

Senate File 2356 - Introduced

SENATE FILE 2356
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 3180)

A BILL FOR

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

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

1 Section 1. Section 476.1, Code 2024, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 5. A community solar facility established
4 pursuant to section 476.50 shall not be regarded as a public
5 utility for purposes of this chapter.

6 Sec. 2. Section 476.25, Code 2024, is amended by adding the
7 following new subsection:

8 NEW SUBSECTION. 4. The furnishing of electricity pursuant
9 to a community solar facility under section 476.50 shall not
10 be considered an unnecessary duplication of electric utility
11 facilities and shall not constitute a violation of this
12 section.

13 Sec. 3. NEW SECTION. 476.50 **Community solar facility**
14 **program — established.**

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

17 *a. "Bill credit"* means the monetary value of the electricity
18 in kilowatt-hours generated by the community solar facility
19 allocated to a subscriber to offset that subscriber's
20 electricity bill.

21 *b. "Community solar facility"* means a distributed generation
22 facility that generates electricity by means of a solar
23 photovoltaic device whereby subscribers receive a bill credit
24 for the electricity generated in proportion to the size of the
25 customer's subscription and all of the following conditions
26 apply:

27 (1) The facility is located on one or more parcels of land
28 and no other community solar facility under the control of the
29 same entity, an affiliate's entity, or an entity under common
30 control is located on that land.

31 (2) At the time the facility initially meets the
32 requirements set forth in the tariff to participate in the
33 program, the facility is not located within one mile, measured
34 from the point of interconnection, of a community solar
35 facility under the control of the same entity.

1 (3) The facility has at least three subscribers.

2 (4) The facility generates not more than five megawatts of
3 electricity as measured in alternating current.

4 (5) No subscriber holds more than a forty percent interest
5 in the output of the facility.

6 (6) Not less than sixty percent of the capacity of the
7 facility is subscribed to by subscriptions of not more than
8 forty kilowatts.

9 *c. "Electric utility"* means a public utility that furnishes
10 electricity to the public for compensation that is required to
11 be rate-regulated under this chapter.

12 *d. "Subscriber"* means a customer of an electric utility
13 subject to this section who owns one or more subscriptions to a
14 community solar facility interconnected with that utility.

15 *e. "Subscriber organization"* means a for-profit or nonprofit
16 entity that owns or operates one or more community solar
17 facilities.

18 *f. "Subscription"* means a proportional contractual interest
19 in a community solar facility under which the estimated bill
20 credits of the subscriber do not exceed the average annual
21 bill for the customer account to which the subscription is
22 attributed.

23 2. *a.* A community solar facility program is established
24 to encourage and enhance the generation of solar energy and to
25 encourage and enhance the ability of electric utility customers
26 to participate in and derive benefit from alternate solar
27 energy projects.

28 *b.* An electric utility shall provide a bill credit to a
29 subscriber's subsequent monthly electric bill. Any amount of
30 the bill credit that exceeds the subscriber's monthly bill
31 shall be carried over and applied to the next month's bill in
32 perpetuity.

33 *c.* An electric utility shall be required to purchase from
34 a community solar facility in accordance with section 476.49.
35 The amount of a subscriber's subscription shall be credited

1 to the subscriber's account with the utility. The board
2 shall develop interconnection agreements for utilization by a
3 community solar facility interconnecting with a utility.

4 *d.* A community solar facility shall be subject to all of the
5 following requirements:

6 (1) Utilize facilities generating electricity by means of
7 community solar facility solar photovoltaic devices.

8 (2) Provide subscription access to the community solar
9 facility exclusively to customers of a single electric utility.

10 *e.* The subscriber must be located within the service
11 territory of the electric utility where the community solar
12 facility is located. Customers located outside of the state
13 shall not be allowed to subscribe to the community solar
14 facility.

15 *f.* A subscriber may subscribe all of their electricity
16 meters to a community solar facility.

17 *g.* Community solar facilities may be owned by investors.

18 *h.* An electric utility shall provide a bill credit to
19 a subscriber's subsequent monthly electric bill for the
20 proportional output of a community solar facility attributable
21 to that subscriber for not less than twenty-five years from the
22 date the solar facility is first placed into operation.

23 *i.* A subscriber organization shall periodically and in
24 a standardized electronic format provide to the electric
25 utility whose service territory includes the location of the
26 subscriber organization's community solar facility a subscriber
27 list indicating the percentage of generation attributable
28 to each of the electric utility's retail customers who are
29 subscribers to a community solar facility in accordance with
30 the subscriber's portion of the output of the community solar
31 facility. The electric utility shall create a platform for the
32 subscriber organization to periodically communicate updates to
33 the subscriber list to reflect cancelling subscribers and new
34 subscribers. The investor-owned electric utility shall apply
35 bill credits to the bills of subscribers within one billing

1 cycle following the cycle during which the energy earning the
2 bill credits is generated by the community solar facility.

3 *j.* An electric utility shall provide a subscriber
4 organization a report each month in a standardized electronic
5 format detailing the total value of bill credits generated
6 by the subscriber organization's community solar facility in
7 the prior month and the amount of bill credits applied to each
8 subscriber.

9 *k.* Any renewable energy credits created from the production
10 of electricity in a community solar facility are the property
11 of the subscriber organization that owns or operates the
12 community solar facility. The subscriber organization may
13 sell, accumulate, retire, or distribute to subscribers the
14 renewable energy credits of the subscriber organization.

15 3. The board shall adopt rules to implement the provisions
16 of this section that accomplish all of the following:

17 *a.* Reasonably allow for the creation and financing of
18 community solar facilities.

19 *b.* Allow all customer classes to participate as subscribers
20 to a community solar facility, and ensure participation
21 opportunities for all customer classes.

22 *c.* Prohibit removing a customer from the customer's
23 applicable customer class due to the customer subscribing to a
24 community solar facility.

25 *d.* Reasonably allow for the transferability and portability
26 of subscriptions, including allowing a subscriber to retain a
27 subscription to a community solar facility if the subscriber
28 moves within the same investor-owned electric utility's service
29 territory.

30 *e.* Modify existing interconnection standards, fees,
31 and processes as needed to facilitate the efficient and
32 cost-effective interconnection of community solar facilities
33 and that allow an electric utility to recover reasonable
34 interconnection costs for each community solar facility.

35 *f.* Provide for consumer protection in accordance with

1 existing laws.

2 *g.* Allow an electric utility to recover costs of applying
3 bill credits under this section.

4 *h.* Require that electric utilities efficiently connect
5 community solar facilities to the electrical distribution grid
6 and do not discriminate against community solar facilities.

7 *i.* Require a subscriber organization to satisfy
8 interconnection process benchmarks, demonstrate site control,
9 and obtain all applicable nonministerial permits for a
10 community solar facility before the subscriber organization
11 owns or operates the facility.

12 EXPLANATION

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

15 This bill establishes a community solar facility program.

16 The bill specifies that an "electric utility" for
17 purposes of the bill is a public utility that provides
18 electricity to the public for compensation and is required
19 to be rate-regulated under Code chapter 476. The bill
20 defines "community solar facility" to mean a distributed
21 generation facility that generates electricity through solar
22 panels whereby subscribers may receive bill credits for
23 the electricity generated in proportion to the size of the
24 customer's subscription. The bill defines "subscriber" to mean
25 a customer of an electric utility who owns at least one share
26 of a subscription to a community solar facility. A "subscriber
27 organization" is a for-profit or nonprofit entity that owns
28 or operates one or more community solar facilities. The bill
29 defines "subscription" to mean a proportional contractual
30 interest in a community solar facility.

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

1 The bill provides that a customer shall receive a credit in
2 proportion to the customer's subscription. The bill provides
3 that a utility shall be required to purchase in accordance with
4 billing methods established pursuant to Code section 476.49. A
5 subscriber's subscription shall be credited to the subscriber's
6 account with the utility. The bill provides that the Iowa
7 utilities board shall develop interconnection agreements for
8 utilization by a community solar facility interconnecting with
9 the utility.

10 The bill provides that a community solar facility may
11 consist of subscribers located within the state and shall not
12 consist of out-of-state subscribers. The bill provides that
13 a subscriber may include all of the subscriber's electricity
14 meters in the community solar facility. The bill provides that
15 a community solar facility may be owned by investors.

16 The bill requires the Iowa utilities board to adopt rules
17 regarding implementation of the bill's provisions.