

Senate Study Bill 1136 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON BOLKCOM)

A BILL FOR

1 An Act relating to qualification for and receipt of the wind
2 energy and renewable energy tax credits.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 476B.1, subsection 4, paragraph c, Code
2 2013, is amended to read as follows:

3 c. Was originally placed in service on or after July 1,
4 2005, but before July 1, ~~2012~~ 2013.

5 Sec. 2. Section 476B.5, subsection 4, Code 2013, is amended
6 to read as follows:

7 4. a. The maximum amount of nameplate generating capacity
8 of all qualified facilities the board may find eligible under
9 this chapter shall not exceed fifty megawatts of nameplate
10 generating capacity.

11 b. If additional capacity becomes available within the
12 capacity restrictions of paragraph "a" of this subsection, the
13 amount of available capacity, plus an additional amount of
14 capacity necessary to render a facility fully operational, if
15 applicable, may be awarded to the applicant who has awaited
16 available capacity for the longest period since receiving
17 approval.

18 Sec. 3. Section 476C.1, subsection 6, paragraph d, Code
19 2013, is amended to read as follows:

20 d. Was initially placed into service on or after July 1,
21 2005, and before January 1, ~~2015~~ 2020.

22 Sec. 4. Section 476C.3, subsection 4, Code 2013, is amended
23 to read as follows:

24 4. a. The maximum amount of nameplate generating capacity
25 of all wind energy conversion facilities the board may find
26 eligible under this chapter shall not exceed three hundred
27 sixty-three megawatts of nameplate generating capacity.

28 Beginning January 1, 2015, through December 31, 2019, this
29 maximum shall be increased each year by fifteen megawatts over
30 the maximum in the previous year. Beginning January 1, 2020,
31 the maximum amount of nameplate generating capacity of all
32 wind energy conversion facilities the board may find eligible
33 under this chapter shall not exceed four hundred thirty-eight
34 megawatts of nameplate generating capacity. Of the maximum
35 amount of nameplate generating capacity for all wind energy

1 conversion facilities the board may find eligible under this
2 chapter, five megawatts of nameplate generating capacity shall
3 be reserved for wind energy conversion facilities located in
4 small wind innovation zones created under section 476.48.

5 *b.* The maximum amount of energy production capacity
6 equivalent of all other facilities the board may find eligible
7 under this chapter shall not exceed a combined output of
8 fifty-three megawatts of nameplate generating capacity and
9 one hundred sixty-seven billion British thermal units of
10 heat for a commercial purpose. Beginning January 1, 2015,
11 through December 31, 2019, this maximum shall be increased
12 each year by the energy production capacity equivalent of a
13 combined output of five megawatts, and the British thermal unit
14 equivalent, over the maximum in the previous year. Beginning
15 January 1, 2020, the maximum amount of energy production
16 capacity equivalent of all other facilities the board may find
17 eligible under this chapter shall not exceed seventy-eight
18 megawatts of nameplate generating capacity, and the British
19 thermal unit equivalent. Of the maximum amount of energy
20 production capacity equivalent of all other facilities found
21 eligible under this chapter, no more than ten megawatts of
22 nameplate generating capacity or energy production capacity
23 equivalent shall be allocated to any one facility. Of the
24 maximum amount of energy production capacity equivalent of all
25 other facilities found eligible under this chapter, fifty-five
26 billion British thermal units of heat for a commercial purpose
27 shall be reserved for an eligible facility that is a refuse
28 conversion facility for processed, engineered fuel from a
29 multicounty solid waste management planning area. The maximum
30 amount of energy production capacity the board may find
31 eligible for a single refuse conversion facility is fifty-five
32 billion British thermal units of heat for a commercial purpose.

33 Sec. 5. Section 476C.5, Code 2013, is amended to read as
34 follows:

35 **476C.5 Certificate issuance period.**

1 A producer or purchaser of renewable energy may receive
2 renewable energy tax credit certificates for a ten-year period
3 for each eligible renewable energy facility under this chapter.
4 The ten-year period for issuance of the tax credit certificates
5 begins with the date the purchaser of renewable energy first
6 purchases electricity, hydrogen fuel, methane gas, or other
7 biogas used to generate electricity, or heat for commercial
8 purposes from the eligible renewable energy facility for
9 which a tax credit is issued under this chapter, or the date
10 the producer of the renewable energy first uses the energy
11 produced by the eligible renewable energy facility for on-site
12 consumption. Renewable energy tax credit certificates shall
13 not be issued for renewable energy purchased or produced for
14 on-site consumption after December 31, ~~2024~~ 2029.

15 EXPLANATION

16 This bill modifies provisions relating to qualifying for and
17 receiving the wind energy and renewable energy tax credits.

18 Concerning the wind energy tax credit established in Code
19 chapter 476B, the bill extends by one year the date by which a
20 facility must be placed in service in order to be considered a
21 qualified facility. The date is extended from July 1, 2012, to
22 July 1, 2013. The bill provides that if additional nameplate
23 generating capacity becomes available within the 50 megawatt
24 maximum capacity restrictions for qualified facilities pursuant
25 to Code section 476B.5, subsection 4, the amount that has
26 become available, plus an additional amount necessary to render
27 a facility fully operational, if applicable, may be awarded
28 to the applicant who has awaited available capacity for the
29 longest period since receiving approval by the Iowa utilities
30 board.

31 Concerning the renewable energy tax credit established in
32 Code chapter 476C, the bill similarly extends the date by which
33 a facility must be placed in service in order to be considered
34 an eligible renewable energy facility from January 1, 2015, to
35 January 1, 2020. A conforming change is also made extending

1 the date after which a renewable energy tax credit certificate
2 shall not be issued from December 31, 2024, to December 31,
3 2029.

4 Additionally, with regard to the renewable energy tax
5 credit, currently the maximum amount of nameplate generating
6 capacity of all wind energy conversion facilities the board
7 may find eligible shall not exceed 363 megawatts. The bill
8 provides that beginning January 1, 2015, this maximum shall
9 be increased by 15 megawatts annually, with the last increase
10 occurring January 1, 2019. The bill specifies that of this
11 maximum capacity, five megawatts shall be reserved for wind
12 energy conversion facilities located in small wind innovation
13 zones created under Code section 476.48. Further, currently
14 the maximum amount of energy production capacity equivalent of
15 nonwind renewable energy facilities the board may find eligible
16 shall not exceed a combined output of 53 megawatts and 167
17 billion British thermal units of heat for a commercial purpose.
18 The bill provides that beginning January 1, 2015, this maximum
19 shall be increased by the energy production capacity equivalent
20 of a combined output of five megawatts and the British thermal
21 unit equivalent annually, with the last increase occurring
22 January 1, 2019. The bill specifies the resulting maximum
23 amounts of capacity applicable each year beginning January 1,
24 2020, for both wind energy conversion facilities and nonwind
25 renewable energy facilities.