

Senate Study Bill 1059 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON BROWN)

A BILL FOR

1 An Act relating to plan, update, and budget review of
2 rate-regulated electric utilities, and including effective
3 date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 476.6, subsection 16, Code 2023, is
2 amended to read as follows:

3 16. *Filing of forecasts.* The board shall periodically
4 require each rate-regulated gas ~~or electric~~ public utility
5 to file a forecast of future gas requirements ~~or electric~~
6 ~~generating needs~~ and the board shall evaluate the forecast.
7 The forecast shall include but is not limited to a forecast of
8 the requirements of its customers, its anticipated sources of
9 supply, and its anticipated means of addressing the forecasted
10 gas requirements ~~or electric generating needs~~.

11 Sec. 2. Section 476.6, subsection 19, Code 2023, is amended
12 to read as follows:

13 19. ~~*Electric power generating facility emissions*~~ *Biannual*
14 *resource planning.*

15 ~~*a. It is the intent of the general assembly that the state,*~~
16 ~~*through a collaborative effort involving state agencies and*~~
17 ~~*affected generation owners, provide for compatible statewide*~~
18 ~~*environmental and electric energy policies with respect*~~
19 ~~*to regulated emissions from rate-regulated electric power*~~
20 ~~*generating facilities in the state that are fueled by coal.*~~
21 ~~*Each rate-regulated public utility that is an owner of one or*~~
22 ~~*more electric power generating facilities fueled by coal and*~~
23 ~~*located in this state on July 1, 2001, owns or operates an*~~
24 *electric power generating facility* shall develop a multiyear
25 plan and budget for ~~managing regulated emissions from its~~
26 ~~*facilities in a cost-effective manner*~~ *the area served by the*
27 *utility that provides reliable, secure, and low-emission*
28 *electricity at the lowest cost.*

29 *b. The plan and budget shall include a minimum of all of the*
30 *following:*

31 *(1) The future projected electricity requirements of the*
32 *area.*

33 *(2) The projected electricity resources mix, capacity, and*
34 *infrastructure needed to meet the projected requirements.*

35 *(3) The future potential demand response capabilities of*

1 the area.

2 (4) The future nonutility energy resources in the area,
3 including both generation and storage.

4 (5) Planning to efficiently leverage demand response
5 and nonutility energy resources to reduce costs and increase
6 reliability.

7 (6) Alternate planning scenarios for meeting the projected
8 electricity requirements.

9 (7) Additional information that the board deems necessary
10 pursuant to this section.

11 c. (1) The initial multiyear plan and budget shall be filed
12 with the board by April 1, ~~2002~~ 2024. Updates to the plan and
13 budget shall be filed at least every twenty-four months.

14 (2) Copies of the initial plan and budget, as well as
15 any subsequent updates, shall be served on the department of
16 natural resources.

17 (3) The initial multiyear plan and budget ~~and any~~
18 ~~subsequent updates~~ shall be considered in a contested case
19 proceeding pursuant to chapter 17A. Subsequent updates shall
20 be considered in a contested case proceeding every twenty-four
21 months, unless the board determines a contested case is
22 necessary for an earlier update. The department of natural
23 resources and the consumer advocate shall participate as
24 parties to ~~the~~ a contested case proceeding.

25 (4) The department of natural resources shall state whether
26 the plan or update meets applicable state environmental
27 requirements for regulated emissions. ~~If the plan does~~
28 ~~not meet these requirements, the department shall recommend~~
29 ~~amendments that outline actions necessary to bring the plan or~~
30 ~~update into compliance with the environmental requirements.~~

31 ~~b.~~ ~~The board shall not approve a plan or update that does~~
32 ~~not meet applicable state environmental requirements and~~
33 ~~federal ambient air quality standards for regulated emissions~~
34 ~~from electric power generating facilities located in the state.~~

35 ~~e.~~ d. The board shall ~~review the plan or update and the~~

1 ~~associated budget, and shall approve the plan or update and~~
2 ~~the associated budget if the plan or update and the associated~~
3 ~~budget are reasonably expected to achieve cost-effective~~
4 ~~compliance with applicable state environmental requirements~~
5 ~~and federal ambient air quality standards. In reaching its~~
6 ~~decision, the board shall consider whether determine whether~~
7 ~~the plan or update and the associated budget reasonably~~
8 ~~balance balances costs, environmental requirements, economic~~
9 ~~development potential, and the reliability of the electric~~
10 ~~generation, distribution, and transmission system.~~

11 ~~d. e.~~ The board shall issue an order approving or rejecting
12 a plan, update, or budget within one hundred eighty days after
13 the public utility's filing is deemed complete; however, upon
14 good cause shown, the board may extend the time for issuing the
15 order as follows:

16 (1) The board may grant an extension of thirty days.

17 (2) The board may grant more than one extension, but each
18 extension must rely upon a separate showing of good cause.

19 ~~(3) A subsequent extension must not be granted any earlier~~
20 ~~than five days prior to the expiration of the original~~
21 ~~one-hundred-eighty-day period, or the current extension.~~

22 f. To ensure the utility can timely respond to changes in
23 circumstances, the utility may modify plans by providing notice
24 to the board. The board shall have thirty days to respond by
25 any of the following methods:

26 (1) Indicating no objection to the change.

27 (2) Ordering a contested case.

28 (3) Requesting more information. Upon receiving additional
29 information, the board shall not object to the change or order
30 a contested case proceeding.

31 ~~e. g.~~ The reasonable costs incurred by a rate-regulated
32 public utility in preparing and filing the plan, update, or
33 budget and in participating in the proceedings before the board
34 and the reasonable costs associated with implementing the plan,
35 update, or budget shall be included in its regulated retail

1 rates.

2 ~~f. It is the intent of the general assembly that the board,~~
3 ~~in an environmental plan, update, or associated budget filed~~
4 ~~under this section by a rate-regulated public utility, may~~
5 ~~limit investments or expenditures that are proposed to be~~
6 ~~undertaken prior to the time that the environmental benefit to~~
7 ~~be produced by the investment or expenditure would be required~~
8 ~~by state or federal law.~~

9 h. The board shall adopt rules concerning the plan
10 submission of multiyear plan and budgets pursuant to this
11 section.

12 Sec. 3. EFFECTIVE DATE. This Act, being deemed of immediate
13 importance, takes effect upon enactment.

14 EXPLANATION

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

17 This bill relates to plan, update, and budget review of
18 rate-regulated electric utilities by the Iowa utilities board.

19 The bill removes electric utilities from the filing of
20 forecasts for future electric generating needs. Current law
21 requires electric public utilities to file a forecast with
22 the Iowa utilities board (board) which includes anticipated
23 customer requirements, supply sources, and future electric
24 generating needs.

25 The bill strikes intent language relating to electric
26 energy policies and emissions. The bill modifies the type of
27 rate-regulated public utility that is subject to developing
28 a multiyear plan and budget with the board to include all
29 rate-regulated public utilities owning or operating an electric
30 power generating facility instead of rate-regulated public
31 utilities owned by one or more electric power generating
32 facilities fueled by coal and located in Iowa on July 1, 2001.
33 The bill modifies the content of the multiyear plan and budget
34 from including cost-effective emission management to a plan
35 and budget for the area served by the utility that provides

1 reliable, secure, and low-emission electricity at the lowest
2 cost.

3 The bill provides that the plan and budget shall include
4 information relating to electricity requirements for the area,
5 needs for the electricity project, future potential demand
6 capabilities, future nonutility energy resources in the area,
7 efficient planning, alternative planning, and other information
8 the board requires.

9 The bill updates the date for the filing of the initial
10 multiyear plan and budget to be April 1, 2024, and modifies
11 subsequent plan and budget update requirements in a contested
12 case proceeding. The bill provides that every 24 months,
13 subsequent updates shall be considered in a contested case
14 proceeding, except where the board determines an earlier update
15 is necessary.

16 The bill maintains the requirement for the department of
17 natural resources (DNR) to state whether a plan or update meets
18 applicable state or environmental laws and strikes language
19 relating to the DNR to recommend plan adaptations. The bill
20 adds criteria for the board to use in determining whether a
21 plan or update and associated budget balance costs and other
22 considerations. Current law provides that the board shall
23 reject a plan or update that does not meet applicable state
24 environmental requirements or federal standards as determined
25 by the DNR, and that the board shall review and approve the
26 plan, update, and budget if the plan, update, and budget are
27 reasonably expected to achieve cost-effective compliance
28 with applicable state environmental requirements and federal
29 standards.

30 The bill strikes provisions relating to subsequent
31 extensions of timelines for a public utility's filing of a
32 plan, update, or budget.

33 The bill provides that a utility may modify plans and provide
34 notice to the board. The board shall have 30 days to respond
35 by indicating no objection, ordering a contested case, or

1 requesting more information.

2 The bill strikes the intent language providing that the
3 board has ability to limit certain investments or expenditures.

4 The bill provides that the board shall adopt rules
5 concerning plan and budget submission.

6 The bill takes effect upon enactment.