

House Study Bill 698 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON LUNDGREN)

A BILL FOR

1 An Act relating to electric transmission lines and electric
2 transmission owners, and including effective date and
3 applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 478.16, Code 2024, is amended to read as
2 follows:

3 **478.16 Electric transmission lines — federally registered**
4 **planning authority transmission plans.**

5 1. Development and investment in high-voltage transmission
6 is urgently needed to ensure the reliable, adequate, secure,
7 and stable delivery of electricity to consumers. To ensure
8 reliable electric service to the people of Iowa as a matter
9 of public policy, it is the intent of the general assembly
10 to express a preference for further investment in Iowa
11 transmission infrastructure by electric transmission owners who
12 have already dedicated significant resources to develop the
13 infrastructure on which Iowans rely.

14 ~~1.~~ 2. As used in [this section](#), unless the context otherwise
15 requires:

16 *a. "Electric transmission line"* means a high-voltage
17 electric transmission line located in this state with a
18 capacity of one hundred kilovolts or more and any associated
19 electric transmission facility, including any substation or
20 other equipment located in this state.

21 *b. "Electric transmission owner"* means an individual or
22 entity who, as of July 1, 2020, owns and maintains an electric
23 transmission line that is required for rate-regulated electric
24 utilities, municipal electric utilities, and rural electric
25 cooperatives in this state to provide electric service to the
26 public for compensation.

27 *c. "Incumbent electric transmission owner"* means any of the
28 following, which may be formed, located, or headquartered in
29 any state:

30 (1) A public utility or a municipally owned utility that
31 owns, operates, and maintains an electric transmission line in
32 this state.

33 (2) An electric cooperative corporation or association or
34 municipally owned utility that owns an electric transmission
35 facility in this state and has turned over the functional

1 control of such facility to a federally approved authority.

2 (3) An "electric transmission owner" as defined in paragraph
3 "b".

4 d. "Landowner" means the same as defined in section 478.2.

5 e. "Municipally owned utility" means a "city utility" as
6 defined in section 362.2, or an "electric power agency" as
7 defined in section 390.9 ~~which~~ that is comprised solely of
8 cities or solely of cities and other political subdivisions.

9 ~~2.~~ 3. An incumbent electric transmission owner has the
10 right to construct, own, and maintain an electric transmission
11 line that has been approved for construction in a federally
12 registered planning authority transmission plan and ~~which~~ that
13 directly connects to an electric transmission facility owned by
14 the incumbent electric transmission owner. Where a proposed
15 electric transmission line would directly connect to electric
16 transmission facilities owned by two or more incumbent electric
17 transmission owners, each incumbent electric transmission owner
18 whose facility connects to the electric transmission line
19 has the right to construct, own, and maintain the electric
20 transmission line individually and equally. If an incumbent
21 electric transmission owner declines to construct, own, and
22 maintain its portion of an electric transmission line that
23 would connect to electric transmission facilities owned by
24 two or more incumbent electric transmission owners, then the
25 other incumbent electric transmission owner or owners that
26 own an electric transmission facility to which the electric
27 transmission line connects has the right to construct, own, and
28 maintain the electric transmission line individually.

29 ~~3.~~ 4. If an electric transmission line has been approved
30 for construction in a federally registered planning authority
31 transmission plan after July 1, 2020, and the electric
32 transmission line is not subject to a right of first refusal in
33 accordance with the tariff of a federally registered planning
34 authority, then within the later of ninety days of approval
35 for construction or ninety days after enactment of this Act,

1 an incumbent electric transmission owner, or owners if there
2 is more than one owner, that owns a connecting electric
3 transmission facility shall give written notice to the board
4 regarding whether the incumbent electric transmission owner
5 or owners intend to construct, own, and maintain the electric
6 transmission line. If the incumbent electric transmission
7 owner or owners give notice of intent to construct the electric
8 transmission line, the incumbent electric transmission owner
9 or owners shall follow the applicable franchise requirements
10 pursuant to [this chapter](#). If the incumbent electric
11 transmission owner or owners give notice declining to construct
12 the electric transmission line or fail to provide timely notice
13 of the intent to construct the project, the board may determine
14 whether another person may construct the electric transmission
15 line.

16 ~~4.~~ 5. For projects ~~where~~ for which an election to construct
17 an electric transmission line has been made under [this section](#),
18 all of the following cost accountability measures shall apply:

19 *a.* Within thirty days after the issuance of a franchise
20 pursuant to [this chapter](#) for the electric transmission line,
21 the incumbent electric transmission owner or owners shall
22 provide to the board an estimate of the cost to construct the
23 electric transmission line.

24 *b.* Until construction of the electric transmission line
25 is complete, the incumbent electric transmission owner or
26 owners shall provide a quarterly report to the board, which
27 shall include an updated estimate of the cost to construct the
28 electric transmission line and an explanation of changes in the
29 cost estimate from the prior cost estimate.

30 ~~5.~~ 6. [This section](#) shall not modify the authority of the
31 board under [this chapter](#), the rights of landowners under this
32 chapter, or the requirements, rights, and obligations relating
33 to the construction, maintenance, and operation of electric
34 transmission lines pursuant to [this chapter](#).

35 ~~6.~~ 7. [This section](#) shall not apply to an electric

1 transmission line to be placed underground that has not been
2 approved for construction in a federally registered planning
3 authority transmission plan.

4 ~~7.~~ 8. The board shall adopt rules pursuant to [chapter 17A](#)
5 to administer [this section](#).

6 Sec. 2. EFFECTIVE DATE. This Act, being deemed of immediate
7 importance, takes effect upon enactment.

8 Sec. 3. RETROACTIVE APPLICABILITY. The provisions of this
9 Act shall apply retroactively to July 1, 2020.

10 EXPLANATION

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

13 This bill relates to electric transmission lines and
14 electric transmission owners. The bill expounds the
15 legislative purpose of Code section 478.16, identifying Iowa
16 consumers' urgent need for development and investment in
17 high-voltage transmission. The bill provides that an incumbent
18 electric transmission owner may be formed, located, or
19 headquartered in any state as long as the electric transmission
20 line is located in Iowa.

21 Under the bill, an existing electric transmission facility
22 owner has the right to construct, own, and maintain an electric
23 transmission line that directly connects to the electric
24 transmission facility. If a proposed transmission line
25 would directly connect to facilities owned by two or more
26 facility owners, each owner has the right to construct, own,
27 and maintain the electric transmission line individually and
28 equally.

29 After July 1, 2020, approved electric transmission lines not
30 subject to right of first refusal in a federally registered
31 planning authority transmission plan shall give notice to the
32 Iowa utilities board (board) whether the incumbent electric
33 transmission owner or owners intend to construct, own, and
34 maintain the electric transmission line. The notice shall be
35 given within the later of 90 days of approval for construction

1 or 90 days after enactment of the bill. The board may
2 determine whether another person may construct the electric
3 transmission line if the incumbent electric transmission owner
4 or owners give notice declining to construct or do not give
5 timely notice.

6 The bill takes effect upon enactment.

7 The bill applies retroactively to an electric transmission
8 line approved for construction in a federally registered
9 planning authority transmission plan.