

**Senate File 2249 - Introduced**

SENATE FILE 2249  
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**A BILL FOR**

1 An Act relating to customer classes for large energy use  
2 facilities, and including applicability provisions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 476.6, Code 2026, is amended by adding the  
2 following new subsection:

3 NEW SUBSECTION. 22. *Large energy use facilities.*

4 a. For purposes of this subsection:

5 (1) "*Costs of serving*" includes, as applicable, the costs  
6 incurred by an electric utility in providing transmission,  
7 distribution, energy, capacity, or ancillary electricity  
8 services, and any related costs or associated risks with serving  
9 a customer class or customer.

10 (2) "*Large energy use facility*" means a facility that uses or  
11 is able to use twenty megawatts or more and is primarily engaged  
12 in providing a service as described under code number 518210 of  
13 the North American industry classification system.

14 b. The commission shall create a customer class for each  
15 customer that is a large energy use facility. The customer class  
16 must be separate and distinct from customer classes for other  
17 customers and have its own rates, charges, and schedules. Any  
18 rate, charge, or schedule approved by the commission for the  
19 class must meet all of the following requirements:

20 (1) Directly assign the costs of serving to the customer.

21 (2) Mitigate the risk of other customer classes paying  
22 unwarranted costs.

23 (3) Mitigate the risk of shifting, in an unwarranted manner,  
24 the costs of serving a customer that is a large energy use  
25 facility to other customer classes, including costs incurred by  
26 an electric utility to meet load requirements resulting from the  
27 provision of electricity service to a customer that is a large  
28 energy use facility.

29 c. In deciding whether to approve a proposed rate, charge, or  
30 schedule of an electric utility for a customer class described  
31 under this subsection, the commission shall consider whether the  
32 rate, charge, or schedule may do any of the following:

33 (1) Result in, or have the potential to result in, increased  
34 costs or unwarranted risk to other customers.

35 (2) Provide for equitable contributions to grid efficiency,

1 reliability, and resiliency benefits.

2 (3) Meet any other conditions the commission may require in  
3 the public interest.

4 d. An electric utility and a customer that is a large energy  
5 use facility are not required to use a classification of service  
6 provided for under this subsection if the commission has not  
7 approved for the electric utility a rate, charge, or schedule for  
8 that classification of service.

9 Sec. 2. APPLICABILITY. This Act applies to electric utility  
10 services provided to large energy use facilities constructed or  
11 expanded on or after January 1, 2027.

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 relates to customer classes for large energy use  
16 facilities.

17 The bill defines "costs of serving" to include, as applicable,  
18 the costs incurred by an electric utility in providing  
19 transmission, distribution, energy, capacity, or ancillary  
20 electricity services, and any related costs or associated risks  
21 with serving a customer class or customer. The bill defines  
22 "large energy use facility" as a facility that uses or is able  
23 to use 20 megawatts or more and that is primarily engaged in  
24 providing a service described under code number 518210 of the  
25 North American industry classification system.

26 The bill requires the utilities commission to create a  
27 customer class for each customer that is a large energy use  
28 facility. The customer class must be separate and distinct  
29 from customer classes for other customers and must have its  
30 own rates, charges, and schedules. The bill provides that any  
31 rate, charge, or schedule approved by the commission for a large  
32 energy use facility customer must directly assign the costs of  
33 serving the customer, mitigate the risk of other customer classes  
34 paying unwarranted costs, and mitigate the risk of shifting, in  
35 an unwarranted manner, the costs of serving a large energy use

1 facility to other customer classes. The bill specifies that  
2 these costs include costs incurred by an electric utility to meet  
3 load requirements resulting from providing electricity service to  
4 a large energy use facility.

5 The bill requires the commission, when deciding whether to  
6 approve a proposed rate, charge, or schedule for a large energy  
7 use facility customer class, to consider whether the proposal  
8 may result in or have the potential to result in increased  
9 costs or unwarranted risk to other customers, whether the  
10 proposal provides for equitable contributions to grid efficiency,  
11 reliability, and resiliency benefits, and whether the proposal  
12 meets any other conditions the commission may require in the  
13 public interest.

14 The bill provides that an electric utility and a customer  
15 that is a large energy use facility are not required to use  
16 the customer classification created under the bill if the  
17 commission has not approved a rate, charge, or schedule for that  
18 classification of service.

19 The bill applies to electric utility services provided to  
20 large energy use facilities constructed or expanded on or after  
21 January 1, 2027.