

**House Study Bill 182 - Introduced**

HOUSE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON VANDER LINDEN)

**A BILL FOR**

1 An Act modifying provisions applicable to the renewable energy  
2 tax credit, and including effective date and retroactive  
3 applicability provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 476C.1, subsection 8, Code 2017, is  
2 amended to read as follows:

3 8. "*Heat for a commercial purpose*" means the heat in British  
4 thermal unit equivalents from refuse-derived fuel, methane, or  
5 other biogas produced in this state either for commercial use  
6 by a producer for on-site consumption or sold to a purchaser  
7 of renewable energy for use for a commercial purpose in this  
8 state or for use by an institution in this state. For purposes  
9 of this chapter, "*heat for a commercial purpose*" includes heat  
10 captured during the generation of electricity using methane gas  
11 or other biogas produced by a biogas recovery facility when  
12 such heat is used for a commercial purpose for which fuel or  
13 electricity would otherwise be consumed.

14 Sec. 2. Section 476C.2, subsection 1, Code 2017, is amended  
15 to read as follows:

16 1. A producer or purchaser of renewable energy may receive  
17 renewable energy tax credits under [this chapter](#) in an amount  
18 equal to the sum of the following:

19 a. ~~one~~ One and one-half cents per kilowatt-hour of  
20 electricity, ~~or.~~

21 b. ~~four~~ Four dollars and fifty cents per million British  
22 thermal units of heat for a commercial purpose, ~~or.~~

23 c. ~~four~~ Four dollars and fifty cents per million British  
24 thermal units of methane gas or other biogas used to generate  
25 electricity, ~~or~~ unless renewable energy tax credits are claimed  
26 for such electricity under paragraph "*a*".

27 d. ~~one~~ One dollar and forty-four cents per one thousand  
28 standard cubic feet of hydrogen fuel generated by and purchased  
29 from an eligible renewable energy facility or used for on-site  
30 consumption by the producer.

31 Sec. 3. Section 476C.3, subsection 4, paragraph a, Code  
32 2017, is amended to read as follows:

33 a. The maximum amount of nameplate generating capacity  
34 of all wind energy conversion facilities the board may find  
35 eligible under [this chapter](#) shall not exceed three hundred

1 ~~sixty-three~~ forty-three megawatts of nameplate generating  
2 capacity.

3 Sec. 4. Section 476C.3, subsection 4, paragraph b,  
4 unnumbered paragraph 1, Code 2017, is amended to read as  
5 follows:

6 The maximum amount of energy production capacity equivalent  
7 of all other facilities the board may find eligible under this  
8 chapter shall not exceed a combined output of ~~sixty-three~~  
9 eighty-three megawatts of nameplate generating capacity and,  
10 annually, one hundred sixty-seven billion British thermal units  
11 of heat for a commercial purpose.

12 Sec. 5. Section 476C.3, subsection 4, paragraph b, Code  
13 2017, is amended by adding the following new subparagraph:

14 NEW SUBPARAGRAPH. (4) Of the maximum amount of energy  
15 production capacity equivalent of all other facilities  
16 found eligible under this chapter, twenty-two and one-half  
17 megawatts of nameplate generating capacity or energy production  
18 equivalent shall be reserved for biogas recovery facilities  
19 with a generating capacity of two and one-half megawatts or  
20 less.

21 Sec. 6. EFFECTIVE UPON ENACTMENT. This Act, being deemed of  
22 immediate importance, takes effect upon enactment.

23 Sec. 7. RETROACTIVE APPLICABILITY. This Act applies  
24 retroactively to January 1, 2014, for tax years beginning on  
25 or after that date.

26 EXPLANATION

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

29 This bill modifies provisions applicable to the renewable  
30 energy tax credit established in Code chapter 476C.

31 Currently, the Code chapter defines "heat for a commercial  
32 purpose" to mean the heat in British thermal unit equivalents  
33 from refuse-derived fuel, methane, or other biogas produced  
34 in this state either for commercial use by a producer for  
35 on-site consumption or sold to a purchaser of renewable

1 energy for use for a commercial purpose in Iowa or for use  
2 by an institution in Iowa. The bill adds that "heat for a  
3 commercial purpose" also includes heat captured during the  
4 generation of electricity using methane gas or other biogas  
5 produced by a biogas recovery facility when such heat is used  
6 for a commercial purpose for which fuel or electricity would  
7 otherwise be consumed.

8 Currently, the Code chapter specifies the dollar value  
9 of renewable energy tax credits which may be claimed per  
10 kilowatt-hour of electricity, or per million British thermal  
11 units of heat for a commercial purpose, or per million British  
12 thermal units of methane gas or other biogas used to generate  
13 electricity, or per one thousand standard cubic feet of  
14 hydrogen fuel. The bill provides that a producer or purchaser  
15 of renewable energy is not limited to claiming one form of  
16 these four differentiated credits but may instead receive more  
17 than one credit corresponding to each type of heat generated or  
18 captured by a renewable energy facility.

19 Additionally, current Code section 476.3(4) specifies the  
20 maximum amounts of energy production capacity equivalent of  
21 renewable energy production facilities that the Iowa utilities  
22 board may find eligible for a renewable energy tax credit.  
23 The bill decreases the maximum amount of nameplate generating  
24 capacity (NGC) with respect to wind energy conversion  
25 facilities from 363 megawatts to 343 megawatts. The bill  
26 increases the maximum amount of NGC with respect to all  
27 other facilities from 63 megawatts to 83 megawatts. The bill  
28 provides that 22.5 megawatts out of the total 83 megawatts  
29 of NGC for which credits may be issued to facilities other  
30 than wind energy conversion facilities is reserved for biogas  
31 recovery facilities with an NGC of 2.5 megawatts or less.

32 The bill takes effect upon enactment and applies  
33 retroactively to January 1, 2014, for tax years beginning on  
34 or after that date.