

**Senate Study Bill 3180 - Introduced**

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

**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.