

FEB 28 1992

Place On Calendar

HOUSE FILE 2330  
BY COMMITTEE ON ENERGY AND  
ENVIRONMENTAL PROTECTION

(SUCCESSOR TO HSB 587)

Passed House, Date 3/5/92 (p. 455) Passed Senate, Date 3/31/92 (p. 1118)  
Vote: Ayes 62 Nays 35 Vote: Ayes 42 Nays 6

Approved April 28, 1992 (p. 1899)  
~~Repassed 4/7/92 (p. 1174)~~  
~~Ayes 76 - Nays 18~~

A BILL FOR

1 An Act relating to the required purchase by electric utilities of  
2 megawatts of power.

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

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HF 2330

1 Section 1. Section 476.44, subsection 2, Code 1991, is  
2 amended by striking the subsection and inserting in lieu  
3 thereof the following:

4 2. An electric utility subject to this division, except a  
5 utility which elects rate regulation pursuant to section  
6 476.1A, shall not be required to purchase, at any one time,  
7 more than its share of one hundred five megawatts of power  
8 from alternative energy production facilities or small hydro  
9 facilities at the rate established pursuant to section 476.43.  
10 The board shall allocate the one hundred five megawatts based  
11 upon each utility's percentage of the total Iowa retail peak  
12 demand of all utilities subject to this section, as reported  
13 for the year beginning January 1, 1990. If a utility  
14 undergoes reorganization as defined in section 476.76, the  
15 board shall combine the allocated purchases of power for each  
16 utility involved in the reorganization.

17 Notwithstanding the one hundred five megawatt maximum, if a  
18 utility, including a reorganized utility, exceeds its 1990  
19 retail peak demand by twenty percent, the board may, after a  
20 contested case proceeding, increase that utility's required  
21 purchase of power up to a like amount consistent with this  
22 section and public interest.

23 EXPLANATION

24 Current law states that an electric utility cannot be  
25 required to purchase more than 15 megawatts of power from  
26 alternate energy production facilities.

27 This bill requires that a utility regulated under the  
28 alternative energy production facilities division of chapter  
29 476, except for a utility choosing rate regulation under  
30 section 476.1A, must purchase its share of 105 megawatts of  
31 power as allocated by the utilities board from alternative  
32 energy production facilities or small hydro facilities. The  
33 board is required to base the allocation on each utility's  
34 percentage of the total Iowa retail peak demand of all  
35 utilities subject to section 476.44 for the year beginning

1 January 1, 1990.

2 If a utility reorganizes, the board is directed to combine  
3 the allocated purchases of power for each utility involved in  
4 the reorganization.

5 The bill gives the utility's board the authority to  
6 increase a utility's required purchase of power if the utility  
7 exceeded its 1990 retail peak demand by 20 percent.

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## HOUSE FILE 2330

S-5394

1 Amend House File 2330, as passed by the House, as  
2 follows:

3 1. Page 1, line 9, by striking the word "rate"  
4 and inserting the following: "rates".

5 2. Page 1, by striking lines 12 and 13 and  
6 inserting the following: "demand, for the year  
7 beginning January 1, 1990, of all utilities subject to  
8 this section. If a utility".

9 3. Page 1, by striking lines 17 through 22 and  
10 inserting the following:

11 "Notwithstanding the one hundred five megawatt  
12 maximum, the board may increase the amount of power  
13 that a utility is required to purchase at the rates  
14 established pursuant to section 476.43 if the board  
15 finds that a utility, including a reorganized utility,  
16 exceeds its 1990 Iowa retail peak demand by twenty  
17 percent and the additional power the utility is  
18 required to purchase will encourage the development of  
19 alternate energy production facilities and small hydro  
20 facilities. The increase shall not exceed the  
21 utility's increase in peak demand multiplied by the  
22 ratio of the utility's share of the one hundred five  
23 megawatt maximum to its 1990 Iowa retail peak demand."

By COMMITTEE ON ENVIRONMENT  
AND ENERGY UTILITIES BY  
RALPH ROSENBERG, Chairperson

S-5394 FILED MARCH 26, 1992

*Adopted 3/31 (p. 1118)*

SENATE AMENDMENT TO HOUSE FILE 2330

H-5662

1 Amend House File 2330, as passed by the House, as  
2 follows:  
3 1. Page 1, line 9, by striking the word "rate"  
4 and inserting the following: "rates".  
5 2. Page 1, by striking lines 12 and 13 and  
6 inserting the following: "demand, for the year  
7 beginning January 1, 1990, of all utilities subject to  
8 this section. If a utility".  
9 3. Page 1, by striking lines 17 through 22 and  
10 inserting the following:  
11 "Notwithstanding the one hundred five megawatt  
12 maximum, the board may increase the amount of power  
13 that a utility is required to purchase at the rates  
14 established pursuant to section 476.43 if the board  
15 finds that a utility, including a reorganized utility,  
16 exceeds its 1990 Iowa retail peak demand by twenty  
17 percent and the additional power the utility is  
18 required to purchase will encourage the development of  
19 alternate energy production facilities and small hydro  
20 facilities. The increase shall not exceed the  
21 utility's increase in peak demand multiplied by the  
22 ratio of the utility's share of the one hundred five  
23 megawatt maximum to its 1990 Iowa retail peak demand."

RECEIVED FROM THE SENATE

H-5662 FILED APRIL 2, 1992

*Concurred 4/7 (p. 1173)*

NSB 587

ENERGY AND ENVIRONMENTAL PROTECTION

HOUSE FILE 2330

BY (PROPOSED COMMITTEE ON ENERGY AND ENVIRONMENT BILL BY CHAIRPERSON OSTERBERG)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to the required purchase by electric utilities of  
2 megawatts of power.

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

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SUB COMMITTEE ASSIGNMENTS

CHAIR. *Halseth*

COMMITTEE: *Energy*

*2/4/92*

S.F. \_\_\_\_\_ H.F. \_\_\_\_\_

1 Section 1. Section 476.44, subsection 2, Code 1991, is  
2 amended to read as follows:

3 2. An electric utility shall not be required to purchase,  
4 at any one time, more than fifteen megawatts of power from  
5 alternate energy production facilities or small hydro  
6 facilities. An electric utility which was subject to  
7 regulation by the board as of January 1, 1990, shall be  
8 required to purchase up to fifteen megawatts of power  
9 regardless of whether the electric utility subsequently merged  
10 with another electric utility.

11 EXPLANATION

12 Current law states that an electric utility cannot be  
13 required to purchase more than 15 megawatts of power from  
14 alternate energy production facilities. This bill adds small  
15 hydro facilities to that requirement. In addition, the bill  
16 requires that any electric utility which was in existence as  
17 of January 1, 1990, and has merged with another electric  
18 utility since that date shall be required to purchase  
19 megawatts of power as if the electric utilities had not  
20 merged. For instance, rather than purchase 15 megawatts of  
21 power, an electric utility which had merged with another  
22 electric utility after January 1, 1990, would be required to  
23 purchase 30 megawatts of power.

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HOUSE FILE 2330

utility's share of the one hundred five megawatt maximum to its 1990 Iowa retail peak demand.

AN ACT

RELATING TO THE REQUIRED PURCHASE BY ELECTRIC UTILITIES OF MEGAWATTS OF POWER.

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

Section 1. Section 476.44, subsection 2, Code 1991, is amended by striking the subsection and inserting in lieu thereof the following:

2. An electric utility subject to this division, except a utility which elects rate regulation pursuant to section 476.1A, shall not be required to purchase, at any one time, more than its share of one hundred five megawatts of power from alternative energy production facilities or small hydro facilities at the rates established pursuant to section 476.43. The board shall allocate the one hundred five megawatts based upon each utility's percentage of the total Iowa retail peak demand, for the year beginning January 1, 1990, of all utilities subject to this section. If a utility undergoes reorganization as defined in section 476.76, the board shall combine the allocated purchases of power for each utility involved in the reorganization.

Notwithstanding the one hundred five megawatt maximum, the board may increase the amount of power that a utility is required to purchase at the rates established pursuant to section 476.43 if the board finds that a utility, including a reorganized utility, exceeds its 1990 Iowa retail peak demand by twenty percent and the additional power the utility is required to purchase will encourage the development of alternate energy production facilities and small hydro facilities. The increase shall not exceed the utility's increase in peak demand multiplied by the ratio of the

ROBERT C. ARNOULD  
Speaker of the House

MICHAEL E. GRONSTAL  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2330, Seventy-fourth General Assembly.

JOSEPH O'HERN  
Chief Clerk of the House

Approved *April 28*, 1992

TERRY E. BRANSTAD  
Governor