

House Study Bill 81 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
COMMERCE BILL BY CHAIRPERSON
LUNDGREN)

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 2025, 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 2025, 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. (1) Except as provided in subparagraph (2), a "*community*
21 *solar facility*" means a distributed generation facility that
22 generates electricity by means of a solar photovoltaic device
23 whereby subscribers receive a bill credit for the electricity
24 generated in proportion to the size of the customer's
25 subscription and all of the following conditions apply:

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

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

35 (c) The facility has at least three subscribers.

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

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

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

8 (2) A distributed generation facility qualifies as a
9 community solar facility if the distributed generation facility
10 generates not more than one megawatt of electricity as measured
11 in alternating current and meets the conditions described in
12 subparagraph (1), subparagraph divisions (a), (b), and (d), even
13 if the distributed generation facility does not meet any of the
14 conditions described in subparagraph (1), subparagraph divisions
15 (c), (e), and (f).

16 c. "Electric utility" means a public utility that furnishes
17 electricity to the public for compensation that is required to be
18 rate-regulated under this chapter.

19 d. "Subscriber" means a customer of an electric utility
20 subject to this section who owns one or more subscriptions to a
21 community solar facility interconnected with that utility.

22 e. "Subscriber organization" means a for-profit or nonprofit
23 entity that owns or operates one or more community solar
24 facilities.

25 f. "Subscription" means a proportional contractual interest
26 in a community solar facility under which the estimated bill
27 credits of the subscriber do not exceed the average annual bill
28 for the customer account to which the subscription is attributed.

29 2. a. A community solar facility program is established to
30 encourage and enhance the generation of solar energy and to
31 encourage and enhance the ability of electric utility customers
32 to participate in and derive benefit from alternate solar energy
33 projects.

34 b. An electric utility shall provide a bill credit to a
35 subscriber's subsequent monthly electric bill. Any amount of the

1 bill credit that exceeds the subscriber's monthly bill shall be
2 carried over in the subscriber's account and applied to the next
3 month's bill in perpetuity.

4 c. An electric utility shall be required to bill subscribers
5 to a community solar facility in accordance with section 476.49,
6 to the extent that section does not conflict with this section.

7 d. An electric utility shall review its interconnection
8 processes to ensure they are adequate to facilitate the
9 efficient and cost-effective interconnection of community solar
10 facilities and allow an investor-owned electric utility to
11 recover reasonable interconnection costs for each community solar
12 facility.

13 e. A subscriber may subscribe all of their electricity meters
14 to a community solar facility.

15 f. Community solar facilities may be owned by investors.

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

21 h. A subscriber organization shall periodically and in
22 a standardized electronic format provide to the electric
23 utility whose service territory includes the location of the
24 subscriber organization's community solar facility a subscriber
25 list indicating the percentage of generation attributable to
26 each of the electric utility's retail customers who are
27 subscribers to a community solar facility in accordance with
28 the subscriber's portion of the output of the community solar
29 facility. The electric utility shall create a platform for the
30 subscriber organization to periodically communicate updates to
31 the subscriber list to reflect canceling subscribers and new
32 subscribers.

33 i. An electric utility shall provide a subscriber
34 organization a report each month in a standardized electronic
35 format detailing the total value of bill credits generated by the

1 subscriber organization's community solar facility in the prior
2 month and the amount of bill credits applied to each subscriber.

3 j. A subscriber organization may accumulate bill credits if
4 all of the electricity generated by a community solar facility
5 is not allocated to subscribers in a given month. On an annual
6 basis, the subscriber organization shall furnish to the electric
7 utility whose service territory includes the location of the
8 subscriber organization's community solar facility instructions
9 for distributing accumulated bill credits to subscribers.
10 The electric utility shall apply accumulated credits to a
11 subscriber's electric utility account in accordance with section
12 476.49.

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

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

21 a. Reasonably allow for the creation and financing of
22 community solar facilities.

23 b. Allow all customer classes to participate as subscribers
24 to a community solar facility, and ensure participation
25 opportunities for all customer classes.

26 c. Prohibit removing a customer from the customer's
27 applicable customer class due to the customer subscribing to a
28 community solar facility.

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

34 e. Modify existing interconnection standards, fees, and
35 processes as needed to facilitate the efficient and

1 cost-effective interconnection of community solar facilities
2 and that allow an electric utility to recover reasonable
3 interconnection costs for each community solar facility.

4 f. Provide for consumer protection in accordance with
5 existing laws.

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

8 h. Require electric utilities to efficiently connect
9 community solar facilities to the electrical distribution grid
10 and not discriminate against community solar facilities.

11 i. Require a subscriber organization to satisfy
12 interconnection process benchmarks, demonstrate site control, and
13 obtain all applicable nonministerial permits for a community
14 solar facility before the subscriber organization owns or
15 operates the facility.

16 Sec. 4. IMPLEMENTATION OF TARIFFS. By January 1, 2026, an
17 electric utility, as defined in section 476.50, as enacted by
18 this Act, shall file new or updated tariffs, if applicable, to
19 implement any necessary changes resulting from this Act.

20 EXPLANATION

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

23 This bill establishes a community solar facility program.

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

1 solar facilities. The bill defines "subscription" to mean a
2 proportional contractual interest in a community solar facility.

3 The bill establishes a community solar facility program to
4 encourage and enhance solar energy generation and the ability of
5 electric public utility customers to participate in and derive
6 benefit from alternate solar energy projects.

7 The bill requires an electric utility to bill subscribers
8 in accordance with billing methods established pursuant to Code
9 section 476.49.

10 The bill requires an electric utility to review its
11 interconnection processes with community solar facilities to
12 ensure adequacy, efficiency, and cost-effectiveness and to
13 allow an investor-owned electric utility to recover reasonable
14 interconnection costs. The bill allows a subscriber to include
15 all of the subscriber's electricity meters in the community solar
16 facility. The bill provides that a community solar facility may
17 be owned by investors. The bill provides specific procedures
18 and requirements for the administration of bill credits and
19 subscriber information.

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

22 The bill requires an electric utility to file new or updated
23 tariffs, if applicable, by January 1, 2026, to implement any
24 necessary changes resulting from the bill.