begins with the date the purchaser of renewable energy first purchases electricity, hydrogen fuel, methane gas or other biogas used to generate electricity, or heat for commercial purposes from the eligible renewable energy facility for which a tax credit is issued under this chapter, or the date the producer of the renewable energy first uses the energy produced by the eligible renewable energy facility for on-site consumption. Renewable energy tax credit certificates shall not be issued for renewable energy purchased or produced for on-site consumption after December 31, ~~2021~~ 2024.

Sec. 13. EFFECTIVE UPON ENACTMENT. The section of this

Act amending section 476B.5, subsection 4, being deemed of immediate importance, takes effect upon enactment.

KRAIG PAULSEN
Speaker of the House

JOHN P. KIBBIE
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 672, Eighty-fourth General Assembly.

W. CHARLES SMITHSON
Chief Clerk of the House

Approved _____, 2011

TERRY E. BRANSTAD
Governor