

House Study Bill 243 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON SANDS)

A BILL FOR

1 An Act modifying provisions applicable to the renewable energy
2 tax credit.

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

1 Section 1. Section 476C.1, subsection 6, paragraph e, Code
2 2015, is amended to read as follows:

3 e. (1) For applications filed on or after July 1, 2011,
4 is a facility of not less than three-fourths megawatts of
5 nameplate generating capacity or the energy production capacity
6 equivalent if all or a portion of the renewable energy produced
7 is for on-site consumption by the producer.

8 (2) For applications filed on or after July 1, 2015, in
9 addition to a facility qualifying pursuant to subparagraph
10 (1), is a facility of not more than three-fourths megawatts
11 of nameplate generating capacity or the energy production
12 equivalent if all of the renewable energy produced is for
13 on-site consumption by the producer.

14 Sec. 2. Section 476C.2, subsection 1, Code 2015, is amended
15 to read as follows:

16 1. a. A producer or purchaser of renewable energy may
17 receive renewable energy tax credits under this chapter in
18 an amount equal to one and one-half cents per kilowatt-hour
19 of electricity, or four dollars and fifty cents per million
20 British thermal units of heat for a commercial purpose, or
21 four dollars and fifty cents per million British thermal units
22 of methane gas or other biogas used to generate electricity,
23 or one dollar and forty-four cents per one thousand standard
24 cubic feet of hydrogen fuel generated by and purchased from
25 an eligible renewable energy facility or used for on-site
26 consumption by the producer.

27 b. Beginning January 1, 2016, a wind energy conversion
28 facility with a nameplate generating capacity of one hundred
29 kilowatts or less may receive renewable energy tax credits
30 under this chapter in an amount equal to six cents per
31 kilowatt-hour of electricity.

32 Sec. 3. Section 476C.3, subsection 4, Code 2015, is amended
33 to read as follows:

34 4. a. The maximum amount of nameplate generating capacity
35 of all wind energy conversion facilities the board may find

1 eligible under this chapter shall not exceed three hundred
2 sixty-three megawatts of nameplate generating capacity.
3 Beginning January 1, 2016, of the credits relinquished pursuant
4 to subsection 6, one megawatt of nameplate generating capacity
5 shall be reserved for wind energy conversion facilities
6 installed within a small wind innovation zone pursuant to
7 section 476.48.

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

31 Sec. 4. Section 476C.3, subsection 6, Code 2015, is amended
32 to read as follows:

33 6. *a.* The board shall, until December 31, 2015, maintain a
34 waiting list of facilities that may have been found eligible
35 under this section but for the maximum capacity restrictions

1 of subsection 4. The priority of the waiting list shall be
2 maintained in the order the applications were received by
3 the board. The board shall remove from the waiting list any
4 facility that has subsequently been found ineligible under
5 this chapter. If additional capacity becomes available within
6 the capacity restrictions of subsection 4, the board shall
7 grant approval to facilities according to the priority of the
8 waiting list before granting approval to new applications. An
9 owner of a facility on the waiting list shall provide the board
10 each year by August 31 with a sworn statement of verification
11 stating that the information contained in the application
12 for eligibility remains true and correct or stating that the
13 information has changed and providing the new information.

14 b. Beginning January 1, 2016, any facility awarded a tax
15 credit prior to January 1, 2010, under this chapter that
16 has not begun energy production or commenced substantial
17 construction on a renewable energy facility shall relinquish
18 the tax credit. A facility relinquishing a tax credit pursuant
19 to this paragraph "b" shall be eligible to reapply to the board.
20 Beginning January 1, 2016, facilities determined to be eligible
21 shall be awarded the appropriate tax credit in the order the
22 applications are received by the board on or after January 1,
23 2016.

24 EXPLANATION

25 The inclusion of this explanation does not constitute agreement with
26 the explanation's substance by the members of the general assembly.

27 This bill modifies provisions applicable to renewable energy
28 tax credits awarded pursuant to Code chapter 476C.

29 Currently, to be eligible for a renewable energy tax credit,
30 for applications filed on or after July 1, 2011, an applicant
31 must be a facility of not less than three-fourths megawatts
32 of nameplate generating capacity or the energy production
33 capacity equivalent if all or a portion of the renewable energy
34 produced is for on-site consumption by the producer. The bill
35 provides that in addition to such facilities, for applications

1 filed on or after July 1, 2015, an eligible facility may be a
2 facility of not more than three-fourths megawatts of nameplate
3 generating capacity or the energy production equivalent if all
4 of the renewable energy produced is for on-site consumption by
5 the producer.

6 The bill provides that beginning January 1, 2016, a wind
7 energy conversion facility with a nameplate generating capacity
8 of 100 kilowatts or less may receive renewable energy tax
9 credits in an amount equal to 6 cents per kilowatt-hour of
10 electricity.

11 Additionally, the Code chapter currently provides that the
12 maximum amount of energy production capacity equivalent of
13 eligible renewable energy facilities other than wind energy
14 conversion facilities shall not exceed a combined output of
15 53 megawatts of nameplate generating capacity and 167 billion
16 British thermal units of heat for a commercial purpose. The
17 bill increases the British thermal unit limit to 272 billion
18 British thermal units of heat for a commercial purpose, and
19 provides that out of this amount 110 billion British thermal
20 units of heat for a commercial purpose shall be reserved for
21 refuse conversion facilities. Code chapter 476C currently
22 reserves 55 billion British thermal units of heat for a
23 commercial purpose for a refuse conversion facility for
24 processed, engineered fuel from a multicounty solid waste
25 management planning area.

26 The bill also provides that a current waiting list of
27 facilities which would be eligible for a renewable energy tax
28 credit but for the Code chapter's maximum capacity restrictions
29 will be maintained until December 31, 2015. A new waiting
30 list will commence on January 1, 2016, and beginning on that
31 date the bill provides that any facility awarded a credit
32 prior to January 1, 2010, that has not begun energy production
33 or commenced substantial construction on a renewable energy
34 facility shall relinquish the tax credit. The bill provides
35 that such a facility shall be eligible to reapply to the board,

1 and that facilities determined to be eligible for a tax credit
2 beginning January 1, 2016, shall be awarded the appropriate
3 tax credit in the order the applications are received by the
4 board on or after that date. The bill further provides that
5 beginning January 1, 2016, of the tax credits relinquished, one
6 megawatt of nameplate generating capacity shall be reserved for
7 wind energy conversion facilities installed within a small wind
8 innovation zone.