

House Study Bill 742

SENATE/HOUSE FILE _____
BY (PROPOSED GOVERNOR'S BILL)

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

A BILL FOR

1 An Act relating to energy efficiency by establishing specified
2 standards and goals relating to energy production and
3 utilization, and establishing a commission on energy
4 efficiency standards and practices.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6 TLSB 5711XL 82
7 rn/rj/14

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1 1 Section 1. NEW SECTION. 103A.27 COMMISSION ON ENERGY
1 2 EFFICIENCY STANDARDS AND PRACTICES.
1 3 1. A commission on energy efficiency standards and
1 4 practices is established within the department of public
1 5 safety. The commission shall be composed of the following
1 6 members:
1 7 a. The state building code commissioner, or the
1 8 commissioner's designee.
1 9 b. The director of the office of energy independence, or
1 10 the director's designee.
1 11 c. A professional engineer licensed pursuant to chapter
1 12 542B.
1 13 d. An architect registered pursuant to chapter 544A.
1 14 e. Two individuals recognized in the construction industry
1 15 as possessing expertise and experience in the construction or
1 16 renovation of energy-efficient residential and commercial
1 17 buildings.
1 18 f. A member of a local planning and zoning commission or
1 19 county board of supervisors.
1 20 g. Three individuals representing gas and electric public
1 21 utilities within this state.
1 22 h. A local building official whose duties include
1 23 enforcement of requirements for energy conservation in
1 24 construction.
1 25 i. Two consumers, one of whom owns and occupies a
1 26 residential building in this state and one of whom owns and
1 27 occupies a building used in commercial business or
1 28 manufacturing.
1 29 2. The commissioner shall appoint all members to the
1 30 commission other than those members designated in subsection
1 31 1, paragraphs "a" and "b". Appointment of members are subject
1 32 to the requirements of sections 69.16 and 69.16A. Members
1 33 shall serve three-year terms beginning and ending as provided
1 34 in section 69.19. A vacancy on the commission shall be filled
1 35 for the unexpired portion of the regular term in the same
2 1 manner as regular appointments are made. Members appointed by
2 2 the commissioner shall be reimbursed for actual and necessary
2 3 expenses incurred in performance of their duties. Such
2 4 members may also be eligible to receive compensation as
2 5 provided in section 7E.6. A majority of the members shall
2 6 constitute a quorum.
2 7 3. Duties of the commission shall include but are not
2 8 limited to the following:
2 9 a. Evaluate energy efficiency standards applicable to
2 10 existing or newly constructed residential, commercial, and
2 11 industrial buildings and vertical infrastructure at the state
2 12 and local level and make suggestions for their improvement and
2 13 enforcement.
2 14 b. Develop recommendations for new energy efficiency
2 15 standards, specifications, or guidelines applicable to newly
2 16 constructed residential, commercial, and industrial buildings
2 17 and vertical infrastructure.
2 18 c. Develop recommendations for the establishment of

2 19 incentives for energy efficiency construction projects which
2 20 exceed currently applicable state and local building codes.
2 21 d. Develop recommendations for adoption of a statewide
2 22 energy efficiency building labeling or rating system for
2 23 residential, commercial, and industrial buildings and
2 24 complexes.

2 25 4. The commission shall be formed for the two-year period
2 26 beginning July 1, 2008, and ending June 30, 2010, and shall
2 27 submit a report to the governor and the general assembly by
2 28 January 1, 2011, regarding its activities and recommendations.
2 29 Administrative support shall be furnished by the department of
2 30 public safety, with the assistance of the office of energy
2 31 independence and the department of natural resources.

2 32 Sec. 2. Section 476.6, Code Supplement 2007, is amended by
2 33 adding the following new subsection:

2 34 NEW SUBSECTION. 23. ENERGY SAVINGS STANDARD.

2 35 The board shall establish an energy efficiency standard of
3 1 a one and one-half percent annual reduction in projected
3 2 energy use applicable to all gas and electric utilities as a
3 3 statewide average goal. In applying the standard, the board
3 4 shall collaborate with each utility to determine an
3 5 individualized and cost-effective energy efficiency goal,
3 6 taking into consideration the utility service area's historic
3 7 energy load, its projected demand, its consumer base, and
3 8 other relevant factors. The goal applicable to a gas and
3 9 electric utility may be implemented through modification of
3 10 the utility's energy efficiency plan submitted pursuant to
3 11 subsection 14, a plan developed and implemented by the board,
3 12 or pursuant to a third-party contract entered into by the
3 13 utility. Upon application, the board may establish an energy
3 14 efficiency goal for a group or groups of utilities to pool
3 15 their energy use reductions.

3 16 Sec. 3. Section 476.44, subsection 2, Code 2007, is
3 17 amended to read as follows:

3 18 2. ~~An electric utility subject to this division, except a~~
~~3 19 utility that elects rate regulation pursuant to section~~
~~3 20 476.1A, shall not be required to own or purchase, at any one~~
~~3 21 time, more than its share of one hundred five megawatts of~~
~~3 22 power from alternative energy production facilities or small~~
~~3 23 hydro facilities at the rates established pursuant to section~~
~~3 24 476.43. The board shall allocate the one hundred five~~
~~3 25 megawatts based upon each utility's percentage of the total~~
~~3 26 Iowa retail peak demand, for the year beginning January 1,~~
~~3 27 1990, of all utilities subject to this section. If a utility~~
~~3 28 undergoes reorganization as defined in section 476.76, the~~
~~3 29 board shall combine the allocated purchases of power for each~~
~~3 30 utility involved in the reorganization.~~

3 31 ~~Notwithstanding the one hundred five megawatt maximum, the~~
~~3 32 board may increase the amount of power that a utility is~~
~~3 33 required to own or purchase at the rates established pursuant~~
~~3 34 to section 476.43 if the board finds that a utility, including~~
~~3 35 a reorganized utility, exceeds its 1990 Iowa retail peak~~
~~4 1 demand by twenty percent and the additional power the utility~~
~~4 2 is required to purchase will encourage the development of~~
~~4 3 alternate energy production facilities and small hydro~~
~~4 4 facilities. The increase shall not exceed the utility's~~
~~4 5 increase in peak demand multiplied by the ratio of the~~
~~4 6 utility's share of the one hundred five megawatt maximum to~~
~~4 7 its 1990 Iowa retail peak demand. The board shall establish~~
~~4 8 for each electric utility the goal of producing or purchasing~~
~~4 9 twenty-five percent of its total annual Iowa retail electric~~
~~4 10 sales from alternative energy production facilities by~~
~~4 11 December 31, 2025.~~

4 12 EXPLANATION

4 13 This bill relates to improving energy efficiency within
4 14 this state.

4 15 The bill provides for the establishment of an energy
4 16 efficiency standard of a 1.5 percent annual reduction in
4 17 projected energy use applicable to all gas and electric
4 18 utilities as a statewide average goal. The bill directs the
4 19 Iowa utilities board to collaborate with each utility to
4 20 determine an individualized and cost-effective energy
4 21 efficiency goal, taking into consideration the utility service
4 22 area's historic energy load, its projected demand, its
4 23 consumer base, and other relevant factors. The bill specifies
4 24 that the goal may be implemented through modification of a
4 25 utility's energy efficiency plan submitted pursuant to Code
4 26 section 476.6, subsection 14, a plan developed and implemented
4 27 by the board, or pursuant to a third-party contract entered
4 28 into by the utility. The bill provides that, upon
4 29 application, the board may establish an energy efficiency goal

4 30 for a group or groups of utilities to pool their energy use
4 31 reductions.
4 32 The bill also establishes a goal applicable to electric
4 33 utilities of producing or purchasing 25 percent of their total
4 34 annual Iowa retail electric sales from alternative energy
4 35 production facilities by December 31, 2025.
5 1 The bill provides for the establishment of a commission on
5 2 energy efficiency standards and practices within the
5 3 department of public safety, to be comprised of the state
5 4 building code commissioner or designee, the director of the
5 5 office of energy independence or designee, a licensed
5 6 engineer, a registered architect, two individuals recognized
5 7 in the construction industry as possessing expertise and
5 8 experience in the construction or renovation of
5 9 energy=efficient residential and commercial buildings, a
5 10 member of a local planning and zoning commission or county
5 11 board of supervisors, three representatives of gas and
5 12 electric public utilities, a local building official, and two
5 13 consumers. The commission's duties would include evaluating
5 14 energy efficiency standards applicable to buildings,
5 15 developing recommendations for new energy efficiency
5 16 standards, specifications, or guidelines applicable to new
5 17 construction, developing recommendations for incentives for
5 18 energy efficiency construction projects which exceed currently
5 19 applicable state and local building codes, and developing
5 20 recommendations for adopting a statewide energy efficiency
5 21 building labeling or rating system. The commission would
5 22 exist for a two=year period, with a report of recommendations
5 23 submitted to the governor and the general assembly by January
5 24 1, 2011.
5 25 LSB 5711XL 82
5 26 rn/rj/14.1