# House File 2448 - Introduced

HOUSE FILE 2448

BY COMMITTEE ON GOVERNMENT

OVERSIGHT

(SUCCESSOR TO HSB 640)

## A BILL FOR

- 1 An Act relating to the construction, erection, maintenance,
- 2 operation, or sale of specified electric transmission lines,
- 3 and including effective date and applicability provisions.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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- 1 Section 1. NEW SECTION. 478.6A Merchant line franchises
- 2 requirements limitations.
- 3 1. a. For purposes of this section, "bifurcation" means
- 4 the conducting of two separate hearings when a petition
- 5 involves the taking of property under eminent domain, one
- 6 hearing considering whether the proposed line is necessary to
- 7 serve a public use and represents a reasonable relationship
- 8 to an overall plan of transmitting electricity in the public
- 9 interest, and the other considering the granting of eminent
- 10 domain authority.
- 11 b. For purposes of this section, "merchant line" means a
- 12 high-voltage direct current electric transmission line which
- 13 does not provide for the erection of electric substations at
- 14 intervals of less than fifty miles, which substations are
- 15 necessary to accommodate both the purchase and sale to persons
- 16 located in this state of electricity generated or transmitted
- 17 by the franchisee.
- 2. A petition for a franchise to construct a merchant line,
- 19 in addition to any other applicable requirements pursuant to
- 20 this chapter, shall be subject to all of the following:
- 21 a. The board shall not permit the bifurcation in any manner
- 22 of a petition and shall reject any request by a petitioner for
- 23 bifurcation.
- 24 b. Notwithstanding section 478.10, the sale and transfer of
- 25 a merchant line, by voluntary or judicial sale or otherwise,
- 26 shall not carry with it the transfer of the franchise.
- 27 c. Notwithstanding section 478.21, if a petition that
- 28 involves the taking of property under eminent domain is not
- 29 approved by the board and a franchise granted within two years
- 30 following the date of the first informational meeting held in
- 31 any county regarding the petition, pursuant to section 478.2,
- 32 the utilities board shall reject the petition and make a record
- 33 of the rejection. A petitioner may not file a petition for the
- 34 same or a similar project that has been rejected under this
- 35 subsection within sixty months following the date of rejection.

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- 1 d. The board shall not consider a petition that involves
- 2 the taking of property under eminent domain until a minimum of
- 3 seventy-five percent of the easements necessary to construct
- 4 the project have been obtained voluntarily.
- 5 e. In considering whether to grant a petition that involves
- 6 the taking of property under eminent domain, section 478.3,
- 7 subsection 3, is not applicable, and the term "public" shall be
- 8 interpreted to be limited to consumers located in this state.
- 9 Sec. 2. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
- 10 immediate importance, takes effect upon enactment.
- 11 Sec. 3. APPLICABILITY. This Act is applicable to petitions
- 12 for franchise filed on or after November 1, 2014, that have not
- 13 been approved by the utilities board on or after the effective
- 14 date of this Act, and to petitions for franchise filed on or
- 15 after the effective date of this Act.
- 16 EXPLANATION
- 17 The inclusion of this explanation does not constitute agreement with
- 18 the explanation's substance by the members of the general assembly.
- 19 This bill adds provisions in Code chapter 478 applicable to
- 20 merchant transmission lines.
- 21 The bill defines a "merchant line" to mean a high-voltage
- 22 direct current electric transmission line which does not
- 23 provide for the erection of electric substations at intervals
- 24 of less than 50 miles, which substations are necessary to
- 25 accommodate both the purchase and sale to persons located in
- 26 Iowa of electricity generated or transmitted by the franchisee.
- 27 The bill defines "bifurcation" to mean the conducting of
- 28 two separate hearings when a petition involves the taking of
- 29 property under eminent domain. One hearing is to consider
- 30 whether the proposed line or lines are necessary to serve
- 31 a public use and represents a reasonable relationship to
- 32 an overall plan of transmitting electricity in the public
- 33 interest, and the other is to consider the granting of eminent
- 34 domain authority.
- 35 The bill specifies several requirements, limitations, or

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- 1 restrictions applicable to merchant lines, in addition to any
- 2 other applicable provisions in Code chapter 478. The bill
- 3 provides that the Iowa utilities board shall not permit the
- 4 bifurcation in any manner of a petition for a franchise to
- 5 construct a merchant line, and shall reject any request by such
- 6 a petitioner asking for bifurcation. The bill also provides
- 7 that the sale and transfer of a merchant line, by voluntary
- 8 or judicial sale or otherwise, shall not carry with it the
- 9 transfer of the franchise.
- 10 The bill additionally provides that if a petition for a
- 11 franchise to construct a merchant line that involves the taking
- 12 of property under eminent domain is not approved by the board
- 13 and a franchise granted within two years following the date
- 14 of the first informational meeting regarding the petition
- 15 held in any county, the board shall reject the petition and
- 16 make a record of the rejection. If this occurs, the bill
- 17 provides that a petitioner may not file a petition for the same
- 18 or a similar project within 60 months following the date of
- 19 rejection.
- 20 The bill further provides that the board shall not consider
- 21 a petition for a franchise to construct a merchant line
- 22 that involves the taking of property under eminent domain
- 23 until a minimum of 75 percent of the easements necessary to
- 24 construct the project have been obtained voluntarily and that
- 25 in considering whether to grant a petition for a franchise
- 26 to construct a merchant line that involves the taking of
- 27 property under eminent domain under Code section 478.3, the
- 28 term "public" shall be interpreted to be limited to consumers
- 29 located in Iowa.
- 30 The bill takes effect upon enactment and is applicable
- 31 to petitions for franchise filed on or after November 1,
- 32 2014, that have not been approved by the board on the bill's
- 33 effective date and to petitions for franchise filed on or after
- 34 the bill's effective date.