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COMMERCE AND REGULATION

HOUSE FILE 2296

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CONNORS, REYNOLDS, and CHIODO

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

A BILL FOR

1 An Act relating to renewable energy purchase requirements by
2 electric utilities.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2296

1 Section 1. Section 476.44, subsection 2, Code 2001, is
2 amended to read as follows:

3 2. a. An electric utility subject to this division,
4 except a utility ~~which~~ that elects rate regulation pursuant to
5 section 476.1A, shall not be required to purchase, at any one
6 time, more than its scheduled percentage share of one-hundred
7 five-megawatts-of-power its Iowa retail load from alternative
8 energy production facilities or small hydro facilities at the
9 rates established pursuant to section 476.43. The board shall
10 ~~allocate-the-one-hundred-five-megawatts~~ make the allocations
11 based upon each utility's percentage of the total Iowa retail
12 peak demand, for the each year, beginning January 1, ~~1990~~, of
13 all utilities subject to this section, based on the following
14 schedule:

15 (1) Until January 1, 2010, two percent.

16 (2) Beginning January 1, 2010, ten percent.

17 (3) Beginning January 1, 2020, twenty percent.

18 b. If a utility undergoes reorganization as defined in
19 section 476.76, the board shall combine the allocated
20 purchases of power for each utility involved in the
21 reorganization.

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

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EXPLANATION

1 This bill amends Code section 476.44, relating to required
2 purchases by electric utilities from alternative energy
3 production facilities, generally defined in Code section
4 476.42 as solar facilities, wind turbines, waste management,
5 resource recovery, refuse-derived fuels, agricultural crops or
6 residues, or woodburning facilities, or small hydro
7 facilities.

8 Code section 476.43 requires the utilities board to require
9 electric utilities to enter into long-term contracts for the
10 purchase of electricity from alternative energy production
11 facilities, subject to Code section 476.44. Code section
12 476.44 currently requires all electric utilities together to
13 purchase 105 megawatts of electricity from alternative energy
14 production facilities. One hundred five megawatts is
15 approximately 2 percent of current Iowa retail load, and the
16 bill restates the concept in this more frequently used
17 terminology.

18 The bill would also increase the percentage purchase
19 required of all electric utilities to 10 percent in 2010 and
20 20 percent in 2020.

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