

MAR 7 1995
ENVIRONMENTAL PROTECTION

HOUSE FILE 266
BY SHOULTZ

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

A BILL FOR

1 An Act relating to purchase of electricity from alternative
2 energy production facilities and small hydro facilities.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 476.44, subsection 2, Code 1995, is
2 amended to read as follows:

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

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

28 EXPLANATION

29 Current law requires certain electric utilities to purchase
30 electricity from an alternative energy production facility or
31 small hydro facility. The utilities board cannot require an
32 electric utility, other than a rate-regulated utility, to
33 purchase more than its share of 105 megawatts of power from
34 alternative energy production facilities or small hydro
35 facilities. This bill increases the amount to 210 megawatts

1 of power which may be required to be purchased from alter-
2 native energy production facilities or small hydro facilities.

3 The board is required to allocate the 210 megawatts based
4 upon each utility's percentage of the total Iowa retail peak
5 demand, for the year beginning January 1, 1990, of all
6 utilities subject to the purchasing requirement. The
7 utilities board has the authority to increase the amount of
8 power that a utility is required to purchase if the board
9 finds that a utility exceeds its 1990 Iowa retail peak demand
10 by 20 percent and the additional power the utility is required
11 to purchase will encourage the development of alternate energy
12 production facilities and small hydro facilities.

13 For purposes of the type of energy produced, section 476.42
14 defines "alternative energy production facility" to mean a
15 solar, wind turbine, waste management, resource recovery,
16 refuse-derived fuel, agricultural crops or residue, or
17 woodburning facility and "small hydro facility" means a
18 hydroelectric facility at a dam.

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