

3-17-95 Amend/Do Pass W/H-3334
4-4-95 Referred to W. & M.

MAR 10 1995

HOUSE FILE 370

BY LARSON, NUTT, BAKER, McCOY,
and METCALF

COMMERCE - REGULATION

(COMPANION TO LSB 2308SS
BY GRONSTAL)

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

A BILL FOR

1 An Act relating to the electricity purchase or wheeling
2 requirements for alternate energy production and small hydro
3 facilities and providing an effective date.

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

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HF 370

1 Section 1. Section 476.1A, unnumbered paragraph 3, Code
2 1995, is amended to read as follows:

3 However, sections 476.20, 476.21, ~~476.41 through 476.44~~
4 476.42, 476.43, 476.51, 476.56, 476.62, and 476.66 and
5 chapters 476A and 478, to the extent applicable, apply to such
6 electric utilities.

7 Sec. 2. Section 476.1B, subsection 1, paragraph g, Code
8 1995, is amended to read as follows:

9 g. Encouragement of alternate energy production
10 facilities, as set forth in sections ~~476.41 through~~ 476.42,
11 476.43, and 476.45.

12 Sec. 3. Section 476.42, subsection 3, Code 1995, is
13 amended by striking the subsection.

14 Sec. 4. Section 476.43, subsections 1 and 2, Code 1995,
15 are amended by striking the subsections and inserting in lieu
16 thereof the following:

17 1. The board shall require electric utilities to enter
18 into long-term contracts to purchase electric energy from
19 alternate energy production facilities or small hydro
20 facilities.

21 2. The rates for purchases under this section shall not
22 exceed the incremental costs to the electric utility of
23 alternative electric energy. For purposes of this section,
24 "incremental cost" means the cost to the electric utility of
25 the electric energy which, but for the purchase from the
26 alternate energy production facility or small hydro facility,
27 the electric utility would have generated or purchased from
28 another source.

29 Sec. 5. Sections 476.41 and 476.44, Code 1995, are
30 repealed.

31 Sec. 6. Notwithstanding the repeal of sections 476.41 and
32 476.44, and the amendment of section 476.43, the Iowa
33 utilities board shall continue to allow, until the termination
34 of contracts between an electric utility and an alternate
35 energy production facility or a small hydro facility in effect

1 on the effective date of this Act, the recovery of costs
2 incurred.

3 Sec. 7. This Act, being deemed of immediate importance,
4 takes effect upon enactment.

5 EXPLANATION

6 This bill strikes the existing procedure for determining
7 rates for purchase of alternate energy and replaces it with
8 similar provisions which are used for determining rates for
9 non-rate-regulated electric utilities under federal law. The
10 bill directs the utilities board that the rates for purchase
11 of alternate energy cannot exceed the incremental costs to the
12 electric utility of alternative electric energy. For purposes
13 of this section, "incremental cost" means the cost to the
14 electric utility of the electric energy which, but for the
15 purchase from the alternate energy production facility or
16 small hydro facility, the utility would generate or purchase
17 from another source.

18 In addition the bill repeals section 476.41 which declares
19 that it is the policy of the state to encourage development of
20 alternate energy production facilities and small hydro
21 facilities. It also repeals section 476.44 which requires
22 that investor-owned electric utilities must purchase shares of
23 105 megawatts of power from an alternate energy production
24 facility or a small hydro facility.

25 The bill directs the utilities board to continue to allow
26 the recovery of costs incurred until contracts are terminated
27 between an electric utility and an alternate energy production
28 facility or small hydro facility.

29 The bill is effective upon enactment.

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HOUSE FILE 370

H-3677

- 1 Amend House File 370 as follows:
2 1. By striking page 1, line 31, through page 2,
3 line 2, and inserting the following:
4 "Sec. ____ . This Act shall not apply to contracts
5 between an electric utility and an alternate energy
6 production facility or small hydro facility that are
7 in effect as of the effective date of this Act. The
8 utilities board shall continue to allow the recovery
9 of costs as would have been allowed prior to the
10 effective date of this Act until the termination of
11 the contract. The intent of this section is to
12 protect alternate energy production facilities or
13 small hydro facilities that have entered into
14 contracts with electric utilities from suffering
15 economic damage due to the enactment of this Act."
16 2. By renumbering as necessary.
By BLODGETT of Cerro Gordo

H-3677 FILED APRIL 3, 1995

HOUSE FILE 370

H-3334

- 1 Amend House File 370 as follows:
2 1. Page 1, by inserting after line 28 the
3 following:
4 "Sec. ____ . Section 476.43, subsection 3, Code
5 1995, is amended by striking the subsection."
6 2. By renumbering as necessary.
By COMMITTEE ON COMMERCE
AND REGULATION
METCALF of Polk, Chairperson

H-3334 FILED MARCH 17, 1995

Adapted
4-4-95
(P. 1212)

HOUSE FILE 370

H-3678

1 Amend House File 370 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

4 "Section 1. Section 476.44, subsection 2, Code
5 1995, is amended to read as follows:

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

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

By SHOULTZ of Black Hawk

H-3678 FILED APRIL 3, 1995

HOUSE FILE 370

H-3679

- 1 Amend House File 370 as follows:
2 1. By striking everything after the enacting
3 clause and inserting the following:
4 "Section 1. INTERIM STUDY. The legislative
5 council is requested to authorize an interim study to
6 analyze the issue of requiring the purchase of
7 alternate energy from alternate energy production
8 facilities and small hydro facilities. The study
9 committee shall work with the energy project of the
10 national conference of state legislatures which has
11 offered to provide technical assistance to the
12 committee. The study committee shall evaluate the
13 existing energy efficiency and alternate energy policy
14 of the state, including the laws and regulations of
15 the state and provide recommendations to the general
16 assembly regarding amendment or repeal of the existing
17 policy or laws."
18 2. Title page, by striking lines 1 through 3 and
19 inserting the following: "An Act relating to an
20 interim study of alternate energy policies."

By SHOULTZ of Black Hawk

H-3679 FILED APRIL 3, 1995

HOUSE FILE 370

H-3687

- 1 Amend House File 370 as follows:
2 1. Page 1, lines 3 and 4, by striking the figures
3 and word "~~476.41 through 476.44~~ 476.42, 476.43" and
4 inserting the following: "476.41 through ~~476.44~~
5 476.43".
6 2. Page 1, lines 10 and 11, by striking the
7 figures and word "~~476.41 through~~ 476.42, 476.43" and
8 inserting the following: "476.41 through ~~476.43~~".
9 3. Page 1, by striking line 29 and inserting the
10 following:
11 "Sec. ____ . Section 476.44, Code 1995, is".
12 4. Page 1, line 31, by striking the words and
13 figure "sections 476.41 and" and inserting the
14 following: "section".
15 5. Page 2, by striking lines 3 and 4.
16 6. Title page, by striking line 3 and inserting
17 the following: "facilities."
18 7. By renumbering as necessary.

By SHOULTZ of Black Hawk

H-3687 FILED APRIL 3, 1995

HOUSE FILE 370

H-3699

1 Amend House File 370 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

4 "Sec. ____ . Section 476.44, subsection 2, Code
5 1995, is amended to read as follows:

6 2. An electric utility subject to this division,
7 except a utility which elects rate regulation pursuant
8 to section 476.1A, shall not be required to purchase,
9 at any one time, more than its share of one hundred
10 five megawatts of power from alternative energy
11 production facilities or small hydro facilities at the
12 rates established pursuant to section 476.43. An
13 alternate energy production facility or a small hydro
14 facility is limited to providing not more than fifty
15 percent of the total alternate energy required to be
16 purchased under this section. The board shall
17 allocate the one hundred five megawatts based upon
18 each utility's percentage of the total Iowa retail
19 peak demand, for the year beginning January 1, 1990,
20 of all utilities subject to this section. If a
21 utility undergoes reorganization as defined in section
22 476.76, the board shall combine the allocated
23 purchases of power for each utility involved in the
24 reorganization.

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

By WEIGEL of Chickasaw

H-3699 FILED APRIL 3, 1995

HOUSE FILE 370

WITHDRAWN

H-3700

1 Amend House File 370 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

4 "Sec. ____ . Section 476.44, subsection 2, Code
5 1995, is amended to read as follows:

6 2. An electric utility subject to this division,
7 except a utility which elects rate regulation pursuant
8 to section 476.1A, shall not be required to purchase,
9 at any one time, more than its share of one hundred
10 five megawatts of power from alternative energy
11 production facilities or small hydro facilities at the
12 rates established pursuant to section 476.43. An
13 alternate energy production facility or a small hydro
14 facility is limited to providing not more than thirty-
15 three percent of the total alternate energy required
16 to be purchased under this section. The board shall
17 allocate the one hundred five megawatts based upon
18 each utility's percentage of the total Iowa retail
19 peak demand, for the year beginning January 1, 1990,
20 of all utilities subject to this section. If a
21 utility undergoes reorganization as defined in section
22 476.76, the board shall combine the allocated
23 purchases of power for each utility involved in the
24 reorganization.

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

By WEIGEL of Chickasaw

H-3700 FILED APRIL 3, 1995

WITHDRAWN

4-4-95

(P. 1213)

HOUSE FILE 370

H-3705

20 Amend House File 370 as follows:

30 1. By striking everything after the enacting clause and
40 inserting the following:50 "Section 1. NEW SECTION. 422.11D ALTERNATE ENERGY CREDIT.60 1. The taxes imposed under this division, less the credits
70 allowed under this division, shall be reduced by an alternate
80 energy tax credit. An electric utility required to purchase
90 alternate energy pursuant to section 476.43 may claim the credit
00 under this section. An individual may claim the alternate
10 energy tax credit allowed a partnership, subchapter S corporation,
20 or estate or trust electing to have the income taxed directly
30 to the individual. The amount claimed shall be based upon the pro
40 rata share of the individual's earnings of a partnership, subchapt
50 S corporation, or estate or trust.60 2. The amount of this credit is equal to one-half of the amount
70 of the difference in the cost of the electricity purchased from
80 an alternate energy production facility or small hydro facility
90 pursuant to section 476.43 and the cost of the electricity which
00 the electric utility would have generated or purchased from
10 another source, but for the required purchase of alternate
20 energy.30 3. Any credit in excess of the tax liability for the tax
40 year may be credited to the tax liability for the following five
50 tax years or until depleted, whichever is the earlier.60 Sec. 2. Section 422.33, Code 1995, is amended by adding
70 the following new subsection:80 NEW SUBSECTION. 9. The taxes imposed under this division shall
90 be reduced by an alternate energy tax credit. An electric
00 utility required to purchase alternate energy pursuant
10 to section 476.43 may claim an alternate energy tax credit. The
20 amount of the credit is equal30 to one-half of the amount of the difference in the cost of the
40 electricity purchased from an alternate energy production facility
50 or small hydro facility pursuant to section 476.43 and the cost
60 of the electricity which the electric utility would have generated
70 or purchased from another source, but for the required purchase
80 of alternate energy. Any credit in excess of the tax liability
90 for the tax year may be credited to the tax liability for the
00 following five tax years or until depleted, whichever is the earli10 Sec. 3. This Act, being deemed of immediate importance, takes
20 effect upon enactment and applies retroactively to January 1, 1995
30 for tax years beginning on or after that date."40 2. Title page, by striking lines 1 through 3 and inserting
50 the following: "An Act providing an alternate energy tax credit
60 for required purchases of alternate energy and providing
70 effective and retroactive applicability dates."

P 80 MARGINS F

By SHOULTZ of Black Hawk

H-3705 FILED APRIL 3, 1995

HOUSE FILE 370

H-3710

1 Amend House File 370 as follows:

2 1. Page 1, line 4, by inserting after the figure
3 "476.43," the following: "476.43A,".

4 2. Page 1, line 11, by inserting after the figure
5 "476.43," the following: "476.43A,".

6 3. Page 1, by inserting after line 11 the
7 following:

8 "Sec. ____ . Section 476.42, subsection 1, Code
9 1995, is amended by adding the following new
10 unnumbered paragraph:

11 NEW UNNUMBERED PARAGRAPH. An alternate energy
12 production facility does not include a methane-
13 producing sanitary landfill."

14 4. Page 1, by striking lines 14 through 28 and
15 inserting the following:

16 "Sec. ____ . Section 476.43, Code 1995, is amended
17 to read as follows:

18 476.43 RATES FOR ~~ALTERNATE-ENERGY-PRODUCTION~~
19 ~~FACILITIES~~ METHANE-PRODUCING SANITARY LANDFILLS.

20 1. ~~Subject to section 476.44, the~~ The board shall
21 require electric utilities to enter into long-term
22 contracts to do the following:

23 a. Purchase or wheel electricity from ~~alternate~~
24 ~~energy-production-facilities-or-small-hydro-facilities~~
25 ~~methane-producing sanitary landfills~~ located in the
26 utility's service area under the terms and conditions
27 that the board finds are just and economically
28 reasonable to the electric utilities' ratepayers, and
29 are nondiscriminatory to ~~alternate-energy-producers~~
30 ~~and-small-hydro-producers-and-will-further-the-policy~~
31 ~~stated-in-section-476.41~~ methane-producing sanitary
32 landfills.

33 b. Provide for the availability of supplemental or
34 backup power to ~~alternate-energy-production-facilities~~
35 ~~or-small-hydro-facilities~~ methane-producing sanitary
36 landfills on a nondiscriminatory basis and at just and
37 reasonable rates.

38 2. Upon application by the owner or operator of an
39 ~~alternate-energy-production-facility-or-small-hydro~~
40 ~~facility-or-any-interested-party,~~ a methane-producing
41 sanitary landfill the board shall establish for the
42 affected public utility just and economically
43 reasonable rates for electricity purchased under
44 subsection 1, paragraph "a". The rates shall be
45 established at levels sufficient to stimulate the
46 development of ~~alternate-energy-production-and-small~~
47 ~~hydro-facilities~~ electricity generated from methane
48 production in a sanitary landfill in Iowa and to
49 encourage the continuation of existing capacity from
50 those ~~facilities~~ landfills.

H-3710

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H-3710

Page 2

1 3. The board may adopt individual utility or
2 uniform statewide facility rates. The board shall
3 consider the following factors in setting individual
4 or uniform rates:

5 a. The estimated capital cost of the next
6 generating plant, including related transmission
7 facilities, to be placed in service by the electric
8 utility serving the area.

9 b. The term of the contract between the electric
10 utility and the seller.

11 c. A levelized annual carrying charge based upon
12 the term of the contract and determined in a manner
13 consistent with both the methods and the current
14 interest or return requirements associated with the
15 electric utility's new construction program.

16 d. The electric utility's annual energy costs,
17 including current fuel costs, related operation and
18 maintenance costs, and other energy-related costs
19 considered appropriate by the board.

20 e. External factors, including but not limited to,
21 environmental and economic factors.

22 f. Other relevant factors.

23 g. If the board adopts uniform statewide rates,
24 the board shall use representative data in lieu of
25 utility specific information in applying the factors
26 listed in paragraphs "a" through "f".

27 4. In the case of a utility that purchases all or
28 substantially all of its electricity requirements, the
29 rates established under this section must be based on
30 the electric utility's current purchased power costs.

31 5. In lieu of the other procedures provided by
32 this section, an electric utility and an owner or
33 operator of ~~an alternate energy production facility or~~
34 ~~small hydro facility~~ a methane-producing sanitary
35 landfill may enter into a long-term contract in
36 accordance with subsection 1 and may agree to rates
37 for purchase and sale transactions. A contract
38 entered into under this subsection must be filed with
39 the board in the manner provided for tariffs under
40 section 476.4.

41 6. This section does not require an electric
42 utility to construct additional facilities unless
43 those facilities are paid for by the owner or operator
44 of the ~~affected alternate energy production facility~~
45 ~~or small hydro facility~~ methane-producing sanitary
46 landfill.

47 7. For purposes of this section, "methane-
48 producing sanitary landfill" means any electric
49 generating facility fueled by methane extracted from a
50 sanitary landfill.

H-3710

-2-

HOUSE FILE 370

H-3715

- 1 Amend the amendment, H-3687, to House File 370 as
2 follows:
3 1. Page 1, by inserting after line 8 the
4 following:
5 "____. Page 1, by inserting after line 11 the
6 following:
7 "Sec. ____ Section 476.41, Code 1995, is amended
8 to read as follows:
9 476.41 PURPOSE.
10 It is the policy of this state to encourage the
11 economical development of alternate energy production
12 facilities and small hydro facilities in order to
13 conserve our finite ~~and-expensive~~ energy resources and
14 to provide for their most efficient use."
15 2. By renumbering as necessary.

By NUTT of Woodbury

H-3715 FILED APRIL 4, 1995

HOUSE FILE 370

H-3718

- 1 Amend the amendment, H-3679, to House File 370 as
2 follows:
3 1. Page 1, by striking lines 4 through 20 and
4 inserting the following:
5 ""Section 1. ALTERNATE ENERGY TASK FORCE.
6 1. An alternate energy task force shall be
7 established to study the issue of alternate energy
8 within the state. The task force shall consist of the
9 following members:
10 a. Four legislative members. Two of the members
11 shall be members of the senate, appointed by the
12 majority leader of the senate in consultation with the
13 president and minority leader of the senate. Two of
14 the members shall be from the house of
15 representatives, appointed by the speaker of the
16 house, in consultation with the majority leader and
17 minority leader of the house of representatives.
18 Legislative members shall receive compensation under
19 section 2.12.
20 b. The administrator for the energy and geological
21 resources division of the department of natural
22 resources or the administrator's designee.
23 c. The consumer advocate or the advocate's
24 designee.
25 d. Two persons appointed by the governor to
26 include a person representing the electric utility
27 industry and a person representing the alternate
28 energy production industry.
29 2. Administrative support and staffing for the
30 task force shall be provided by the Iowa utilities
31 board.
32 3. The task force shall evaluate the electricity
33 purchase and wheeling requirements for alternate
34 energy production and small hydro facilities,
35 including a review of the rates for purchases
36 established in sections 476.41 through 476.44. The
37 task force shall gather information and hear testimony
38 relating to alternate energy production in other
39 states and federal requirements and initiatives
40 concerning alternate energy. The task force shall
41 provide recommendations and long-range planning
42 relating to Iowa's future alternate energy policies.
43 4. The task force shall make its report on its
44 evaluation and recommendation to the general assembly
45 no later than December 15, 1995."
46 2. Title page, by striking lines 1 through 3 and
47 inserting the following: "An Act creating an
48 alternate energy task force.""

By VANDE HOEF of Osceola

H-3718 FILED APRIL 4, 1995

H-3710

Page 3

1 Sec. ____ . NEW SECTION. 476.43A RATES FOR
2 ALTERNATE ENERGY PRODUCTION FACILITIES OR SMALL HYDRO
3 FACILITIES.

4 1. The board shall require electric utilities to
5 enter into long-term contracts to purchase electric
6 energy from alternate energy production facilities or
7 small hydro facilities.

8 2. The rates for purchases under this section
9 shall not exceed the incremental costs to the electric
10 utility of alternative electric energy. For purposes
11 of this section "incremental cost" means the cost to
12 the electric utility of the electric energy which, but
13 for the purchase from the alternate energy production
14 facility or small hydro facility, the electric utility
15 would have generated or purchased from another source.

16 3. In the case of a utility that purchases all or
17 substantially all of its electricity requirements, the
18 rates established under this section must be based on
19 the electric utility's current purchased power costs.

20 4. In lieu of the other procedures provided by
21 this section, an electric utility and an owner or
22 operator of an alternate energy production facility or
23 small hydro facility may enter into a long-term
24 contract in accordance with subsection 1 and may agree
25 to rates for purchase and sale transactions. A
26 contract entered into under this subsection must be
27 filed with the board in the manner provided for
28 tariffs under section 476.4.

29 5. This section does not require an electric
30 utility to construct additional facilities unless
31 those facilities are paid for by the owner or operator
32 of the affected alternate energy production facility
33 or small hydro facility."

34 5. Page 1, by striking lines 31 and 32 and
35 inserting the following:

36 "Sec. ____ . Notwithstanding the provisions of this
37 Act, the Iowa".

38 6. By renumbering as necessary.

By McCOY of Polk

H-3710 FILED APRIL 3, 1995

HOUSE FILE 370

H-3712

1 Amend House File 370 as follows:

2 1. By striking everything after the enacting
3 clause and inserting in lieu thereof the following:

4 "Section 1. ALTERNATE ENERGY TASK FORCE.

5 1. An alternate energy task force shall be
6 established to study the issue of alternate energy
7 within the state. The task force shall consist of the
8 following members:

9 a. Four legislative members. Two of the members
10 shall be members of the senate, appointed by the
11 majority leader of the senate in consultation with the
12 president and minority leader of the senate. Two of
13 the members shall be from the house of
14 representatives, appointed by the speaker of the
15 house, in consultation with the majority leader and
16 minority leader of the house of representatives.
17 Legislative members shall receive compensation under
18 section 2.12.

19 b. The administrator for the energy and geological
20 resources division of the department of natural
21 resources or the administrator's designee.

22 c. The consumer advocate or the advocate's
23 designee.

24 d. Two persons appointed by the governor to
25 include a person representing the electric utility
26 industry and a person representing the alternate
27 energy production industry.

28 2. Administrative support and staffing for the
29 task force shall be provided by the Iowa utilities
30 board.

31 3. The task force shall evaluate the electricity
32 purchase and wheeling requirements for alternate
33 energy production and small hydro facilities,
34 including a review of the rates for purchases
35 established in sections 476.41 through 476.44. The
36 task force shall gather information and hear testimony
37 relating to alternate energy production in other
38 states and federal requirements and initiatives
39 concerning alternate energy. The task force shall
40 provide recommendations and long-range planning
41 relating to Iowa's future alternate energy policies.

42 4. The task force shall make its report on its
43 evaluation and recommendation to the general assembly
44 no later than December 15, 1995."

45 2. Title page, by striking lines 1 through 3 and
46 inserting the following: "An Act creating an
47 alternate energy task force."

By VANDE HOEF of Osceola
SHOULTZ of Black Hawk
EDDIE of Buena Vista

HUSEMAN of Cherokee
KLEMME of Plymouth
MERTZ of Kossuth

H-3712 FILED APRIL 4, 1995

HOUSE FILE 370

H-3717

1 Amend the amendment, H-3710, to House File 370 as
2 follows:

3 1. Page 1, by inserting after line 1 the
4 following:

5 "_____. Page 1, by inserting before line 1 the
6 following:

7 "Section 1. Section 422.51, Code 1995, is amended
8 by adding the following new subsection:

9 NEW SUBSECTION. 5. The taxes remitted pursuant to
10 this division shall be reduced by a methane energy
11 purchase tax credit. An electric utility which has
12 purchased electricity from a methane-producing
13 sanitary landfill pursuant to section 476.43 shall be
14 granted the credit. The credit shall equal the amount
15 paid by the electric utility in excess of its
16 incremental cost as defined in section 476.43A,
17 subsection 2. The amount of the credit shall, in the
18 first instance, be determined by the electric utility,
19 which shall make a monthly report of such credits to
20 the Iowa utilities board and the department, deducting
21 this credit from the periodic deposits of taxes due
22 under this division. If the department disputes the
23 amount of any such credit, such disputes shall be
24 resolved by the Iowa utilities board.""

25 2. Page 2, by inserting after line 46 the
26 following:

27 "6A. Whenever a contract approved by the board
28 requires an electric utility to purchase electricity
29 from a methane-producing sanitary landfill pursuant to
30 this section, the electric utility shall be entitled
31 to a methane energy purchase tax credit as provided in
32 section 422.51. The electric utility shall reflect
33 the methane energy purchase tax credit received by the
34 electric utility in the electric utility's automatic
35 adjustment pursuant to section 476.6, subsection 11,
36 to the extent its payments to the methane-producing
37 sanitary landfill, in excess of the incremental cost
38 of alternative electric energy, were included in the
39 automatic adjustment clause."

40 3. By renumbering as necessary.

By McCOY of Polk

H-3717 FILED APRIL 4, 1995

Adopted 4-4-95

(p. 1216)