

House Study Bill 697 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
AGRICULTURE BILL BY
CHAIRPERSON PAUSTIAN)

A BILL FOR

1 An Act relating to solar energy by establishing a shared solar
2 net metering cooperative program.

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

1 Section 1. Section 476.1, Code 2022, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 6. A shared solar net metering cooperative
4 established pursuant to section 476.50 shall not be regarded as
5 a public utility for purposes of this chapter.

6 Sec. 2. Section 476.25, Code 2022, is amended by adding the
7 following new unnumbered paragraph:

8 NEW UNNUMBERED PARAGRAPH. The furnishing of electricity
9 pursuant to a shared solar net metering cooperative under
10 section 476.50 shall not be considered an unnecessary
11 duplication of electric utility facilities and shall not
12 constitute a violation of this section.

13 Sec. 3. NEW SECTION. **476.50 Shared solar net metering**
14 **cooperatives — established.**

15 1. As used in this section, unless the context otherwise
16 requires:

17 a. *“Eligible distributed generation facility”* means a
18 distributed generation facility that elects a billing method
19 pursuant to section 476.49, and to which all of the following
20 apply:

21 (1) The facility is located behind a customer’s electricity
22 meters.

23 (2) The facility is interconnected to the electric utility
24 distribution system.

25 (3) The facility has an aggregate nameplate capacity less
26 than or equal to one megawatt alternating current.

27 (4) The facility has a capability to produce no more than
28 one hundred ten percent of the net metering cooperative’s
29 annual electricity usage.

30 (5) The facility’s generating capacity and associated
31 energy is intended to serve only the electric requirements of
32 the net metering cooperative.

33 b. *“Shared solar net metering cooperative”* or *“cooperative”*
34 means a distributed generation facility that generates
35 electricity by means of a ground-mounted or roof-mounted

1 solar photovoltaic device whereby subscribers receive a bill
2 credit for the electricity generated in proportion to the size
3 of the customer's subscription. Shared solar net metering
4 cooperatives are alternative energy production facilities that
5 produce solar energy.

6 *c.* "*Subscriber*" means a customer of an electric utility
7 subject to this section who owns one or more subscriptions to a
8 shared solar net metering cooperative interconnected with that
9 utility.

10 *d.* "*Subscription*" means a proportional contractual interest
11 in a shared solar net metering cooperative, together with a
12 proportional interest in any state or federal tax credits for
13 which a shared solar net metering cooperative may be eligible.

14 2. A shared solar net metering cooperative program is
15 established to encourage and enhance the generation of solar
16 energy and to encourage and enhance the ability of electric
17 utility customers to participate in and derive benefit from
18 alternate solar energy projects.

19 *a.* Customers in the state may enter into a shared solar
20 net metering cooperative with an electric utility whereby
21 subscribers own the solar production at a location other than
22 the location where the customer has an electricity meter.

23 *b.* Customers become cooperative members by purchasing
24 subscription access to a shared solar net metering cooperative.
25 Subscribers to a shared solar net metering cooperative shall
26 receive a credit for the kilowatt-hours generated in proportion
27 to the size of the customer's subscription.

28 *c.* A utility shall be required to purchase from a shared
29 solar net metering cooperative in accordance with section
30 476.49. A subscriber's portion of the electricity purchased
31 by the utility shall be credited to the subscriber's account
32 with the utility. The board shall develop interconnection
33 agreements for utilization by a shared solar net metering
34 cooperative interconnecting with a utility.

35 *d.* A shared solar net metering cooperative shall be subject

1 to the following:

2 (1) Utilize facilities generating electricity by means of
3 ground-mounted or roof-mounted solar photovoltaic devices.

4 (2) Provide subscription access to the cooperative
5 exclusively to customers of a single energy utility electric
6 utility.

7 (3) Deny access to state customers located farther than
8 thirty miles from the cooperative or customers located outside
9 of the state.

10 e. A subscriber may include all of their electricity meters
11 in the cooperative.

12 f. A shared solar net metering cooperative shall be limited
13 to ten subscribers per cooperative with some or all of the
14 subscribers having alternative energy production facilities
15 that produce solar energy. Each subscriber shall be a customer
16 of the same utility and shall have at least one electricity
17 meter.

18 g. Shared solar net metering cooperatives may be owned by
19 investors.

20 3. The board shall adopt rules to implement the provisions
21 of this section.

22 EXPLANATION

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

25 This bill establishes a shared solar net metering
26 cooperative program.

27 The bill defines "shared solar net metering cooperative" or
28 "cooperative" to mean a distributed generation facility that
29 generates electricity through ground-mounted or roof-mounted
30 solar panels whereby subscribers may receive bill credits
31 for the electricity generated in proportion to the size of
32 the customer's subscription. The bill defines "subscriber"
33 to mean a customer of an electric utility who owns at least
34 one share of a subscription to a shared solar net metering
35 cooperative. The bill defines "subscription" to mean a

1 proportional contractual interest in a shared solar net
2 metering cooperative, including tax credits for which the
3 cooperative may be eligible.

4 The bill provides that a shared solar net metering
5 cooperative program is established to encourage and enhance
6 solar energy generation and the ability of electric public
7 utility customers to participate in and derive benefit from
8 alternate solar energy projects.

9 The bill provides that electric utility customers may
10 become subscribers of shared solar net metering cooperatives
11 by which subscribers may own the solar energy produced at
12 a location other than the location where the customer has
13 an electricity meter. Customers shall receive a credit in
14 proportion to the customer's subscription. The bill provides
15 that a utility shall be required to purchase in accordance with
16 billing methods established pursuant to Code section 476.49.
17 A subscriber's portion of the electricity purchased by the
18 utility shall be credited to the subscriber's account with
19 the utility. The bill provides that the Iowa utilities board
20 shall develop interconnection agreements for utilization by a
21 shared solar net metering cooperative interconnecting with the
22 utility.

23 The bill provides that a shared solar net metering
24 cooperative may consist of subscribers located within 30
25 miles of the cooperative, shall not consist of out-of-state
26 subscribers, and shall interconnect exclusively with one
27 electric utility. The bill provides that a subscriber may
28 include all of the subscriber's electricity meters in the
29 cooperative. The bill provides that a shared solar net
30 metering cooperative shall be limited to 10 subscribers
31 per cooperative with some or all of the subscribers having
32 alternative energy production facilities that produce solar
33 energy. Each subscriber shall be a customer of the same
34 utility and shall have at least one electricity meter. The
35 bill provides that shared solar net metering cooperatives may

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1 be owned by investors.

2 The bill requires the Iowa utilities board to adopt rules

3 regarding implementation of the bill's provisions.