

Senate Study Bill 1264

SENATE/HOUSE FILE _____
BY (PROPOSED OFFICE OF
ENERGY INDEPENDENCE
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 a renewable
2 energy transmission authority, and conferring bonding
3 authority upon the authority.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1291DP 83
6 rn/rj/14

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1 1 Section 1. NEW SECTION. 471.1 SHORT TITLE.
1 2 This chapter shall be known and may be cited as the
1 3 "Renewable Energy Transmission Authority Act".
1 4 Sec. 2. NEW SECTION. 471.2 DEFINITIONS.
1 5 As used in this chapter, unless the context otherwise
1 6 requires:
1 7 1. "Acquire" means to obtain an eligible facility by
1 8 lease, construction, reconstruction, or purchase.
1 9 2. "Authority" means the renewable energy transmission
1 10 authority created in section 471.3.
1 11 3. "Bonds" means renewable energy transmission bonds and
1 12 includes notes, warrants, bonds, temporary bonds, and
1 13 anticipation notes issued by the authority.
1 14 4. "Eligible facility" means a facility to be financed or
1 15 acquired by the authority, in which, within one year after
1 16 beginning the transmission or storage of any electricity, and
1 17 thereafter, at least thirty percent of the electric energy, as
1 18 estimated by the authority, originates from renewable energy
1 19 sources.
1 20 5. "Facility" means an electric transmission and
1 21 interconnected storage facility and all related structures,
1 22 properties and supporting infrastructure, including any
1 23 interests in the facility.
1 24 6. "Finance" or "financing" means the lending of bond
1 25 proceeds by the authority to a public utility or other private
1 26 person for the purpose of planning, acquiring, operating, and
1 27 maintaining an eligible facility in whole or in part by that
1 28 public utility or other private person.
1 29 7. "Project" means an undertaking by the authority to
1 30 finance or plan; acquire outright, pursuant to an option to
1 31 own, or through a partnership for joint ownership with a
1 32 public utility or transmission operator; maintain; and operate
1 33 an eligible facility located in part or in whole within this
1 34 state.
1 35 8. "Public utility" means an electric or gas public
2 1 utility subject to rate regulation by the utilities division
2 2 of the department of commerce, an electric public utility
2 3 having fewer than ten thousand customers and electric
2 4 cooperative corporations and associations exempt from rate
2 5 regulation authority pursuant to section 476.1A, a municipally
2 6 owned utility exempt from rate regulation pursuant to section
2 7 476.1B, and a gas public utility having fewer than two
2 8 thousand customers exempt from rate regulation pursuant to
2 9 section 476.1C.
2 10 9. a. "Renewable energy" means electric energy which is
2 11 any of the following:
2 12 (1) Generated by use of low or zero emissions generation
2 13 technology with substantial long-term production potential.
2 14 (2) Generated by use of renewable energy resources that
2 15 may include any of the following:
2 16 (a) Solar, wind, hydropower, and geothermal resources.
2 17 (b) Fuel cells that are not fossil fueled.

2 18 (c) Biomass resources, such as agriculture or animal
2 19 waste, small diameter timber, salt cedar and other
2 20 phreatophyte or woody vegetation removed from river basins or
2 21 watersheds in this state, landfill gas, and anaerobically
2 22 digested waste biomass.

2 23 b. For purposes of this subsection, "renewable energy"
2 24 does not include electric energy generated by use of fossil
2 25 fuel or nuclear energy.

2 26 10. "Storage" means an energy storage technology that
2 27 converts, stores, and returns electricity to alleviate a
2 28 disparity between electricity supply and demand, to facilitate
2 29 the dispatching of electricity, or to increase economic return
2 30 on the sale of electricity.

2 31 11. "Transmission operator" means an entity that builds,
2 32 owns, leases, or maintains transmission and distribution lines
2 33 within the state's boundaries.

2 34 Sec. 3. NEW SECTION. 471.3 RENEWABLE ENERGY TRANSMISSION
2 35 AUTHORITY CREATED == ORGANIZATION.

3 1 1. A renewable energy transmission authority is created as
3 2 a public body, politic and corporate, separate and apart from
3 3 this state, constituting a governmental instrumentality for
3 4 the performance of essential public functions.

3 5 2. The authority shall be composed of seven voting members
3 6 as follows:

3 7 a. Three public members appointed by the governor.
3 8 b. The director of the office of energy independence or
3 9 the director's designee.

3 10 c. The treasurer of state or the treasurer of state's
3 11 designee.

3 12 d. The chairperson of the utilities board or the
3 13 chairperson's designee.

3 14 e. The director of the department of economic development
3 15 or the director's designee.

3 16 3. The qualifications of the members shall be as follows:

3 17 a. One member appointed by the governor shall have
3 18 expertise in financial matters involving the financing of
3 19 major electrical transmission projects.

3 20 b. The other appointed members shall have:

3 21 (1) Special knowledge of the public utility industry, as
3 22 evidenced by education or by experience, at least five years
3 23 of which must be with the public utility industry.

3 24 (2) Knowledge of renewable energy development.

3 25 (3) A member shall not own or operate a facility or
3 26 represent a person that owns or operates a facility.

3 27 4. In addition to the seven voting members, one member of
3 28 the senate appointed by the majority leader of the senate, one
3 29 member of the senate appointed by the minority leader of the
3 30 senate, one member of the house of representatives appointed
3 31 by the speaker of the house of representatives, and one member
3 32 of the house of representatives appointed by the minority
3 33 leader of the house of representatives, shall serve as ex
3 34 officio, nonvoting members of the authority.

3 35 5. Appointment of public members of the authority shall be
4 1 subject to the requirements of sections 69.16, 69.16A, and
4 2 69.16C. Public members shall serve three-year terms beginning
4 3 and ending as provided in section 69.19. A vacancy on the
4 4 authority shall be filled for the unexpired portion of the
4 5 regular term in the same manner as regular appointments are
4 6 made. Voting members shall be reimbursed for actual and
4 7 necessary expenses incurred in performance of their duties,
4 8 and may also be eligible to receive compensation as provided
4 9 in section 7E.6. A majority of the voting members shall
4 10 constitute a quorum.

4 11 6. The governor shall designate a member appointed by the
4 12 governor to serve as chairperson, and the authority may elect
4 13 annually such other officers as it deems necessary.

4 14 7. The authority is not created or organized and its
4 15 operations are not conducted for the purpose of making a
4 16 profit, but it is expected to recover the costs of operating
4 17 the authority. Revenues or assets of the authority shall not
4 18 benefit or be distributable to its members, officers, or other
4 19 private persons.

4 20 8. The authority is not subject to the supervision or
4 21 control of any other board, bureau, department, or agency of
4 22 this state except as specifically provided in this chapter.

4 23 Use of the terms "state agency" or "instrumentality" in any
4 24 other law of the state shall not be deemed to refer to the
4 25 authority unless the authority is specifically referred to in
4 26 the law.

4 27 Sec. 4. NEW SECTION. 471.4 AUTHORITY == DUTIES AND
4 28 POWERS.

4 29 1. The authority may do any and all things necessary or
4 30 proper to accomplish its purposes, including all of the
4 31 following:

- 4 32 a. Hire an executive director and such other employees or
4 33 other agents as it deems necessary for the performance of its
4 34 powers and duties, including consultants, financial advisors
4 35 and legal advisors, and prescribe the powers and duties and
5 1 fix the compensation of the employees and agents. The
5 2 executive director of the authority shall direct the affairs
5 3 and business of the authority, subject to the policies,
5 4 control, and direction of the authority.
- 5 5 b. Maintain such records and accounts of revenues and
5 6 expenditures as required by the auditor of state. The auditor
5 7 of state or the auditor of state's designee shall conduct an
5 8 annual financial and legal compliance audit of the accounts of
5 9 the authority and file copies with the governor and the
5 10 general assembly.
- 5 11 c. Make and execute agreements, contracts, and other
5 12 instruments necessary or convenient in the exercise of its
5 13 powers and functions with any person or governmental agency.
- 5 14 d. Enter into contractual agreements with respect to one
5 15 or more projects upon the terms and conditions the authority
5 16 considers advisable.
- 5 17 e. Utilize the services of state agencies upon mutually
5 18 agreeable terms and conditions.
- 5 19 f. Enter into partnerships with public or private
5 20 entities.
- 5 21 g. Identify and establish corridors for the transmission
5 22 of electricity within the state.
- 5 23 h. Coordinate, investigate, plan, prioritize, and
5 24 negotiate with entities within and outside the state for the
5 25 establishment of interstate transmission corridors through
5 26 participation in appropriate regional transmission forums.
- 5 27 i. Finance or plan, acquire, maintain, and operate one or
5 28 more eligible facilities necessary or useful for the
5 29 accomplishment of the purposes of this chapter.
- 5 30 j. Receive by gift, grant, donation, or otherwise, any
5 31 federal or state funding, or funding received from any other
5 32 state, any political subdivision, or any other public or
5 33 private entity.
- 5 34 k. Issue bonds as necessary to undertake a project.
- 5 35 l. Own eligible facilities or enter into a partnership for
6 1 joint ownership with public utilities or transmission
6 2 operators.
- 6 3 m. Enter into contracts for the lease and operation by the
6 4 authority of eligible facilities owned by a public utility,
6 5 transmission operator, or other private person.
- 6 6 n. Enter into contracts for leasing one or more eligible
6 7 facilities owned by the authority, provided that any revenue
6 8 derived pursuant to the lease shall be deposited in the
6 9 renewable energy transmission bonding fund.
- 6 10 o. Collect payments of reasonable rates, fees, interest,
6 11 or other charges from persons using one or more eligible
6 12 facilities to finance one or more eligible facilities and for
6 13 other services rendered by the authority, provided that any
6 14 revenue derived from payments made to the authority shall be
6 15 deposited in the renewable energy transmission bonding fund.
- 6 16 p. Borrow money necessary to carry out its purposes and
6 17 mortgage and pledge any leases, loans, or contracts executed
6 18 and delivered by the authority.
- 6 19 q. Sue and be sued.
- 6 20 r. Adopt such reasonable administrative rules pursuant to
6 21 chapter 17A as may be necessary or appropriate to carry out
6 22 its powers and duties.

6 23 2. Except as provided in this subsection, the authority
6 24 shall not enter into any project if public utilities,
6 25 transmission operators, or other private persons are
6 26 performing the acts, are constructing or have constructed one
6 27 or more facilities, or are providing the services contemplated
6 28 by the authority, and are willing to provide funds for and own
6 29 new infrastructure to meet an identified need and market.
6 30 Before entering into a project, the following procedures shall
6 31 be implemented:

- 6 32 a. The authority shall provide to each gas and electric
6 33 public utility, transmission operator, and the utilities
6 34 division of the department of commerce and shall publish
6 35 notice in a newspaper of general circulation in this state and
7 1 in a newspaper in the area where one or more eligible
7 2 facilities are contemplated and on a publicly accessible
7 3 internet site maintained by the authority, an initial notice
7 4 describing the project that the authority is contemplating,

7 5 including a detailed description of the existing or
7 6 anticipated renewable energy sources that justify the
7 7 determination by the authority that the project facilities are
7 8 eligible facilities. The description shall contain, at a
7 9 minimum, the names of all persons that already are or will
7 10 develop the renewable energy sources, all persons that will
7 11 own the renewable energy sources, and the peak output
7 12 capacity, source type, location, and anticipated connection
7 13 date of the renewable energy sources.

7 14 b. Any person with an interest that may be affected by the
7 15 proposed project shall have thirty days from the date of the
7 16 last publication of the initial notice to challenge, in
7 17 writing, the determination by the authority that the
7 18 facilities are eligible facilities. If a challenge is
7 19 received by the authority within the thirty days, the
7 20 authority shall hold a public hearing. Following the hearing,
7 21 the authority shall make a final determination of eligibility.
7 22 Any person or governmental entity participating in the hearing
7 23 may appeal the final determination by filing a notice of
7 24 appeal with the district court.

7 25 c. Gas and electric public utilities, transmission
7 26 operators, and other persons willing and able to provide money
7 27 for, acquire, maintain, and operate one or more eligible
7 28 facilities described in the notice shall have the following
7 29 time period to notify the authority of the intention and
7 30 ability to provide money for, acquire, maintain, and operate
7 31 the eligible facilities described in the notice:

7 32 (1) Within ninety days of the date of the last publication
7 33 of the initial notice if no challenge is received pursuant to
7 34 paragraph "b".

7 35 (2) Within ninety days of the date of the notice of
8 1 determination if a challenge is received pursuant to paragraph
8 2 "b".

8 3 d. In the absence of notification by a public utility,
8 4 transmission operator, or other person pursuant to paragraph
8 5 "c", or if a person, having given notice of intention to
8 6 provide money for, acquire, maintain, and operate one or more
8 7 eligible facilities contemplated by the authority, fails to
8 8 make a good faith effort to commence the same within twelve
8 9 months from the date of notification by the authority of its
8 10 intention, the authority may proceed to finance or plan,
8 11 acquire, maintain, and operate the eligible facilities
8 12 originally contemplated, provided that a person that, within
8 13 the time required, has made necessary applications to acquire
8 14 federal, state, local or private permits, certificates, or
8 15 other approvals necessary to acquire the eligible facilities
8 16 shall be deemed to have commenced the same as long as the
8 17 person diligently pursues the permits, certificates, or other
8 18 approvals.

8 19 3. In soliciting and entering into contracts for the
8 20 transmission or storage of electricity, the authority and any
8 21 person leasing or operating one or more eligible facilities
8 22 financed or acquired by the authority shall, if practical,
8 23 give priority to those contracts that will transmit or store
8 24 electricity to be sold and consumed in this state.

8 25 4. The authority and any eligible facilities acquired by
8 26 the authority are not subject to the supervision, regulation,
8 27 control, or jurisdiction of the utilities division of the
8 28 department of commerce, provided this subsection shall not be
8 29 interpreted to allow a public utility to include the cost of
8 30 using eligible facilities in its rate base without the
8 31 approval of the utilities division.

8 32 5. A gas or electric public utility subject to rate
8 33 regulation pursuant to chapter 476 may recover the capital
8 34 cost of a project undertaken pursuant to this chapter from its
8 35 retail customers only if the project has received a
9 1 certificate of public convenience and necessity pursuant to
9 2 section 476A.6. A municipal utility or a rural electric
9 3 cooperative or association exempt from rate regulation may
9 4 recover such costs only if the project has been approved by
9 5 the governing body of the municipality or political
9 6 subdivision or subdivision within the utility's service area.
9 7 Costs associated with a project undertaken pursuant to this
9 8 chapter are not recoverable from retail utility customers
9 9 except to the extent the costs are prudently incurred and the
9 10 project is used and useful in serving those customers as
9 11 determined by the utilities division.

9 12 Sec. 5. NEW SECTION. 471.5 RENEWABLE ENERGY TRANSMISSION
9 13 BONDS == APPROPRIATION OF PROCEEDS.

9 14 1. The authority is authorized to issue and sell revenue
9 15 bonds, known as renewable energy transmission bonds, payable

9 16 solely from the renewable energy transmission bonding fund for
9 17 the purpose of entering into a project when the authority
9 18 determines that the project is needed.
9 19 2. The net proceeds from the bonds are appropriated to the
9 20 authority for the purpose of financing or acquiring one or
9 21 more eligible facilities.

9 22 Sec. 6. NEW SECTION. 471.6 RENEWABLE ENERGY TRANSMISSION
9 23 BONDING FUND CREATED == MONEYS IN THE FUND PLEDGED.
9 24 1. The renewable energy transmission bonding fund is
9 25 created in the state treasury under the control of the
9 26 authority. The fund shall consist of revenues received by the
9 27 authority from operating or leasing eligible facilities, fees
9 28 and service charges collected, and, if the authority has
9 29 provided financing for eligible facilities, money from
9 30 payments of principal and interest on loans. Notwithstanding
9 31 section 12C.7, subsection 2, interest or earnings on moneys
9 32 deposited in the fund shall be credited to the fund.
9 33 Notwithstanding section 8.33, moneys remaining in the fund at
9 34 the end of a fiscal year shall not revert to the general fund
9 35 of the state.

10 1 2. Moneys in the renewable energy transmission bonding
10 2 fund are pledged for the payment of principal and interest on
10 3 all bonds issued pursuant to this chapter. Moneys in the fund
10 4 are appropriated to the authority for the purpose of paying
10 5 debt service, including redemption premiums, on the bonds and
10 6 the expenses incurred in the issuance, payment, and
10 7 administration of the bonds.

10 8 3. On June 30 annually, the authority shall estimate the
10 9 amount needed to make debt service and other payments during
10 10 the next twelve months from the renewable energy transmission
10 11 bonding fund on the bonds plus the amount that may be needed
10 12 for any required reserves. The authority shall transfer to
10 13 the renewable energy transmission authority operational fund
10 14 created in section 471.13 any balance in the renewable energy
10 15 transmission bonding fund above the estimated amounts.

10 16 4. Bonds issued pursuant to this chapter shall be payable
10 17 solely from the renewable energy transmission bonding fund or,
10 18 with the approval of the bondholders, such other special funds
10 19 as may be provided by law and do not create an obligation or
10 20 indebtedness of this state. A breach of any contractual
10 21 obligation incurred pursuant to this chapter shall not impose
10 22 a pecuniary liability or a charge upon the general credit or
10 23 taxing power of this state, and the bonds are not general
10 24 obligations for which this state's full faith and credit is
10 25 pledged.

10 26 5. The renewable energy transmission bonding fund shall be
10 27 used only for the purposes specified in this section and
10 28 pledged first to pay the debt service on the bonds issued
10 29 pursuant to this chapter. Any law requiring the deposit of
10 30 revenues in the fund or authorizing expenditures from the fund
10 31 shall not be amended or repealed or otherwise modified so as
10 32 to impair the bonds to which the fund is dedicated as provided
10 33 in this section.

10 34 Sec. 7. NEW SECTION. 471.7 AUTHORITY TO REFUND BONDS.
10 35 The authority may issue and sell at public or private sale
11 1 bonds to refund outstanding renewable energy transmission
11 2 bonds by exchange, immediate or prospective redemption,
11 3 cancellation, or escrow, including the escrow of debt service
11 4 funds accumulated for payment of outstanding bonds, or any
11 5 combination thereof, when, in its opinion, such action will be
11 6 beneficial to this state.

11 7 Sec. 8. NEW SECTION. 471.8 RENEWABLE ENERGY TRANSMISSION
11 8 BONDS == FORM == EXECUTION.
11 9 1. The authority, except as otherwise specifically
11 10 provided in this chapter shall determine at its discretion the
11 11 terms, covenants, and conditions of the bonds, including but
11 12 not limited to date of issue, denominations, maturities, rate
11 13 or rates of interest, call features, call premiums,
11 14 registration, refund ability and other covenants covering the
11 15 general and technical aspects of the issuance of the bonds.

11 16 2. The bonds shall be in such form as the authority may
11 17 determine, and successive issues shall be identified by
11 18 alphabetical, numerical, or other proper series designation.

11 19 3. Bonds shall be signed and attested by the executive
11 20 director of the authority and shall be executed with the
11 21 facsimile signature of the chairperson of the authority and
11 22 the facsimile seal of the authority, except for bonds issued
11 23 in book entry or similar form without the delivery of physical
11 24 securities. Any interest coupons attached to the bonds shall
11 25 bear the facsimile signature of the executive director of the
11 26 authority, which officer, by the execution of the bonds, shall

11 27 adopt as the executive director's own signature the facsimile
11 28 thereof appearing on the coupons.

11 29 Sec. 9. NEW SECTION. 471.9 PROCEDURE FOR SALE OF
11 30 RENEWABLE ENERGY TRANSMISSION BONDS.

11 31 1. Bonds shall be sold by the authority at such times and
11 32 in such manner as the authority may elect, either at private
11 33 sale for a negotiated price or to the highest bidder at public
11 34 sale for cash at not less than par and accrued interest.

11 35 2. In connection with any public sale of the bonds, the
12 1 authority shall publish a notice of the time and place of sale
12 2 in a newspaper of general circulation in this state and also
12 3 in a recognized financial journal outside this state. The
12 4 publication shall be made once each week for two consecutive
12 5 weeks prior to the date fixed for such sale, the last
12 6 publication to be two business days prior to the date of sale.
12 7 The notice shall specify the amount, denomination, maturity,
12 8 and description of the bonds to be offered for sale and the
12 9 place, day, and hour at which sealed bids therefor shall be
12 10 received. All bids, except those of this state, shall be
12 11 accompanied by a deposit of two percent of the principal
12 12 amount of the bonds. Deposits of unsuccessful bidders shall
12 13 be returned upon rejection of the bids. At the time and place
12 14 specified in such notice, the authority shall open the bids in
12 15 public and shall award the bonds, or any part thereof, to the
12 16 bidder or bidders offering the best price. The authority may
12 17 reject any or all bids and readvertise.

12 18 3. The authority may sell a bond issue, or any part
12 19 thereof, to this state or to one or more investment bankers or
12 20 institutional investors at private sale.

12 21 Sec. 10. NEW SECTION. 471.10 AUTHORITY FOR ISSUANCE OF
12 22 BONDS == LEGAL INVESTMENTS.

12 23 1. This chapter constitutes full authority for the
12 24 issuance and sale of renewable energy transmission bonds,
12 25 which bonds shall have all the qualities of investment
12 26 securities under the uniform commercial code, chapter 554, and
12 27 shall not be invalid for any irregularity or defect or be
12 28 contestable in the hands of bona fide purchasers or holders
12 29 thereof for value.

12 30 2. The bonds are legal investments for any person or board
12 31 charged with the investment of any public funds and are
12 32 acceptable as security for any deposit of public money.

12 33 Sec. 11. NEW SECTION. 471.11 SUIT MAY BE BROUGHT TO
12 34 COMPEL PERFORMANCE OF OFFICERS.

12 35 Any holder of bonds or any person or officer being a party
13 1 in interest may sue to enforce and compel the performance of
13 2 the provisions of this chapter.

13 3 Sec. 12. NEW SECTION. 471.12 RENEWABLE ENERGY
13 4 TRANSMISSION BONDS TAX EXEMPT.

13 5 All renewable energy transmission bonds are exempt from
13 6 taxation by this state or any political subdivision of this
13 7 state.

13 8 Sec. 13. NEW SECTION. 471.13 RENEWABLE ENERGY
13 9 TRANSMISSION AUTHORITY OPERATIONAL FUND.

13 10 The renewable energy transmission authority operational
13 11 fund is created in the state treasury under the control of the
13 12 authority. The fund shall consist of moneys appropriated to
13 13 the fund or transferred to the fund from any other source.
13 14 Moneys in the fund are appropriated to the authority for the
13 15 purpose of carrying out the provisions of this chapter.
13 16 Notwithstanding section 12C.7, subsection 2, interest or
13 17 earnings on moneys deposited in the fund shall be credited to
13 18 the fund. Notwithstanding section 8.33, moneys remaining in
13 19 the fund at the end of a fiscal year shall not revert to the
13 20 general fund of the state.

13 21 Sec. 14. NEW SECTION. 471.14 ANNUAL REPORT.

13 22 The authority shall submit a report of its activities to
13 23 the governor and the general assembly not later than December
13 24 1 annually. The report shall set forth a complete operating
13 25 and financial statement covering the authority's operations
13 26 for the previous fiscal year.

13 27 EXPLANATION

13 28 This bill creates a renewable energy transmission authority
13 29 to promote the establishment of electric transmission and
13 30 interconnected storage facilities and related structures and
13 31 infrastructure with at least 30 percent of the facility's
13 32 electric energy originating from renewable energy sources.
13 33 The authority shall be comprised of eleven members, including
13 34 the director of the office of energy independence or designee,
13 35 the state treasurer or designee, three members appointed by
14 1 the governor, and two members appointed by the president of
14 2 the senate, and the speaker of the house of representatives,

14 3 respectively. One appointed member of the authority shall
14 4 possess expertise in financial matters involving the financing
14 5 of major electrical transmission projects, and the remaining
14 6 appointed members shall have special knowledge or expertise
14 7 relating to the public utility industry, with no member owning
14 8 or operating a facility or representing a person that owns or
14 9 operates such a facility. The bill specifies procedures
14 10 relating to appointment, member reimbursement, and designation
14 11 of a chairperson.

14 12 The bill specifies several duties and powers of the
14 13 authority. The duties include identifying and establishing
14 14 corridors for the transmission of electricity within the
14 15 state, negotiating with entities within and outside the state
14 16 for establishing interstate transmission corridors, financing
14 17 or planning, acquiring, maintaining, and operating electric
14 18 transmission and interconnected storage facilities and related
14 19 structures and infrastructure with at least 30 percent of the
14 20 facility's electric energy originating from renewable energy
14 21 sources, receiving specified forms of funding, issuing bonds
14 22 as necessary to undertake a project, and entering into
14 23 contracts for the lease and operation of electric transmission
14 24 facilities. Procedures are specified regarding notice to gas
14 25 and electric public utilities, the Iowa utilities board, and
14 26 in newspapers of general circulation and via the internet of
14 27 proposed projects that the authority is contemplating,
14 28 including a detailed description of existing or anticipated
14 29 renewable energy sources that justify the determination that
14 30 the proposed project meets the 30 percent renewable energy
14 31 threshold. Opportunity is provided for public utilities,
14 32 transmission operators as defined in the bill, or other
14 33 persons to challenge that threshold determination, and to
14 34 notify the authority of an intention to finance, acquire,
14 35 maintain, and operate the proposed facility. The bill
15 1 provides that in the absence of such notification, or failure
15 2 to perform, the authority may proceed to finance or plan,
15 3 acquire, maintain, and operate the facility.

15 4 The bill specifies restrictions on the ability of the
15 5 authority to own or control transmission facilities, specifies
15 6 procedures for cost recovery by utilities for projects subject
15 7 to restrictions set forth in the bill, and provides for
15 8 bonding authority, procedures relating thereto, and
15 9 appropriation of the net proceeds from the bonds to the
15 10 authority for the purpose of financing or acquiring
15 11 transmission facilities. Additionally, the bill establishes a
15 12 renewable energy transmission bonding fund consisting of
15 13 specified sources of revenue, authorizes the authority to
15 14 refund bonds, and creates a renewable energy transmission
15 15 authority operational fund to assist the authority in carrying
15 16 out its duties. The bill directs the authority to submit a
15 17 report to the governor and general assembly by December 1
15 18 annually regarding its operations.

15 19 LSB 1291DP 83

15 20 rn/rj/14.1