

**Senate File 2031 - Introduced**

SENATE FILE 2031

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**A BILL FOR**

1 An Act relating to solar energy by establishing a community  
2 solar garden program.

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

1 Section 1. Section 476.1, Code 2016, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 5A. A community solar garden program  
4 established pursuant to section 476.49 shall not be regarded as  
5 a public utility for purposes of this chapter.

6 Sec. 2. Section 476.25, Code 2016, is amended by adding the  
7 following new unnumbered paragraph:

8 NEW UNNUMBERED PARAGRAPH. The furnishing of electricity  
9 pursuant to a community solar garden program under section  
10 476.49 shall not be considered an unnecessary duplication  
11 of electric utility facilities and shall not constitute a  
12 violation of this section.

13 Sec. 3. NEW SECTION. **476.49 Community solar garden program.**

14 1. *Definitions.* For the purposes of this section, unless  
15 the context otherwise requires:

16 a. "*Community solar garden facility*" means an electric  
17 generating facility with a nameplate generating capacity of  
18 one megawatt or less that generates electricity by means of  
19 a ground-mounted or roof-mounted solar photovoltaic device  
20 whereby subscribers receive a bill credit for the electricity  
21 generated in proportion to the size of their subscription.

22 b. "*Subscriber*" means a retail customer of an electric  
23 utility subject to this subchapter who owns one or more  
24 subscriptions to a community solar garden facility  
25 interconnected with that utility.

26 c. "*Subscription*" means a proportional contractual  
27 interest in a community solar garden facility, together with a  
28 proportional interest in any state or federal tax credits for  
29 which a community solar garden facility may be eligible.

30 2. *Program established — requirements.*

31 a. A community solar garden program is established to  
32 encourage and enhance the generation of solar energy and to  
33 encourage and enhance the ability of electric public utility  
34 customers to participate in and derive benefit from alternate  
35 solar energy projects.

1     *b.* Pursuant to the program, an electric public utility  
2 subject to rate regulation shall be required to establish and  
3 maintain one or more community solar garden facilities. The  
4 program shall be designed to offset the energy use of not  
5 less than five subscribers to each community solar garden  
6 facility, of which no single subscriber has more than a forty  
7 percent interest in the facility. A community solar garden  
8 facility may be owned by the utility or by any other entity  
9 or organization, including a subscriber organization, that  
10 contracts to sell the output from the community solar garden  
11 facility to the utility.

12     *c.* A community solar garden facility must be located  
13 within a utility's service area. Subscribers shall be retail  
14 customers of the utility located in the same county or a county  
15 contiguous to where the facility is located. Each subscription  
16 shall be sized to represent at least two hundred watts of the  
17 community solar garden facility's generating capacity and  
18 to supply, when combined with other distributed generation  
19 resources serving the premises, no more than one hundred twenty  
20 percent of the average annual consumption of electricity by  
21 each subscriber at the premises to which the subscription is  
22 attached.

23     *d.* A utility establishing a community solar garden program  
24 shall be required to purchase from a community solar garden  
25 facility all electricity generated by the facility at the same  
26 rates applicable to alternate energy production facilities  
27 pursuant to section 476.43, or at an alternative rate if  
28 established by the board. A subscriber's portion of the  
29 electricity purchased by the utility shall be credited to the  
30 subscriber's account with the utility. The board shall develop  
31 interconnection agreements for utilization by a community solar  
32 garden facility interconnecting with the utility.

33     *e.* A utility shall not be required to purchase an amount of  
34 electricity from one or more community solar garden facilities  
35 in an amount exceeding four percent of its average annual

1 electricity sales. The requirements of this section are  
2 applicable in addition to, and not in lieu of, the maximum  
3 purchase and ownership restrictions specified in section  
4 476.44.

5 3. *Plans — submission requirements.*

6 a. A public utility subject to this section shall submit a  
7 community solar garden program plan to the board by September  
8 30, 2016, incorporating the following components:

9 (1) The proposed location of one or more community solar  
10 garden facilities to be operated and maintained by the utility.

11 (2) Uniform standards, fees, and processes for the  
12 interconnection of community solar garden facilities that will  
13 allow the utility to recover reasonable interconnection costs  
14 for each facility.

15 (3) Information to be provided to potential subscribers  
16 to ensure fair disclosure of future costs and benefits of  
17 subscriptions.

18 (4) An implementation schedule for facility  
19 interconnection.

20 b. The board may approve, disapprove, or modify the plan.  
21 Once approved, a plan shall be implemented within ninety days  
22 following the date of approval. Within one hundred eighty  
23 days following the date of approval, the utility shall begin  
24 crediting subscriber accounts for each community solar garden  
25 facility within its service area.

26 c. The utility shall file an updated plan on an annual  
27 basis summarizing the operation and status of its community  
28 solar garden program and detailing the amount of electricity  
29 generated by facilities and credited to subscriber accounts.

30 EXPLANATION

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

33 This bill establishes a community solar garden program.  
34 The bill defines a "community solar garden facility" to mean  
35 an electric generating facility with a nameplate generating

1 capacity of one megawatt or less that generates electricity by  
2 means of a ground-mounted or roof-mounted solar photovoltaic  
3 device whereby subscribers receive a billing credit for the  
4 electricity generated in proportion to the size of their  
5 subscription. The bill defines "subscriber" to mean a  
6 retail customer of an electric utility who owns one or more  
7 subscriptions of a community solar garden interconnected with  
8 that utility. The bill defines a "subscription" to mean a  
9 proportional contractual interest in a community solar garden  
10 facility, together with a proportional interest in any state or  
11 federal tax credits for which a community solar garden facility  
12 may be eligible.

13 The bill provides that an electric public utility subject to  
14 rate regulation shall be required to establish and maintain one  
15 or more community solar garden facilities, consisting of not  
16 less than five subscribers to each facility, of which no single  
17 subscriber has more than a 40 percent interest in the facility.  
18 The bill states that a community solar garden facility may be  
19 owned by the utility or by any other entity or organization,  
20 including a subscriber organization, that contracts to sell the  
21 output from the community solar garden facility to the utility.

22 The bill requires a community solar garden facility to  
23 be located within the utility's service area, and requires  
24 subscribers to be retail customers of the utility located in  
25 the same county or a county contiguous to where the facility  
26 is located. Each subscription is required to be sized to  
27 represent at least 200 watts of the community solar garden  
28 facility's generating capacity and to supply, when combined  
29 with other distributed generation resources serving the  
30 premises, no more than 120 percent of the average annual  
31 consumption of electricity by each subscriber at the premises  
32 to which the subscription is attached. The bill provides that  
33 rates applicable to facilities shall either be the same rates  
34 applicable to alternate energy production facilities pursuant  
35 to Code section 476.43, or an alternative rate if established

1 by the board. The bill provides that a subscriber's portion of  
2 the electricity purchased shall be provided as a credit on the  
3 subscriber's billing, that a utility shall not be required to  
4 purchase an amount of electricity from one or more community  
5 solar garden facilities in an amount exceeding 4 percent of its  
6 average annual electricity sales, and that the community solar  
7 garden requirements are in addition to, and not in lieu of,  
8 alternate energy purchase and ownership requirements specified  
9 in Code section 476.44.

10 The bill requires a utility subject to the bill's provisions  
11 to submit a community solar garden program plan to the  
12 Iowa utilities board by September 30, 2016, incorporating  
13 specified components. The bill provides that the plan shall  
14 be implemented within 90 days following the date of approval,  
15 and that within 180 days following the date of approval, the  
16 utility shall begin crediting subscriber accounts for each  
17 community solar garden facility within its service area. The  
18 utility is required to file an updated plan on an annual  
19 basis summarizing the operation and status of its community  
20 solar garden program and detailing the amount of electricity  
21 generated by facilities and credited to subscribers.