

House Study Bill 599 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON SODERBERG)

A BILL FOR

1 An Act relating to eligibility for the renewable energy tax
2 credit.

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

1 Section 1. Section 476C.1, Code Supplement 2011, is amended
2 by adding the following new subsection:

3 NEW SUBSECTION. 4A. "*Cogeneration facility*" means a
4 facility in this state in which the same energy source is
5 utilized for the sequential generation of electrical or
6 mechanical power in combination with steam, heat, or other
7 forms of useful energy.

8 Sec. 2. Section 476C.1, subsection 6, unnumbered paragraph
9 1, Code Supplement 2011, is amended to read as follows:

10 "*Eligible renewable energy facility*" means a wind energy
11 conversion facility, a biogas recovery facility, a biomass
12 conversion facility, a methane gas recovery facility, a solar
13 energy conversion facility, ~~or~~ a refuse conversion facility,
14 or a natural gas cogeneration facility that meets all of the
15 following requirements:

16 Sec. 3. Section 476C.3, subsection 4, paragraph b, Code
17 Supplement 2011, is amended to read as follows:

18 b. The maximum amount of energy production capacity
19 equivalent of all other facilities the board may find eligible
20 under this chapter shall not exceed a combined output of
21 fifty-three megawatts of nameplate generating capacity and
22 one hundred sixty-seven billion British thermal units of heat
23 for a commercial purpose. Of the maximum amount of energy
24 production capacity equivalent of all other facilities found
25 eligible under this chapter, no more than ten megawatts of
26 nameplate generating capacity or energy production capacity
27 equivalent shall be allocated to any one facility. Of the
28 maximum amount of energy production capacity equivalent of all
29 other facilities found eligible under this chapter, fifty-five
30 billion British thermal units of heat for a commercial purpose
31 shall be reserved for an eligible facility that is a refuse
32 conversion facility for processed, engineered fuel from a
33 multicounty solid waste management planning area. The maximum
34 amount of energy production capacity the board may find
35 eligible for a single refuse conversion facility is fifty-five

1 billion British thermal units of heat for a commercial purpose.
2 Of the maximum amount of energy production capacity equivalent
3 of all other facilities found eligible under this chapter, an
4 amount equivalent to ten megawatts of nameplate generating
5 capacity shall be reserved for ~~eligible renewable energy~~
6 natural gas cogeneration facilities incorporated within or
7 associated with an ethanol ~~cogeneration~~ plant engaged in the
8 sale of ethanol ~~to states to meet~~ assist the ethanol plant in
9 meeting a low carbon fuel standard.

10

EXPLANATION

11 This bill modifies provisions relating to reserving
12 specified amounts of energy production capacity equivalent for
13 designated facilities in qualifying for the renewable energy
14 tax credit provided in Code chapter 476C.

15 The Code chapter provides that the maximum amount of energy
16 production capacity equivalent of nonwind energy facilities
17 eligible for the tax credit shall not exceed a specified
18 combined output level. Currently, out of this amount, a
19 maximum of 10 megawatts of nameplate generating capacity is
20 reserved for eligible renewable energy facilities incorporated
21 within or associated with an ethanol cogeneration plant
22 engaged in the sale of ethanol to states to meet a low carbon
23 fuel standard. The bill modifies this provision to restrict
24 the reserved amount to natural gas cogeneration facilities
25 associated with the ethanol plant. The bill also deletes
26 reference to an ethanol "cogeneration" plant, and changes the
27 provision that the plant is engaged in the sale of ethanol to
28 states to meet a low carbon fuel standard to specify that the
29 plant is engaged in the sale of ethanol, without reference to
30 other states, in order to assist an ethanol plant in meeting a
31 low carbon fuel standard.

32 The bill defines "cogeneration facility" to mean a facility
33 in this state in which the same energy source is utilized for
34 the sequential generation of electrical or mechanical power
35 in combination with steam, heat, or other forms of useful

H.F. _____

1 energy. The bill adds natural gas cogeneration facilities to
2 the list of facilities designated as eligible renewable energy
3 facilities qualifying for the renewable energy tax credit.