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HOUSE FILE 625
BY COMMITTEE ON APPROPRIATIONS

APPROPRIATIONS ONLY

(SUCCESSOR TO HSB 57)

Passed House, Date ^(P.1408) 4/19/93 Passed Senate, Date ^(P.1274) 4/21/93
Vote: Ayes 98 Nays 0 Vote: Ayes 49 Nays 0
Approved May 4, 1993

^(P.1647) Repassed 99-0
4/26/93

A BILL FOR

1 An Act relating to energy conservation including making
2 appropriations of petroleum overcharge funds.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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6

HOUSE FILE 625

S-3581

- 1 Amend House File 625 as passed by the House, as
- 2 follows:
- 3 1. Page 1, line 4, by striking the word
- 4 "biennium" and inserting the following: "year".
- 5 2. Page 1, line 5, by striking the figure "1995"
- 6 and inserting the following: "1994".
- 7 3. Page 1, by striking lines 19 and 20.
- 8 4. Page 2, by striking line 11.
- 9 5. Page 2, by striking line 19.

By LARRY MURPHY

S-3581 FILED APRIL 21, 1993
ADOPTED

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HF 625

1 Section 1. There is appropriated from those funds
2 designated within the energy conservation trust created in
3 section 473.11, for disbursement pursuant to section 473.11,
4 to the following named agencies for the fiscal biennium
5 beginning July 1, 1993, and ending June 30, 1995, the
6 following amounts, or so much thereof as is necessary, to be
7 used for the purposes designated:

8 1. To the division of community action agencies of the
9 department of human rights for qualifying energy conservation
10 programs for low-income persons, including but not limited to
11 energy weatherization projects, which target the highest
12 energy users, and including administrative costs, to be
13 expended first from the available balances in the
14 Warner/Imperial fund and in the office of hearings and appeals
15 second-stage settlement fund and then from the Exxon fund and
16 Stripper Well fund for a total appropriation not to exceed:

| | |
|-------------------------------------|--------------|
| 17 1993-94 FY (Exxon) | \$ 1,500,000 |
| 18 1993-94 FY (Stripper Well) | \$ 1,500,000 |
| 19 1994-95 FY (Exxon) | \$ 1,000,000 |
| 20 1994-95 FY (Stripper Well) | \$ 2,000,000 |

21 The commission on community action agencies in cooperation
22 with the energy fund disbursement council and state rate-
23 regulated utilities shall submit a report to the general
24 assembly by January 15, 1994, which provides recommendations,
25 following depletion of the funds provided through disbursement
26 of the energy conservation trust, for the identification of
27 public and private funding alternatives for the continued
28 funding of the energy conservation programs for low-income
29 persons. The report shall also include alternatives for
30 interagency co-funding, integrated service delivery, and
31 program effectiveness of energy efficiency measurers as
32 identified by the statewide low-income collaborative
33 evaluation project and the bureau of weatherization strategic
34 planning process.

35 2. To the department of natural resources for the

1 following purposes:

2 a. Reimbursement for costs incurred by the department of
3 natural resources for carrying out the general provisions
4 section of the groundwater protection Act pursuant to section
5 455E.8, from the Stripper Well fund:

6 1993-94 FY \$ 825,000

7 b. For the state energy conservation program, and the
8 energy extension service for purposes of maintaining their
9 1988-89 fiscal year funding levels, from the Exxon fund:

10 1993-94 FY \$ 238,200

11 1994-95 FY \$ 238,200

12 c. For development costs of the local government energy
13 bank program, from the Exxon fund:

14 1993-94 FY \$ 200,000

15 d. For administration of petroleum overcharge programs, an
16 amount up to 5 percent per fiscal year, not to exceed the
17 following amounts:

18 1993-94 FY \$ 300,000

19 1994-95 FY \$ 300,000

20 Sec. 2. 1986 Iowa Acts, chapter 1249, section 4,
21 unnumbered paragraph 1, as amended by 1987 Iowa Acts, chapter
22 230, section 8; 1988 Iowa Acts, chapter 1281, section 6; 1989
23 Iowa Acts, chapter 312, section 6; 1990 Iowa Acts, chapter
24 1265, section 3; 1991 Iowa Acts, chapter 270, section 3; and
25 1992 Iowa Acts, chapter 1233, section 4, is amended to read as
26 follows:

27 There is appropriated from the funds available in the
28 energy conservation trust, established in section 93-~~11~~
29 473.11, for the fiscal period beginning July 1, 1986, and
30 ending June 30, ~~1993~~ 1995, to the department of natural
31 resources for disbursement under section 93-~~11~~ 473.11, the
32 following amounts, or so much thereof as is necessary, to be
33 used for the purposes designated consistent with the expressed
34 legislative intent of this Act:

35 EXPLANATION

1 The bill provides for the appropriation from oil overcharge
2 funds for the 1993-94 fiscal year and 1994-95 fiscal year to
3 the departments of human rights and natural resources for
4 energy conservation programs.

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SENATE AMENDMENT TO HOUSE FILE 625

H-4136

- 1 Amend House File 625 as passed by the House, as
- 2 follows:
- 3 1. Page 1, line 4, by striking the word
- 4 "biennium" and inserting the following: "year".
- 5 2. Page 1, line 5, by striking the figure "1995"
- 6 and inserting the following: "1994".
- 7 3. Page 1, by striking lines 19 and 20.
- 8 4. Page 2, by striking line 11.
- 9 5. Page 2, by striking line 19.

RECEIVED FROM THE SENATE

H-4136 FILED APRIL 21, 1993

House Concurred
4/26/93
P. 1646

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HSB 57

APPROPRIATIONS

SENATE/HOUSE FILE 625
BY (PROPOSED GOVERNOR'S
APPROPRIATIONS BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to energy conservation including making
2 appropriations of petroleum overcharge funds and providing for
3 effective and applicability date provisions.

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

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1 Section 1. There is appropriated from those funds
2 designated within the energy conservation account created in
3 section 473.11, for disbursement pursuant to section 473.11,
4 to the following named agencies for the fiscal biennium
5 beginning July 1, 1993, and ending June 30, 1995, the
6 following amounts, or so much thereof as is necessary, to be
7 used for the purposes designated:

8 1. To the division of community action agencies of the
9 department of human rights for qualifying energy conservation
10 programs for low-income persons, including but not limited to
11 energy weatherization projects, which target the highest
12 energy users, and including administrative costs, to be
13 expended first from the available balances in the
14 Warner/Imperial fund and in the office of hearings and appeals
15 second-stage settlement fund and then from the Exxon fund and
16 Stripper Well fund for a total appropriation not to exceed:

| | |
|-------------------------------------|--------------|
| 17 1993-94 FY (Exxon) | \$ 1,500,000 |
| 18 1993-94 FY (Stripper Well) | \$ 1,500,000 |
| 19 1994-95 FY (Exxon) | \$ 1,000,000 |
| 20 1994-95 FY (Stripper Well) | \$ 2,000,000 |

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

23 a. Reimbursement for costs incurred by the department of
24 natural resources for carrying out the general provisions
25 section of the groundwater protection Act pursuant to section
26 455E.8, from the Stripper Well fund:

| | |
|---------------------|------------|
| 27 1993-94 FY | \$ 825,000 |
|---------------------|------------|

28 b. For the state energy conservation program, and the
29 energy extension service for purposes of maintaining their
30 1988-89 fiscal year funding levels, from the Exxon fund:

| | |
|---------------------|------------|
| 31 1993-94 FY | \$ 238,200 |
| 32 1994-95 FY | \$ 238,200 |

33 c. For development costs of the local government energy
34 bank program, from the Exxon fund:

| | |
|---------------------|------------|
| 35 1993-94 FY | \$ 200,000 |
|---------------------|------------|

1 d. For administration of petroleum overcharge programs, an
2 amount up to 5 percent per fiscal year, not to exceed the
3 following amounts:

| | | |
|--------------------|----|---------|
| 4 1993-94 FY | \$ | 300,000 |
| 5 1994-95 FY | \$ | 300,000 |

6 Sec. 2. 1986 Iowa Acts, chapter 1249, section 4,
7 unnumbered paragraph 1, as amended by 1987 Iowa Acts, chapter
8 230, section 8; 1988 Iowa Acts, chapter 1281, section 6; 1989
9 Iowa Acts, chapter 312, section 6; 1990 Iowa Acts, chapter
10 1265, section 3; 1991 Iowa Acts, chapter 270, section 3; and
11 1992 Iowa Acts, chapter 1233, section 4, is amended to read as
12 follows:

13 There is appropriated from the funds available in the
14 energy conservation ~~trust~~ account, established in section
15 ~~93-11~~ 473.11, for the fiscal period beginning July 1, 1986,
16 and ending June 30, ~~1993~~ 1995, to the department of natural
17 resources for disbursement under section ~~93-11~~ 473.11, the
18 following amounts, or so much thereof as is necessary, to be
19 used for the purposes designated consistent with the expressed
20 legislative intent of this Act:

21 Sec. 3. NEW SECTION. 473.11 ENERGY CONSERVATION ACCOUNT
22 ESTABLISHED -- RECEIPTS AND DISBURSEMENTS.

23 1. a. The energy conservation account is created within
24 the state treasury. This state on behalf of itself, its
25 citizens, and its political subdivisions accepts any moneys
26 awarded or allocated to the state, its citizens, and its
27 political subdivisions as a result of the federal court
28 decisions and federal department of energy settlements
29 resulting from alleged violations of federal petroleum pricing
30 regulations and deposits the moneys in the energy conservation
31 account.

32 b. The energy conservation account is established to
33 provide for an orderly, efficient, and effective mechanism to
34 make maximum use of moneys available to the state, in order to
35 increase energy conservation efforts and thereby to save the

1 citizens of this state energy expenditures. The moneys in the
2 funds in the account shall be expended only upon appropriation
3 by the general assembly and only for programs which will
4 benefit citizens who may have suffered economic penalties
5 resulting from the alleged petroleum overcharges.

6 c. The moneys awarded or allocated from each court
7 decision or settlement shall be placed in a separate fund in
8 the energy conservation account. Notwithstanding section
9 12C.7, interest and earnings on investments from moneys in the
10 account shall be credited proportionately to the funds in the
11 account.

12 d. Unless prohibited by the conditions applying to a
13 settlement, the petroleum overcharge moneys in the energy
14 conservation account may be used for the payment of attorney
15 fees and expenses incurred by the state to obtain the moneys
16 and shall be paid by the director of revenue and finance from
17 the available moneys in the account subject to the approval of
18 the attorney general.

19 e. However, petroleum overcharge moneys received pursuant
20 to claims filed on behalf of the state, its institutions,
21 departments, agencies, or political subdivisions shall be
22 deposited in the general fund of the state to be disbursed
23 directly to the appropriate claimants in accordance with
24 federal guidelines and subject to the approval of the attorney
25 general.

26 2. The treasurer of state shall be the custodian of the
27 energy conservation account and shall invest the moneys in the
28 account, in consultation with the energy fund disbursement
29 council established in subsection 3 and the investment board
30 of the Iowa public employees' retirement system, in accordance
31 with the following guidelines:

32 a. To maximize the rate of return on moneys in the account
33 while providing sufficient liquidity to make fund disburse-
34 ments, including contingency disbursements.

35 b. To absolutely insure the account against loss.

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

3 3. An energy fund disbursement council is established.
4 The council shall be composed of the governor or the
5 governor's designee, the director of the department of
6 management, who shall serve as the council's chairperson, the
7 administrator of the division of community action agencies of
8 the department of human rights, the administrator of the
9 energy and geological resources division of the department of
10 natural resources, and a designee of the director of the
11 department of transportation, who is knowledgeable in the
12 field of energy conservation. The council shall include as
13 nonvoting members two members of the senate appointed by the
14 president of the senate, after consultation with the majority
15 leader and the minority leader of the senate, and two members
16 of the house of representatives appointed by the speaker of
17 the house. The legislative members shall be appointed upon
18 the convening and for the period of each general assembly.
19 Not more than one member from each house shall be of the same
20 political party. The council shall be staffed by the energy
21 and geological resources division of the department of natural
22 resources. The attorney general shall provide legal
23 assistance to the council.

24 The council shall:

25 a. Oversee the investment of moneys deposited in the
26 energy conservation account.

27 b. Make recommendations to the governor and the general
28 assembly regarding annual appropriations from the energy
29 conservation account.

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

1 d. Monitor expenditures from the account.

2 e. Approve any grants or contracts awarded from the energy
3 conservation account in excess of five thousand dollars.

4 f. Prepare, in conjunction with the energy and geological
5 resources division, an annual report to the governor and the
6 general assembly regarding earnings of and expenditures from
7 the energy conservation account.

8 4. The administrator of the energy and geological
9 resources division of the department of natural resources
10 shall be the administrator of the energy conservation account.
11 The administrator shall disburse moneys appropriated by the
12 general assembly from the funds in the account in accordance
13 with the federal court orders, law and regulation, or
14 settlement conditions applying to the moneys in that fund, and
15 subject to the approval of the energy fund disbursement
16 council if such approval is required. The council, after
17 consultation with the attorney general, shall immediately
18 approve the disbursement of moneys from the funds in the
19 account for projects which meet the federal court orders, law
20 and regulations, or settlement conditions which apply to that
21 fund.

22 5. The following funds are established in the energy
23 conservation account:

24 a. The Warner/Imperial fund.

25 b. The Exxon fund.

26 c. The Stripper Well fund.

27 d. The Diamond Shamrock fund.

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

30 6. The moneys in the fund in the energy conservation
31 account distributed to the state as a result of the federal
32 court decisions finding oil companies in violation of federal
33 petroleum pricing regulations shall be expended expeditiously
34 until all the receipts are depleted and shall be disbursed for
35 projects which meet the strict guidelines of the five existing

1 federal energy conservation programs specified in Pub. L. No.
2 97-377, § 155, 95 Stat. 1830, 1919 (1982). The council shall
3 approve the disbursement of petroleum overcharge moneys from
4 the fund in the account for other projects only if the project
5 meets one or more of the following conditions:

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

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

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

15 d. The projects meet the guidelines for allowable projects
16 under the petroleum violations settlement agreement
17 expenditure plan approved by the United States department of
18 energy.

19 Sec. 4. Section 3 of this Act, being deemed of immediate
20 importance, takes effect upon enactment and applies
21 retroactively to July 1, 1992, for purposes of the receipts
22 and disbursements of funds in the old energy conservation
23 trust fund.

24 EXPLANATION

25 The bill provides for the appropriation from oil overcharge
26 funds for the 1993-94 fiscal year and 1994-95 fiscal year to
27 the departments of human rights and natural resources for
28 energy conservation programs.

29 The bill also reestablishes the energy conservation account
30 to handle the oil overcharge moneys and makes it apply
31 retroactively to July 1, 1992, when the old fund was repealed.

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HOUSE FILE 625

AN ACT

RELATING TO ENERGY CONSERVATION INCLUDING MAKING APPROPRIATIONS OF PETROLEUM OVERCHARGE FUNDS.

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

Section 1. There is appropriated from those funds designated within the energy conservation trust created in section 473.11, for disbursement pursuant to section 473.11, to the following named agencies for the fiscal year beginning July 1, 1993, and ending June 30, 1994, the following amounts, or so much thereof as is necessary, to be used 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 available balances in the Warner/Imperial fund and in the office of hearings and appeals second-stage settlement fund and then from the Exxon fund and Stripper Well fund for a total appropriation not to exceed:

| | |
|----------------------------------|--------------|
| 1993-94 FY (Exxon) | \$ 1,500,000 |
| 1993-94 FY (Stripper Well) | \$ 1,500,000 |

The commission on community action agencies in cooperation with the energy fund disbursement council and state rate-regulated utilities shall submit a report to the general assembly by January 15, 1994, which provides recommendations, following depletion of the funds provided through disbursement of the energy conservation trust, for the identification of public and private funding alternatives for the continued funding of the energy conservation programs for low-income persons. The report shall also include alternatives for

interagency co-funding, integrated service delivery, and program effectiveness of energy efficiency measurers as identified by the statewide low-income collaborative evaluation project and the bureau of weatherization strategic planning process.

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

- a. Reimbursement for costs incurred by the department of natural resources for carrying out the general provisions section of the groundwater protection Act pursuant to section 455E.8, from the Stripper Well fund:

| | |
|------------------|------------|
| 1993-94 FY | \$ 825,000 |
|------------------|------------|
- b. For the state energy conservation program, and the energy extension service for purposes of maintaining their 1988-89 fiscal year funding levels, from the Exxon fund:

| | |
|------------------|------------|
| 1993-94 FY | \$ 238,200 |
|------------------|------------|
- c. For development costs of the local government energy bank program, from the Exxon fund:

| | |
|------------------|------------|
| 1993-94 FY | \$ 200,000 |
|------------------|------------|
- d. For administration of petroleum overcharge programs, an amount up to 5 percent per fiscal year, not to exceed the following amounts:

| | |
|------------------|------------|
| 1993-94 PY | \$ 300,000 |
|------------------|------------|

Sec. 2. 1986 Iowa Acts, chapter 1249, section 4, unnumbered paragraph 1, as amended by 1987 Iowa Acts, chapter 230, section 8; 1988 Iowa Acts, chapter 1281, section 6; 1989 Iowa Acts, chapter 312, section 6; 1990 Iowa Acts, chapter 1265, section 3; 1991 Iowa Acts, chapter 270, section 3; and 1992 Iowa Acts, chapter 1233, section 4, is amended to read as follows:

There is appropriated from the funds available in the energy conservation trust, established in section 93-~~11~~ 473.11, for the fiscal period beginning July 1, 1986, and ending June 30, 1993 ~~1995~~, to the department of natural resources for disbursement under section 93-~~11~~ 473.11, 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:

HAROLD VAN MAANEN
Speaker of the House

LEONARD L. BOSWELL
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 625, Seventy-fifth General Assembly.

ELIZABETH ISAACSON
Chief Clerk of the House

Approved May 4, 1993

TERRY E. BRANSTAD
Governor