Reprinted

APR 8 1988

APPROPRIATIONS CALENDAR

HOUSE FILE 2469

BY COMMITTEE ON APPROPRIATIONS

(Formerly House File 2438) ~

Passed	House,	Dat	e <u>4/12/8</u>	18 (p. 1760)	Passed	Senate,	Date	· · · · · · · · · · · · · · · · · · ·
Vote:	Ayes	94	Nays	2	Vote:	Ayes	Nays	
		Appro	ved					

A BILL FOR

1 An Act relating to energy development and conservation, making

- 2 appropriations of the petroleum overcharge funds, and
- 3 providing an effective date.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

H-6386

HOUSE FILE 2469

- Amend House File 2469 as follows:
 Page 2, by striking lines 2 through 5.
- H-6386 FILED APRIL 12, 1988 By SCHRADER of Marion

ADOPTED (q.1759)

TLSB 8110HA 72 pf/sc/14 Τ

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H.F. 2469

Section 1. There is appropriated for the fiscal period
 beginning July 1, 1988, and ending June 30, 1990, the
 following amounts, or so much thereof as is necessary, from
 those funds designated within the energy conservation trust
 created in section 93.11, to the energy and geological
 resources division of the department of natural resources for
 disbursement under section 93.11 to the following agencies for
 the purposes designated:

9 1. To the division of community action agencies of the 10 department of human rights for qualifying energy conservation 11 programs for low-income persons, including but not limited to 12 energy weatherization projects, which target the highest 13 energy users, and including administrative costs, to be 14 expended first from the balance of the Warner/Imperial fund 15 and supplemented by the Exxon fund for a total appropriation 16 not to exceed:

17 \$ 3,000,000
18 2. To the department of natural resources for the
19 following purposes:

20 a. For deposit in the oil overcharge account of the 21 groundwater protection fund created pursuant to section 22 455E.11, subsection 2, paragraph "e", and allocated as 23 provided, from the Stripper Well fund:

24 \$ 4,000,000
25 b. For the state energy conservation program, from the
26 Exxon fund:

27 ----1 118,500 S c. For the energy extension service program including 28 29 seventy thousand (70,000) dollars for the energy extension 30 program at Iowa State University from the Exxon fund: 31 119,700 d. To deduce the cost of financing, pursuant to section 32 33 19.34, for implementation of energy conservation measures 34 which are identified through comprehensive engineering

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35 analysis of state facilities:



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.... \$ 1,500,000 To the department of economic development for the 63862 3. 3 energy-related activities of the amorphous semiconductor 4 project at Iowa State University, from the Stripper Well fund: \$ 500,000 5 ... Sec. 2. There is appropriated an amount up to five 6 7 percent, but not to exceed two hundred thousand (200,000) 8 dollars, of the allowable petroleum overcharge money 9 appropriated for fiscal year 1989 to be used for 10 administration of the petroleum overcharge programs. 11 Sec. 3. Notwithstanding section 8.33, the funds 12 appropriated by sections 1 and 2 shall not revert until the 13 completion of the projects. 14 Sec. 4. 1987 Iowa Acts, chapter 230, section 1, subsection 15 2, paragraph d, subparagraph (1), is amended by striking the 16 subparagraph. Sec. 5. 1987 Iowa Acts, chapter 230, section 1, subsection 17 18 3, paragraph c, is amended by striking the paragraph. 1987 Iowa Acts, chapter 230, section 8, is amended 19 Sec. 6. 20 to read as follows: 21 SEC. 8. 1986 Iowa Acts, chapter 1249, section 4, 22 unnumbered paragraph 1, is amended to read as follows: There is appropriated from the funds available in the 23 24 energy conservation trust fund, established in section 93.11, 25 for the fiscal period beginning July 1, 1986, and ending June 26 30, 1988 1989, to the energy and geological resources division 27 of the department of natural resources for disbursement under 28 section 93.11, the following amounts, or so much thereof as is 29 necessary, to be used for the purposes designated consistent 30 with the expressed legislative intent of this Act: 31 Section 93.7, subsections 4, 5, 9, and 11, Code Sec. 7. 32 1987, are amended by striking the subsections. Sec. 8. Section 93.11, Code Supplement 1987, is amended to 33 34 read as follows: 35 93.11 ENERGY CONSERVATION TRUST FUND ESTABLISHED

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1 RECEIPTS AND DISBURSEMENTS.

1. a. The energy conservation trust fund is created within the state treasury. This state on behalf of itself, its citizens, and its political subdivisions accepts any moneys sawarded or allocated to the state, its citizens, and its political subdivisions as a result of the federal court decisions and federal department of energy settlements resulting from alleged violations of federal petroleum pricing pregulations and deposits the moneys in the energy conservation trust fund.

11 b. The energy conservation trust fund is established to 12 provide for an orderly, efficient, and effective mechanism to 13 make maximum use of moneys available to the state, in order to 14 increase energy conservation efforts and thereby to save the 15 citizens of this state energy expenditures. The moneys in the 16 accounts-in-the-fund funds in the trust shall be expended only 17 upon appropriation by the general assembly and only for 18 programs which will benefit citizens who may have suffered 19 economic penalties resulting from the alleged petroleum 20 overcharges.

c. The moneys awarded or allocated from each court decision or settlement shall be placed in a separate account a fund in the energy conservation trust fund. Notwithstanding section 453.7, interest and earnings on investments from moneys in the fund trust shall be credited proportionately to the accounts-in-the-fund funds in the trust.

d. Unless prohibited by the conditions applying to an account a settlement, the moneys in the energy conservation y trust fund may be used for the payment of attorney fees and expenses incurred by the state to obtain the moneys and shall he paid by the director of revenue and finance from the available moneys in the fund trust subject to the approval of attorney general.

34 e. However, petroleum overcharge funds moneys received
 35 pursuant to claims filed on behalf of the state, its

1 institutions, departments, agencies, or political subdivisions 2 shall be deposited in the general fund of the state to be 3 disbursed directly to the appropriate claimants in accordance 4 with federal guidelines and subject to the approval of the 5 attorney general.

6 2. The treasurer of state shall be the custodian of the 7 energy conservation trust fund and shall invest the moneys in 8 the fund trust, in consultation with the energy fund 9 disbursement council established in subsection 3 and the 10 investment board of the Iowa public employees' retirement 11 system, in accordance with the following guidelines: 12 a. To maximize the rate of return on moneys in the fund 13 trust while providing sufficient liquidity to make fund 14 disbursements, including contingency disbursements.

b. To absolutely insure the fund trust against loss.
c. To use such investment tools as are necessary to
17 achieve these purposes.

3. An energy fund disbursement council is established. 18 19 The council shall be composed of the governor or the 20 governor's designee, the director of the department of 21 management, who shall serve as the council's chairperson, the 22 administrator of the division of community action agencies of 23 the department of human rights, the administrator of the 24 energy and geological resources division of the department of 25 natural resources, and a designee of the director of the 26 department of transportation, who is knowledgeable in the 27 field of energy conservation. The council shall include as 28 nonvoting members two members of the senate appointed by the 29 majority leader of the senate and two members of the house of 30 representatives appointed by the speaker of the house. The 31 legislative members shall be appointed upon the convening and 32 for the period of each general assembly. Not more than one 33 member from each house shall be of the same political party. 34 The council shall be staffed by the energy and geological 35 resources division of the department of natural resources.

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H.F. 2469

1 The attorney general shall provide legal assistance to the 2 council.

The council shall:

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a. Oversee the investment of moneys deposited in the
5 energy conservation trust fund.

b. Make recommendations to the governor and the general
7 assembly regarding annual appropriations from the energy
8 conservation trust fund.

9 c. Work with the energy and geological resources division 10 in adopting administrative rules necessary to administer 11 expenditures from the fund trust, encourage applications for 12 grants and loans, review and select proposals for the funding 13 of competitive grants and loans from the energy conservation 14 trust fund, and evaluate their comparative effectiveness.

15 d. Monitor expenditures from the fund trust.

e. Approve any grants or contracts awarded from the energy
conservation trust fund in excess of five thousand dollars.
f. Prepare, in conjunction with the energy and geological
resources division, an annual report to the governor and the
general assembly regarding earnings of and expenditures from
the energy conservation trust fund.

The administrator of the energy and geological 22 4. 23 resources division of the department of natural resources 24 shall be the administrator of the energy conservation trust 25 fund. The administrator shall disburse moneys appropriated by 26 the general assembly from the accounts funds in the fund trust 27 in accordance with the federal court orders, law and 28 regulation, or settlement conditions applying to the moneys in 29 that account fund, and subject to the approval of the energy 30 fund disbursement council if such approval is required. The 31 council, after consultation with the attorney general, shall 32 immediately approve the disbursement of moneys from the 33 account funds in the fund trust for projects which meet the 34 federal court orders, law and regulations, or settlement 35 conditions which apply to that account fund.

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S.F. H.F. 2469

1 5. The following accounts funds are established in the 2 energy conservation trust fund:

3 a. The Warner/Imperial account fund.

4 b.--The-Amoco/Beldridge/Nordstrom-account.

e b. The Exxon account fund.

d c. The Stripper Wells-account Well fund.

e d. The Diamond Shamrock account fund.

8 fr--The-Amoco-Refined-account.

9 g---The-OKE-&-Coline-account-

10 har-The-other-funds-account-

11 e. The office of hearings and appeals second-

12 stage settlement fund.

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13 6. The moneys in the account fund in the energy 14 conservation trust fund distributed to the state as a result 15 of the 1985 federal court decision finding Exxon corporation 16 in violation of federal petroleum pricing regulations shall be 17 expended, to the extent possible, over a period of no more 18 than six years and shall be disbursed for projects which meet 19 the strict guidelines of the five existing federal energy 20 conservation programs specified in Pub. L. No. 97-377, § 155, 21 96 Stat. 1830, 1919 (1982). The council shall approve the 22 disbursement of moneys from the account fund in the fund trust 23 for other projects only if the project meets one or more of 24 the following conditions:

25 a. The projects meet the guidelines for allowable projects 26 under a modification order entered by the federal court in the 27 case involving Exxon corporation.

28 b. The projects meet the guidelines for allowable projects
29 under a directive order entered by the federal court in the
30 case involving Exxon corporation.

31 c. The projects meet the guidelines for allowable projects 32 under the regulations adopted or written clarifications issued 33 by the United States department of energy.

34 Sec. 9. Section 93.18, Code 1987, is repealed.
35 Sec. 10. Sections 93.21, 93.22, 93.23, 93.24, 93.25,

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1 93.26, 93.27, 93.28, 93.29, and 93.30, Code 1987, are 2 repealed.

3 Sec. 11. Section 9 of this Act, being deemed of immediate 4 importance, takes effect upon enactment.

EXPLANATION

This bill provides for the appropriation of moneys from the 6 7 petroleum overcharge funds to the department of natural 8 resources and other state agencies for energy conservation 9 programs, the energy extension program, including the energy 10 extension program at Iowa State University, and for the buy-11 down of interest incurred through financing agreements 12 relating t ϕ the implementation of energy conservation 13 measures, and for the department of economic development's 14 energy-related activities related to the amorphous 15 semiconductor project. The bill also establishes a limit of 16 expenditures of the appropriations for administration of 17 petroleum overcharge programs. The bill allows for extension 18 of the date of appropriations of funds originally appropriated 19 for the fiscal year ending June 30, 1988, and allows that 20 funds appropriated not revert until completion of the projects 21 designated The bill also removes the sunset of the energy 22 development and conservation chapter and repeals sections 23 relating t ϕ solar energy systems.

> SUCCESSOR TO HF 2438 (LSB 8110HV) SIMILAR TO HSB 675 (LSB 8110HC)

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LSB 8110HA 72 pf/sc/14

EOUSE FILE 2469 BY COMMITTEE ON APPROPRIATIONS

pf/pk/25

(As Amended and Passed by the House April 12, 1988)

San appropriation #/13 Corrend for Geobros San And (7. 570)

 \mathcal{R}_{2} Passed House, Date $\frac{4}{15}/88(4.2469)$ Passed Senate, Date $\frac{4}{14}/88(4.1576)$ Vote: Ayes _____ Nays ____ Vote: Ayes ____ Nays ____ Approved <u>Herry Later May 6, 1988</u> (Setter - frome) Horizon to present of (9.1613) W/10 -1/4 (9.163) A BILL FOR Report Sent <u>4/15/55 (9.1672)</u> 45-0 1 An Act relating to energy development and conservation, making appropriations of the petroleum overcharge funds, and 2 providing an effective date. 3 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA: 5 Deleted Language 🗩 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 HF 2469

Section 1. There is appropriated for the fiscal period
 beginning July 1, 1988, and ending June 30, 1990, the
 following amounts, or so much thereof as is necessary, from
 those funds designated within the energy conservation trust
 created in section 93.11, to the energy and geological
 resources division of the department of natural resources for
 disbursement under section 93.11 to the following agencies for
 the purposes designated:

9 1. To the division of community action agencies of the 10 department of human rights for qualifying energy conservation 11 programs for low-income persons, including but not limited to 12 energy weatherization projects, which target the highest 13 energy users, and including administrative costs, to be 14 expended first from the balance of the Warner/Imperial fund 15 and supplemented by the Exxon fund for a total appropriation 16 not to exceed:

17\$ 3,000,000
18 2. To the department of natural resources for the
19 following purposes:

a. For deposit in the oil overcharge account of the
21 groundwater protection fund created pursuant to section
22 455E.ll, subsection 2, paragraph "e", and allocated as
23 provided, from the Stripper Well fund:

24\$ 4,000,000 25 b. For the state energy conservation program, from the 26 Exxon fund:

27\$ 118,500
28 c. For the energy extension service program including
29 seventy thousand (70,000) dollars for the energy extension
30 program at Iowa State University from the Exxon fund:
31\$ 119,700
32 d. To reduce the cost of financing, pursuant to section
33 19.34, for implementation of energy conservation measures
34 which are identified through comprehensive engineering
35 analysis of state facilities:

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1 \$ 1,500,000

Sec. 2. There is appropriated an amount up to five
percent, but not to exceed two hundred thousand (200,000)
dollars, of the allowable petroleum overcharge money
appropriated for fiscal year 1989 to be used for
administration of the petroleum overcharge programs.
Sec. 3. Notwithstanding section 8.33, the funds
appropriated by sections 1 and 2 shall not revert until the

9 completion of the projects.

Sec. 4. 1987 Iowa Acts, chapter 230, section 1, subsection 11 2, paragraph d, subparagraph (1), is amended by striking the 12 subparagraph.

13 Sec. 5. 1987 Iowa Acts, chapter 230, section 1, subsection14 3, paragraph c, is amended by striking the paragraph.

15 Sec. 6. 1987 Iowa Acts, chapter 230, section 8, is amended 16 to read as follows:

SEC. 8. 1986 Iowa Acts, chapter 1249, section 4, unnumbered paragraph 1, is amended to read as follows: There is appropriated from the funds available in the energy conservation trust fund, established in section 93.11, for the fiscal period beginning July 1, 1986, and ending June 230, 1988 1989, to the energy and geological resources division 3 of the department of natural resources for disbursement under 4 section 93.11, the following amounts, or so much thereof as is 25 necessary, to be used for the purposes designated consistent 26 with the expressed legislative intent of this Act:

27 Sec. 7. Section 93.7, subsections 4, 5, 9, and 11, Code 28 1987, are amended by striking the subsections.

29 Sec. 8. Section 93.11, Code Supplement 1987, is amended to 30 read as follows:

31 93.11 ENERGY CONSERVATION TRUST FUND ESTABLISHED --32 RECEIPTS AND DISBURSEMENTS.

33 1. a. The energy conservation trust fund is created within
34 the state treasury. This state on behalf of itself, its
35 citizens, and its political subdivisions accepts any moneys

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S.F. H.F. 2469

1 awarded or allocated to the state, its citizens, and its
2 political subdivisions as a result of the federal court
3 decisions and federal department of energy settlements
4 resulting from alleged violations of federal petroleum pricing
5 regulations and deposits the moneys in the energy conservation
6 trust fund.

7 b. The energy conservation trust fund is established to 8 provide for an orderly, efficient, and effective mechanism to 9 make maximum use of moneys available to the state, in order to 10 increase energy conservation efforts and thereby to save the 11 citizens of this state energy expenditures. The moneys in the 12 accounts-in-the-fund <u>funds in the trust</u> shall be expended only 13 upon appropriation by the general assembly and only for 14 programs which will benefit citizens who may have suffered 15 economic penalties resulting from the alleged petroleum 16 overcharges.

17 c. The moneys awarded or allocated from each court 18 decision or settlement shall be placed in a separate account 19 <u>fund</u> in the energy conservation trust fund. Notwithstanding 20 section 453.7, interest and earnings on investments from 21 moneys in the fund <u>trust</u> shall be credited proportionately to 22 the accounts-in-the-fund <u>funds</u> in the trust.

d. Unless prohibited by the conditions applying to an account a settlement, the moneys in the energy conservation trust fund may be used for the payment of attorney fees and expenses incurred by the state to obtain the moneys and shall be paid by the director of revenue and finance from the available moneys in the fund trust subject to the approval of the attorney general.

30 e. However, petroleum overcharge funds moneys received 31 pursuant to claims filed on behalf of the state, its 32 institutions, departments, agencies, or political subdivisions 33 shall be deposited in the general fund of the state to be 34 disbursed directly to the appropriate claimants in accordance 35 with federal guidelines and subject to the approval of the

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1 attorney general.

2 2. The treasurer of state shall be the custodian of the 3 energy conservation trust fund and shall invest the moneys in 4 the fund trust, in consultation with the energy fund 5 disbursement council established in subsection 3 and the 5 investment board of the Iowa public employees' retirement 7 system, in accordance with the following guidelines: To maximize the rate of return on moneys in the fund 8 a. 9 trust while providing sufficient liquidity to make fund 10 disbursements, including contingency disbursements. To absolutely insure the fund trust against loss. 11 b. 12 c. To use such investment tools as are necessary to 13 achieve these purposes.

An energy fund disbursement council is established. 14 3. 15 The council shall be composed of the governor or the 16 governor's designee, the director of the department of 17 management, who shall serve as the council's chairperson, the 18 administrator of the division of community action agencies of 19 the department of human rights, the administrator of the 20 energy and geological resources division of the department of 21 natural resources, and a designee of the director of the 22 department of transportation, who is knowledgeable in the 23 field of energy conservation. The council shall include as 24 nonvoting members two members of the senate appointed by the 25 majority leader of the senate and two members of the house of 26 representatives appointed by the speaker of the house. The 27 legislative members shall be appointed upon the convening and 28 for the period of each general assembly. Not more than one 29 member from each house shall be of the same political party. 30 The council shall be staffed by the energy and geological 31 resources division of the department of natural resources. 32 The attorney general shall provide legal assistance to the 33 council.

34 The council shall:





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1 energy conservation trust fund.

b. Make recommendations to the governor and the general
3 assembly regarding annual appropriations from the energy
4 conservation trust fund.

5 c. Work with the energy and geological resources division 6 in adopting administrative rules necessary to administer 7 expenditures from the fund trust, encourage applications for 8 grants and loans, review and select proposals for the funding 9 of competitive grants and loans from the energy conservation 10 trust fund, and evaluate their comparative effectiveness.

11 d. Monitor expenditures from the fund trust.

e. Approve any grants or contracts awarded from the energy
conservation trust fund in excess of five thousand dollars.
f. Prepare, in conjunction with the energy and geological
resources division, an annual report to the governor and the
general assembly regarding earnings of and expenditures from
the energy conservation trust fund.

18 4. The administrator of the energy and geological 19 resources division of the department of natural resources 20 shall be the administrator of the energy conservation trust 21 fund. The administrator shall disburse moneys appropriated by 22 the general assembly from the accounts funds in the fund trust 23 in accordance with the federal court orders, law and 24 regulation, or settlement conditions applying to the moneys in 25 that account fund, and subject to the approval of the energy 26 fund disbursement council if such approval is required. The 27 council, after consultation with the attorney general, shall 28 immediately approve the disbursement of moneys from the 29 account funds in the fund trust for projects which meet the 30 federal court orders, law and regulations, or settlement 31 conditions which apply to that account fund.

32 5. The following accounts <u>funds</u> are established in the 33 energy conservation trust fund:

34 a. The Warner/Imperial account fund.

35 b=--The-Amoco/Beldridge/Nordstrom-account=

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e b. The Exxon account fund.

d c. The Stripper Wells-account Well fund.

e d. The Diamond Shamrock account fund. 3

4 fr--Phe-Amoco-Refined-account-

5 g---The-OKE-&-Coline-account:

6 h---The-other-funds-account-

e. The office of hearings and appeals second-7

8 stage settlement fund.

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The moneys in the account fund in the energy 9 6. 10 conservation trust fund distributed to the state as a result 11 of the 1985 federal court decision finding Exxon corporation 12 in violation of federal petroleum pricing regulations shall be 13 expended, to the extent possible, over a period of no more 14 than six years and shall be disbursed for projects which meet 15 the strict guidelines of the five existing federal energy 16 conservation programs specified in Pub. L. No. 97-377, § 155, 17 96 Stat. 1830, 1919 (1982). The council shall approve the 18 disbursement of moneys from the account fund in the fund trust 19 for other projects only if the project meets one or more of 20 the following conditions:

21 The projects meet the guidelines for allowable projects a. 22 under a modification order entered by the federal court in the 23 case involving Exxon corporation.

24 b. The projects meet the guidelines for allowable projects 25 under a directive order entered by the federal court in the 26 case involving Exxon corporation.

The projects meet the guidelines for allowable projects 27 c. 28 under the regulations adopted or written clarifications issued 29 by the United States department of energy.

30

Sec. 9. Section 93.18, Code 1987, is repealed.

31 Sec. 10. Sections 93.21, 93.22, 93.23, 93.24, 93.25, 32 93.26, 93.27, 93.28, 93.29, and 93.30, Code 1987, are 33 repealed.

34 Sec. 11. Section 9 of this Act, being deemed of immediate 35 importance, takes effect upon enactment.

HF 2469 pf/pk/25

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HOUSE FILE 2469

Amend House File 2469 as amended, passed, and 1 2 reprinted by the House, as follows: 3 1. Page 2, by inserting after line 1, the 4 following: "3. To the division of community action agencies 5 6 of the department of human rights for the operation of 7 the affordable heating payment program pilot project 8 from the Stripper Well fund: 9 \$ 500,000 10 Not more than twenty-five thousand (25,000) dollars 11 of the moneys appropriated under this subsection shall 12 be used for administrative costs. This appropriation 13 is contingent upon and shall only be made if the 1988 14 Session of the General Assembly enacts House File 683 15 establishing the affordable heating payment program 16 pilot project." S-6012

Filed April 14, 1988

BY MICHAEL E. GRONSTAL

HOUSE FILE 2469

S-6016

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S-6012

Amend House File 2469 as amended, passed, and reprinted by the House as follows: 1. Page 6, by striking line 30.

ADOPTED

(1.1571)

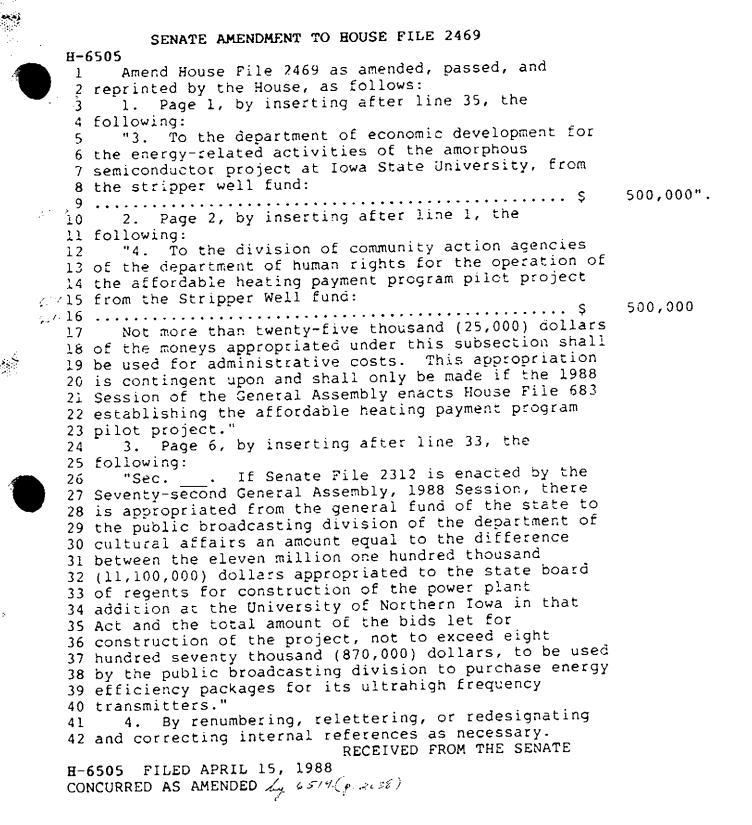
S-6016 Filed April 14, 1988

BY EDGAR H. HOLDEN

HOUSE FILE 2469

S-5993 1 Amend House File 2469 as amended, passed, and 2 reprinted by the House, as follows: 3 1. Page 2, by inserting after line 1, the 4 following: "3. To the department of economic development for 5 6 the energy-related activities of the amorphous 7 semiconductor project at Iowa State University, from 8 the stripper well-fund: 9 \$ 500,000". S-5993 BY RICHARD DRAKE Filed April 14, 1988 CALVIN HULTMAN JIM RIORDAN CHARLES BRUNER HOUSE FILE 2469 S-6006 1 Amend House File 2469, as amended and passed by the <u>2_House</u>, as follows: 1. Page 1, by inserting after line 35, the DIV 4 following: 5 "3. To "3. To the department of economic development for 6 the energy-related activities of the amorphous
 7 semiconductor project at Iowa State University, from 8 the stripper well fund: 9.....\$ 500,000". 10 2. Page 6, by inserting after line 33, the 11 following: 12 "Sec. . If Senate File 2312 is enacted by the DIV 13 Seventy-second General Assembly, 1988 Session, there 14 is appropriated from the general fund of the state to 15 the public broadcasting division of the department of B 16 cultural affairs an amount equal to the difference 17 between the eleven million one hundred thousand 18 (11,100,000) dollars appropriated to the state board 19 of regents for construction of the power plant 20 addition at the University of Northern Iowa in that 21 Act and the total amount of the bids let for 22 construction of the project, not to exceed eight 23 hundred seventy thousand (870,000) dollars, to be used 24 by the public broadcasting division to purchase energy 25 efficiency packages for its ultrahigh frequency 26 transmitters," S-6006 Filed April 14, 1988 DIV A - ADOPTED BY COMMITTEE ON APPROPRIATIONS DIV B - ADOPTED JOE WELSH, Chairperson (p. 15 2)

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SENATE 93 APRIL 16, 1988

> HOUSE AMENDMENT TO SENATE AMENDMENT TO HOUSE FILE 2469

S-6072

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Amend the Senate amendment, H-6505, to House File 1 2 2469, as amended, passed, and reprinted by the House, 3 as follows: 1. Page 1, by inserting after line 2 the 4 5 following: " . Page 1, by inserting after line 17 the fol-6 7 lowing: 8 "If additional funding is necessary for the 9 implementation of the provisions of 1988 Iowa Acts, 10 the division of community action agencies of the 11 department of human rights may allocate not more than 12 one hundred fifty thousand (150,000) dollars from the 13 moneys appropriated under this subsection for the 14 funding of such provisions." . Page 1, line 35, by inserting after the word 15 16 "facilities" the following: "from the Stripper Well 17 fund"." 18 2. Page 1, by striking lines 3 and 4 and 19 inserting the following: . " . Page 2, by striking line 1 and inserting 20 21 the following: 1,000,000". 2 ".....\$ 23 . Page 2, by inserting after line 1 the second 24 following:." 3. Page 1, by inserting after line 9, the fol-25 26 lowing: "If the amorphous semiconductor project is not 27 28 approved, the moneys appropriated under this 29 subsection shall revert to the Stripper Well fund." 4. Page 1, by striking lines 10 and 11. 30 5. Page 1, by striking line 15 and inserting the 31 32 following: "from the Exxon fund to the extent to 33 which the project qualifies for such funding, and the 34 remainder shall be appropriated from the Stripper Well 35 fund." 6. Page 1, line 16, by striking the figure 36 37 "500,000" and inserting the following: "350,000". 7. Page 1, by inserting after line 16 the fol-38 39 lowing: 40 "If the project under this subsection cannot be 41 funded with either Exxon or Stripper Well funds, or 42 both, the moneys appropriated shall revert to their 43 respective funds." S-6072

Filed April 15, 1988 ADOPTED (p.1677)

RECEIVED FROM THE HOUSE

ADOPTED (p. 2032)

APRIL 16, 1988

Page 15

HOUSE FILE 2469

-6519 Amend the Senate amendment, H-6505, to House File 2 2469, as amended, passed, and reprinted by the House, 3 as follows: 1. Page 1, by inserting after line 2 the 4 5 following: " . Page 1, by inserting after line 17 the fol-6 7 lowing: 8 "If additional funding is necessary for the 9 implementation of the provisions of 1988 Iowa Acts, 10 the division of community action agencies of the Il department of human rights may allocate not more than 12 one hundred fifty thousand (150,000) dollars from the 13 moneys appropriated under this subsection for the 14 funding of such provisions." 15 . Page 1, line 35, by inserting after the word 16 "facilities" the following: "from the Stripper Well 17 fund"." 18 2. Page 1, by striking lines 3 and 4 and 19 inserting the following: " . Page 2, by striking line 1 and inserting 20 21 the following: 22 "..... \$ 1,000,000". 23 . Page 2, by inserting after line 1 the 24 following:." 25 3. Page 1, by inserting after line 9, the fol-% lowing: 27 "If the amorphous semiconductor project is not 28 approved, the moneys appropriated under this 29 subsection shall revert to the Stripper Well fund." 30 Page 1, by striking lines 10 and 11. 4. 31 5. Page 1, by striking line 15 and inserting the 32 following: "from the Exxon fund to the extent to 33 which the project qualifies for such funding, and the 34 remainder shall be appropriated from the Stripper Well 35 fund." 36 6. Page 1, line 16, by striking the figure 37 "500,000" and inserting the following: "350,000". 38 7. Page 1, by inserting after line 16 the fol-39 lowing: 40 "If the project under this subsection cannot be 41 funded with either Exxon or Stripper Well funds, or 42 both, the moneys appropriated shall revert to their 43 respective funds." By SCHRADER of Marion ROSENBERG of Story KNAPP of Dubuque H-6519 FILED APRIL 15, 1988

HOUSE CLIP SHEET

APRIL 15, 1988

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HOUSE FILE 2469 AS AMENDED AND PASSED BY THE HOUSE

In compliance with a written request received April 12, 1988, a fiscal note for HOUSE FILE 2469 AS AMENDED AND PASSED BY THE HOUSE is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 2469 as amended and passed by the House appropriates funds from the various Petroleum Overcharge accounts to the Department of Natural Resources and other State agencies for energy conservation programs, the energy extension program, for the buy-down of interest incurred through financing agreements relating to the implementation of energy conservation measures, and for administrative costs. The bill removes the sunset date of Chapter 93, Code of Iowa which relates to energy development and conservation and repeals Sections of the same Chapter pertaining to solar energy. The bill also contains clean-up language relating to fund names.

APPROPRIATIONS

Low-Income Weatherization	\$	3,000,000
Groundwater Protection		4,000,000
Energy Conservation		118,500
Energy Extension		119,700
Financing Buy-Down		1,500,000
Administration (Upper Limit)	_	200,000
Total	\$	8,938,200

(LSB 8]10h.2. JWR)

FILED APRIL 14, 1988

BY DENNIS PROUTY, FISCAL DIRECTOR

NSB 675

ENERGY AND ENVIRONMENTAL PROTECTION

House Study Bill 575 Energy und Environmental Profection: Schrader, Chair, Garman, Holveck, Mullins un Rosenberg

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E 2438 + 2469

BY (PROPOSED COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION BILL)

Passed	Eouse,	Date	Passed	Senate,	Date
Vote:	Ayes	Nays	Vote:	Ayes	Nays
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A BILL FOR

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1 Section 1. There is appropriated for the fiscal period 2 beginning July 1, 1988, and ending June 30, 1990, the 3 following amounts, or so much thereof as is necessary, from 4 those accounts designated within the energy conservation trust 5 fund created in section 93.11, to the energy and geological 6 resources division of the department of natural resources for 7 disbursement under section 93.11 to the following agencies for 8 the purposes designated:

To the division of community action agencies of the 9 1. 10 department of human rights for qualifying energy conservation ll programs for low-income persons which target the highest 12 energy users. The funds shall be used to supplement other 13 federal funds including but not limited to energy 14 weatherization project funds, and including administrative 15 costs, and shall be subject to the same priority guidelines as 16 required by the department of energy. Not more than five 17 hundred thousand (500,000) dollars of the funds appropriated 18 by this subsection shall be used to fund the low-income home 19 energy assistance program and weatherization assistance 20 program to assist in the utility billing of Iowa customers of 21 electric and gas public utilities whose services have been 22 disconnected or whose services are about to be disconnected 23 due to nonpayment of their utility bills. The funds shall be 24 expended first from the balance of the Warner Imperial account 25 and supplemented by the Exxon account for a total 26 appropriation not to exceed: 27 \$ 3,000,000 2. To the department of natural resources for the 28 29 following purposes: 30 For deposit in the petroleum overcharge account of the a. 31 groundwater protection fund created pursuant to section 32 455E.11, subsection 2, paragraph e, and allocated as provided, 33 from the Stripper Wells account:

-1-

S.F. _____ H.F. ____

1 Exxon account: 2 \$ 118,500 c. For the energy extension service program including 3 4 seventy thousand (70,000) dollars for the energy extension 5 program at Iowa State University from the Exxon account: б \$ 119,700 d. For the buy-down of interest incurred through 7 8 financing agreements provided through the energy 9 bank program: 10 \$ 750,000 11 3. To the department of economic development for the 12 energy-related activities of the amorphous semiconductor 13 project at Iowa State University, from the Stripper Wells 14 account: 15 S 500,000 16 Sec. 2. There is appropriated an amount up to five 17 percent, but not to exceed two hundred thousand (200,000) 18 dollars of the allowable petroleum overcharge money 19 appropriated for fiscal year 1989 to be used for 20 administration of the petroleum overcharge programs. 21 Sec. 3. Notwithstanding section 8.33, the funds 22 appropriated by sections 1 and 2 shall not revert until the 23 completion of the projects. 24 Sec. 4. Section 93.11, subsection 1, paragraph c, Code 25 Supplement 1987, is amended to read as follows: 26 c. The moneys awarded or allocated from each court 27 decision or settlement shall be placed in a separate account 28 individual accounts established in the energy conservation 29 trust fund. Notwithstanding section 453.7, interest and 30 earnings on investments from moneys in the fund shall be 31 credited proportionately to the accounts in the fund. 32 Sec. 5. 1987 Iowa Acts, chapter 230, section 8, is amended 33 to read as follows: 34 SEC. 8. 1986 Iowa Acts, chapter 1249, section 4, 35 unnumbered paragraph 1, is amended to read as follows:

-2-

S.F. _____ H.F. _

1 There is appropriated from the funds available in the 2 energy conservation trust fund, established in section 93.11, 3 for the fiscal period beginning July 1, 1986, and ending June 4 30, 1988 1989, to the energy and geological resources division 5 of the department of natural resources for disbursement under 6 section 93.11, the following amounts, or so much thereof as is 7 necessary, to be used for the purposes designated consistent 8 with the expressed legislative intent of this Act: 9 Sec. 6. Section 93.18, Code 1987, is repealed. 10 EXPLANATION

This bill provides for the appropriation of moneys from the 11 12 petroleum overcharge accounts to the department of natural 13 resources for energy conservation programs, the energy 14 extension program, including the energy extension program at 15 Iowa State University, and for the buy-down of interest 16 incurred through financing agreements relating to the energy 17 bank program, and for the department of economic development's 18 energy-related activities related to the amorphous 19 semiconductor project. The bill also establishes a limit of 20 expenditures of the appropriations for administration of 21 petroleum overcharge programs. The bill allows that moneys 22 awarded or allocated from court decisions or settlements be 23 placed in separate individual's accounts, allows for extension 24 of the date of appropriations of funds originally appropriated 25 for the fiscal year ending June 30, 1987, and allows that 25 funds appropriated not revert until completion of the projects 27 designated. 28

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LSB 8110HC 72 pf/cf/24.1

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OFFICE OF THE GOVERNOR STATE CAPITOL

DES MOINES. IOWA 50319

515 281-5211

TERRY E. BRANSTAD

May 6, 1988

The Honorable Elaine Baxter Secretary of State State Capitol Building L O C A L

Dear Madam Secretary:

I hereby transmit House File 2469, an act relating to energy development and conservation, making appropriations of the petroleum overcharge funds, and providing an effective date.

House File 2469 is approved with the following exception which I hereby disapprove.

I am unable to approve the item designated as Section 1, subsection 2, paragraph d. This item in House File 2469 appropriates \$1 million to the Department of Natural Resources to buy down interest rates by approximately one-half percent on \$10 million dollars worth of energy conservation bonds. These bonds are to be issued to the State of Iowa Facilities Improvement Corporation with the debt service to be paid out of each department's operating budget.

I understand that the State of Iowa Facilities Improvement Corporation has issued bonds in the past in order to finance energy conservation improvements with short pay-back periods. State agencies are now saddled with paying approximately \$19 million of debt service on those bonds. The utility portions of departmental operating budgets for the next ten years.

While I understand there is a continuing need for additional capital expenditures for energy conservation improvements on state property, I believe it would be fiscally unwise for the state to further encumber operating budgets with long term debt. Indeed, excessive use of the bonding financed out of operating budgets would place state agencies in a fiscal straight jacket. Moreover, the long-term debt financed in operating budgets has put other governmental jurisdictions in deep financial crises. The Honorable Elaine Baxter May 6, 1988 Page 2

I understand that the State of Iowa Facilities Improvement Corporation has not planned to issue any additional bonds under its authority and I concur with that decision. Moreover, I believe that with the improving state economy, the state ought to attend to the most critical of these capital needs through direct appropriation. Indeed, with Department of Energy approval, the \$1 million provided for this purpose would be much better used to provide for the actual energy improvements rather than buying down interest rates by one-half percent on \$10 million worth of debt.

In short, appropriating a million dollars to buy down interest rates by one-half percent on \$10 million of additional debt is fiscally unsound and unwise. The state should instead consider capital appropriations for energy conservation needs without encumbering operating budgets with long-term debt service.

For this reason, I hereby respectfully disapprove the designated item in accordance with Amendment IV of the Amendments of the 1968 Constitution of the State of Iowa. All other items in House File 2469 are hereby approved as of this date.

Sincerely.

Terry E. Branstad Governor

TEB/ps

cc: Secretary of the Senate Chief Clerk of the House

Bouse File 2469, c. 2

HOUSE FILE 2469

AN ACT

RELATING TO ENERGY DEVELOPMENT AND CONSERVATION, MAKING APPROPRIATIONS OF THE PETROLEUM OVERCHARGE FUNDS, AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. There is appropriated for the fiscal period beginning July 1, 1988, and ending June 30, 1990, the following arounts, or so much thereof as is necessary, from those funds designated within the energy conservation trust created in section 93.11, to the energy and geological resources division of the department of natural resources for disbursement under section 93.11 to the following agencies for the purposes designated:

1. To the division of community action agencies of the department of human rights for qualifying energy conservation programs for low-income persons, including but not limited to energy weatherization projects, which target the highest energy users, and including administrative costs, to be expended first from the balance of the Warnet/Imperial fund and supplemented by the Exxon fund for a total appropriation not to exceed:

.....\$ 3,000,000

If additional funding is necessary for the implementation of the provisions of 1988 Towa Acts, the division of community action agencies of the department of human rights may allocate not more than one hundred fifty thousand (150,000) dollars from the moneys appropriated under this subsection for the funding of such provisions.

2. To the department of natural resources for the following purposes:

a. For deposit in the oil isercharge account of the croundwater protection functionated pursuals in terrape.

Item veto: Section 1, subsection 2, paragraph d.

455E.il, subsection 2, paragraph "e", and allocated as provided, from the Stripper Weil fund:

b. For the state energy conservation program, from the Exxon fund:

c. For the energy extension service program including seventy thousand (70,000) dollars for the energy extension program at Iowa State University from the Exxon fund:

...... \$ 119,700

3. To the department of economic development for the energy-related activities of the amorphous semiconductor project at Iowa State University, from the Stripper Well fund:\$ 500,000

If the amorphous semiconductor project is not approved, the moneys appropriated under this subsection shall revert to the Stripper Well fund.

4. To the division of community action agencies of the department of human rights for the operation of the affordable heating payment program pilot project from the Exxon fund to the extent to which the project gualifies for such funding, and the remainder shall be appropriated from the Stripper Well fund:

If the project under this subsection cannot be funded with either Exxon or Stripper Well funds, or both, the moneys appropriated shall revert to their respective funds.

Not more than twenty-five thousand (25,000) dollars of the moneys appropriated under this subsection shall be used for administrative costs. This appropriation is contingent upon and chill only be made if the 1988 Session of the General

HF 2469

Eouse File 2469, p. 4

Assembly enacts House File 683 establishing the affordable heating payment program pilot project.

Sec. 2. There is appropriated an amount up to five percent, but not to exceed two hundred thousand (200,000) dollars, of the allowable petroleum overcharge money appropriated for fiscal year 1989 to be used for administration of the petroleum overcharge programs.

Sec. 3. Notwithstanding section 8.33, the funds appropriated by sections 1 and 2 shall not revert until the completion of the projects.

Sec. 4. 1987 Towa Acts, chapter 230, section 1, subsection 2, paragraph d, subparagraph (1), is amended by striking the subparagraph.

Sec. 5. 1987 Iowa Acts, chapter 230, section 1, subsection 3, paragraph c, is amended by striking the paragraph.

Sec. 6. 1987 Lova Acts, chapter 230, section 8, is amended to read as follows:

SEC. 8. 1986 Iowa Acts, chapter 1249, section 4, unnumbered paragraph 1, is amended to read as follows:

There is appropriated from the funds available in the energy conservation trust fund, established in section 93.11, for the fiscal period beginning July 1, 1986, and ending June 30, 1988 1933, to the energy and geological resources division of the department of natural resources for disbursement under section 93.11, the following amounts, or so much thereof as is necessary, to be used for the purposes designated consistent with the expressed legislative intent of this Act:

Sec. 7. Section 93.7, subsections 4, 5, 9, and 11, Code 1987, are acended by striking the subsections.

Sec. 8. Section 93.11, Code Supplement 1987, is amended to read as follows:

93... ENERGY CONSERVATION TRUST PEND ESTABLISHED --Receipts and disburgements.

 a. The energy conservation trust thmd is created author the rate troasury. This state on behalf of itself. of policized and it policidal subdivisions accepts any moneys awarded or allocated to the state, its citizens, and its political subdivisions as a result of the federal court decisions and federal department of energy settlements resulting from alleged violations of federal petroleum pricing regulations and deposits the moneys in the energy conservation trust fame.

b. The energy conservation trust fund is established to provide for an orderly, efficient, and effective mechanism to make maximum use of moneys available to the state, in order to increase energy conservation efforts and thereby to save the citizens of this state energy expenditures. The moneys in the accounts-in-the-fund funds in the trust shall 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 the alleged petroleum overcharges.

c. The moneys awarded or allocated from each court decision or settlement shall be placed in a separate account fund in the energy conservation trust fund. Notwithstanding section 453.7, interest and earnings on investments from moneys in the fund trust shall be credited proportionately to the accounts-in-the-fund funds in the trust.

d. Unless prohibited by the conditions applying to an account <u>a settlement</u>, the moneys in the energy conservation trust fund may be used for the payment of attorney fees and expenses incurred by the state to obtain the moneys and shall be paid by the director of revenue and finance from the available moneys in the fund <u>trust</u> subject to the approval of the attorney ceneral.

e. However, petroleum overcharge funds <u>moneys</u> received pursuant to claims filed on behalf of the state, its institutions, departments, agencies, or political subdivisions shall be deposited in the general fund of the state to be disburged directly to the appropriate claimants in accordance with following quicelines and subject to the approval of the statement general

House File 2469, p. 6.

House File 2469, p. 5

2. The treasurer of state shall be the custodian of the energy conservation trust fund and shall invest the moneys in the fund <u>trust</u>, in consultation with the energy fund disbursement council established in subsection 3 and the investment board of the Iowa public employees' retirement system, in accordance with the following guidelines:

a. To maximize the rate of return on moneys in the fund trust while providing sufficient liquidity to make fund disbursements, including contingency disbursements.

b. To absolutely insure the fund trust against loss.

c. To use such investment tools as are necessary to achieve these purposes.

3. An energy fund disbursement council is established. The council shall be composed of the governor or the governor's designee, the director of the department of management, who shall serve as the council's chairperson, the administrator of the division of community action agencies of the department of human rights, the administrator of the energy and geological resources division of the department of natural resources, and a designee of the director of the department of transportation, who is knowledgeable in the field of energy conservation. The council shall include as nonvoting members two members of the senate appointed by the majority leader of the senate and two members of the house of representatives appointed by the speaker of the house. The legislative members shall be appointed upon the convening and for the period of each general assembly. Not more than one member from each house shall be of the same political party. The council shall be staffed by the energy and geological resources division of the department of natural resources. The attorney general shall provide legal assistance to the council.

The council shall:

 a. Oversee the investment of moneys deposited in the energy conservation trust fined. b. Make recommendations to the governor and the general assembly regarding annual appropriations from the energy conservation trust fund.

c. Work with the energy and geological resources division in adopting administrative rules necessary to administer expenditures from the fund trust, encourage applications for grants and loans, review and select proposals for the funding of competitive grants and loans from the energy conservation trust fund, and evaluate their comparative effectiveness.

d. Monitor expenditures from the fund trust.

e. Approve any grants or contracts awarded from the energy conservation trust fund in excess of five thousand dollars.

f. Prepare, in conjunction with the energy and geological resources division, an annual report to the governor and the general assembly regarding earnings of and expenditures from the energy conservation trust fund.

4. The administrator of the energy and geological resources division of the department of natural resources shall be the administrator of the energy conservation trust fund. The administrator shall disburse moneys appropriated by the general assembly from the accounts funds in the fund trust in accordance with the federal court orders, law and regulation, or settlement conditions applying to the moneys in that account fund, and subject to the approval of the energy fund disbursement council if such approval is required. The council, after consultation with the attorney general, shall immediately approve the disbursement of moneys from the account funds in the fund trust for projects which meet the federal court orders, law and regulations, or settlement conditions, or settlement the federal court orders, have and regulations, or settlement conditions.

5. The following accounts funds are established in the energy conservation trust fund:

a. The Warner/Imperial account fund.
 bra-The-Amodo/Beldridge/Nordshromascount;
 b. The Exxon account fund.
 d.g. The Stripper Well-account Well (and).

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e d. The Diamond Shamrock second fund.

E--- The-Amoco-Refined-account:

g---Phe-OKC-s-Coline-account-

ht--fac-other-funds-account:

e. The office of hearings and appeals second-stage settlement fund.

6. The roneys in the account fund in the energy conservation trust fund distributed to the state as a result of the 1985 federal court decision finding Exxon corporation in violation of federal petroleum pricing regulations shall be expended, to the extent possible, over a period of no more than six years and shall be disbursed for projects which meet the strict guidelines of the five existing federal energy conservation programs specified in Pub. L. No. 97-377, § 155, 36 Stat. 1830, 1919 (1982). The council shall approve the disbursement of moneys from the account fund in the fund trust for other projects only if the project meets one or more of the following conditions:

a. The projects meet the guidelines for allowable projects under a modification order entered by the federal court in the case involving Exxon corporation.

b. The projects meet the guidelines for allowable projects under a directive order entered by the federal court in the case involving Exxon corporation.

c. The projects meet the guidelines for allowable projects under the regulations adopted or written clarifications issued by the United States department of energy.

Sec. 9. Section 93.18, Code 1987, is repealed.

Sec. 10. Sections 93.21, 93.22, 93.23, 93.24, 93.25, 53.26, 93.27, 93.28, 93.29, and 93.30, Code 1987, are reocated.

Sec. 11. If Senate File 2312 is enacted by the Seventysecond General Assembly, 1988 Session, there is appropriated from the general fund of the state to the public broadcasting twistom of the department of cultural affairs an amount equal to the difference between the Aleven cultion one bundred House File 2469, p. 8

thousand (11,100,000) dollars appropriated to the state board of regents for construction of the power plant addition at the University of Northern Iowa in that Act and the total amount of the bids let for construction of the project, not to exceed eight hundred seventy thousand (870,000) dollars, to be used by the public broadcasting division to purchase energy efficiency packages for its ultrahigh frequency transmitters.

Sec. 12. Section 9 of this Act, being deemed of immediate importance, takes effect upon enactment.

DONALD D. AVENSON Speaker of the House

JO ANN ZIMMERMAN President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2469, Seventy-second General Assembly.

JOSEPH O'HERN Chief Clerk of the House 1988

TERRY E. BRANSTAD Governor