

House Study Bill 249

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
NATURAL RESOURCES BILL)

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

A BILL FOR

1 An Act relating to the development, management, and efficient use
2 of energy resources in the state.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 1410XD 82
5 tm/je/5

PAG LIN

1 1 Section 1. Section 455E.11, subsection 2, paragraph e,
1 2 Code 2007, is amended to read as follows:
1 3 e. An oil overcharge account. The oil overcharge moneys
1 4 distributed by the United States department of energy, and
1 5 approved for the energy related components of the groundwater
1 6 protection strategy available through the energy conservation
1 7 ~~trust fund~~ created in section 473.11, shall be deposited in
1 8 the oil overcharge account as appropriated by the general
1 9 assembly.

1 10 Sec. 2. Section 473.1, Code 2007, is amended by adding the
1 11 following new subsections:

1 12 NEW SUBSECTION. 4A. "Renewable energy" means solar power,
1 13 photovoltaic power, wind power, geothermal power, hydropower
1 14 less than twenty-five megawatts in nameplate capacity,
1 15 landfill gas, biomass fuel, fuel cell powered by a renewable
1 16 energy resource, or conversion of municipal, industrial, or
1 17 agricultural organic wastes into methane or liquid fuel.

1 18 NEW SUBSECTION. 4B. "Renewable fuel" means an energy
1 19 source at least in part derived from a nonfossil-based organic
1 20 compound capable of powering machinery, including an engine or
1 21 power plant.

1 22 Sec. 3. Section 473.1, subsection 5, Code 2007, is amended
1 23 to read as follows:

1 24 5. "Supplier" means any person engaged in the business of
1 25 selling, importing, storing, or generating energy sources,
1 26 renewable energy, or renewable fuel in Iowa.

1 27 Sec. 4. Section 473.2, subsection 1, paragraph a, Code
1 28 2007, is amended to read as follows:

1 29 a. Physical, human, natural, and financial resources are
1 30 allocated efficiently.

1 31 Sec. 5. Section 473.3, Code 2007, is amended to read as
1 32 follows:

1 33 473.3 ENERGY EFFICIENCY RESOURCE MANAGEMENT GOAL.

1 34 1. The goal of this state is to more efficiently utilize
1 35 energy resources, ~~especially those that are nonrenewable or~~
2 ~~that have negative environmental impacts, in order to enhance~~

2 2 the economy of the state and to decrease by decreasing the
2 3 state's dependence on nonrenewable energy resources from
2 4 outside the state and by reducing the amount of energy used.

2 5 This goal is to be implemented through the execution of a
2 6 statewide energy plan that shall include the development of

2 7 policies and programs that promote energy efficiency and

2 8 energy conservation renewable energy use by all Iowans,

2 9 through the development and enhancement of an energy

2 10 efficiency and renewable energy industry, through the

2 11 development of indigenous commercialization of energy

2 12 resources and technologies that are economically and

2 13 environmentally viable, and through the development and

2 14 implementation of effective public information and education

2 15 programs.

2 16 2. State government shall be a model and testing ground
2 17 for the use of energy efficiency and renewable energy systems.

2 18 Sec. 6. Section 473.7, subsections 1, 4, 11, 12, and 14,

2 19 Code 2007, are amended to read as follows:

2 20 1. a. Deliver to the general assembly by January 15, 1990
2 21 June 1, 2008, a plan for the development, management, and
2 22 efficient utilization of all energy resources in the state.
2 23 The plan shall evaluate existing energy utilization with
2 24 regard to energy efficiency and renewable energy and shall
2 25 evaluate the future energy needs of and opportunities for the
2 26 state. The plan shall include but is not limited to the
2 27 following elements:
2 28 a- (1) The historical use and distribution of energy in
2 29 Iowa.
2 30 b- (2) The growth rate of energy consumption in Iowa.
2 31 c- (3) A projection of Iowa's energy and energy
2 32 infrastructure needs at a minimum of ten years into the
2 33 future.
2 34 d- (4) The impact of meeting Iowa's energy needs on the
2 35 economy of the state, including the impact of energy
3 1 efficiency and renewable energy on employment and economic
3 2 development.
3 3 e- (5) The impact of meeting Iowa's energy needs on the
3 4 environment of the state, including the impact of activities
3 5 related to energy production and use which contribute to
3 6 climate change.
3 7 f- (6) An evaluation of alternative sources and uses of
3 8 energy.
3 9 g- ~~Legislative recommendations that may be necessary as a~~
3 10 ~~basis for a state policy for the development and efficient~~
3 11 ~~utilization of energy resources.~~
3 12 h- (7) An evaluation of the ability of existing laws and
3 13 regulations surrounding the utilization of energy resources.
3 14 (8) Legislative recommendations and a strategy to manage
3 15 energy more efficiently and increase the use and generation of
3 16 renewable energy in such a way that enhances the economy of
3 17 the state while also reducing adverse impacts on the
3 18 environment.
3 19 b. The department shall develop the plan in cooperation
3 20 with the governor's energy coordinating council and with the
3 21 assistance of, and in consultation with, representatives of
3 22 the energy industry, economic interests, the public, and other
3 23 interested parties. The department shall submit a report to
3 24 the general assembly concerning the status and implementation
3 25 of the plan on a biennial basis. The biennial update shall
3 26 contain an evaluation of all state energy programs including
3 27 expected versus actual benefits of such programs.
3 28 recommendations for changes or improvements to the state
3 29 energy programs and policies, and forecasts of future energy
3 30 demand and supply in Iowa.
3 31 4. a. ~~Establish a central depository within the state for~~
3 32 ~~energy data. The central depository shall be located at or~~
3 33 ~~accessible through a library which is a member of an~~
3 34 ~~interlibrary loan program to facilitate access to the data and~~
3 35 ~~information contained in the central depository. The~~
4 1 department shall collect and analyze data necessary to
4 2 forecast to use in forecasting future energy demands in demand
4 3 and supply for the state. ~~The department may require a~~ A
4 4 supplier is required to provide information pertaining to the
4 5 supply, storage, distribution, and sale of energy sources in
4 6 this state when requested by the department. The information
4 7 ~~shall be furnished on a periodic basis,~~ shall be of a nature
4 8 which directly relates to the supply, storage, distribution,
4 9 and sale of energy sources, and shall not include any records,
4 10 documents, books, or other data which relate to the financial
4 11 position of the supplier. ~~Provided the~~ The department, prior
4 12 to requiring any supplier to furnish it with such information,
4 13 shall make every reasonable effort to determine if ~~the same~~
4 14 such information is available from any other governmental
4 15 source. If it finds such information is available, the
4 16 department shall not require submission of the ~~same~~
4 17 information from a supplier. Notwithstanding the provisions
4 18 of chapter 22, information and reports obtained under this
4 19 section shall be confidential except when used for statistical
4 20 purposes without identifying a specific supplier and when
4 21 release of the information will not give an advantage to
4 22 competitors and serves a public purpose. The department shall
4 23 use this data to conduct energy forecasts which shall be
4 24 included in the biennial update required by this section and
4 25 which shall also be made available through the department's
4 26 internet website.
4 27 b. The department may subpoena witnesses, administer
4 28 oaths, and require the production of records, books, and
4 29 documents for examination in order to obtain information
4 30 required to be submitted under this section. In case of

4 31 failure or refusal on the part of any person to comply with a
4 32 subpoena issued by the department, or in case of the refusal
4 33 of any witness to testify as to any matter regarding which the
4 34 witness may be interrogated under this chapter, the district
4 35 court, upon the application of the department, may order the
5 1 person to show cause why the person should not be held in
5 2 contempt for failure to testify or comply with a subpoena, and
5 3 may order the person to produce the records, books, and
5 4 documents for examination, and to give testimony. The courts
5 5 may punish for contempt as in the case of disobedience to a
5 6 like subpoena issued by the court, or for refusal to testify.
5 7 11. Develop a program to annually give public recognition
5 8 to innovative methods of energy conservation management and
5 9 renewable energy production.

5 10 12. Administer and coordinate federal funds for energy
5 11 conservation management and renewable energy programs
5 12 including, but not limited to, the institutional conservation
~~5 13 program, state energy conservation program, and energy~~
~~5 14 extension service program, and related programs which provide~~
~~5 15 energy management and conservation assistance to schools,~~
~~5 16 hospitals, health care facilities, communities, and the~~
~~5 17 general public.~~

5 18 14. Perform Provide information from monthly fuel surveys
5 19 which establish a statistical average of motor fuel prices for
5 20 various motor fuels provided throughout the state.
5 21 Additionally, the department shall perform provide monthly
5 22 fuel surveys survey information in cities with populations of
5 23 over fifty thousand which establish a statistical average of
5 24 motor fuel prices for various motor fuels provided in those
5 25 individual cities. The survey results shall be publicized in
5 26 a monthly press release issued by the department.

5 27 Sec. 7. Section 473.7, subsections 2, 3, and 15, Code
5 28 2007, are amended by striking the subsections.

5 29 Sec. 8. Section 473.11, Code 2007, is amended to read as
5 30 follows:

5 31 473.11 ENERGY CONSERVATION ~~TRUST~~ FUND ESTABLISHED ==
5 32 RECEIPTS AND DISBURSEMENTS.

5 33 ~~1. a.~~ The energy conservation trust fund is created
5 34 within the state treasury department. This state, on behalf
5 35 of itself, its citizens, and its political subdivisions,
6 1 accepts any moneys awarded or allocated to the state, its
6 2 citizens, and its political subdivisions as a result of the
6 3 federal court decisions and United States department of energy
6 4 settlements resulting from alleged violations of federal
6 5 petroleum pricing regulations and deposits the moneys in the
6 6 energy conservation trust fund.

~~6 7 b. The energy conservation trust is established to provide~~
~~6 8 for an orderly, efficient, and effective mechanism to make~~
~~6 9 maximum use of moneys available to the state, in order to~~
~~6 10 increase energy conservation efforts and thereby to save the~~
~~6 11 citizens of this state energy expenditures. The moneys in the~~
~~6 12 funds in the trust shall be expended only upon appropriation~~
~~6 13 by the general assembly and only for programs which will~~
~~6 14 benefit citizens who may have suffered economic penalties~~
~~6 15 resulting from the alleged petroleum overcharges.~~

~~6 16 c. The moneys awarded or allocated from each court~~
~~6 17 decision or settlement shall be placed in a separate fund in~~
~~6 18 the energy conservation trust. Notwithstanding section 12C.7,~~
~~6 19 interest and earnings on investments from moneys in the trust~~
~~6 20 shall be credited proportionately to the funds in the trust.~~

~~6 21 d. Unless prohibited by the conditions applying to a~~
~~6 22 settlement, the petroleum overcharge moneys in the energy~~
~~6 23 conservation trust may be used for the payment of attorney~~
~~6 24 fees and expenses incurred by the state to obtain the moneys~~
~~6 25 and shall be paid by the director of the department of~~
~~6 26 administrative services from the available moneys in the trust~~
~~6 27 subject to the approval of the attorney general.~~

~~6 28 e. However, petroleum overcharge moneys received pursuant~~
~~6 29 to claims filed on behalf of the state, its institutions,~~
~~6 30 departments, agencies, or political subdivisions shall be~~
~~6 31 deposited in the general fund of the state to be disbursed~~
~~6 32 directly to the appropriate claimants in accordance with~~
~~6 33 federal guidelines and subject to the approval of the attorney~~
~~6 34 general.~~

~~6 35 f. The moneys deposited under section 473.16 in the~~
~~7 1 general fund of the state shall be used for research and~~
~~7 2 development of selected projects to improve Iowa's energy~~
~~7 3 independence by developing improved methods of energy~~
~~7 4 efficiency, or by increased development and use of Iowa's~~
~~7 5 renewable nonresource-depleting energy resources. The moneys~~
~~7 6 credited to the general fund of the state under section~~

~~7 7 556.18, subsection 3, shall be used for energy conservation
7 8 and alternative energy resource projects. The projects shall
7 9 be selected by the director and administered by the
7 10 department. Selection criteria for funded projects shall
7 11 include consideration of indirect restitution to those persons
7 12 in the state in the utility customer classes and the utility
7 13 service territories affected by unclaimed utility refunds or
7 14 deposits.~~

~~7 15 Moneys deposited into the general fund of the state under
7 16 sections 473.16, 476.51, and 556.18, subsection 3, are subject
7 17 to the requirements of section 8.60.~~

~~7 18 2. The treasurer of state shall be the custodian of the
7 19 energy conservation trust and shall invest the moneys in the
7 20 trust, in consultation with the energy fund disbursement
7 21 council established in subsection 3 and the investment board
7 22 of the Iowa public employees' retirement system, in accordance
7 23 with the following guidelines:~~

~~7 24 a. To maximize the rate of return on moneys in the trust
7 25 while providing sufficient liquidity to make fund
7 26 disbursements, including contingency disbursements.~~

~~7 27 b. To absolutely insure the trust against loss.~~

~~7 28 c. To use such investment tools as are necessary to
7 29 achieve these purposes.~~

~~7 30 3. An energy fund disbursement council is established.~~

~~7 31 The council shall be composed of the governor or the
7 32 governor's designee, the director of the department of
7 33 management, who shall serve as the council's chairperson, the
7 34 administrator of the division of community action agencies of
7 35 the department of human rights, a designee of the director of
8 1 the department of natural resources who is knowledgeable in
8 2 the field of energy conservation, and a designee of the
8 3 director of transportation who is knowledgeable in the field
8 4 of energy conservation. The council shall include as
8 5 nonvoting members two members of the senate appointed by the
8 6 president of the senate, after consultation with the majority
8 7 leader and the minority leader of the senate, and two members
8 8 of the house of representatives appointed by the speaker of
8 9 the house, after consultation with the majority leader and the
8 10 minority leader of the house. The legislative members shall
8 11 be appointed upon the convening and for the period of each
8 12 general assembly. Not more than one member from each house
8 13 shall be of the same political party. The council shall be
8 14 staffed by the department of natural resources. The attorney
8 15 general shall provide legal assistance to the council.~~

~~8 16 The council shall do all of the following:~~

~~8 17 a. Oversee the investment of moneys deposited in the
8 18 energy conservation trust.~~

~~8 19 b. Make recommendations to the governor and the general
8 20 assembly regarding annual appropriations from the energy
8 21 conservation trust.~~

~~8 22 c. Work with the department of natural resources in
8 23 adopting administrative rules necessary to administer
8 24 expenditures from the trust, encourage applications for grants
8 25 and loans, review and select proposals for the funding of
8 26 competitive grants and loans from the energy conservation
8 27 trust, and evaluate their comparative effectiveness.~~

~~8 28 d. Monitor expenditures from the trust.~~

~~8 29 e. Approve any grants or contracts awarded from the energy
8 30 conservation trust in excess of five thousand dollars.~~

~~8 31 f. Prepare, in conjunction with the department of natural
8 32 resources, an annual report to the governor and the general
8 33 assembly regarding earnings of and expenditures from the
8 34 energy conservation trust.~~

~~8 35 4. The director of the department of natural resources or
9 1 the director's designee shall be the administrator of the
9 2 energy conservation trust. The administrator shall disburse
9 3 moneys appropriated by the general assembly from the funds in
9 4 the trust in accordance with the federal court orders, law and
9 5 regulation, or settlement conditions applying to the moneys in
9 6 that fund, and subject to the approval of the energy fund
9 7 disbursement council if such approval is required. The
9 8 council, after consultation with the attorney general, shall
9 9 immediately approve the disbursement of moneys from the funds
9 10 in the trust for projects which meet the federal court orders,
9 11 law and regulations, or settlement conditions which apply to
9 12 that fund.~~

~~9 13 5. The following funds are established in the energy
9 14 conservation trust:~~

~~9 15 a. The Warner/Imperial fund.~~

~~9 16 b. The Exxon fund.~~

~~9 17 c. The Stripper Well fund.~~

9 18 d. ~~The Diamond Shamrock fund.~~
9 19 e. ~~The office of hearings and appeals second-stage~~
9 20 ~~settlement fund.~~
9 21 6. ~~The moneys in the fund in the energy conservation trust~~
9 22 ~~distributed to the state as a result of the federal court~~
9 23 ~~decisions finding oil companies in violation of federal~~
9 24 ~~petroleum pricing regulations shall be expended expeditiously,~~
9 25 ~~until all the receipts are depleted and shall be disbursed for~~
9 26 ~~projects which meet the strict guidelines of the five existing~~
9 27 ~~federal energy conservation programs specified in Pub. L. No.~~
9 28 ~~97-377, } 155, 96 Stat. 1830, 1919 (1982). The council shall~~
9 29 ~~approve the disbursement of moneys from the fund in the trust~~
9 30 ~~for other projects only if the projects meet one or more of~~
9 31 ~~the following conditions:~~

9 32 a. ~~The projects meet the guidelines for allowable projects~~
9 33 ~~under a modification order entered by the federal court in the~~
9 34 ~~case involving Exxon corporation.~~

9 35 b. ~~The projects meet the guidelines for allowable projects~~
10 1 ~~under a directive order entered by the federal court in the~~
10 2 ~~case involving Exxon corporation.~~

10 3 c. ~~The projects meet the guidelines for allowable projects~~
10 4 ~~under the regulations adopted or written clarifications issued~~
10 5 ~~by the United States department of energy.~~

10 6 d. ~~The projects meet the guidelines for allowable projects~~
10 7 ~~under the petroleum violation settlement agreement expenditure~~
10 8 ~~plan approved by the United States department of energy.~~

10 9 7. ~~On June 30, 2003, the energy fund disbursement council~~
10 10 ~~established in subsection 3 shall be dissolved. At that time,~~
10 11 ~~the The department of natural resources shall be responsible~~
10 12 ~~for the disbursement of any funds either received or remaining~~
10 13 ~~in the energy conservation trust fund. These disbursements~~
10 14 ~~shall be for projects and programs consistent with the legally~~
10 15 ~~determined allowable uses for the former energy conservation~~
10 16 ~~trust, section 473.11, Code 2005. Also, at that time, and~~
10 17 ~~annually thereafter, the The state department of~~
10 18 ~~transportation shall report to the department of natural~~
10 19 ~~resources on the status of the intermodal revolving loan fund~~
10 20 ~~established in the department on an annual basis. In the~~
10 21 ~~fiscal year beginning July 1, 2019, the department of natural~~
10 22 ~~resources shall assume responsibility for funds remaining in~~
10 23 ~~the intermodal revolving loan fund and disburse them for~~
10 24 ~~energy conservation projects and programs consistent with the~~
10 25 ~~legally determined allowable uses for the former energy~~
10 26 ~~conservation trust.~~

10 27 Sec. 9. Section 473.13A, Code 2007, is amended to read as
10 28 follows:

10 29 473.13A ENERGY CONSERVATION MEASURES MANAGEMENT AND
10 30 RENEWABLE ENERGY OPPORTUNITIES IDENTIFIED AND IMPLEMENTED.

10 31 1. ~~The state, All state agencies, political subdivisions~~
10 32 ~~of the state, school districts, area education agencies, and~~
10 33 ~~community colleges shall identify and implement, through~~
10 34 ~~energy audits and engineering analyses, all energy~~
10 35 ~~conservation measures management improvements identified for~~
11 1 ~~which financing is made available by the department to the~~
11 2 ~~entity. Identification of energy management improvements~~
11 3 ~~shall be made through energy analyses as defined by the~~
11 4 ~~department. The energy conservation measure financings~~
11 5 ~~management improvement financing shall be supported through~~
11 6 ~~payments from energy savings and shall be for a term defined~~
11 7 ~~by the department in rule.~~

11 8 2. ~~Except for a garage, storage facility, or brine~~
11 9 ~~production facility, a building owned or occupied by a state~~
11 10 ~~agency shall be analyzed by the state agency for energy~~
11 11 ~~management improvement opportunities based on the guidelines~~
11 12 ~~established pursuant to section 473.19. The results of the~~
11 13 ~~analysis shall be submitted to the department by August 1,~~
11 14 ~~2009. An updated analysis shall be submitted to the~~
11 15 ~~department every four years thereafter. Additionally, all new~~
11 16 ~~construction or renovation of existing facilities for state~~
11 17 ~~agency use shall meet or exceed the requirements for the~~
11 18 ~~United States green building council leadership in energy and~~
11 19 ~~environmental design silver certification. The department~~
11 20 ~~shall submit a report to the governor and general assembly by~~
11 21 ~~January 1, 2009, and every three years thereafter, that~~
11 22 ~~analyzes all information collected pursuant to this subsection~~
11 23 ~~and includes recommendations for future programs. For~~
11 24 ~~purposes of this subsection, "renovation" means any change to~~
11 25 ~~a facility with costs equal to more than fifty percent of the~~
11 26 ~~value of the facility or an addition to the facility in excess~~
11 27 ~~of twenty thousand square feet.~~

11 28 3. ~~The department shall not require a state agency, school~~

11 29 district, community college, area education agency, city, or
11 30 county to perform an ~~engineering energy~~ analysis if the school
11 31 district, community college, area education agency, city, or
11 32 county demonstrates to the department that the facility which
11 33 is the subject of the proposed ~~engineering energy~~ analysis at
11 34 issue is unlikely to be in use or operation in six years by
11 35 the governmental entity currently using or occupying the
12 1 facility.

12 2 Sec. 10. Section 473.15, Code 2007, is amended to read as
12 3 follows:

12 4 473.15 ANNUAL REPORT.

12 5 The department shall ~~include in the complete an annual~~
12 6 report ~~required under section 455A.4 an assessment of to~~
12 7 ~~assess the progress achieved by public agencies of state~~
12 8 ~~agencies, political subdivisions of the state, school~~
12 9 ~~districts, area education agencies, and community colleges in~~
12 10 ~~implementing energy management improvements, renewable energy~~
12 11 ~~systems, and life cycle cost analyses under chapter 470, and~~
12 12 ~~on the use of renewable fuels. The department shall also~~
12 13 ~~provide an assessment of the economic and environmental impact~~
12 14 ~~of the progress made by state agencies, political subdivisions~~
12 15 ~~of the state, school districts, area education agencies, and~~
12 16 ~~community colleges related to energy management and renewable~~
12 17 ~~energy, along with a forecast of future opportunities and~~
12 18 ~~policies necessary for continued improvement in these areas.~~

12 19 Sec. 11. Section 473.19, Code 2007, is amended to read as
12 20 follows:

12 21 473.19 ENERGY BANK PROGRAM.

12 22 1. The energy bank program is established by the
12 23 department. The energy bank program consists of the following
12 24 forms of assistance for the state, state agencies, political
12 25 subdivisions of the state, school districts, area education
12 26 agencies, and community colleges, and nonprofit organizations:
12 27 ~~1-~~ a. Promoting program availability.
12 28 b. Developing guidelines and model energy techniques for
12 29 the completion of energy analyses for state agencies,
12 30 political subdivisions of the state, school districts, area
12 31 education agencies, community colleges, and nonprofit
12 32 organizations.

12 33 ~~c. Providing moneys from the petroleum overcharge fund~~
12 34 ~~technical assistance for conducting energy audits analyses for~~
12 35 ~~school districts under section 279.44, for conducting~~
13 1 ~~comprehensive engineering analyses for school districts and~~
13 2 ~~for conducting energy audits and comprehensive engineering~~
13 3 ~~analyses for state agencies, and political subdivisions of the~~
13 4 ~~state agencies, political subdivisions of the state, school~~
13 5 ~~districts, area education agencies, community colleges, and~~
13 6 ~~nonprofit organizations.~~

13 7 ~~2-~~ d. Providing Facilitating loans, leases, and other
13 8 methods of alternative financing from under the energy loan
13 9 fund program established in section 473.20 and section 473.20A
13 10 for the state, state agencies, political subdivisions of the
13 11 state, school districts, area education agencies, community
13 12 colleges, and nonprofit organizations to implement energy
13 13 conservation measures management improvements.

13 14 ~~3. Serving as a source of technical support for energy~~
13 15 ~~conservation management.~~

13 16 ~~4-~~ e. Providing assistance for obtaining insurance on the
13 17 energy savings expected to be realized from the implementation
13 18 of energy conservation measures management improvements.

13 19 ~~5-~~ f. Providing Facilitating self-liquidating financing
13 20 for the state, state agencies, political subdivisions of the
13 21 state, school districts, area education agencies, community
13 22 colleges, and nonprofit organizations pursuant to section
13 23 473.20A.

13 24 2. The department may assess fees for the services
13 25 provided through the energy bank program. Any fee assessed
13 26 pursuant to this section shall be retained by the department
13 27 for purposes of providing assistance required under this
13 28 section. By January 15, 2008, the department shall adopt
13 29 rules pursuant to chapter 17A necessary for administering this
13 30 section, including the assessment of fees.

13 31 3. For the purpose of this section, section 473.20, and
13 32 section 473.20A, "energy ~~conservation measure~~ management
13 33 improvement" means construction, rehabilitation, acquisition,
13 34 or modification of an installation in a facility or vehicle
13 35 which is intended to reduce energy consumption, or energy
14 1 costs, or both, or allow the use of an alternative energy
14 2 source, which may contain integral control and measurement
14 3 devices. "Nonprofit organization" means an organization
14 4 exempt from federal income taxation under section 501(c)(3) of

14 5 the Internal Revenue Code.

14 6 Sec. 12. Section 473.20, unnumbered paragraph 1, Code
14 7 2007, is amended to read as follows:

14 8 An energy loan ~~fund~~ program is established in the office of
~~14 9 the treasurer of state to and shall~~ be administered by the
14 10 department.

14 11 Sec. 13. Section 473.20, subsections 1 and 6, Code 2007,
14 12 are amended to read as follows:

14 13 1. The department may ~~make loans to~~ facilitate the loan
14 14 process for the state, state agencies, political subdivisions
14 15 of the state, school districts, area education agencies,
14 16 community colleges, and nonprofit organizations for
14 17 implementation of energy ~~conservation measures management~~
14 18 improvements identified in a comprehensive engineering

14 19 analysis. Loans shall be ~~made~~ facilitated for all
14 20 cost-effective energy management improvements. For the state,
14 21 state agencies, political subdivisions of the state, school
14 22 districts, area education agencies, community colleges, and
14 23 nonprofit organizations to receive ~~a loan from the fund~~
14 24 assistance under the program, the department shall require
14 25 completion of an energy management plan including an energy
14 26 ~~audit and a comprehensive engineering~~ analysis. The
14 27 department shall approve loans made under this section.

14 28 6. The department shall not require the state, state
14 29 agencies, political subdivisions of the state, school
14 30 districts, area education agencies, and community colleges to
14 31 implement a specific energy ~~conservation measure management~~
14 32 improvement identified in a comprehensive engineering analysis
14 33 if the entity which prepared the analysis demonstrates to the
14 34 department that the facility which is the subject of the
14 35 energy ~~conservation measure management~~ improvement is unlikely
15 1 to be used or operated for the full period of the expected
15 2 payback of the energy ~~conservation measure management~~
15 3 improvement.

15 4 Sec. 14. Section 473.20, subsection 3, Code 2007, is
15 5 amended by striking the subsection.

15 6 Sec. 15. Section 473.20A, Code 2007, is amended to read as
15 7 follows:

15 8 473.20A SELF=LIQUIDATING FINANCING.

15 9 1. The department of natural resources may ~~enter into~~
15 10 facilitate financing agreements with the state, state
15 11 agencies, political subdivisions of the state, school
15 12 districts, area education agencies, community colleges, or
15 13 nonprofit organizations in order to provide the financing to
15 14 pay the costs of furnishing energy ~~conservation measures~~
15 15 management improvements. The provisions of section 473.20
15 16 defining eligible energy ~~conservation measures and the method~~
15 17 ~~of repayment of the loans management improvements~~ apply to
15 18 financings under this section.

15 19 The financing agreement may contain provisions, including
15 20 interest, term, and obligations to make payments on the
15 21 financing agreement beyond the current budget year, as may be
15 22 agreed upon between the department of natural resources and
15 23 the state, state agencies, political subdivisions of the
15 24 state, school districts, area education agencies, community
15 25 colleges, or nonprofit organizations.

15 26 2. For the purpose of funding its obligation to furnish
15 27 moneys under the financing agreements, or to fund the energy
15 28 loan ~~fund~~ program created in section 473.20, the treasurer of
15 29 state, with the assistance of the department of natural
15 30 resources, or the treasurer of state's duly authorized agents
15 31 or representatives, may incur indebtedness or enter into
15 32 master lease agreements or other financing arrangements to
15 33 borrow to accomplish energy conservation measures, or the
15 34 department of natural resources may enter into master lease
15 35 agreements or other financing arrangements to permit the
16 1 state, state agencies, political subdivisions of the state,
16 2 school districts, area education agencies, community colleges,
16 3 or nonprofit organizations to borrow sufficient funds to
16 4 accomplish the energy ~~conservation measure management~~
16 5 improvement.

16 6 The obligations may be in such form, for such
16 7 term, bearing such interest, and containing such provisions as
16 8 the department of natural resources, with the assistance of
16 9 the treasurer of state, deems necessary or appropriate. ~~Funds~~
16 10 ~~remaining after the payment of all obligations have been~~
16 11 ~~redeemed shall be paid into the energy loan fund.~~

16 12 3. The state, state agencies, political subdivisions of
16 13 the state, school districts, area education agencies,
16 14 community colleges, and nonprofit organizations may enter into
16 15 financing agreements and issue obligations necessary to carry
16 16 out the provisions of the chapter. Chapter 75 shall not be

16 16 applicable.
16 17 Sec. 16. Sections 473.13, 473.16, 473.17, 473.42, and
16 18 473.44, Code 2007, are repealed.

16 19 EXPLANATION

16 20 This bill relates to the development, management, and
16 21 efficient use of all energy resources in the state.

16 22 The bill defines the terms "renewable energy" and
16 23 "renewable fuel" for purposes of the Code chapter relating to
16 24 energy development and conservation.

16 25 The bill changes the energy efficiency goals for the state
16 26 to the energy resource management goals. The bill changes the
16 27 focus of the goals from the efficient use of nonrenewable
16 28 resources and resources that negatively impact the environment
16 29 to goals of decreasing dependence on nonrenewable resources,
16 30 to be implemented through programs promoting energy efficiency
16 31 and the use of renewable energy.

16 32 The bill provides that, by June 1, 2008, the department of
16 33 natural resources shall deliver to the general assembly a plan
16 34 for the development, management, and efficient use of all
16 35 energy resources in the state.

17 1 The bill eliminates a requirement that the department
17 2 establish a central depository within the state for energy
17 3 data. The bill requires the department to collect and analyze
17 4 data to use in forecasting future energy demand and supply for
17 5 the state. The bill requires such information to be made
17 6 available through the department's internet website.

17 7 The bill requires the department to provide information
17 8 from monthly fuel surveys. Currently, the department is
17 9 required to perform such surveys.

17 10 The bill eliminates departmental duties relating to
17 11 identifying a state facility to be used as a marketing tool to
17 12 promote energy conservation, exchanging information with other
17 13 states on energy, and conducting a study on activities related
17 14 to energy production and use which contribute to global
17 15 climate change and the depletion of the stratospheric ozone
17 16 layer.

17 17 The bill changes the name of the energy conservation trust
17 18 to the energy conservation fund and eliminates most of the
17 19 provisions relating to the trust. The bill provides that the
17 20 department shall be responsible for the disbursement of any
17 21 funds either received or remaining in the energy conservation
17 22 fund and that the disbursements shall be for projects and
17 23 programs consistent with the legally determined allowable uses
17 24 for the energy conservation trust. The bill requires the
17 25 state department of transportation to report to the department
17 26 of natural resources on the status of the intermodal revolving
17 27 loan fund established in the department on an annual basis.

17 28 The bill requires that, in the fiscal year beginning July 1,
17 29 2019, the department of natural resources shall assume
17 30 responsibility for funds remaining in the intermodal revolving
17 31 loan fund and disburse them for energy programs consistent
17 32 with the legally determined allowable uses for the energy
17 33 conservation fund.

17 34 The bill requires all state agencies, political
17 35 subdivisions of the state, school districts, area education
18 1 agencies, and community colleges to identify and implement all
18 2 energy management improvements identified by the department
18 3 for which financing is made available by the department of
18 4 natural resources to the entity. The bill provides that,
18 5 except for garages, storage facilities, and brine production
18 6 facilities, any building owned or occupied by a state agency
18 7 shall be analyzed for energy management improvement
18 8 opportunities and the results of the analysis shall be
18 9 submitted to the department by August 1, 2009. The bill
18 10 requires an updated analysis to be submitted to the department
18 11 every three years thereafter.

18 12 The bill requires the department to complete an annual
18 13 report to assess the progress of state agencies, political
18 14 subdivisions of the state, school districts, area education
18 15 agencies, and community colleges in implementing energy
18 16 management improvements, renewable energy systems, life cycle
18 17 cost analyses, and on the use of renewable fuels.

18 18 The bill provides that assistance under the energy bank
18 19 program includes promoting the program availability;
18 20 developing guidelines and model energy techniques for the
18 21 completion of energy analyses; providing technical assistance
18 22 for conducting energy analyses; facilitating loans, leases,
18 23 and other methods of alternative financing from the energy
18 24 loan program; providing assistance for obtaining insurance on
18 25 the energy savings expected to be realized from the
18 26 implementation of energy management improvements; and

18 27 facilitating self-liquidating financing. The bill allows the
18 28 department to assess fees for the services provided and allows
18 29 the department to retain the fees. The bill changes the term
18 30 "energy conservation measure" to "energy management
18 31 improvement" under the energy bank program and the energy loan
18 32 program.

18 33 The bill eliminates the energy loan fund in the office of
18 34 the treasurer of state and makes associated changes. The bill
18 35 changes the energy loan fund to the energy loan program. The
19 1 bill changes a power of the department to make loans under the
19 2 program to the ability to facilitate the loan process under
19 3 the program.

19 4 The bill repeals provisions relating to an engineering
19 5 analysis by the state department of transportation, rules for
19 6 the use of compact fluorescent bulbs in exit signs, plumbing
19 7 products efficiency standards, and receiving additional
19 8 funding for energy-related programs.

19 9 LSB 1410XD 82

19 10 tm:nh/je/5.1