

FILED MAR 30 2006

SENATE FILE 2399
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 2325)

(SUCCESSOR TO SF 2133)

Passed Senate, Date 4-18-06 Passed House, Date _____
Vote: Ayes 50 Nays 0 Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to renewable energy including the renewable
2 energy tax credit and the wind energy production tax credit.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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SC 2399

TLSB 5725SZ 81

kk/gg/14

1 Section 1. Section 476B.1, subsection 4, paragraph c, Code
2 Supplement 2005, is amended to read as follows:

3 c. Was originally placed in service on or after July 1,
4 2005, but before July 1, ~~2008~~ 2009.

5 Sec. 2. Section 476B.5, subsection 1, paragraph e, Code
6 Supplement 2005, is amended to read as follows:

7 e. A copy of an executed power purchase agreement or other
8 agreement to purchase electricity upon completion of the
9 project. An executed interconnection agreement or
10 transmission service agreement shall be accepted by the board
11 under this paragraph if the owner of the facility has agreed
12 to sell electricity from the facility directly or indirectly
13 to a wholesale power pool market.

14 Sec. 3. Section 476B.5, subsection 3, Code Supplement
15 2005, is amended to read as follows:

16 3. A facility that is not operational within eighteen
17 months after issuance of an approval for the facility by the
18 board shall cease to be a qualified facility. However, a
19 facility that is approved as qualified under this section but
20 is not operational within eighteen months due to the
21 unavailability of necessary equipment shall be granted an
22 additional twelve months to become operational. A facility
23 that is granted and thereafter loses approval may reapply to
24 the board for a new determination.

25 Sec. 4. Section 476C.1, subsection 6, unnumbered paragraph
26 1, Code Supplement 2005, is amended to read as follows:

27 "Eligible renewable energy facility" means a wind energy
28 conversion facility, a biogas recovery facility, a biomass
29 conversion facility, a methane gas recovery facility, or a
30 solar energy conversion facility, or a refuse conversion
31 facility that meets all of the following requirements:

32 Sec. 5. Section 476C.1, subsection 6, paragraph d, Code
33 Supplement 2005, is amended to read as follows:

34 d. Was initially placed into service on or after July 1,
35 2005, and before January 1, ~~2011~~ 2012.

1 Sec. 6. Section 476C.1, subsection 8, Code Supplement
2 2005, is amended to read as follows:

3 8. "Heat for a commercial purpose" means the heat in
4 British thermal unit equivalents from refuse derived fuel,
5 methane, or other biogas produced in this state sold to a
6 purchaser of renewable energy for use for a commercial purpose
7 in this state or for use by an institution in this state.

8 Sec. 7. Section 476C.1, Code Supplement 2005, is amended
9 by adding the following new subsection:

10 NEW SUBSECTION. 12A. "Refuse conversion facility" means a
11 facility in this state that converts solid waste into fuel
12 that can be burned to generate heat for a commercial purpose
13 in this state.

14 Sec. 8. Section 476C.3, subsections 2, 3, 4, and 5, Code
15 Supplement 2005, are amended to read as follows:

16 2. The board shall review the application and supporting
17 information and shall make a preliminary determination
18 regarding whether the facility is an eligible renewable energy
19 facility. The board shall notify the applicant of the
20 approval or denial of the application within thirty days of
21 receipt of the application and information required. If the
22 board fails to notify the applicant of the approval or denial
23 within thirty days, the application shall be deemed denied
24 unless the application is placed on a waiting list as
25 described in subsection 5. An applicant who receives a
26 determination denying an application may file an appeal with
27 the board within thirty days from the date of the denial
28 pursuant to the provisions of chapter 17A. In the absence of
29 a timely appeal, the preliminary determination shall be final.
30 If the application is incomplete, the board may grant an
31 extension of time for the provision of additional information.

32 3. A facility that is not operational within **eighteen**
33 thirty months after issuance of an approval for the facility
34 by the board shall cease to be an eligible renewable energy
35 facility. A facility that is granted and thereafter loses

1 approval may reapply to the board for a new determination.
2 4. The maximum amount of nameplate generating capacity of
3 all wind energy conversion facilities the board may find
4 eligible under this chapter shall not exceed ninety one
5 hundred eighty megawatts of nameplate generating capacity.
6 The maximum amount of energy production capacity equivalent of
7 all other facilities the board may find eligible under this
8 chapter shall not exceed a combined output of ten twenty
9 megawatts of nameplate generating capacity and one hundred
10 sixty-seven billion British thermal units of heat for a
11 commercial purpose. Of the maximum amount of energy
12 production capacity equivalent of all other facilities found
13 eligible under this chapter, fifty-five billion British
14 thermal units of heat for a commercial purpose shall be
15 reserved for an eligible facility that is a refuse conversion
16 facility for processed, engineered fuel from a multi-county
17 solid waste management planning area. The maximum amount of
18 energy production capacity the board may find eligible for a
19 single refuse conversion facility is fifty-five billion
20 British thermal units of heat for a commercial purpose.
21 5. The board shall maintain a waiting list of facilities
22 that may have been found eligible under this section but for
23 the maximum capacity restrictions of subsection 4. The
24 priority of the waiting list shall be maintained in the order
25 the applications were received by the board. The board shall
26 remove from the waiting list any facility that has
27 subsequently been found ineligible under this chapter. If
28 additional capacity becomes available within the capacity
29 restrictions of subsection 4, the board shall grant approval
30 to facilities according to the priority of the waiting list
31 before granting approval to new applications. An owner of a
32 facility on the waiting list shall provide the board each year
33 by August 31 with a sworn statement of verification stating
34 that the information contained in the application for
35 eligibility remains true and correct or stating that the

1 information has changed and providing the new information.

2 5- 6. An owner meeting the requirements of section
3 476C.1, subsection 6, paragraph "b", shall not be an owner of
4 more than two eligible renewable energy facilities. A person
5 that has an equity interest equal to or greater than fifty-one
6 percent in an eligible renewable energy facility shall not
7 have an equity interest greater than ten percent in any other
8 eligible renewable energy facility.

9 Sec. 9. Section 476C.5, Code Supplement 2005, is amended
10 to read as follows:

11 476C.5 CERTIFICATE ISSUANCE PERIOD.

12 A producer or purchaser of renewable energy may receive
13 renewable energy tax credit certificates for a ten-year period
14 for each eligible renewable energy facility under this
15 chapter. The ten-year period for issuance of the tax credit
16 certificates begins with the date the purchaser of renewable
17 energy first purchases electricity, hydrogen fuel, methane gas
18 or other biogas used to generate electricity, or heat for
19 commercial purposes from the eligible renewable energy
20 facility for which a tax credit is issued under this chapter.
21 Renewable energy tax credit certificates shall not be issued
22 for renewable energy purchased after December 31, ~~2020~~ 2021.

23 Sec. 10. TRANSITION PROVISIONS -- APPLICABILITY.

24 1. The waiting list described in this Act is the waiting
25 list maintained by the Iowa utilities board for applications
26 for eligibility received prior to the effective date of this
27 Act.

28 2. As of the effective date of this Act, the section of
29 this Act amending section 476C.3, subsection 6, applies to all
30 facilities on the waiting list described by this Act
31 regardless of the date a facility applied for eligibility.

32 Sec. 11. PROPOSAL FOR TRANSMISSION STUDY. The utilities
33 board shall submit to the government oversight committee by
34 January 1, 2007, a proposal to conduct a study on the
35 transmission of electricity in Iowa. The proposal shall

1 include a description of the content to be studied which shall
2 include examining the reliability and limitations of the
3 primary grid system and the development of additional small
4 wind projects in all regions of the state. The content to be
5 studied shall also include issues related to the security of
6 Iowa's energy supply in the event of a national or local
7 emergency affecting the primary grid system. The proposal
8 shall include a description of the estimated time needed to
9 complete the study, an estimate of the cost to complete the
10 study, and any other information the board deems necessary.

11 EXPLANATION

12 This bill relates to renewable energy including the
13 renewable energy tax credit and the wind energy production tax
14 credit.

15 The bill extends the eligibility of a qualified facility
16 for the wind energy production tax credit by one year to
17 include those wind energy conversion facilities that are
18 initially placed into service before July 1, 2009. The bill
19 permits an owner applying for a determination as to whether a
20 facility is qualified to provide an executed interconnection
21 agreement or transmissions service agreement instead of an
22 executed power purchase agreement or other agreement. The
23 bill provides that if a qualified facility is not operational
24 within 18 months, that the facility shall be granted an
25 additional 12 months to become operational if the delay is due
26 to the unavailability of necessary equipment.

27 The bill extends the eligibility of renewable energy
28 facilities for the renewable energy tax credit by one year to
29 include those facilities that are initially placed into
30 service before January 1, 2012. The bill extends the time by
31 which an eligible renewable energy facility must be
32 operational after approval of eligibility is granted from 18
33 months to 30 months.

34 The bill provides that an eligible renewable energy
35 facility includes a refuse conversion facility as defined by

1 the bill. The bill provides that "heat for a commercial
2 purpose" includes heat from refuse derived fuel and may be for
3 use by an institution.

4 The bill provides that the board may place an application
5 for a determination of whether a facility is an eligible
6 renewable energy facility on a waiting list if the facility
7 may have been found eligible but for the maximum capacity
8 requirements. The bill requires owners of facilities on the
9 waiting list to provide the board an annual verification of
10 the content of the application for eligibility. The bill
11 prohibits a person with an equity interest of 51 percent or
12 more in an eligible facility from owning more than 10 percent
13 in another eligible facility.

14 The bill allows additional tax credits for the production
15 of wind energy by increasing the maximum amount of nameplate
16 generating capacity that the board may find eligible for a
17 renewable energy tax credit from 90 megawatts to 180
18 megawatts. The bill similarly increases the maximum
19 eligibility for other nonwind renewable energy facilities from
20 10 megawatts to 20 megawatts of nameplate generating capacity
21 and provides for a maximum amount of 167 billion British
22 thermal units of heat for a commercial purpose to be found
23 eligible by the board. The bill provides that 55 billion
24 British thermal units shall be reserved for a refuse
25 conversion facility for processed, engineered fuel from a
26 multi-county solid waste management planning area. The board
27 shall not find eligible more than 55 billion British thermal
28 units for a single refuse conversion facility.

29 The bill extends the tax credit certificate issuance period
30 by one year to allow tax credits issued for facilities placed
31 into service before January 1, 2012, to have the same 10-year
32 period of eligibility to produce and sell renewable energy for
33 a renewable energy tax credit certificate as facilities are
34 allowed under current law.

35 The bill provides that the waiting list described in the

1 bill is the same waiting list maintained by the board for
2 applications received prior to the effective date of the bill.
3 The bill requires the board to conduct a study on the
4 transmission of electricity in this state.

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SENATE FILE 2399

S-5178

1 Amend Senate File 2399 as follows:
2 1. Page 4, by inserting after line 22 the
3 following:
4 "Sec. ____ . EFFECTIVE DATE. Except for section 11
5 of this Act, this Act takes effect January 1, 2008."
6 2. Title page, line 2, by inserting after the
7 words "production tax credit" the following: "and
8 including an effective date".

By JOE BOLKCOM

S-5178 FILED APRIL 10, 2006

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SENATE FILE 2399

S-5208

1 Amend Senate File 2399 as follows:
2 1. Page 4, by inserting after line 22 the
3 following:
4 "Sec. ____ . EFFECTIVE DATE. Except for section 11
5 of this Act relating to a proposal for a study on the
6 transmission of electricity, this Act takes effect
7 January 1, 2007."
8 2. Title page, line 2, by inserting after the
9 words "production tax credit" the following: "and
10 including an effective date".

By JOE BOLKCOM

S-5208 FILED APRIL 18, 2006
ADOPTED

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Fiscal Services Division
Legislative Services Agency
Fiscal Note

SF 2399 – Wind & Alternative Energy Credit Expansion (LSB 5725 SZ)
Analyst: Jeff Robinson (Phone: [515] 281-4614) (jeff.robinson@legis.state.ia.us)
Fiscal Note Version - New

Description

Senate File 2399 doubles the production capacity (from 100 megawatts to 200 megawatts) available for small wind and alternative electrical generation approved in SF 390 (Wind and Alternative Energy Act of 2005). Specifically, the additional capacity added is 90 megawatts of wind energy and 10 megawatts of other alternative capacity. The additional capacity is allowed the same 1.5 cents per kilowatt-hour income tax credit for energy produced that is available under SF 390. The Bill also extends a deadline for projects already approved under SF 390 and codifies a waiting list of proposed projects. In addition, the Bill allows tax credits for refuse-based projects related to the production of heat for commercial purposes and sets limits on the maximum credits allowed in total and to any single refuse-based project.

The Bill is effective July 1, 2006.

Assumptions

1. Each megawatt or nameplate capacity could generate \$131,500 in tax credits if operating at full capacity for an entire year.
2. The facilities will not operate at full capacity. Wind production facilities will operate at 36.5% of maximum capacity, and other energy sources will operate at 90.0% of capacity over the life of the tax credit program.
3. All 100 megawatts of additional capacity authorized by the Bill will be constructed and operational by FY 2009 (three years).
4. Tax credits earned in one fiscal year will be redeemed over three fiscal years.
5. The tax credits available to refuse-based facilities will total \$750,000 and will be redeemed in FY 2008 through FY 2014.
6. The tax credits will be redeemed through a combination of personal income tax, corporate income tax, and state sales tax reductions.
7. The portion of the credit redemption impacting personal income tax will be less than 25.0%.

Fiscal Impact

The energy production tax credits authorized in SF 2399 will reduce net General Fund revenue by the following estimated amounts:

<u>Fiscal Year</u>	<u>General Fund Impact</u>
FY 2007	\$ 0.0 million
FY 2008	\$ - 2.9 million
FY 2009	\$ - 4.5 million
FY 2010	\$ - 5.5 million
FY 2011	\$ - 5.6 million
FY 2012	\$ - 5.6 million
FY 2013	\$ - 5.6 million
FY 2014	\$ - 5.6 million
FY 2015	\$ - 5.5 million
FY 2016	\$ - 5.5 million
FY 2017	\$ - 5.2 million
FY 2018	\$ - 3.1 million
FY 2019	\$ - 1.0 million
FY 2020	\$ - 0.1 million
Total	<u>\$- 55.7 million</u>

If the portion of the credit redemption impacting personal income tax is less than 25.0%, the impact on any local option income surtax for schools will be less than \$50,000 per year.

Project and credit approval, as well as credit monitoring, will increase administrative costs of the Utilities Division and the Department of Revenue. The Utilities Division has identified \$26,000 in administrative expenses in FY 2007 and \$54,000 in FY 2008 related to the Bill. The Utilities Division is financed by fees paid by utilities.

Sources

Fiscal Note for SF 390 (2005 Session)
Iowa Utilities Division
Legislative Services Agency

/s/ Holly M. Lyons

April 3, 2006

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

SENATE FILE **2399**
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 2325)
(SUCCESSOR TO SF 2133)

(AS AMENDED AND PASSED BY THE SENATE APRIL 18, 2006)

 - New Language by the Senate

Re-Passed Senate, Date 5-3-06 Passed House, Date 5-2-06
Vote: Ayes 49 Nays 0 Vote: Ayes 94 Nays 0
Approved _____

A BILL FOR

1 An Act relating to renewable energy including the renewable
2 energy tax credit and the wind energy production tax credit
3 and including an effective date.

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

S.F. 2399

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1 Section 1. Section 476B.1, subsection 4, paragraph c, Code
2 Supplement 2005, is amended to read as follows:

3 c. Was originally placed in service on or after July 1,
4 2005, but before July 1, ~~2008~~ 2009.

5 Sec. 2. Section 476B.5, subsection 1, paragraph e, Code
6 Supplement 2005, is amended to read as follows:

7 e. A copy of an executed power purchase agreement or other
8 agreement to purchase electricity upon completion of the
9 project. An executed interconnection agreement or
10 transmission service agreement shall be accepted by the board
11 under this paragraph if the owner of the facility has agreed
12 to sell electricity from the facility directly or indirectly
13 to a wholesale power pool market.

14 Sec. 3. Section 476B.5, subsection 3, Code Supplement
15 2005, is amended to read as follows:

16 3. A facility that is not operational within eighteen
17 months after issuance of an approval for the facility by the
18 board shall cease to be a qualified facility. However, a
19 facility that is approved as qualified under this section but
20 is not operational within eighteen months due to the
21 unavailability of necessary equipment shall be granted an
22 additional twelve months to become operational. A facility
23 that is granted and thereafter loses approval may reapply to
24 the board for a new determination.

25 Sec. 4. Section 476C.1, subsection 6, unnumbered paragraph
26 1, Code Supplement 2005, is amended to read as follows:

27 "Eligible renewable energy facility" means a wind energy
28 conversion facility, a biogas recovery facility, a biomass
29 conversion facility, a methane gas recovery facility, ~~or~~ a
30 solar energy conversion facility, or a refuse conversion
31 facility that meets all of the following requirements:

32 Sec. 5. Section 476C.1, subsection 6, paragraph d, Code
33 Supplement 2005, is amended to read as follows:

34 d. Was initially placed into service on or after July 1,
35 2005, and before January 1, ~~2011~~ 2012.

1 Sec. 6. Section 476C.1, subsection 8, Code Supplement
2 2005, is amended to read as follows:

3 8. "Heat for a commercial purpose" means the heat in
4 British thermal unit equivalents from refuse derived fuel,
5 methane, or other biogas produced in this state sold to a
6 purchaser of renewable energy for use for a commercial purpose
7 in this state or for use by an institution in this state.

8 Sec. 7. Section 476C.1, Code Supplement 2005, is amended
9 by adding the following new subsection:

10 NEW SUBSECTION. 12A. "Refuse conversion facility" means a
11 facility in this state that converts solid waste into fuel
12 that can be burned to generate heat for a commercial purpose
13 in this state.

14 Sec. 8. Section 476C.3, subsections 2, 3, 4, and 5, Code
15 Supplement 2005, are amended to read as follows:

16 2. The board shall review the application and supporting
17 information and shall make a preliminary determination
18 regarding whether the facility is an eligible renewable energy
19 facility. The board shall notify the applicant of the
20 approval or denial of the application within thirty days of
21 receipt of the application and information required. If the
22 board fails to notify the applicant of the approval or denial
23 within thirty days, the application shall be deemed denied
24 unless the application is placed on a waiting list as
25 described in subsection 5. An applicant who receives a
26 determination denying an application may file an appeal with
27 the board within thirty days from the date of the denial
28 pursuant to the provisions of chapter 17A. In the absence of
29 a timely appeal, the preliminary determination shall be final.
30 If the application is incomplete, the board may grant an
31 extension of time for the provision of additional information.
32 3. A facility that is not operational within **eighteen**
33 thirty months after issuance of an approval for the facility
34 by the board shall cease to be an eligible renewable energy
35 facility. A facility that is granted and thereafter loses

1 approval may reapply to the board for a new determination.

2 4. The maximum amount of nameplate generating capacity of
3 all wind energy conversion facilities the board may find
4 eligible under this chapter shall not exceed ninety one
5 hundred eighty megawatts of nameplate generating capacity.
6 The maximum amount of energy production capacity equivalent of
7 all other facilities the board may find eligible under this
8 chapter shall not exceed a combined output of ten twenty
9 megawatts of nameplate generating capacity and one hundred
10 sixty-seven billion British thermal units of heat for a
11 commercial purpose. Of the maximum amount of energy
12 production capacity equivalent of all other facilities found
13 eligible under this chapter, fifty-five billion British
14 thermal units of heat for a commercial purpose shall be
15 reserved for an eligible facility that is a refuse conversion
16 facility for processed, engineered fuel from a multi-county
17 solid waste management planning area. The maximum amount of
18 energy production capacity the board may find eligible for a
19 single refuse conversion facility is fifty-five billion
20 British thermal units of heat for a commercial purpose.

21 5. The board shall maintain a waiting list of facilities
22 that may have been found eligible under this section but for
23 the maximum capacity restrictions of subsection 4. The
24 priority of the waiting list shall be maintained in the order
25 the applications were received by the board. The board shall
26 remove from the waiting list any facility that has
27 subsequently been found ineligible under this chapter. If
28 additional capacity becomes available within the capacity
29 restrictions of subsection 4, the board shall grant approval
30 to facilities according to the priority of the waiting list
31 before granting approval to new applications. An owner of a
32 facility on the waiting list shall provide the board each year
33 by August 31 with a sworn statement of verification stating
34 that the information contained in the application for
35 eligibility remains true and correct or stating that the

1 information has changed and providing the new information.

2 5- 6. An owner meeting the requirements of section
3 476C.1, subsection 6, paragraph "b", shall not be an owner of
4 more than two eligible renewable energy facilities. A person
5 that has an equity interest equal to or greater than fifty-one
6 percent in an eligible renewable energy facility shall not
7 have an equity interest greater than ten percent in any other
8 eligible renewable energy facility.

9 Sec. 9. Section 476C.5, Code Supplement 2005, is amended
10 to read as follows:

11 476C.5 CERTIFICATE ISSUANCE PERIOD.

12 A producer or purchaser of renewable energy may receive
13 renewable energy tax credit certificates for a ten-year period
14 for each eligible renewable energy facility under this
15 chapter. The ten-year period for issuance of the tax credit
16 certificates begins with the date the purchaser of renewable
17 energy first purchases electricity, hydrogen fuel, methane gas
18 or other biogas used to generate electricity, or heat for
19 commercial purposes from the eligible renewable energy
20 facility for which a tax credit is issued under this chapter.
21 Renewable energy tax credit certificates shall not be issued
22 for renewable energy purchased after December 31, ~~2020~~ 2021.

23 Sec. 10. EFFECTIVE DATE. Except for section 12 of this
24 Act relating to a proposal for a study on the transmission of
25 electricity, this Act takes effect January 1, 2007.

26 Sec. 11. TRANSITION PROVISIONS -- APPLICABILITY.

27 1. The waiting list described in this Act is the waiting
28 list maintained by the Iowa utilities board for applications
29 for eligibility received prior to the effective date of this
30 Act.

31 2. As of the effective date of this Act, the section of
32 this Act amending section 476C.3, subsection 6, applies to all
33 facilities on the waiting list described by this Act
34 regardless of the date a facility applied for eligibility.

35 Sec. 12. PROPOSAL FOR TRANSMISSION STUDY. The utilities

1 board shall submit to the government oversight committee by
2 January 1, 2007, a proposal to conduct a study on the
3 transmission of electricity in Iowa. The proposal shall
4 include a description of the content to be studied which shall
5 include examining the reliability and limitations of the
6 primary grid system and the development of additional small
7 wind projects in all regions of the state. The content to be
8 studied shall also include issues related to the security of
9 Iowa's energy supply in the event of a national or local
10 emergency affecting the primary grid system. The proposal
11 shall include a description of the estimated time needed to
12 complete the study, an estimate of the cost to complete the
13 study, and any other information the board deems necessary.

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SENATE FILE 2399

H-8596

1 Amend Senate File 2399, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 1, by inserting after line 24 the
4 following:

5 "Sec. ____ Section 476B.6, subsection 5, Code
6 Supplement 2005, is amended by striking the subsection
7 and inserting in lieu thereof the following:

8 5. A tax credit certificate may be filed pursuant
9 to any of the following, to the extent applicable:

10 a. If the tax credit application is filed by a
11 partnership, limited liability company, S corporation,
12 estate, trust, or other reporting entity all of the
13 income of which is taxed directly to its equity
14 holders or beneficiaries, for the taxes imposed under
15 chapter 422, division II or III, the tax credit
16 certificate shall be issued directly to equity holders
17 or beneficiaries of the applicant in proportion to
18 their pro rata share of the income of such entity.
19 The applicant shall, in the application made under
20 this section, identify its equity holders or
21 beneficiaries, and the percentage of such entity's
22 income that is allocable to each equity holder or
23 beneficiary.

24 b. If the tax credit applicant under this section
25 is eligible to receive renewable electricity
26 production credits authorized under section 45 of the
27 Internal Revenue Code, as amended, and the tax credit
28 applicant is a partnership, limited liability company,
29 S corporation, estate, trust, or other reporting
30 entity all of the income of which is taxed directly to
31 its equity holders or beneficiaries, for the taxes
32 imposed under chapter 422, division II or III, the tax
33 credit certificate may be issued to a partner if the
34 business is a partnership, a shareholder if the
35 business is an S corporation, or a member if the
36 business is a limited liability company in the amounts
37 designated by the eligible partnership, S corporation,
38 or limited liability company. In absence of such
39 designation, the credits under this section shall flow
40 through to the partners, shareholders, or members in
41 accordance with their pro rata share of the income of
42 the entity.

43 The applicant shall, in the application made under
44 this section, identify the holders or beneficiaries
45 that are to receive the tax credit certificates and
46 the percentage of the tax credit that is allocable to
47 each holder or beneficiary.

48 c. If an applicant under this section is eligible
49 to receive renewable electricity production credits
50 authorized under section 45 of the Internal Revenue

H-8596

1 Code, as amended, and the tax credit applicant is a
2 partnership, limited liability company, S corporation,
3 estate, trust, or other reporting entity all of the
4 income of which is taxed directly to its equity
5 holders or beneficiaries, for the taxes imposed under
6 chapter 422, division II or III, the tax credit
7 certificates and all future rights to the tax credit
8 in this section may be distributed to an equity holder
9 or beneficiary as a liquidating distribution or
10 portion thereof, of a holder or beneficiary's interest
11 in the applicant entity.

12 The applicant shall, in the application made under
13 this section, designate the percentage of the tax
14 credit allocable to the liquidating equity holder or
15 beneficiary that is to receive the current and future
16 tax credit certificates under this section.

17 d. If the tax credit application is filed by a
18 partnership, limited liability company, S corporation,
19 estate, trust, or other reporting entity, all of whose
20 income is taxed directly to its equity holders or
21 beneficiaries for the taxes imposed under chapter 422,
22 division V, or under chapter 432, the tax credit
23 certificate shall be issued directly to the
24 partnership, limited liability company, S corporation,
25 estate, trust, or other reporting entity."

COMMITTEE ON WAYS AND MEANS

J. K. VAN FOSSEN of Scott, Chairperson

SENATE FILE 2399

H-8599

1 Amend the amendment, H-8596, to Senate File 2399,
2 as amended, passed, and reprinted by the Senate, as
3 follows:

4 1. Page 2, by inserting after line 25 the
5 following:

6 "____. Page 4, by inserting after line 8 the
7 following:

8 "Sec. ____ Section 476C.4, subsection 4, Code
9 Supplement 2005, is amended by striking the subsection
10 and inserting in lieu thereof the following:

11 4. A tax credit certificate may be filed pursuant
12 to any of the following, to the extent applicable:

13 a. If the tax credit application is filed by a
14 partnership, limited liability company, S corporation,
15 estate, trust, or other reporting entity all of the
16 income of which is taxed directly to its equity
17 holders or beneficiaries, for the taxes imposed under
18 chapter 422, division II or III, the tax credit
19 certificate shall be issued directly to equity holders
20 or beneficiaries of the applicant in proportion to
21 their pro rata share of the income of such entity.
22 The applicant shall, in the application made under
23 this section, identify its equity holders or
24 beneficiaries, and the percentage of such entity's
25 income that is allocable to each equity holder or
26 beneficiary.

27 b. If the tax credit applicant under this section
28 is eligible to receive renewable electricity
29 production credits authorized under section 45 of the
30 Internal Revenue Code, as amended, and the tax credit
31 applicant is a partnership, limited liability company,
32 S corporation, estate, trust, or other reporting
33 entity all of the income of which is taxed directly to
34 its equity holders or beneficiaries, for the taxes
35 imposed under chapter 422, division II or III, the tax
36 credit certificate may be issued to a partner if the
37 business is a partnership, a shareholder if the
38 business is an S corporation, or a member if the
39 business is a limited liability company in the amounts
40 designated by the eligible partnership, S corporation,
41 or limited liability company. In absence of such
42 designation, the credits under this section shall flow
43 through to the partners, shareholders, or members in
44 accordance with their pro rata share of the income of
45 the entity.

46 The applicant shall, in the application made under
47 this section, identify the holders or beneficiaries
48 that are to receive the tax credit certificates and
49 the percentage of the tax credit that is allocable to
50 each holder or beneficiary.

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1 c. If an applicant under this section is eligible
2 to receive renewable electricity production credits
3 authorized under section 45 of the Internal Revenue
4 Code, as amended, and the tax credit applicant is a
5 partnership, limited liability company, S corporation,
6 estate, trust, or other reporting entity all of the
7 income of which is taxed directly to its equity
8 holders or beneficiaries, for the taxes imposed under
9 chapter 422, division II or III, the tax credit
10 certificates and all future rights to the tax credit
11 in this section may be distributed to an equity holder
12 or beneficiary as a liquidating distribution or
13 portion thereof, of a holder or beneficiary's interest
14 in the applicant entity.

15 The applicant shall, in the application made under
16 this section, designate the percentage of the tax
17 credit allocable to the liquidating equity holder or
18 beneficiary that is to receive the current and future
19 tax credit certificates under this section.

20 d. If the tax credit application is filed by a
21 partnership, limited liability company, S corporation,
22 estate, trust, or other reporting entity, all of whose
23 income is taxed directly to its equity holders or
24 beneficiaries for the taxes imposed under chapter 422,
25 division V, or under chapter 423, 432, or 437A, the
26 tax credit certificate shall be issued directly to the
27 partnership, limited liability company, S corporation,
28 estate, trust, or other reporting entity."

29 _____. Page 4, by striking lines 23 through 25 and
30 inserting the following:

31 "Sec. _____. EFFECTIVE DATES.

32 1. The sections of this Act amending section
33 476B.6, subsection 5, and section 476C.4, subsection
34 4, being deemed of immediate importance, take effect
35 upon enactment.

36 2. The section of this Act relating to a proposal
37 for a study on the transmission of electricity takes
38 effect July 1, 2006.

39 3. Except as otherwise provided in this section,
40 this Act takes effect January 1, 2007."

41 _____. Title page, line 3, by striking the words
42 "an effective date" and inserting the following:
43 "effective dates".

44 2. By renumbering as necessary.

By J. K. VAN FOSSEN of Scott

HOUSE AMENDMENT TO
SENATE FILE 2399

S-5280

1 Amend Senate File 2399, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 1, by inserting after line 24 the
4 following:

5 "Sec. ____ Section 476B.6, subsection 5, Code
6 Supplement 2005, is amended by striking the subsection
7 and inserting in lieu thereof the following:

8 5. A tax credit certificate may be filed pursuant
9 to any of the following, to the extent applicable:

10 a. If the tax credit application is filed by a
11 partnership, limited liability company, S corporation,
12 estate, trust, or other reporting entity all of the
13 income of which is taxed directly to its equity
14 holders or beneficiaries, for the taxes imposed under
15 chapter 422, division II or III, the tax credit
16 certificate shall be issued directly to equity holders
17 or beneficiaries of the applicant in proportion to
18 their pro rata share of the income of such entity.
19 The applicant shall, in the application made under
20 this section, identify its equity holders or
21 beneficiaries, and the percentage of such entity's
22 income that is allocable to each equity holder or
23 beneficiary.

24 b. If the tax credit applicant under this section
25 is eligible to receive renewable electricity
26 production credits authorized under section 45 of the
27 Internal Revenue Code, as amended, and the tax credit
28 applicant is a partnership, limited liability company,
29 S corporation, estate, trust, or other reporting
30 entity all of the income of which is taxed directly to
31 its equity holders or beneficiaries, for the taxes
32 imposed under chapter 422, division II or III, the tax
33 credit certificate may be issued to a partner if the
34 business is a partnership, a shareholder if the
35 business is an S corporation, or a member if the
36 business is a limited liability company in the amounts
37 designated by the eligible partnership, S corporation,
38 or limited liability company. In absence of such
39 designation, the credits under this section shall flow
40 through to the partners, shareholders, or members in
41 accordance with their pro rata share of the income of
42 the entity.

43 The applicant shall, in the application made under
44 this section, identify the holders or beneficiaries
45 that are to receive the tax credit certificates and
46 the percentage of the tax credit that is allocable to
47 each holder or beneficiary.

48 c. If an applicant under this section is eligible
49 to receive renewable electricity production credits
50 authorized under section 45 of the Internal Revenue

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1 Code, as amended, and the tax credit applicant is a
2 partnership, limited liability company, S corporation,
3 estate, trust, or other reporting entity all of the
4 income of which is taxed directly to its equity
5 holders or beneficiaries, for the taxes imposed under
6 chapter 422, division II or III, the tax credit
7 certificates and all future rights to the tax credit
8 in this section may be distributed to an equity holder
9 or beneficiary as a liquidating distribution or
10 portion thereof, of a holder or beneficiary's interest
11 in the applicant entity.

12 The applicant shall, in the application made under
13 this section, designate the percentage of the tax
14 credit allocable to the liquidating equity holder or
15 beneficiary that is to receive the current and future
16 tax credit certificates under this section.

17 d. If the tax credit application is filed by a
18 partnership, limited liability company, S corporation,
19 estate, trust, or other reporting entity, all of whose
20 income is taxed directly to its equity holders or
21 beneficiaries for the taxes imposed under chapter 422,
22 division V, or under chapter 432, the tax credit
23 certificate shall be issued directly to the
24 partnership, limited liability company, S corporation,
25 estate, trust, or other reporting entity."

26 2. Page 4, by inserting after line 8 the
27 following:

28 "Sec. ____ . Section 476C.4, subsection 4, Code
29 Supplement 2005, is amended by striking the subsection
30 and inserting in lieu thereof the following:

31 4. A tax credit certificate may be filed pursuant
32 to any of the following, to the extent applicable:

33 a. If the tax credit application is filed by a
34 partnership, limited liability company, S corporation,
35 estate, trust, or other reporting entity all of the
36 income of which is taxed directly to its equity
37 holders or beneficiaries, for the taxes imposed under
38 chapter 422, division II or III, the tax credit
39 certificate shall be issued directly to equity holders
40 or beneficiaries of the applicant in proportion to
41 their pro rata share of the income of such entity.
42 The applicant shall, in the application made under
43 this section, identify its equity holders or
44 beneficiaries, and the percentage of such entity's
45 income that is allocable to each equity holder or
46 beneficiary.

47 b. If the tax credit applicant under this section
48 is eligible to receive renewable electricity
49 production credits authorized under section 45 of the
50 Internal Revenue Code, as amended, and the tax credit

1 applicant is a partnership, limited liability company,
2 S corporation, estate, trust, or other reporting
3 entity all of the income of which is taxed directly to
4 its equity holders or beneficiaries, for the taxes
5 imposed under chapter 422, division II or III, the tax
6 credit certificate may be issued to a partner if the
7 business is a partnership, a shareholder if the
8 business is an S corporation, or a member if the
9 business is a limited liability company in the amounts
10 designated by the eligible partnership, S corporation,
11 or limited liability company. In absence of such
12 designation, the credits under this section shall flow
13 through to the partners, shareholders, or members in
14 accordance with their pro rata share of the income of
15 the entity.

16 The applicant shall, in the application made under
17 this section, identify the holders or beneficiaries
18 that are to receive the tax credit certificates and
19 the percentage of the tax credit that is allocable to
20 each holder or beneficiary.

21 c. If an applicant under this section is eligible
22 to receive renewable electricity production credits
23 authorized under section 45 of the Internal Revenue
24 Code, as amended, and the tax credit applicant is a
25 partnership, limited liability company, S corporation,
26 estate, trust, or other reporting entity all of the
27 income of which is taxed directly to its equity
28 holders or beneficiaries, for the taxes imposed under
29 chapter 422, division II or III, the tax credit
30 certificates and all future rights to the tax credit
31 in this section may be distributed to an equity holder
32 or beneficiary as a liquidating distribution or
33 portion thereof, of a holder or beneficiary's interest
34 in the applicant entity.

35 The applicant shall, in the application made under
36 this section, designate the percentage of the tax
37 credit allocable to the liquidating equity holder or
38 beneficiary that is to receive the current and future
39 tax credit certificates under this section.

40 d. If the tax credit application is filed by a
41 partnership, limited liability company, S corporation,
42 estate, trust, or other reporting entity, all of whose
43 income is taxed directly to its equity holders or
44 beneficiaries for the taxes imposed under chapter 422,
45 division V, or under chapter 423, 432, or 437A, the
46 tax credit certificate shall be issued directly to the
47 partnership, limited liability company, S corporation,
48 estate, trust, or other reporting entity."

49 3. Page 4, by striking lines 23 through 25 and
50 inserting the following:

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Page 4

1 "Sec. ____ EFFECTIVE DATES.
2 1. The sections of this Act amending section
3 476B.6, subsection 5, and section 476C.4, subsection
4 4, being deemed of immediate importance, take effect
5 upon enactment.
6 2. The section of this Act relating to a proposal
7 for a study on the transmission of electricity takes
8 effect July 1, 2006.
9 3. Except as otherwise provided in this section,
10 this Act takes effect January 1, 2007."
11 4. Title page, line 3, by striking the words "an
12 effective date" and inserting the following:
13 "effective dates".

RECEIVED FROM THE HOUSE

S-5280 FILED MAY 3, 2006
CONCURRED

SENATE FILE 2399

AN ACT

RELATING TO RENEWABLE ENERGY INCLUDING THE RENEWABLE ENERGY
TAX CREDIT AND THE WIND ENERGY PRODUCTION TAX CREDIT AND
INCLUDING EFFECTIVE DATES.

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

Section 1. Section 476B.1, subsection 4, paragraph c, Code Supplement 2005, is amended to read as follows:

c. Was originally placed in service on or after July 1, 2005, but before July 1, ~~2008~~ 2009.

Sec. 2. Section 476B.5, subsection 1, paragraph e, Code Supplement 2005, is amended to read as follows:

e. A copy of an executed power purchase agreement or other agreement to purchase electricity upon completion of the project. An executed interconnection agreement or transmission service agreement shall be accepted by the board under this paragraph if the owner of the facility has agreed to sell electricity from the facility directly or indirectly to a wholesale power pool market.

Sec. 3. Section 476B.5, subsection 3, Code Supplement 2005, is amended to read as follows:

3. A facility that is not operational within eighteen months after issuance of an approval for the facility by the board shall cease to be a qualified facility. However, a facility that is approved as qualified under this section but is not operational within eighteen months due to the unavailability of necessary equipment shall be granted an additional twelve months to become operational. A facility that is granted and thereafter loses approval may reapply to the board for a new determination.

Sec. 4. Section 476B.6, subsection 5, Code Supplement 2005, is amended by striking the subsection and inserting in lieu thereof the following:

5. A tax credit certificate may be filed pursuant to any of the following, to the extent applicable:

a. If the tax credit application is filed by a partnership, limited liability company, S corporation, estate, trust, or other reporting entity all of the income of which is taxed directly to its equity holders or beneficiaries, for the taxes imposed under chapter 422, division II or III, the tax credit certificate shall be issued directly to equity holders or beneficiaries of the applicant in proportion to their pro rata share of the income of such entity. The applicant shall, in the application made under this section, identify its equity holders or beneficiaries, and the percentage of such entity's income that is allocable to each equity holder or beneficiary.

b. If the tax credit applicant under this section is eligible to receive renewable electricity production credits authorized under section 45 of the Internal Revenue Code, as amended, and the tax credit applicant is a partnership, limited liability company, S corporation, estate, trust, or other reporting entity all of the income of which is taxed directly to its equity holders or beneficiaries, for the taxes imposed under chapter 422, division II or III, the tax credit certificate may be issued to a partner if the business is a partnership, a shareholder if the business is an S corporation, or a member if the business is a limited liability company in the amounts designated by the eligible partnership, S corporation, or limited liability company. In absence of such designation, the credits under this section shall flow through to the partners, shareholders, or members in accordance with their pro rata share of the income of the entity.

The applicant shall, in the application made under this section, identify the holders or beneficiaries that are to

receive the tax credit certificates and the percentage of the tax credit that is allocable to each holder or beneficiary.

c. If an applicant under this section is eligible to receive renewable electricity production credits authorized under section 45 of the Internal Revenue Code, as amended, and the tax credit applicant is a partnership, limited liability company, S corporation, estate, trust, or other reporting entity all of the income of which is taxed directly to its equity holders or beneficiaries, for the taxes imposed under chapter 422, division II or III, the tax credit certificates and all future rights to the tax credit in this section may be distributed to an equity holder or beneficiary as a liquidating distribution or portion thereof, of a holder or beneficiary's interest in the applicant entity.

The applicant shall, in the application made under this section, designate the percentage of the tax credit allocable to the liquidating equity holder or beneficiary that is to receive the current and future tax credit certificates under this section.

d. If the tax credit application is filed by a partnership, limited liability company, S corporation, estate, trust, or other reporting entity, all of whose income is taxed directly to its equity holders or beneficiaries for the taxes imposed under chapter 422, division V, or under chapter 432, the tax credit certificate shall be issued directly to the partnership, limited liability company, S corporation, estate, trust, or other reporting entity.

Sec. 5. Section 476C.1, subsection 6, unnumbered paragraph 1, Code Supplement 2005, is amended to read as follows:

"Eligible renewable energy facility" means a wind energy conversion facility, a biogas recovery facility, a biomass conversion facility, a methane gas recovery facility, or a solar energy conversion facility, or a refuse conversion facility that meets all of the following requirements:

Sec. 6. Section 476C.1, subsection 6, paragraph d, Code Supplement 2005, is amended to read as follows:

d. Was initially placed into service on or after July 1, 2005, and before January 1, ~~2011~~ 2012.

Sec. 7. Section 476C.1, subsection 8, Code Supplement 2005, is amended to read as follows:

8. "Heat for a commercial purpose" means the heat in British thermal unit equivalents from refuse derived fuel, methane, or other biogas produced in this state sold to a purchaser of renewable energy for use for a commercial purpose in this state or for use by an institution in this state.

Sec. 8. Section 476C.1, Code Supplement 2005, is amended by adding the following new subsection:

NEW SUBSECTION. 12A. "Refuse conversion facility" means a facility in this state that converts solid waste into fuel that can be burned to generate heat for a commercial purpose in this state.

Sec. 9. Section 476C.3, subsections 2, 3, 4, and 5, Code Supplement 2005, are amended to read as follows:

2. The board shall review the application and supporting information and shall make a preliminary determination regarding whether the facility is an eligible renewable energy facility. The board shall notify the applicant of the approval or denial of the application within thirty days of receipt of the application and information required. If the board fails to notify the applicant of the approval or denial within thirty days, the application shall be deemed denied unless the application is placed on a waiting list as described in subsection 5. An applicant who receives a determination denying an application may file an appeal with the board within thirty days from the date of the denial pursuant to the provisions of chapter 17A. In the absence of a timely appeal, the preliminary determination shall be final. If the application is incomplete, the board may grant an extension of time for the provision of additional information.

3. A facility that is not operational within eighteen thirty months after issuance of an approval for the facility by the board shall cease to be an eligible renewable energy

facility. A facility that is granted and thereafter loses approval may reapply to the board for a new determination.

4. The maximum amount of nameplate generating capacity of all wind energy conversion facilities the board may find eligible under this chapter shall not exceed ninety one hundred eighty megawatts of nameplate generating capacity. The maximum amount of energy production capacity equivalent of all other facilities the board may find eligible under this chapter shall not exceed a combined output of ten twenty megawatts of nameplate generating capacity and one hundred sixty-seven billion British thermal units of heat for a commercial purpose. Of the maximum amount of energy production capacity equivalent of all other facilities found eligible under this chapter, fifty-five billion British thermal units of heat for a commercial purpose shall be reserved for an eligible facility that is a refuse conversion facility for processed, engineered fuel from a multicounty solid waste management planning area. The maximum amount of energy production capacity the board may find eligible for a single refuse conversion facility is fifty-five billion British thermal units of heat for a commercial purpose.

5. The board shall maintain a waiting list of facilities that may have been found eligible under this section but for the maximum capacity restrictions of subsection 4. The priority of the waiting list shall be maintained in the order the applications were received by the board. The board shall remove from the waiting list any facility that has subsequently been found ineligible under this chapter. If additional capacity becomes available within the capacity restrictions of subsection 4, the board shall grant approval to facilities according to the priority of the waiting list before granting approval to new applications. An owner of a facility on the waiting list shall provide the board each year by August 31 with a sworn statement of verification stating that the information contained in the application for eligibility remains true and correct or stating that the information has changed and providing the new information.

5- 6. An owner meeting the requirements of section 476C.1, subsection 6, paragraph "b", shall not be an owner of more than two eligible renewable energy facilities. A person that has an equity interest equal to or greater than fifty-one percent in an eligible renewable energy facility shall not have an equity interest greater than ten percent in any other eligible renewable energy facility.

Sec. 10. Section 476C.4, subsection 4, Code Supplement 2005, is amended by striking the subsection and inserting in lieu thereof the following:

4. A tax credit certificate may be filed pursuant to any of the following, to the extent applicable:

a. If the tax credit application is filed by a partnership, limited liability company, S corporation, estate, trust, or other reporting entity all of the income of which is taxed directly to its equity holders or beneficiaries, for the taxes imposed under chapter 422, division II or III, the tax credit certificate shall be issued directly to equity holders or beneficiaries of the applicant in proportion to their pro rata share of the income of such entity. The applicant shall, in the application made under this section, identify its equity holders or beneficiaries, and the percentage of such entity's income that is allocable to each equity holder or beneficiary.

b. If the tax credit applicant under this section is eligible to receive renewable electricity production credits authorized under section 45 of the Internal Revenue Code, as amended, and the tax credit applicant is a partnership, limited liability company, S corporation, estate, trust, or other reporting entity all of the income of which is taxed directly to its equity holders or beneficiaries, for the taxes imposed under chapter 422, division II or III, the tax credit certificate may be issued to a partner if the business is a partnership, a shareholder if the business is an S corporation, or a member if the business is a limited liability company in the amounts designated by the eligible

partnership, S corporation, or limited liability company. In absence of such designation, the credits under this section shall flow through to the partners, shareholders, or members in accordance with their pro rata share of the income of the entity.

The applicant shall, in the application made under this section, identify the holders or beneficiaries that are to receive the tax credit certificates and the percentage of the tax credit that is allocable to each holder or beneficiary.

c. If an applicant under this section is eligible to receive renewable electricity production credits authorized under section 45 of the Internal Revenue Code, as amended, and the tax credit applicant is a partnership, limited liability company, S corporation, estate, trust, or other reporting entity all of the income of which is taxed directly to its equity holders or beneficiaries, for the taxes imposed under chapter 422, division II or III, the tax credit certificates and all future rights to the tax credit in this section may be distributed to an equity holder or beneficiary as a liquidating distribution or portion thereof, of a holder or beneficiary's interest in the applicant entity.

The applicant shall, in the application made under this section, designate the percentage of the tax credit allocable to the liquidating equity holder or beneficiary that is to receive the current and future tax credit certificates under this section.

d. If the tax credit application is filed by a partnership, limited liability company, S corporation, estate, trust, or other reporting entity, all of whose income is taxed directly to its equity holders or beneficiaries for the taxes imposed under chapter 422, division V, or under chapter 423, 432, or 437A, the tax credit certificate shall be issued directly to the partnership, limited liability company, S corporation, estate, trust, or other reporting entity.

Sec. 11. Section 476C.5, Code Supplement 2005, is amended to read as follows:

476C.5 CERTIFICATE ISSUANCE PERIOD.

A producer or purchaser of renewable energy may receive renewable energy tax credit certificates for a ten-year period for each eligible renewable energy facility under this chapter. The ten-year period for issuance of the tax credit certificates begins with the date the purchaser of renewable energy first purchases electricity, hydrogen fuel, methane gas or other biogas used to generate electricity, or heat for commercial purposes from the eligible renewable energy facility for which a tax credit is issued under this chapter. Renewable energy tax credit certificates shall not be issued for renewable energy purchased after December 31, ~~2020~~ 2021.

Sec. 12. EFFECTIVE DATES.

1. The sections of this Act amending section 476B.6, subsection 5, and section 476C.4, subsection 4, being deemed of immediate importance, take effect upon enactment.
2. The section of this Act relating to a proposal for a study on the transmission of electricity takes effect July 1, 2006.
3. Except as otherwise provided in this section, this Act takes effect January 1, 2007.

Sec. 13. TRANSITION PROVISIONS -- APPLICABILITY.

1. The waiting list described in this Act is the waiting list maintained by the Iowa utilities board for applications for eligibility received prior to the effective date of this Act.
2. As of the effective date of this Act, the section of this Act amending section 476C.3, subsection 6, applies to all facilities on the waiting list described by this Act regardless of the date a facility applied for eligibility.

Sec. 14. PROPOSAL FOR TRANSMISSION STUDY. The utilities board shall submit to the government oversight committee by January 1, 2007, a proposal to conduct a study on the transmission of electricity in Iowa. The proposal shall include a description of the content to be studied which shall include examining the reliability and limitations of the

primary grid system and the development of additional small wind projects in all regions of the state. The content to be studied shall also include issues related to the security of Iowa's energy supply in the event of a national or local emergency affecting the primary grid system. The proposal shall include a description of the estimated time needed to complete the study, an estimate of the cost to complete the study, and any other information the board deems necessary.

JEFFREY M. LAMBERTI
President of the Senate

CHRISTOPHER C. RANTS
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2399, Eighty-first General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved _____, 2006

THOMAS J. VILSACK
Governor

