

**Senate File 414 - Introduced**

SENATE FILE 414  
BY COMMITTEE ON NATURAL  
RESOURCES AND ENVIRONMENT

(SUCCESSOR TO SSB 1211)

**A BILL FOR**

1 An Act relating to alternate energy by extending renewable  
2 energy tax credit eligibility dates, expanding membership of  
3 the Iowa energy center advisory council, and establishing  
4 specified grant and loan funds.

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

1 Section 1. Section 266.39C, subsection 2, paragraph a, Code  
2 2013, is amended by adding the following new subparagraph:

3 NEW SUBPARAGRAPH. (13) Two representatives of the wind  
4 energy manufacturing, service, and production industries, one  
5 representing a large-scale wind energy producer, appointed  
6 by the Iowa wind energy association, and one representing a  
7 small-scale wind energy producer, appointed by the Iowa wind  
8 energy association.

9 Sec. 2. NEW SECTION. **473.21 Small wind innovation zone**  
10 **assistance fund.**

11 1. A small wind innovation zone assistance fund is created  
12 in the state treasury under the control of the Iowa energy  
13 center established in section 266.39C. All moneys deposited or  
14 paid into the fund are appropriated and made available to the  
15 Iowa energy center to be used for small wind innovation zone  
16 grants or loans as provided in subsection 2. The fund shall  
17 consist of any moneys appropriated by the general assembly  
18 and payments on loans made under this section. Moneys in the  
19 fund are not subject to section 8.33. Notwithstanding section  
20 12C.7, subsection 2, interest or earnings on moneys deposited  
21 in the fund shall be credited to the fund.

22 2. Moneys in the small wind innovation zone assistance fund  
23 shall be used to provide grants and loans for the construction  
24 of small wind energy systems as defined in section 476.48 for  
25 the applicant's own use of electricity within a small wind  
26 innovation zone designated pursuant to section 476.48.

27 3. A minimum of fifty percent of the moneys in the fund  
28 which are distributed or awarded each year to applicants shall  
29 be in the form of loans.

30 4. Eligibility criteria and loan qualifications and terms  
31 shall be determined by the authority by rule in coordination  
32 with the Iowa energy center advisory board.

33 Sec. 3. NEW SECTION. **473.22 Homegrown wind energy and solar**  
34 **energy assistance fund.**

35 1. A homegrown wind energy and solar energy assistance

1 fund is created in the state treasury under the control of the  
2 Iowa energy center established in section 266.39C. All moneys  
3 deposited or paid into the fund are appropriated and made  
4 available to the Iowa energy center to be used for wind energy  
5 or solar energy grants or loans as provided in subsection  
6 2. The fund shall consist of any moneys appropriated by  
7 the general assembly and payments on loans made under this  
8 section. Moneys in the fund are not subject to section 8.33.  
9 Notwithstanding section 12C.7, subsection 2, interest or  
10 earnings on moneys deposited in the fund shall be credited to  
11 the fund.

12 2. Moneys in the homegrown wind energy and solar energy  
13 assistance fund shall be used to provide grants or loans  
14 for the construction of wind energy systems or solar energy  
15 systems by a private college or university, community college,  
16 institution under the control of the state board of regents,  
17 public or accredited nonpublic elementary or secondary school,  
18 or public hospital as defined in section 249J.3 for the  
19 applicant's own use of electricity. Eligible projects shall  
20 not exceed one-half megawatt of nameplate generating capacity.

21 3. A minimum of seventy-five percent of moneys in the  
22 fund shall be utilized each year for wind energy projects. A  
23 minimum of fifty percent of the moneys in the fund which are  
24 distributed or awarded each year to applicants shall be in the  
25 form of loans.

26 4. Eligibility criteria and loan qualifications and terms  
27 shall be determined by the authority by rule in coordination  
28 with the Iowa energy center advisory board.

29 **Sec. 4. NEW SECTION. 473.23 Powering agriculture wind and**  
30 **solar energy assistance fund.**

31 1. A powering agriculture wind and solar energy assistance  
32 fund is created in the state treasury under the control of  
33 the Iowa energy center established in section 266.39C. All  
34 moneys deposited or paid into the fund are appropriated  
35 and made available to the Iowa energy center to be used for

1 agricultural wind energy or solar energy grants or loans as  
2 provided in subsection 2. The fund shall consist of any moneys  
3 appropriated by the general assembly and payments on loans  
4 made under this section. Moneys in the fund are not subject  
5 to section 8.33. Notwithstanding section 12C.7, subsection 2,  
6 interest or earnings on moneys deposited in the fund shall be  
7 credited to the fund.

8 2. Moneys in the powering agriculture wind energy and solar  
9 energy assistance fund shall be used to provide grants or loans  
10 for the construction of wind energy systems or solar energy  
11 systems at farms located in the state for the applicant's  
12 own use of electricity. Eligible projects shall not exceed  
13 one-half megawatt of nameplate generating capacity.

14 3. A minimum of seventy-five percent of moneys in the  
15 fund shall be utilized each year for wind energy projects. A  
16 minimum of fifty percent of the moneys in the fund which are  
17 distributed or awarded each year to applicants shall be in the  
18 form of loans.

19 4. Eligibility criteria and loan qualifications and terms  
20 shall be determined by the authority by rule in coordination  
21 with the Iowa energy center advisory board.

22 Sec. 5. Section 476C.1, subsection 6, paragraph d, Code  
23 2013, is amended to read as follows:

24 *d.* Was initially placed into service on or after July 1,  
25 2005, and before January 1, ~~2015~~ 2018.

26 Sec. 6. Section 476C.5, Code 2013, is amended to read as  
27 follows:

28 **476C.5 Certificate issuance period.**

29 A producer or purchaser of renewable energy may receive  
30 renewable energy tax credit certificates for a ten-year period  
31 for each eligible renewable energy facility under this chapter.  
32 The ten-year period for issuance of the tax credit certificates  
33 begins with the date the purchaser of renewable energy first  
34 purchases electricity, hydrogen fuel, methane gas or other  
35 biogas used to generate electricity, or heat for commercial

1 purposes from the eligible renewable energy facility for  
2 which a tax credit is issued under this chapter, or the date  
3 the producer of the renewable energy first uses the energy  
4 produced by the eligible renewable energy facility for on-site  
5 consumption. Renewable energy tax credit certificates shall  
6 not be issued for renewable energy purchased or produced for  
7 on-site consumption after December 31, ~~2024~~ 2027.

8

EXPLANATION

9 This bill relates to alternate energy by extending renewable  
10 energy tax credit eligibility dates, expanding membership of  
11 the Iowa energy center advisory council, and establishing  
12 specified grant and loan funds.

13 The bill adds two new members to the council who shall be  
14 representatives of the wind energy manufacturing, service, and  
15 production industries. The bill provides that one member shall  
16 represent a large-scale wind energy producer, and one member  
17 shall represent a small-scale wind energy producer. Both  
18 members shall be appointed by the Iowa wind energy association.

19 The bill establishes three new grant and loan funds, one  
20 relating exclusively to wind energy projects, and the other  
21 two encompassing solar energy projects in addition to wind.  
22 Each grant and loan fund is structured similarly. The funds  
23 are created in the state treasury under the control of the  
24 Iowa energy center established in Code section 266.39C and  
25 all moneys deposited or paid into the funds are appropriated  
26 and made available to the Iowa energy center to be used for  
27 their specified purposes. Each fund shall consist of moneys  
28 appropriated by the general assembly, if such an appropriation  
29 is made, and loan repayments. The bill specifies that moneys  
30 in the funds are not subject to reversion to the general fund,  
31 and interest or earnings on moneys deposited in the funds  
32 shall be credited to the funds. Further, the bill states that  
33 eligibility criteria and loan qualifications and terms shall be  
34 determined by the authority by rule in coordination with the  
35 Iowa energy center advisory board.

1 The bill creates a small wind innovation zone assistance  
2 fund and provides that moneys in the fund shall be used to  
3 provide grants and loans for the construction of small wind  
4 energy systems as defined in Code section 476.48 for the  
5 applicant's own use of electricity within a designated small  
6 wind innovation zone, with a minimum of 50 percent of the  
7 moneys in the fund which are annually distributed or awarded to  
8 applicants taking the form of loans.

9 The bill creates a homegrown wind energy and solar energy  
10 assistance fund and provides that moneys in the fund shall  
11 be used to provide grants or loans for the construction of  
12 wind energy systems or solar energy systems by a private  
13 college or university, community college, institution under the  
14 control of the state board of regents, public or accredited  
15 nonpublic elementary or secondary school, or public hospital as  
16 defined in Code section 249J.3 for the applicant's own use of  
17 electricity. The bill specifies that eligible projects shall  
18 not exceed one-half megawatt of nameplate generating capacity,  
19 that a minimum of 75 percent of moneys in the fund shall be  
20 utilized annually for wind energy projects, and that a minimum  
21 of 50 percent of the moneys in the fund which are distributed  
22 or awarded to applicants annually taking the form of loans.

23 The bill creates a powering agriculture wind energy and  
24 solar energy assistance fund and provides that moneys in  
25 the fund shall be used to provide grants or loans for the  
26 construction of wind energy systems or solar energy systems  
27 at farms located in the state for the applicant's own use of  
28 electricity. The bill states that eligible projects shall not  
29 exceed one-half megawatt of nameplate generating capacity, that  
30 a minimum of 75 percent of moneys in the fund shall be utilized  
31 for wind energy projects, and that a minimum of 50 percent of  
32 the moneys in the fund which are distributed or awarded to  
33 applicants annually taking the form of loans.

34 Additionally, the bill extends by three years the time  
35 period during which an eligible renewable energy facility

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1 seeking to qualify for the renewable energy tax credit pursuant  
2 to Code chapter 476C shall have been placed in service to  
3 before January 1, 2018. The bill correspondingly extends  
4 the time period after which renewable energy tax credit  
5 certificates shall not be issued to December 31, 2027.