

# House Study Bill 629 - Introduced

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
COMMERCE BILL BY CHAIRPERSON  
YOUNG)

## A BILL FOR

1 An Act relating to solar energy by establishing a community solar  
2 facility program.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 476.1, Code 2026, is amended by adding the  
2 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 2026, 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 section.

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

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

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

20 b. "*Brownfield site*" means an abandoned, idled, or  
21 underutilized industrial or commercial facility where expansion  
22 or redevelopment is complicated by real or perceived  
23 environmental contamination, including wastewater treatment  
24 lagoons, active and former quarry and mining ponds, storm water  
25 detention ponds, cooling ponds, and manure ponds. A brownfield  
26 site includes property contiguous with the property on which the  
27 individual or commercial facility is located.

28 c. (1) Except as provided in subparagraph (2), "*community*  
29 *solar facility*" means a distributed generation facility that  
30 generates electricity by means of a solar photovoltaic device  
31 whereby subscribers receive a bill credit for the electricity  
32 generated in proportion to the size of the customer's  
33 subscription and all of the following conditions apply:

34 (a) The facility is located on one or more parcels of land  
35 within the assigned area of service of that utility and no other

1 community solar facility under the control of the same entity, an  
2 affiliate's entity, or an entity under common control is located  
3 on that land.

4 (b) At the time the facility initially meets the requirements  
5 set forth in the tariff to participate in the program, the  
6 facility is not located within one mile, measured from the point  
7 of interconnection, of a community solar facility under the  
8 control of the same entity.

9 (c) The facility has at least three subscribers once it  
10 becomes operational.

11 (d) The facility generates not more than five megawatts  
12 of electricity as measured in alternating current unless the  
13 facility is located on a brownfield site, whereby the facility  
14 may generate not more than twenty megawatts of electricity as  
15 measured in alternating current.

16 (e) No subscriber holds more than a forty percent interest in  
17 the output of the facility unless the facility is located on the  
18 same parcel of land as the subscriber's electric service premises  
19 and the subscription reflects on-site load rather than resale or  
20 aggregation.

21 (f) Not less than sixty percent of the capacity of the  
22 facility is subscribed to by subscriptions of not more than forty  
23 kilowatts. The requirements of this subparagraph division shall  
24 not apply to the portion of a facility's capacity subscribed  
25 pursuant to the on-site load exception described in subparagraph  
26 division (e), provided that no more than forty percent of the  
27 facility's total capacity may be excluded from the requirements  
28 of this subparagraph division under that exception.

29 (2) A distributed generation facility qualifies as a  
30 community solar facility if the distributed generation facility  
31 generates not more than one megawatt of electricity as measured  
32 in alternating current and meets the conditions described in  
33 subparagraph (1), subparagraph divisions (a), (b), and (d), even  
34 if the distributed generation facility does not meet any of the  
35 conditions described in subparagraph (1), subparagraph divisions

1 (c), (e), and (f).

2 d. "*Electric utility*" means a public utility that furnishes  
3 electricity to the public for compensation that is required to be  
4 rate-regulated under this chapter.

5 e. "*Subscriber*" means a customer of an electric utility  
6 subject to this section who owns one or more subscriptions to a  
7 community solar facility interconnected with that utility.

8 f. "*Subscriber organization*" means a for-profit or nonprofit  
9 entity that owns or operates one or more community solar  
10 facilities.

11 g. "*Subscription*" means a proportional contractual interest  
12 in a community solar facility under which the estimated bill  
13 credits of the subscriber do not exceed the average annual bill  
14 for the customer account to which the subscription is attributed.

15 2. a. A community solar facility program is established to  
16 encourage and enhance the generation of solar energy and to  
17 encourage and enhance the ability of electric utility customers  
18 to participate in and derive benefit from alternate solar energy  
19 projects.

20 b. A community solar facility authorized under this section  
21 shall not serve or offer to serve electric customers in an  
22 exclusive service area assigned to a rural electric cooperative,  
23 nor shall a community solar facility authorized under this  
24 section construct facilities in an exclusive service area  
25 assigned to a rural electric cooperative unless expressly  
26 authorized by the rural electric cooperative in whose exclusive  
27 service area the facility would be located.

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

33 d. An electric utility shall be required to bill subscribers  
34 to a community solar facility in accordance with section 476.49,  
35 to the extent that section does not conflict with this section.

1 e. (1) Prior to the establishment of the value of solar  
2 methodology and rate under section 476.49, a subscriber to a  
3 community solar facility that qualifies for bill credits at the  
4 applicable retail volumetric rate shall have a minimum monthly  
5 electric bill that cannot be reduced below one hundred fifty  
6 percent of the commission-approved current basic service charge  
7 applicable to the subscriber's rate class.

8 (2) The total capacity of the community solar program prior  
9 to the establishment of the value of solar methodology and rate  
10 under section 476.49 shall be no greater than two hundred fifty  
11 megawatts total statewide.

12 (3) After the establishment of the value of solar methodology  
13 and rate, a subscriber to a community solar facility that  
14 qualifies for bill credits shall not be subject to a minimum bill  
15 under subparagraph (1) and the capacity limit on the statewide  
16 program shall not apply.

17 f. An electric utility shall review its interconnection  
18 processes to ensure they are adequate to facilitate the  
19 efficient and cost-effective interconnection of community solar  
20 facilities and allow an investor-owned electric utility to  
21 recover reasonable interconnection costs for each community solar  
22 facility. Such interconnection costs shall be the responsibility  
23 of the subscriber organization or owner of the community solar  
24 facility and shall not be applied to nonparticipating ratepayers.  
25 Interconnection facilities and upgrades funded by the subscriber  
26 organization or owner of the community solar facility shall  
27 become part of the electric utility's distribution system and may  
28 enhance system capacity, reliability, and operational flexibility  
29 for all customers.

30 g. A subscriber may subscribe all of their electricity meters  
31 to a community solar facility.

32 h. Community solar facilities may be owned by investors.

33 i. An electric utility shall provide a bill credit to  
34 a subscriber's subsequent monthly electric bill for the  
35 proportional output of a community solar facility attributable to

1 that subscriber for not less than twenty-five years from the date  
2 the solar facility is first placed into operation.

3 j. A subscriber organization shall periodically and in  
4 a standardized electronic format provide to the electric  
5 utility whose service territory includes the location of the  
6 subscriber organization's community solar facility a subscriber  
7 list indicating the percentage of generation attributable to  
8 each of the electric utility's retail customers who are  
9 subscribers to a community solar facility in accordance with  
10 the subscriber's portion of the output of the community solar  
11 facility. The electric utility shall create a platform for the  
12 subscriber organization to periodically communicate updates to  
13 the subscriber list to reflect canceling subscribers and new  
14 subscribers.

15 k. An electric utility shall provide a subscriber  
16 organization a report each month in a standardized electronic  
17 format detailing the total value of bill credits generated by the  
18 subscriber organization's community solar facility in the prior  
19 month and the amount of bill credits applied to each subscriber.

20 l. A subscriber organization may accumulate bill credits if  
21 all of the electricity generated by a community solar facility  
22 is not allocated to subscribers in a given month. On an annual  
23 basis, the subscriber organization shall furnish to the electric  
24 utility whose service territory includes the location of the  
25 subscriber organization's community solar facility instructions  
26 for distributing accumulated bill credits to subscribers.  
27 The electric utility shall apply accumulated credits to a  
28 subscriber's electric utility account in accordance with section  
29 476.49. Any credits not distributed to subscribers annually will  
30 be forfeited.

31 m. Any renewable energy credits created from the production  
32 of electricity in a community solar facility are the property  
33 of the subscriber organization that owns or operates the  
34 community solar facility. The subscriber organization may sell,  
35 accumulate, retire, or distribute to subscribers the renewable

1 energy credits of the subscriber organization.

2 3. The commission shall adopt rules to implement the  
3 provisions of this section that accomplish all of the following:

4 a. Reasonably allow for the creation and financing of  
5 community solar facilities.

6 b. Allow all customer classes to participate as subscribers  
7 to a community solar facility, and ensure participation  
8 opportunities for all customer classes.

9 c. Prohibit removing a customer from the customer's  
10 applicable customer class due to the customer subscribing to a  
11 community solar facility.

12 d. Reasonably allow for the transferability and portability  
13 of subscriptions, including allowing a subscriber to retain a  
14 subscription to a community solar facility if the subscriber  
15 moves within the same investor-owned electric utility's service  
16 territory.

17 e. Modify existing interconnection standards, fees, and  
18 processes as needed to facilitate the efficient and  
19 cost-effective interconnection of community solar facilities  
20 and that allow an electric utility to recover reasonable  
21 interconnection costs for each community solar facility.

22 f. Provide for consumer protection in accordance with  
23 existing laws. The commission may establish a registration  
24 process for any subscriber organization or affiliate seeking  
25 to solicit community solar subscribers. The commission may  
26 adopt rules to ensure that a subscriber organization retains  
27 marketing information for a reasonable time period and provides  
28 to subscribers a disclosure in plain language that includes all  
29 fees and costs associated with the subscription.

30 g. Allow an electric utility to recover costs of applying  
31 bill credits under this section.

32 h. Ensure an electric utility does not unreasonably refuse or  
33 delay interconnection of a community solar facility.

34 i. Require a subscriber organization to satisfy  
35 interconnection process benchmarks, demonstrate site control, and

1 obtain all applicable nonministerial permits for a community  
2 solar facility before the subscriber organization owns or  
3 operates the facility.

4 4. a. Not later than eighteen months after a community solar  
5 facility has ceased generating electricity, except for instances  
6 when the owner is actively working to recommence production of  
7 electricity, including instances following the occurrence of a  
8 force majeure or similar event, the owner of the community solar  
9 facility shall commence decommissioning of the facility.

10 b. Unless the property owner authorizing the community  
11 solar facility to operate on the property and the owner  
12 of the community solar facility mutually agree in writing  
13 on an alternative condition for restoring the property, the  
14 decommissioning plan for the community solar facility shall  
15 include all of the following:

16 (1) Removal of all nonelectric utility-owned equipment,  
17 conduits, structures, fencing, and foundations to a depth of at  
18 least three feet below grade.

19 (2) Removal of all graveled areas and access roads.

20 (3) Restoration of the property to a condition reasonably  
21 similar to its condition before the commencement of construction,  
22 except for ordinary wear and degradation and any changes to the  
23 condition of the property caused by or at the request of the  
24 property owner.

25 (4) To the extent practicable and seasonally appropriate, at  
26 the request of the property owner, reseeding, or causing the  
27 reseeding of, any cleared areas on the property.

28 5. a. The owner of a community solar facility shall maintain  
29 sufficient financial assurances in the form of a bond, a parent  
30 company guaranty with a minimum investment grade credit rating  
31 for the parent company issued by a major domestic credit rating  
32 agency, or a letter of credit to provide for decommissioning.

33 b. The amount of financial assurance shall be equal to the  
34 cost of decommissioning the community solar facility, less the  
35 facility's salvage value, and shall be updated periodically, but



1 not less than every ten years.

2 c. Decommissioning and salvage value costs shall be  
3 calculated by an independent professional engineer at the expense  
4 of the owner of the community solar facility.

5 Sec. 4. IMPLEMENTATION OF TARIFFS. By January 1, 2027, an  
6 electric utility, as defined in section 476.50, as enacted by  
7 this Act, shall file new or updated tariffs, if applicable, to  
8 implement any necessary changes resulting from this Act.

9 EXPLANATION

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

12 This bill establishes a community solar facility program.

13 The bill specifies that "electric utility" for purposes of  
14 the bill means a public utility that provides electricity to  
15 the public for compensation and is required to be rate-regulated  
16 under Code chapter 476. The bill defines "brownfield site"  
17 to mean an abandoned, idled, or underutilized industrial  
18 or commercial facility where expansion or redevelopment is  
19 complicated by real or perceived environmental contamination.  
20 The bill 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 the  
23 electricity generated in proportion to the size of the customer's  
24 subscription. The bill defines "subscriber" to mean a customer  
25 of an electric utility who owns at least one share of  
26 a subscription to a community solar facility. "Subscriber  
27 organization" means a for-profit or nonprofit entity that owns  
28 or operates one or more community solar facilities. The  
29 bill defines "subscription" to mean a proportional contractual  
30 interest in a community solar facility.

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

35 The bill requires an electric utility to bill subscribers

1 in accordance with billing methods established pursuant to Code  
2 section 476.49.

3 The bill requires an electric utility to review its  
4 interconnection processes with community solar facilities to  
5 ensure adequacy, efficiency, and cost-effectiveness and to  
6 allow an investor-owned electric utility to recover reasonable  
7 interconnection costs. The bill directs the interconnection to  
8 be the responsibility of the subscriber organization or owner of  
9 the community solar facility and not applied to nonparticipating  
10 ratepayers. The bill states that interconnection facilities  
11 and upgrades funded by the subscriber organization or owner of  
12 the community solar facility shall become part of the electric  
13 utility's distribution system for all customers. The bill allows  
14 a subscriber to include all of the subscriber's electricity  
15 meters in the community solar facility. The bill provides  
16 that a community solar facility may be owned by investors.  
17 The bill provides specific procedures and requirements for the  
18 administration of bill credits and subscriber information.

19 The bill requires the Iowa utilities commission to adopt rules  
20 regarding implementation of the bill's provisions.

21 The bill requires the owner of a community solar facility to  
22 have a decommissioning plan, including financial assurances. The  
23 bill provides procedures and requirements for the decommissioning  
24 of a community solar facility.

25 The bill requires an electric utility to file new or updated  
26 tariffs, if applicable, by January 1, 2027, to implement any  
27 necessary changes resulting from the bill.