

House File 2668 - Introduced

HOUSE FILE 2668
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HF 2365)

A BILL FOR

1 An Act relating to the regulation of public utilities, including
2 virtual power plants and integrated resource planning.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 476.53, subsection 2, Code 2026, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. c. Customer-owned generation and storage is
4 vital to cost-effectively meeting rising demand for electricity.
5 Virtual power plants are a collection of customer-owned
6 distributed generation resources and energy storage devices
7 managed and dispatched by a common control mechanism, which may
8 only be located in the service territory of a rate-regulated
9 electric utility. Virtual power plants shall not be considered
10 public utilities under this chapter. The commission shall
11 promulgate rules that provide a process and standards for the
12 commission's approval and oversight of virtual power plants,
13 including information the commission finds necessary for the
14 evaluation of a virtual power plant proposal. Such information
15 shall include the nature of the resources that may participate
16 in a virtual power plant, the entities who may propose virtual
17 power plants, and the estimated benefits to customers in the
18 service territory in which the virtual power plant will operate.
19 The commission shall not approve or continue to allow the
20 operation of a virtual power plant if the virtual power plant
21 does not, under standards established by the commission, benefit
22 the customers in the service territory in which the virtual power
23 plant operates.

24 Sec. 2. NEW SECTION. **476.53B Integrated resource**
25 **planning.**

26 1. To implement the intent of the general assembly as set
27 forth in sections 476.53 and 476.53A, each rate-regulated public
28 utility shall file with the commission an integrated resource
29 plan every five years, with the first plan due July 1, 2028.
30 The commission shall promulgate rules for the development and
31 evaluation of integrated resource plans. At a minimum, the rules
32 shall include all of the following:

33 a. A process under which a utility files a new plan every
34 five years that includes a five-year and a twenty-year planning
35 horizon.

1 b. A quantitative comparative analysis of multiple resource
2 mixes to serve anticipated customer needs using industry best
3 practices, including capacity expansion and production cost
4 modeling that include all of the following for both planning
5 horizons:

6 (1) Existing and potential generating resources needed to
7 serve customers, including competitively procured purchase power
8 agreements and market purchase.

9 (2) The process for determining the forecast projects, costs,
10 and other inputs and assumptions to be used in an integrated
11 resource plan by all parties. It is the intent of the general
12 assembly that the utilities use uniform scenarios, inputs,
13 assumptions, and sources of data.

14 (3) An assessment of customer costs and seasonal reliability.

15 (4) Resources including energy efficiency, demand response,
16 peak load conservation, and distributed generation plans, as
17 described elsewhere in this chapter, that will assist in meeting
18 energy and capacity needs.

19 (5) A utility's energy and capacity forecasts, for existing
20 and potential generating resources, as described elsewhere in
21 this chapter, including filings made with any federal or regional
22 authority. The forecast shall include but is not limited to
23 a forecast of the requirements of customers, its anticipated
24 sources of supply, and its anticipated means of addressing the
25 forecasted electric generating needs.

26 (6) Transmission and distribution upgrades and expansion
27 plans needed to reliably serve the utility's customers and
28 integrate each potential resource, and the associated costs
29 of such plans in connection with the various resource mixes
30 proposed.

31 c. Determination of eligibility for access to modeling
32 software and data, including access to appropriate data from
33 the utilities' production cost model scenarios. The commission
34 may determine the number of parties eligible for access to the
35 modeling software.

1 d. The ability of parties eligible for access to the modeling
2 software license to have at least four alternative scenarios
3 and a process to best balance and represent the input of the
4 respective parties. The alternative scenarios will be included
5 on equal footing with utility scenarios.

6 e. Annual reporting on the performance of the plan and any
7 nonmaterial updates.

8 f. Mechanisms for the utility to make, or for the commission,
9 the office of consumer advocate, or customers to request, updates
10 or modifications to the plan to reflect material changes.

11 g. Other rules for the development and evaluation of
12 integrated resource plans the commission deems necessary or
13 appropriate.

14 2. The commission shall ensure the public has maximum access
15 to information, while protecting only the necessary confidential
16 information of the utility. The commission shall require a
17 uniform nondisclosure agreement that allows as much access as
18 possible to data and information, including that data deemed by
19 the commission as confidential.

20 3. Any proposed deviation from an integrated resource plan
21 must be demonstrated by the utility to be in the best interest of
22 customers when rate recovery or other approval of the generation
23 facility is sought.

24 4. The commission may employ additional temporary staff, or
25 may contract for professional services with persons who are not
26 state employees, as the commission deems necessary to perform
27 required functions as provided in this section, including but not
28 limited to promulgating rules for the development and evaluation
29 of resource plans. The costs of the additional staff and
30 services shall be assessed to the utilities pursuant to the
31 procedure in sections 475A.6 and 476.10.

32 EXPLANATION

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

35 This bill relates to the regulation of public utilities,

1 including customer-owned resources, virtual power plants, and
2 integrated resource planning.

3 The bill recognizes that customer-owned generation and
4 storage is vital to cost-effectively meeting rising demand
5 for electricity. The bill describes virtual power plants as
6 collections of customer-owned distributed generation and energy
7 storage resources managed by a common control mechanism within
8 a utility's service territory. The bill provides that virtual
9 power plants are not public utilities and requires the commission
10 to adopt rules establishing standards and processes for approval
11 and oversight. The bill prohibits the commission from approving
12 or allowing continued operation of a virtual power plant if the
13 virtual power plant does not benefit customers in the service
14 territory.

15 The bill requires each rate-regulated public utility to file
16 an integrated resource plan every five years, with the first plan
17 due July 1, 2028. The bill directs the commission to adopt rules
18 governing the development and evaluation of integrated resource
19 plans. The plans must include 5-year and 20-year planning
20 horizons and a quantitative comparative analysis of multiple
21 resource mixes to serve anticipated customer needs using industry
22 best practices. The rules adopted by the commission must also
23 address a determination of eligibility for access to modeling
24 software and data, including the ability for eligible parties
25 to have alternative scenarios and a process to best balance
26 and represent the input of the respective parties. The bill
27 provides the rules adopted must also include requirements for
28 annual reporting on plan performance, as well as mechanisms for
29 plan updates or modifications in response to material changes and
30 any other rule for the development and evaluation of integrated
31 resource plans the commission deems necessary or appropriate.

32 The bill directs the commission to maximize public access
33 to information while protecting only necessary confidential
34 information through uniform disclosure agreements. The bill
35 requires any deviation from an integrated resource plan to be

1 demonstrated to be in the best interest of the customers when
2 rate recovery approval is sought.

3 The bill allows the commission or consumer advocate to employ
4 additional staff or contract for professional services with
5 persons who are not state employees for the development of
6 rules for the filing and review of resource plans or to aid
7 the commission in the review and approval, disapproval, or
8 modification of a plan. The costs of the additional staff
9 services shall be assessed to the utilities.

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