

**Senate File 585 - Introduced**

SENATE FILE 585  
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 1112)

(COMPANION TO HF 834 BY COMMITTEE  
ON COMMERCE)

**A BILL FOR**

1 An Act relating to energy systems by modifying electric  
2 power generation, energy storage, and transmission  
3 facility ratemaking principles, creating tariffs for public  
4 utility innovation programs, implementing land restoration  
5 standards, including right of first refusal, modifying  
6 the energy infrastructure revolving loan program, and  
7 creating regulations for anaerobic digester systems, making  
8 appropriations, providing penalties, and including effective  
9 date and applicability provisions.  
10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 DIVISION I  
2 ELECTRIC POWER GENERATION, ENERGY STORAGE, AND TRANSMISSION  
3 FACILITY RATEMAKING PRINCIPLES

4 Section 1. NEW SECTION. **476.52A Definitions.**

5 As used in this subchapter unless the context otherwise  
6 requires:

7 1. "Alternate energy production facility" means the same as  
8 defined in section 476.42.

9 2. "Energy storage" means any system, equipment, facility,  
10 or technology that is capable of absorbing energy, storing the  
11 energy for a period of time, and dispatching the energy through  
12 one of the following manners:

13 a. Using mechanical, electrochemical, thermal, electrolysis,  
14 or other processes to convert and store electric energy that was  
15 generated at an earlier time for use at a later time.

16 b. Using mechanical, electrochemical, biochemical, or thermal  
17 processes to convert and store energy generated from mechanical  
18 processes that would otherwise be wasted for delivery at a later  
19 time.

20 c. Storing energy in an electric, thermal, or gaseous state  
21 for direct use for heating or cooling at a later time in a manner  
22 that avoids the need to use electricity or other fuel sources at  
23 that later time, such as a grid-enabled water heater.

24 3. "Nuclear reactor" means an apparatus designed to produce  
25 electrical or heat energy through sustained nuclear fission in a  
26 self-supporting chain reaction.

27 4. "Repowering" means either the complete dismantling and  
28 replacement of generation equipment at an existing project site,  
29 or the installation of new parts and equipment to an existing  
30 alternate energy production facility in order to increase energy  
31 production, reduce load, increase service capacity, improve  
32 project reliability, or extend the useful life of the facility.

33 Sec. 2. Section 476.53, subsection 1, Code 2025, is amended  
34 to read as follows:

35 1. It is the intent of the general assembly to attract

1 the development of electric power generating, energy storage,  
2 and transmission facilities within the state in sufficient  
3 quantity to ensure reliable electric service to Iowa consumers,  
4 ensure an adequate base load, and provide economic benefits to  
5 the state. Ensuring reliable electric service and providing  
6 economic benefits may require public utilities to consider  
7 diverse electric power generating technologies and energy storage  
8 technologies, including alternate energy production facilities,  
9 nuclear reactors, and energy storage facilities. It is also  
10 the intent of the general assembly to encourage rate-regulated  
11 public utilities to consider altering existing electric power  
12 generating facilities, where when reasonable, to manage carbon  
13 emission intensity in order to facilitate the transition to a  
14 carbon-constrained environment. It is also the intent of the  
15 general assembly to encourage the development of nuclear electric  
16 power generation within the state using nuclear reactors and to  
17 use nuclear power to meet local and regional electric needs.

18 Sec. 3. Section 476.53, subsection 3, paragraphs a, b, c, and  
19 d, Code 2025, are amended to read as follows:

20 a. ~~The commission shall specify in advance, by order issued~~  
21 ~~after conduct~~ a contested case proceeding, ~~the ratemaking~~  
22 ~~principles that will apply when the costs of the electric power~~  
23 ~~generating facility or alternate energy production facility are~~  
24 ~~included in regulated electric rates~~ whenever a rate-regulated  
25 public utility ~~does~~ seeks ratemaking principles for any of the  
26 following:

27 (1) (a) ~~Files an application pursuant to section 476A.3~~  
28 ~~to construct~~ The costs of constructing in Iowa a baseload an  
29 electric power generating facility with a nameplate generating  
30 capacity equal to or greater than ~~three hundred~~ forty megawatts  
31 ~~or a combined-cycle electric power generating facility, or an~~  
32 alternate energy production facility as defined in section  
33 476.42, or an energy storage facility, or the construction costs  
34 to significantly alter an existing electric power generating  
35 facility, alternate energy production facility, or energy storage

1 facility. For purposes of this subparagraph, a significant  
2 alteration of an existing generating facility, alternate energy  
3 production facility, or energy storage facility must, in order to  
4 qualify for establishment of ratemaking principles, fall into one  
5 of the following categories:

6 (i) ~~Conversion of a coal fueled~~ an electric power generating  
7 ~~facility into a gas fueled~~ to an alternate fuel type for the  
8 electric power generating facility.

9 (ii) ~~Addition of carbon capture and storage facilities at a~~  
10 ~~coal fueled~~ to an existing electric power generating facility.

11 (iii) ~~Addition of gas fueled capability to a coal fueled~~  
12 ~~facility, in order to convert the facility to one that will~~  
13 ~~rely primarily on gas for future generation~~ facilities to capture  
14 exhaust heat and thereby generate additional electric power at an  
15 existing electric power generating facility.

16 (iv) ~~Addition of a biomass fueled capability to a coal fueled~~  
17 ~~facility.~~

18 (v) (iv) Repowering of an alternate energy production  
19 facility. ~~For purposes of this subparagraph subdivision,~~  
20 ~~"repowering" shall mean either the complete dismantling and~~  
21 ~~replacement of generation equipment at an existing project site,~~  
22 ~~or the installation of new parts and equipment to an existing~~  
23 ~~alternate energy production facility in order to increase energy~~  
24 ~~production, reduce load, increase service capacity, improve~~  
25 ~~project reliability, or extend the useful life of the facility.~~

26 (v) Addition of energy storage at an existing electric power  
27 generating facility, alternate energy production facility, or  
28 energy storage facility.

29 (b) With respect to a significant alteration of an existing  
30 generating facility, ~~an original facility shall not be required~~  
31 ~~to be either a baseload or a combined-cycle facility. Only~~  
32 only the incremental investment undertaken by a utility under  
33 subparagraph division (a), subparagraph subdivision (i), (ii),  
34 or (iii), ~~or (iv)~~ shall be eligible to apply the ratemaking  
35 principles established by the order issued pursuant to paragraph

1 "e". Facilities for which ~~advanced~~ advance ratemaking principles  
2 are obtained pursuant to this section shall not be subject  
3 to a subsequent commission review pursuant to section 476.6,  
4 subsection 19, to the extent that the investment has been  
5 considered by the commission under this section. To the  
6 extent an eligible utility has been authorized to make capital  
7 investments subject to section 476.6, subsection 19, such  
8 investments shall not be eligible for ratemaking principles  
9 pursuant to this section.

10 (2) ~~Leases or owns~~ When leased or owned in Iowa, in whole  
11 or in part, a new ~~baseload~~ electric power generating facility  
12 with a nameplate generating capacity equal to or greater than  
13 ~~three hundred forty~~ megawatts ~~or a combined-cycle electric power~~  
14 generating, a new energy storage facility, or a new alternate  
15 energy production facility as defined in section 476.42.

16 b. If the commission finds that the utility's application  
17 meets the requirements of paragraph "c", the commission shall  
18 specify by order issued after the contested case proceeding the  
19 ratemaking principles that will apply when the costs of the  
20 electric power generating facility or alternate energy production  
21 facility are included in regulated electric rates.

22 In determining the applicable ratemaking principles, the  
23 commission shall not be limited to traditional ratemaking  
24 principles or traditional cost recovery mechanisms. Among  
25 the principles and mechanisms the commission may consider, the  
26 commission has the authority to approve ratemaking principles  
27 proposed by a rate-regulated public utility that provide for  
28 reasonable restrictions upon the ability of the public utility  
29 to seek a general increase in electric rates under section 476.6  
30 for at least three years after the generating facility begins  
31 providing service to Iowa customers.

32 c. In determining the applicable ratemaking principles, the  
33 commission shall make the following findings:

34 (1) The rate-regulated public utility has in effect a  
35 commission-approved energy efficiency plan as required under

1 section 476.6, subsection 15.

2 (2) The rate-regulated public utility has demonstrated to the  
3 commission that the public utility has considered other sources  
4 for long-term electric supply and that the facility or lease is  
5 reasonable when compared to other feasible alternative sources of  
6 supply. The rate-regulated public utility shall provide support  
7 of reasonability with an electric utility resource plan pursuant  
8 to section 476.53C that has been updated no more than twenty-four  
9 months prior to the filing of the public utility's application.

10 d. ~~The applicable ratemaking principles shall be determined~~  
11 ~~in a contested case proceeding, which proceeding~~ required by  
12 paragraph "a" may be combined with the proceeding for issuance  
13 of a certificate conducted pursuant to chapter 476A.

14 Sec. 4. NEW SECTION. **476.53B Commission authority and**  
15 **proceedings.**

16 The commission shall adopt rules pursuant to chapter 17A to  
17 provide for the completion of proceedings under section 476.53  
18 within ten months after the date of the filing of an application  
19 under section 476.53, subsection 3. The rules shall include  
20 reasonable time limitations for the submission or completion of  
21 comments and testimony, and exhibits, briefs, and hearings, and  
22 may provide for the granting of additional time upon the request  
23 of a party to the proceeding for good cause shown.

24 Sec. 5. NEW SECTION. **476.53C Electric utility resource**  
25 **planning.**

26 1. An electric utility required to be rate-regulated by  
27 the commission shall file a resource plan at least once every  
28 five years. A resource plan shall consider all reasonable  
29 resources proposed by the utility for meeting the probable future  
30 demand for energy, including supply resources and conservation  
31 and management of demand. For conservation and management  
32 of demand, an electric utility's resource plan shall include  
33 programs approved in the electric utility's most recent energy  
34 efficiency plan approved by the commission under section 476.6,  
35 subsection 15. The objectives of a resource plan include but

1 are not limited to adequate, cost-effective, and reliable energy  
2 service considering costs, fuel diversity, and probable future  
3 demand for energy. A resource plan shall not require a specific  
4 outcome or specific investment decisions. A resource plan shall  
5 reflect the circumstances and management judgment of an electric  
6 utility. This section does not restrict an electric utility from  
7 making planning decisions based on future resource needs subject  
8 to the ratemaking oversight of the commission.

9 2. The commission shall review a resource plan. Within  
10 ninety days of filing the final resource plan, the commission  
11 shall issue an order acknowledging it has received the plan.  
12 In the order acknowledging receipt, the commission may provide  
13 recommendations to an electric utility regarding any additional  
14 analyses or actions that the electric utility should consider  
15 completing in its next resource plan.

16 3. The commission shall adopt rules pursuant to chapter 17A  
17 regarding the timeline and stakeholder process to review and  
18 provide comments on the resource plan. The stakeholder process  
19 shall include the electric utility organizing and facilitating a  
20 stakeholder conference for the resource plan. The stakeholder  
21 conference shall include representatives of the commission, the  
22 consumer advocate, and the electric utility's customers. The  
23 electric utility shall make a good faith effort to inform and  
24 consider input from the commission, the consumer advocate, and  
25 stakeholders.

26 DIVISION II

27 TARIFFS FOR PUBLIC UTILITY INNOVATION PROGRAMS

28 Sec. 6. Section 476.6, Code 2025, is amended by adding the  
29 following new subsection:

30 NEW SUBSECTION. 22. *Innovative utility programs.*

31 a. It is the intent of the general assembly to encourage  
32 public utilities to pursue innovation in pricing and programs  
33 to meet the dynamic needs of current and prospective customers,  
34 enable price-responsive solutions, and to provide economic,  
35 environmental, employment, and other benefits to the state.

1 It is also the intent of the general assembly that these new  
2 endeavors shall not negatively impact nonparticipating customers.  
3 Therefore, the general assembly declares that innovative utility  
4 programs are essential to further the attraction and retention  
5 of customers to benefit the state's economy and to support  
6 economical and sustainable energy production.

7 b. (1) A tariff authorized under this subsection shall  
8 comply with all of the following conditions:

9 (a) A program created under the tariff shall be available to  
10 interested energy customers and customer participation shall be  
11 optional.

12 (b) A tariff shall define the eligible customer groups.

13 (c) An eligible customer group shall not exclude directly  
14 competing customers in the same customer service territory. For  
15 purposes of this subparagraph, "*directly competing customers*"  
16 means customers that make the same end product or offer the same  
17 service for the same general group of customers, and excludes  
18 customers that only produce component parts of the same end  
19 product.

20 (d) Participating customers shall bear all program costs.  
21 Program costs include direct costs associated with the  
22 construction, operation, maintenance, and interconnection of  
23 facilities, including new transmission infrastructure directly  
24 arising from the tariff program and costs related to the  
25 implementation of tariff programs. Participants in a tariff  
26 approved pursuant to this section shall participate in future  
27 indirect costs allocated to customers of that utility without  
28 regard for the existence of a tariff approved pursuant to this  
29 section.

30 (e) A tariff shall not alter the existing base rates or  
31 charges of the public utility. Refund, credit, or waiver of  
32 existing base rates or charges offered as part of the program  
33 shall not be considered an alteration of existing base rates or  
34 charges.

35 (f) The program created under the tariff shall not negatively

1 impact nonparticipating customers. Additional costs incurred by  
2 nonparticipating customers due to costs arising from the tariff,  
3 tariff participants no longer sharing in customer class costs, or  
4 decreased customer benefit from existing infrastructure shall be  
5 considered negative impacts.

6 (2) A tariff authorized under this subsection may include any  
7 of the following:

8 (a) Recovery of costs associated with program-specific  
9 services or facilities, including but not limited to energy  
10 storage, renewable hydrogen, transmission, electric generating  
11 facilities, electric distribution facilities, renewable natural  
12 gas generation facilities, renewable natural gas distribution  
13 facilities, utility-assisted hourly prices, or liquefied natural  
14 gas facilities, or administrative and other overhead costs  
15 relating to the same.

16 (b) A negotiated rate of return, for new or existing  
17 facilities or services provided by the electric utility that are  
18 serving the program created under the tariff, applicable to the  
19 program for its duration. The use of existing facilities would  
20 require reconciliation of impact to existing customers and would  
21 no longer be subject to previously approved advance ratemaking  
22 principles. In the event that the tariff or its eligible  
23 customer class cease to exist, no charges shall be imposed on  
24 or costs recovered from existing customers unless approved in  
25 a general rate case. A utility may seek to demonstrate the  
26 prudence, necessity, and use and usefulness of program-specific  
27 facilities or services as defined in subparagraph division (a)  
28 and recovery of costs for the same in a general rate proceeding,  
29 without any presumption regarding approval of such request.

30 (c) Application of the program to readily identifiable  
31 customer usage patterns, customer characteristics, or output of  
32 specified facilities.

33 (d) Assignment of program benefits, including nonmonetary  
34 benefits that may derive from dynamically balancing supply  
35 and demand, providing ancillary services, or the production of

1 renewable energy attributes.

2 (e) Refund, credit, or waive the base rate or charge for  
3 the replaced service when the program created under the tariff  
4 replaces a service for which the public utility collects an  
5 existing base rate or charge. A participating customer shall pay  
6 the costs of remaining services received from the public utility  
7 unless those costs are refunded, credited, or waived under the  
8 program created by the tariff.

9 (3) If a utility can demonstrate to the commission that  
10 a proposed tariff generates excess revenue for the utility as  
11 compared to total revenue without the tariff, such excess revenue  
12 may be retained by the utility.

13 c. (1) A public utility's participation under this  
14 subsection is not mandatory. A public utility that elects  
15 to propose a tariff or tariff amendment under this subsection  
16 shall file an application for approval with the commission.  
17 The application shall include an identification of costs and  
18 benefits related to the program for the commission's review of  
19 the conditions specified in paragraph "b", subparagraph (1).

20 (2) Within thirty days, the commission shall approve, deny,  
21 or docket for further review an application for a tariff or  
22 amended tariff submitted pursuant to this subsection. If the  
23 application is docketed for further review, the commission shall  
24 render a decision within ninety days from the date of application  
25 filing unless an objection has been filed with the commission.  
26 If the application proposes to amend a tariff previously approved  
27 under this subsection, the commission shall not reconsider  
28 existing programs previously approved under the tariff unless  
29 proposed as part of the amendment. All further review shall be  
30 conducted as a contested case pursuant to chapter 17A.

31 (3) If the application proposes to amend a tariff previously  
32 approved under this subsection as described in paragraph "b",  
33 subparagraph (2), the commission shall act on the application as  
34 described in subparagraph (2) of this paragraph, but shall not  
35 reconsider existing programs previously approved under the tariff

1 unless proposed as part of the amendment.

2 (4) In the exercise of its authority under this subsection,  
3 the commission shall not:

4 (a) Limit the number of applications a public utility may  
5 file pursuant to this subsection.

6 (b) Deny a tariff because a public utility is subject to an  
7 alternative regulatory mechanism, nor require a public utility  
8 subject to an alternative regulatory mechanism to record the  
9 revenues and costs associated with the program inconsistent  
10 with the federal energy regulatory commission's uniform system  
11 of accounts; provided, however, that this provision shall not  
12 prohibit the utilities commission from denying a tariff if the  
13 proposed tariff would result in detrimental treatment of other  
14 customers, or require adjustment to the calculation of the  
15 alternative regulatory mechanism to reflect the impact of an  
16 approved tariff.

17 (c) Condition its approval on the public utility changing its  
18 proposal if the public utility has not agreed to such changes.  
19 This subparagraph division shall not be interpreted to prevent  
20 the commission from identifying changes to the proposal that  
21 might result in approval.

22 (5) Tariffs and programs approved pursuant to this subsection  
23 shall be rebuttably presumed just and reasonable in any  
24 subsequent general rate case proceeding.

25 d. The commission shall not condition approval or denial of a  
26 tariff on final adoption of rules by the commission.

27 e. The commission shall adopt rules pursuant to chapter 17A  
28 to implement this subsection.

29 Sec. 7. APPLICABILITY. This division of this Act applies  
30 to a public utility filing an application with the utilities  
31 commission for review of a tariff on or after the effective date  
32 of this division of this Act.

33

### DIVISION III

34 LAND RESTORATION — ELECTRIC TRANSMISSION LINES APPROVED BY  
35 FEDERALLY REGISTERED PLANNING AUTHORITY TRANSMISSION PLANS

1 Sec. 8. Section 478.16, Code 2025, is amended to read as  
2 follows:

3 **478.16 Electric transmission lines — federally registered**  
4 **planning authority transmission plans.**

5 1. Development and investment in high-voltage transmission  
6 is urgently needed to ensure the reliable, adequate, secure,  
7 and stable delivery of electricity to consumers. To ensure  
8 reliable electric service to the people of Iowa as a matter  
9 of public policy, it is the intent of the general assembly to  
10 express a preference for further investment in Iowa transmission  
11 infrastructure by electric transmission owners who have already  
12 dedicated significant resources to develop the infrastructure on  
13 which Iowans rely and who are better able to provide reliable  
14 electric service to local electric utilities and retail customers  
15 in Iowa.

16 ~~1.~~ 2. As used in this section, unless the context otherwise  
17 requires:

18 a. "Electric transmission line" means a high-voltage electric  
19 transmission line located in this state with a capacity  
20 voltage of one hundred kilovolts or more and any associated  
21 electric transmission facility, including any substation or other  
22 equipment located in this state.

23 b. "Electric transmission owner" means an individual or  
24 entity ~~who, as of July 1, 2020,~~ formed, located, or headquartered  
25 in any state who owns and maintains an electric transmission  
26 line in this state that is required for rate-regulated electric  
27 utilities, municipal electric utilities, and rural electric  
28 cooperatives in this state to provide electric service to the  
29 public for compensation.

30 c. "Incumbent electric transmission owner" means ~~any an~~  
31 individual or entity meeting the definition of the following:

32 ~~(1) A public utility or a municipally owned utility that~~  
33 ~~owns, operates, and maintains an electric transmission line in~~  
34 ~~this state.~~

35 ~~(2) An electric cooperative corporation or association or~~

~~1 municipally owned utility that owns an electric transmission  
2 facility in this state and has turned over the functional control  
3 of such facility to a federally approved authority.~~

4 ~~(3)~~ An an "electric transmission owner" as defined in  
5 paragraph "b" on or before July 1, 2024.

6 ~~d. "Landowner" means the same as defined in section 478.2~~  
7 "Initial construction" means the construction necessary to  
8 establish and place an electric transmission line into initial  
9 operation.

10 e. "Load ratio share" means the amount, expressed as a  
11 percentage, of a public power utility's electric load divided by  
12 the total electric load in the applicable incumbent electric  
13 transmission owner's pricing zone.

14 ~~e. f.~~ "Municipally owned utility" means a "city utility" as  
15 defined in section 362.2, or an "electric power agency" as  
16 defined in section 390.9 which that is comprised solely of cities  
17 or solely of cities and other political subdivisions.

18 g. "Public power utility" means a municipally owned utility  
19 or an electric cooperative corporation or association that  
20 receives transmission service from an incumbent electric  
21 transmission owner, or that is subject to regional cost  
22 allocation for the electric transmission line, or both.

23 h. "Qualified individual" means someone who is capable and  
24 knowledgable enough to determine compliance with the standards  
25 set forth in this section.

26 ~~2.~~ 3. a. An incumbent electric transmission owner has the  
27 right to construct, own, and maintain an electric transmission  
28 line that has been approved for construction in a federally  
29 registered planning authority transmission plan and ~~which that~~  
30 directly connects to an electric transmission facility owned by  
31 the incumbent electric transmission owner. Where a proposed  
32 electric transmission line would directly connect to electric  
33 transmission facilities owned by two or more incumbent electric  
34 transmission owners, each incumbent electric transmission owner  
35 whose facility connects to the electric transmission line has the

1 right to construct, own, and maintain the electric transmission  
2 line individually and equally. If an incumbent electric  
3 transmission owner declines to construct, own, and maintain its  
4 portion of an electric transmission line that would connect to  
5 electric transmission facilities owned by two or more incumbent  
6 electric transmission owners, then the other incumbent electric  
7 transmission owner or owners that own an electric transmission  
8 facility to which the electric transmission line connects has the  
9 right to construct, own, and maintain the electric transmission  
10 line individually.

11 b. An eligible incumbent electric transmission owner  
12 exercising the right to construct, own, and maintain an electric  
13 transmission line pursuant to paragraph "a" shall offer public  
14 power utilities an opportunity to jointly own a portion of the  
15 electric transmission line and such offer shall be in an amount  
16 not less than a public power utility's load ratio share, pursuant  
17 to a written agreement. Nothing in this section shall be  
18 construed to prohibit an incumbent electric transmission owner  
19 and a public power utility from agreeing to joint ownership of an  
20 electric transmission line in an amount different than the public  
21 power utility's load ratio share. A public power utility may  
22 transfer or assign joint ownership rights acquired under this  
23 section to another public power utility or group of public power  
24 utilities by mutual consent of the eligible contracting parties.

25 c. An eligible incumbent electric transmission owner  
26 exercising the right to construct, own, and maintain an electric  
27 transmission line pursuant to paragraph "a" may contract with  
28 another electric transmission owner or electric public utility as  
29 defined in section 476.1 to jointly own a portion of the electric  
30 transmission line pursuant to a written agreement.

31 d. For purposes of this section, a municipally owned utility  
32 or an electric cooperative corporation or association may elect  
33 to be an incumbent electric transmission owner or a public power  
34 utility but cannot act as both with respect to a single  
35 transmission line.

1     ~~3.~~ 4. If an electric transmission line has been approved for  
 2 construction in a federally registered planning authority  
 3 transmission plan, and the electric transmission line is not  
 4 subject to a right of first refusal in accordance with the tariff  
 5 of a federally registered planning authority and would otherwise  
 6 be subject to a competitive developer process, then within the  
 7 later of ninety days of approval for construction or ninety days  
 8 after enactment of this division of this Act, an incumbent  
 9 electric transmission owner, or owners if there is more than one  
 10 owner, that owns a connecting electric transmission facility  
 11 shall give written notice to the commission regarding whether the  
 12 incumbent electric transmission owner or owners intend to  
 13 construct, own, and maintain the electric transmission line. If  
 14 the incumbent electric transmission owner or owners give notice  
 15 of intent to construct the electric transmission line, the  
 16 incumbent electric transmission owner or owners shall follow the  
 17 applicable franchise requirements pursuant to this chapter. The  
 18 incumbent electric transmission owner shall update the notice to  
 19 construct an electric transmission line to include information  
 20 concerning the implementation of joint ownership as described in  
 21 subsection 3, paragraphs "b" and "c", within thirty days after a  
 22 written agreement has been reached between the parties. If the  
 23 incumbent electric transmission owner or owners give notice  
 24 declining to construct the electric transmission line, the  
 25 commission may determine whether another person may construct the  
 26 electric transmission line.

27     ~~4.~~ 5. For projects ~~where~~ for which an election to construct  
 28 an electric transmission line has been made under this section,  
 29 all of the following cost accountability measures shall apply:

30     a. Within thirty days after the issuance of a franchise  
 31 pursuant to this chapter for the electric transmission line, the  
 32 incumbent electric transmission owner or owners shall provide to  
 33 the commission an estimate of the cost to ~~construct~~ complete the  
 34 initial construction of the electric transmission line.

35     b. Until the initial construction of the electric

1 transmission line is complete, the incumbent electric  
 2 transmission owner or owners shall provide a quarterly report to  
 3 the commission, which shall include an updated estimate of the  
 4 cost to construct the electric transmission line, and an  
 5 explanation of changes in the cost estimate from the prior cost  
 6 estimate, and documentation that the incumbent electric  
 7 transmission owner or owners have used competitively bid  
 8 construction contracts that meet all the technical, commercial,  
 9 and other specifications, such as safety performance, that are  
 10 required by the incumbent electric transmission owner or owners  
 11 with respect to the initial construction of the electric  
 12 transmission line.

13 c. The consumer advocate appointed under section 475A.1 shall  
 14 have free access to documents, reports, and information submitted  
 15 to the commission pursuant to this subsection, consistent with  
 16 section 475A.4. To the extent relevant, the commission and the  
 17 consumer advocate may use the information for any purpose  
 18 properly within the scope of their respective duties including  
 19 but not limited to use in proceedings before the federal energy  
 20 regulatory commission to challenge the costs incurred by the  
 21 incumbent electric transmission owner. However, this subsection  
 22 does not create a private cause of action or complaint.

23 5. 6. This section shall not modify the authority of the  
 24 commission under this chapter, the rights of landowners under  
 25 this chapter, or the requirements, rights, and obligations  
 26 relating to the construction, maintenance, and operation of  
 27 electric transmission lines pursuant to this chapter.

28 6. 7. This section shall not apply to an electric  
 29 transmission line to be placed underground that has not been  
 30 approved for construction in a federally registered planning  
 31 authority transmission plan.

32 7. 8. The commission shall adopt rules pursuant to chapter  
 33 17A to administer this section, which shall include rules  
 34 regarding the restoration of agricultural lands following the  
 35 initial construction of an electric transmission line, as

1 specified in subsection 9.

2 9. The commission shall adopt rules to implement the  
3 following requirements, which shall not apply within the  
4 corporate limits of a city or to any construction, activity, or  
5 electric transmission lines other than the initial construction  
6 of an electric transmission line with a voltage of two hundred or  
7 more kilovolts and for which an election to construct has been  
8 made under this section:

9 a. An incumbent electric transmission owner shall repair a  
10 damaged underground drain tile as soon as practicable during  
11 construction of the electric transmission line. Permanent  
12 repairs to the damaged underground drain tile shall be completed  
13 as soon as practicable after the initial construction of the  
14 electric transmission line is complete. The repairs made to the  
15 damaged drain tile shall be of at least equal quality, size, and  
16 flow capacity of the original drain tile.

17 b. Following the initial construction of an electric  
18 transmission line, the incumbent electric transmission owner  
19 shall remove from the easement area all rock larger than three  
20 inches in average diameter not native to the soil of the  
21 excavated land. The rock removed from the excavated land that  
22 cannot be used to backfill shall be disposed of at a location and  
23 in a manner agreed upon by the incumbent electric transmission  
24 owner and the landowner.

25 c. Upon completion of construction activities on a property,  
26 the incumbent electric transmission owner shall deep till  
27 agricultural land, including right-of-way access points or roads  
28 traversed by heavy construction equipment, to alleviate soil  
29 compaction. The land shall be tilled at least eighteen inches  
30 deep in land used for crop production and twelve inches deep in  
31 other lands unless otherwise agreed to by the landowner.

32 d. Upon completion of the electric transmission line, the  
33 incumbent electric transmission owner shall restore the soil  
34 conservation practices and structures damaged during construction  
35 of the electric transmission line to the elevation and grade

1 existing on the land prior to the construction. The soil used to  
2 repair embankments intended to retain water shall be well  
3 compacted. Any vegetation disturbed during construction shall be  
4 reestablished, including cover crops when appropriate.

5 e. Following compaction of the land, agricultural land that  
6 is not in row crop or small grain production at the time of  
7 construction, including hay ground and land in conservation or  
8 set-aside programs, shall be reseeded and a cover crop shall be  
9 utilized when appropriate. Seeding for cover crops may be  
10 delayed if the construction of the electric transmission line is  
11 completed too late in the year for a cover crop to become  
12 established and is not required if the land will be tilled in the  
13 following year. The landowner may request ground cover to  
14 prevent soil erosion in areas where construction on the electric  
15 transmission line is completed if the season is not suitable for  
16 seeding a cover crop.

17 f. Unless agreed upon by the incumbent electric transmission  
18 owner and the landowner, the incumbent electric transmission  
19 owner shall remove field entrances or temporary roads built for  
20 the purpose of constructing the electric transmission line upon  
21 the completion of the initial construction and restore the area  
22 to its previous use.

23 g. An incumbent electric transmission owner shall use good  
24 utility practices for constructing the electric transmission line  
25 in wet conditions, such as electing to use matting or padding  
26 when utilizing heavy equipment. An incumbent electric  
27 transmission owner shall grade and till any rutted land to  
28 restore, to the extent practicable, the original condition of the  
29 land prior to the construction of the electric transmission line.  
30 If agreed upon by the incumbent electric transmission owner and  
31 the landowner, the landowner may repair any damage caused by  
32 construction activities in wet conditions and the incumbent  
33 electric transmission owner shall reimburse the landowner for the  
34 reasonable cost incurred to repair the damage. If an incumbent  
35 electric transmission owner utilizes heavy equipment in wetlands

1 or mudflats, mats or other measures shall be utilized to minimize  
2 soil disturbance.

3 h. For each electric transmission line, the incumbent  
4 electric transmission owner shall designate a point of contact  
5 for inquiries or claims from an affected person. The designation  
6 shall include a name, a telephone number, an email address, and  
7 an address.

8 10. a. If an incumbent electric transmission owner and a  
9 landowner dispute a potential violation of the restoration  
10 standards provided in subsection 9, the commission may appoint a  
11 qualified individual to inspect the property for compliance. If  
12 the qualified individual determines that there has been a  
13 violation of the applicable restoration standards, the commission  
14 shall provide oral notice, followed by written notice, to the  
15 incumbent electric transmission owner and the contractor  
16 operating for the incumbent electric transmission owner and order  
17 corrective action to comply with the restoration standards. The  
18 incumbent electric transmission owner shall be responsible for  
19 the costs of the corrective action.

20 b. If the incumbent electric transmission owner or the  
21 contractor for the incumbent electric transmission owner does not  
22 comply with a valid order for corrective action issued by the  
23 commission, the commission may issue an order requiring  
24 corrective action to be taken and may impose civil penalties  
25 under section 478.29.

26 c. The commission shall instruct the inspector appointed by  
27 the commission regarding the content of the statutes and rules  
28 and the responsibility of the inspector to require restoration  
29 conforming with the standards established in subsection 9.

30 11. a. A petitioner for a franchise for an electric  
31 transmission line shall file with the petition a written land  
32 restoration plan that documents how the requirements and rules of  
33 subsection 9 will be met. The petitioner shall provide a copy of  
34 the plan to all landowners of property that will be disturbed by  
35 the initial construction.

1 b. Nothing in this section shall preclude the application of  
2 provisions for protecting or restoring property that are  
3 different than those prescribed in subsection 9, in rules adopted  
4 under subsection 9, or in the land restoration plan, if the  
5 alternative provisions are contained in agreements independently  
6 executed by the incumbent electric transmission owner and the  
7 landowner. Independent agreements for land restoration between  
8 the incumbent electric transmission owner and the landowner shall  
9 be in writing and provided to the commission.

10 c. The commission may by waiver allow variations from the  
11 requirements of subsection 9 if the incumbent electric  
12 transmission owner requesting a waiver satisfies the standards  
13 set forth in section 17A.9A and if the alternative methods  
14 proposed by the incumbent electric transmission owner would  
15 restore the land to a condition as good as or better than as  
16 provided for in subsection 9.

17 d. The commission may waive preparation of a separate land  
18 restoration plan if the incumbent electric transmission owner  
19 enters into an agricultural impact mitigation plan or similar  
20 agreement with the appropriate agencies of this state that  
21 satisfies the requirements of subsection 9. If a mitigation plan  
22 or agreement is used to fully or partially meet the requirements  
23 of a land restoration plan, the statement or agreement shall be  
24 filed with the commission and shall be considered to be, or to be  
25 part of, the land restoration plan for purposes of subsection 9.

26 12. Nothing in this section shall limit, expand, or otherwise  
27 modify the rights of access and obligations for damages set forth  
28 in section 478.17.

29 Sec. 9. Section 478.18, Code 2025, is amended to read as  
30 follows:

31 **478.18 Supervision of construction — location.**

32 1. The utilities commission shall have power of supervision  
33 over the construction of a transmission line and over its future  
34 operation and maintenance, including inspections for compliance  
35 with the standards adopted under section 478.16 after restoration

1 of the land is complete.

2 2. A transmission line shall be constructed near and parallel  
3 to roads, to the right-of-way of the railways of the state,  
4 or along the division lines of the lands, according to  
5 the government survey, wherever the same is practicable and  
6 reasonable, and so as not to interfere with the use by the  
7 public of the highways or streams of the state, nor unnecessarily  
8 interfere with the use of any lands by the occupant.

9 3. The utilities commission may contract a qualified  
10 individual for the purpose of inspections authorized under  
11 section 478.16. The reasonable cost of the inspection shall  
12 be paid by the incumbent electric transmission owner. The  
13 utilities commission shall instruct the inspector appointed by  
14 the commission regarding the content of the statutes and rules  
15 and the responsibility of the inspector to require restoration  
16 conforming with the applicable standards established in section  
17 478.16. For purposes of this section, "qualified individual"  
18 means the same as defined in section 478.16.

19 Sec. 10. EFFECTIVE DATE. This division of this Act, being  
20 deemed of immediate importance, takes effect upon enactment.

21 Sec. 11. RETROACTIVE APPLICABILITY. With the exception of  
22 the portion of the section of this division of this Act amending  
23 section 478.16, subsection 3, paragraph "b", this division of  
24 this Act applies retroactively to transmission lines included in  
25 a federally registered planning authority long-term transmission  
26 plan approved on or after July 1, 2020. The portion of  
27 the section of this division of this Act amending section  
28 478.16, subsection 3, paragraph "b", shall apply retroactively  
29 to transmission lines included in a federally registered planning  
30 authority long-term transmission plan approved on or after July  
31 1, 2024.

32 DIVISION IV

33 ENERGY AND WATER INFRASTRUCTURE REVOLVING LOAN PROGRAM

34 Sec. 12. Section 476.46A, Code 2025, is amended to read as  
35 follows:

1     **476.46A Energy and water infrastructure revolving loan**  
2 **program.**

3     1. a. An energy and water infrastructure revolving loan fund  
4 is created in the office of the treasurer of state and shall  
5 be administered by the ~~Iowa energy center~~ economic development  
6 authority established in section ~~15.120~~ 15.105.

7     b. The fund may be administered as a revolving fund and may  
8 consist of any moneys appropriated by the general assembly for  
9 purposes of this section and any other moneys that are lawfully  
10 directed to the fund.

11    c. Moneys in the fund shall be used to provide financial  
12 assistance for the development and construction of energy or  
13 water infrastructure, ~~including projects that support electric~~  
14 ~~or gas generation transmission, storage, or distribution;~~  
15 ~~electric grid modernization; energy sector workforce development;~~  
16 ~~emergency preparedness for rural and underserved areas; the~~  
17 ~~expansion of biomass, biogas, and renewable natural gas;~~  
18 ~~innovative technologies; and the development of infrastructure~~  
19 ~~for alternative fuel vehicles that support economic development.~~

20    d. Notwithstanding section 8.33, moneys appropriated in this  
21 section that remain unencumbered or unobligated at the close of  
22 the fiscal year shall not revert but shall remain available for  
23 expenditure for the purposes designated until the close of the  
24 succeeding fiscal year.

25    e. Notwithstanding section 12C.7, subsection 2, interest or  
26 earnings on moneys in the fund shall be credited to the fund.

27    2. a. The ~~Iowa energy center~~ economic development authority  
28 shall establish and administer an energy and water infrastructure  
29 revolving loan program to encourage the development of energy and  
30 water infrastructure within the state.

31    b. ~~An individual, business, rural electric cooperative, or~~  
32 ~~municipal utility located and operating in this state shall be~~  
33 ~~eligible for financial assistance under the program. With the~~  
34 ~~approval of the Iowa energy center governing board established~~  
35 ~~under section 15.120, subsection 2, the economic development~~

~~1 authority shall determine the amount and the terms of all  
2 financial assistance awarded to an individual, business, rural  
3 electric cooperative, or municipal utility under the program.  
4 All agreements and administrative authority shall be vested  
5 in the Iowa energy center governing board. To be eligible  
6 for a financial assistance award under the energy and water  
7 infrastructure revolving loan program, an eligible borrower  
8 must demonstrate that the proposed project will attract and  
9 encourage the location of new industrial enterprise or the  
10 expansion of existing industrial enterprise. Eligible borrowers  
11 may be awarded financial assistance under the program for  
12 projects that support electric or gas generation transmission,  
13 storage, or distribution; electric grid modernization; energy  
14 sector workforce development; emergency preparedness for rural  
15 and underserved areas; the expansion of biomass, biogas, and  
16 renewable natural gas; or innovative technologies and drinking  
17 water treatment systems and wastewater treatment systems. The  
18 economic development authority shall determine the amount and  
19 the terms of all financial assistance awarded to an eligible  
20 borrower under the program. All agreements and administrative  
21 authority shall be vested in the economic development authority.  
22 The economic development authority may adopt rules for the  
23 implementation of this program.~~

24 c. The economic development authority may use not more than  
25 five percent of the moneys in the fund at the beginning of  
26 each fiscal year for purposes of administrative costs, marketing,  
27 technical assistance, and other program support.

28 d. Each fiscal year beginning July 1, 2025, the economic  
29 development authority shall be authorized to transfer an amount  
30 not to exceed six hundred thirty-three thousand dollars from the  
31 energy and water infrastructure revolving loan fund to Iowa state  
32 university of science and technology to be used for the purposes  
33 of providing financial assistance to the state load forecasting  
34 center.

35 3. For the purposes of this section:

1 a. "Eligible borrower" means an individual, business, county,  
2 city, rural electric cooperative, or municipal utility located  
3 and operating in this state.

4 ~~a.~~ b. "Energy infrastructure" means land, buildings,  
5 physical plant and equipment, and services directly related to  
6 the development of projects used for, or useful for, electricity  
7 or gas generation, transmission, storage, or distribution.

8 ~~b.~~ c. "Financial assistance" means the same as defined in  
9 section 15.102.

10 d. "Water infrastructure" means water pollution control  
11 facilities useful for the collection, treatment, and disposal of  
12 sewage and industrial waste in a sanitary manner and drinking  
13 water facilities useful for providing potable water to residents  
14 served by a water system.

15 DIVISION V

16 ANAEROBIC DIGESTER SYSTEMS

17 Sec. 13. NEW SECTION. 459C.101 Title.

18 This chapter shall be known and may be cited as the "Animal  
19 Agriculture Compliance Act for Anaerobic Digester Systems".

20 Sec. 14. NEW SECTION. 459C.102 Definitions.

21 1. For purposes of this chapter, unless the context otherwise  
22 requires:

23 a. "Anaerobic digester system" or "digester" means a covered  
24 manure storage structure, if the function of the manure storage  
25 structure is to process manure, by employing environmental  
26 conditions including bacteria to break down organic matter in  
27 the absence of oxygen, and is used for producing, collecting,  
28 and utilizing a biogas, and may also process on-farm and  
29 off-farm organic feedstocks, and food products or food for  
30 human consumption if approved by the department pursuant to  
31 section 459C.201, subsection 4. "Anaerobic digester system" also  
32 includes related buildings, storage structures, transfer pipes,  
33 and stockpiles associated with the digester process.

34 b. "Digestate" means the dry or liquid nutrient-rich material  
35 that remains after the anaerobic digestion of organic matter,

1 such as agricultural residues, food waste, or manure.

2 c. "Off-farm organic feedstocks" means organic materials that  
3 originate from outside the farm but can be used within farming  
4 systems, particularly for soil enrichment, composting, or other  
5 agricultural purposes.

6 d. "On-farm organic feedstocks" means organic materials that  
7 are produced as by-products of farming activities that typically  
8 come from plant or animal sources and may include crop residues  
9 and other organic waste generated during farm operations.

10 e. "Owner" means the person who owns an anaerobic digester  
11 system.

12 2. Where not in conflict with the definitions set out in  
13 subsection 1, the definitions provided in sections 459.102,  
14 459A.102, and 459B.102 shall control.

15 Sec. 15. NEW SECTION. **459C.103 General authority —**  
16 **commission and department — purpose — compliance.**

17 1. The commission shall establish, by rule adopted pursuant  
18 to chapter 17A, requirements relating to the construction,  
19 including expansion, or operation of anaerobic digester systems,  
20 including related buildings, storage structures, transfer pipes,  
21 and stockpiles.

22 2. The purpose of this chapter is to provide requirements  
23 relating to the construction, including the expansion, and  
24 operation of anaerobic digester systems and the control of  
25 digestate, which purpose shall be construed to supplement  
26 applicable provisions of chapters 459, 459A, and 459B. If there  
27 is a conflict between the provisions of this chapter and chapters  
28 459, 459A, and 459B, the provisions of this chapter shall  
29 prevail.

30 Sec. 16. NEW SECTION. **459C.201 Anaerobic digester systems**  
31 **— permit requirements.**

32 1. The department shall approve applications for permits  
33 for the construction, including the expansion, of anaerobic  
34 digester systems, as provided by rules adopted pursuant to this  
35 chapter. The department's decision to approve a permit for

1 the construction of an anaerobic digester system shall be based  
2 on whether the application is submitted according to procedures  
3 required by the department and the application meets standards  
4 established by the department. Construction of an anaerobic  
5 digester system requiring a permit under this section shall not  
6 begin until the department first approves the application and  
7 issues a construction permit.

8 2. In addition to the construction permit application under  
9 subsection 1, the following must be submitted in order for the  
10 department to approve the application:

11 a. A two hundred fifty dollar construction permit application  
12 fee.

13 b. A written plan for the disposal of the digestate.

14 c. A written operation plan for the anaerobic digester system  
15 detailing the responsibilities of all owners, animal feeding  
16 operations, or other entities involved in the anaerobic digester  
17 system processes.

18 3. Every anaerobic digester system shall obtain a  
19 construction permit, regardless of size of the anaerobic digester  
20 system or facility. The owner of the anaerobic digester system  
21 is considered the applicant and shall be responsible for the  
22 construction and operation of the anaerobic digester system.

23 4. a. Every anaerobic digester system is intended to accept  
24 only manure unless department approval is obtained for the  
25 inclusion of on-farm and off-farm organic by-products, food  
26 products, or food for human consumption. Nonmanure material  
27 shall not exceed ten percent of the total material added to the  
28 anaerobic digester system.

29 b. Daily records of the volumes of all materials added to the  
30 anaerobic digester system shall be required to be maintained at  
31 the facility.

32 c. The department may require additional testing or  
33 monitoring of any manure or nonmanure component being added  
34 to the anaerobic digester system. The department may require  
35 additional testing of the digestate.

1 d. Medical wastes, including expired or unused antibiotics,  
2 petroleum products not designed for use in manure storage  
3 facilities, pesticides, paints, solvents, hazardous materials,  
4 municipal or sanitary waste or sludge, industrial wastewater,  
5 contaminated feedstock, slaughterhouse wastes, and residues from  
6 processing of food materials that have not been deemed acceptable  
7 for human consumption shall not be processed in the anaerobic  
8 digester system.

9 Sec. 17. NEW SECTION. **459C.202 Construction design standard**  
10 **— anaerobic digester systems.**

11 1. The department shall adopt rules establishing construction  
12 design standards for formed manure storage structures that are  
13 part of an anaerobic digester system.

14 2. The construction design standards shall be based, to  
15 every extent possible, upon uniform standards such as available  
16 standards promulgated by the American society for testing and  
17 materials international. The department may require that all  
18 or part of a formed manure storage structure be constructed of  
19 concrete.

20 3. The construction design standards for concrete shall  
21 provide for all of the following:

22 a. The concrete's minimum compressive strength calculated on  
23 a pounds-per-square-inch basis.

24 b. The use of reinforcement, including but not limited to  
25 the grade, amount, and location of steel rebar, fiberglass, or  
26 similar materials set in the concrete, or the use of exterior  
27 braces to support joints.

28 c. The depth of footings.

29 d. The thickness of the footings, the floor, and walls.

30 4. A person shall only construct a formed manure storage  
31 structure on karst terrain or an area that drains into a  
32 known sinkhole pursuant to upgraded construction design standards  
33 necessary to ensure that the structure does not pollute  
34 groundwater sources. The construction of unformed manure storage  
35 structures is prohibited on karst terrain.

1     Sec. 18. NEW SECTION.   **459C.203 Distance requirements.**

2     1. *Water quality related requirements.*

3     a. Except as provided in paragraph "b", the following  
4 requirements shall apply to the location of an anaerobic digester  
5 system manure storage structure:

6     (1) An anaerobic digester system manure storage structure  
7 shall not be constructed closer than five hundred feet away  
8 from the surface intake of an agricultural drainage well. An  
9 anaerobic digester system manure storage structure shall not  
10 be constructed closer than two thousand feet from a wellhead,  
11 cistern of an agricultural drainage well, or known sinkhole.

12    (2) An anaerobic digester system manure storage structure  
13 shall not be constructed if the anaerobic digester system manure  
14 storage structure as constructed is closer than any of the  
15 following:

16    (a) Five hundred feet away from a water source other than a  
17 major water source.

18    (b) One thousand feet away from a major water source.

19    (c) Two thousand five hundred feet away from a designated  
20 wetland.

21    (3) (a) A water source, other than a major water source,  
22 shall not be constructed, expanded, or diverted, if the water  
23 source as constructed, expanded, or diverted is closer than  
24 five hundred feet away from an anaerobic digester system manure  
25 storage structure.

26    (b) A major water source shall not be constructed, expanded,  
27 or diverted, if the major water source as constructed, expanded,  
28 or diverted is closer than one thousand feet from an anaerobic  
29 digester system manure storage structure.

30    (c) A designated wetland shall not be established, if the  
31 designated wetland is closer than two thousand five hundred feet  
32 away from an anaerobic digester system manure storage structure.

33    (4) An anaerobic digester system manure storage structure  
34 shall not be constructed on land that is part of a one hundred  
35 year floodplain as designated by rules adopted by the department

1 pursuant to section 459.301.

2 b. A separation distance required in paragraph "a" shall not  
3 apply to any of the following:

4 (1) A location or object and a farm pond or privately owned  
5 lake, as defined in section 462A.2.

6 (2) An anaerobic digester system manure storage structure  
7 constructed with a secondary containment barrier. The department  
8 shall adopt rules providing for the construction and use of  
9 a secondary containment barrier, including construction design  
10 standards.

11 2. *Air quality related requirements.*

12 a. Except as provided in paragraph "b", the following  
13 requirements shall apply to the location of an anaerobic digester  
14 system manure storage structure:

15 (1) An anaerobic digester system manure storage structure  
16 shall not be constructed closer than three thousand feet from a  
17 residence not owned by the owner of the anaerobic digester system  
18 or the owner of the animal feeding operation where the anaerobic  
19 digester system is located; a bona fide religious institution;  
20 a public use area; a commercial enterprise; or an educational  
21 institution.

22 (2) An anaerobic digester system manure storage structure  
23 shall not be constructed closer than one hundred feet from a  
24 public thoroughfare.

25 b. A separation distance required in paragraph "a" shall not  
26 apply to any of the following:

27 (1) (a) An anaerobic digester system manure storage  
28 structure that is constructed or expanded, if the titleholder  
29 of the land benefiting from the distance separation requirement  
30 executes a written waiver with the titleholder of the land  
31 where the structure is located. If an anaerobic digester system  
32 manure storage structure is constructed or expanded within the  
33 separation distance required between an anaerobic digester system  
34 manure storage structure and a public thoroughfare, the state or  
35 a political subdivision constructing or maintaining the public

1 thoroughfare benefiting from the distance separation requirement  
2 may execute a written waiver with the titleholder of the land  
3 where the structure is located.

4 (b) A written waiver under this subsection becomes effective  
5 only upon the recording of the waiver in the office of the  
6 recorder of the county in which the benefited land is located.  
7 The filed waiver shall preclude enforcement by the state as it  
8 relates to a distance requirement between the anaerobic digester  
9 system manure storage structure and the location or object  
10 benefiting from the separation distance requirement.

11 (2) An anaerobic digester system manure storage structure  
12 that is constructed or expanded within any distance from a  
13 residence, educational institution, commercial enterprise, bona  
14 fide religious institution, city, or public use area, if the  
15 residence, educational institution, commercial enterprise, or  
16 bona fide religious institution was constructed or expanded, or  
17 the boundaries of the city or public use area were expanded,  
18 after the date that the anaerobic digester system manure storage  
19 structure was established. The date the anaerobic digester  
20 system manure storage structure was established is the date  
21 on which the anaerobic digester system commenced operating. A  
22 change in ownership or expansion of the anaerobic digester system  
23 shall not change the established date of operation.

24 Sec. 19. NEW SECTION. **459C.301 Minimum requirements for**  
25 **digestate control.**

26 1. An anaerobic digester system shall retain all digestate  
27 produced by the operation between periods of digestate disposal  
28 or delivery to animal feeding operations. For purposes of this  
29 section, dry digestate may be retained by stockpiling as provided  
30 in this subchapter. An anaerobic digester system shall not  
31 discharge digestate directly into water of the state or into a  
32 tile line that discharges directly into water of the state.

33 2. Digestate from an anaerobic digester system shall be  
34 disposed of in a manner that will not cause surface water or  
35 groundwater pollution.

1 3. The owner of the anaerobic digester system that  
2 discontinues the use of the operation shall remove all digestate  
3 from related anaerobic digester system structures used to store  
4 digestate within six months following the date that the anaerobic  
5 digester system is discontinued.

6 Sec. 20. NEW SECTION. **459C.302 Disposal of digestate**  
7 **requirements.**

8 1. If digestate is returned to an animal feeding operation  
9 for land application, the material must be accounted for in the  
10 animal feeding operation's manure management plan or nutrient  
11 management plan.

12 2. For any portion of the digestate not returned to an animal  
13 feeding operation, the owner of the anaerobic digester system  
14 shall satisfy all applicable law for proper application of the  
15 digestate.

16 Sec. 21. NEW SECTION. **459C.401 Stockpiling requirements.**

17 1. An anaerobic digester system may stockpile materials  
18 prior to digestion or dry digestate so long as the facility  
19 stockpiles the materials and dry digestate in compliance with  
20 restrictions applicable to stockpiling as provided in this  
21 subchapter.

22 2. Anaerobic digester system stockpiles shall not be  
23 commingled with animal feeding operation stockpiles.

24 3. A person shall not stockpile the materials and dry  
25 digestate within the following distances from any of the  
26 following:

27 a. A terrace tile inlet or surface tile inlet, two hundred  
28 feet. However, this paragraph does not apply to a person who  
29 stockpiles the dry digestate in a manner that does not allow  
30 precipitation-induced runoff to drain from the stockpile to the  
31 terrace tile inlet or surface tile inlet. A terrace tile inlet  
32 or surface tile inlet does not include a tile inlet that is not  
33 directly connected to a tile line that discharges directly into a  
34 water of the state.

35 b. (1) A designated area, four hundred feet. However, an

1 increased separation distance of eight hundred feet shall apply  
2 to all of the following:

3 (a) A high-quality water resource.

4 (b) An agricultural drainage well.

5 (c) A known sinkhole.

6 (2) Subparagraph (1) does not apply to a person who  
7 stockpiles materials or dry digestate in a manner that does not  
8 allow precipitation-induced runoff to drain from the stockpile to  
9 the designated area.

10 c. One thousand two hundred fifty feet from a residence not  
11 owned by the owner of the anaerobic digester system or the owner  
12 of the animal feeding operation where the anaerobic digester  
13 system is located; a bona fide religious institution; a public  
14 use area; a commercial enterprise; or an educational institution.

15 4. A person shall not stockpile materials or dry digestate in  
16 a grassed waterway.

17 5. A person shall not stockpile materials or dry digestate on  
18 land having a slope of more than three percent. However, this  
19 subsection shall not apply to a person who stockpiles materials  
20 or dry digestate using methods, structures, or practices that  
21 contain the stockpile, including but not limited to silt  
22 fences, temporary earthen berms, or other effective measures, and  
23 that prevent or diminish precipitation-induced runoff from the  
24 stockpile.

25 6. A person stockpiling materials or dry digestate on  
26 terrain, other than karst terrain, for more than fifteen  
27 consecutive days shall comply with any of the following:

28 a. Stockpile materials or dry digestate using a qualified  
29 stockpile structure or qualified stockpile cover. However, the  
30 person shall not stockpile materials or dry digestate using  
31 a qualified stockpile cover at a long-term stockpile location  
32 unless the person stockpiles the materials or dry digestate on  
33 compacted soil, compacted granular aggregates, asphalt, concrete,  
34 or other similar materials.

35 b. Deliver a stockpile inspection statement to the department

1 by the fifteenth day of each month in writing, which may  
2 be on a form prescribed by the department. The stockpile  
3 inspection statement shall provide the location of the stockpile  
4 and document the results of an inspection conducted by the person  
5 during the previous month. The inspection must evaluate whether  
6 precipitation-induced runoff is draining away from the stockpile  
7 and, if so, describe actions taken to prevent the runoff. If an  
8 inspection by the department documents that precipitation-induced  
9 runoff is draining away from a stockpile, the person shall  
10 immediately remove dry digestate from the stockpile in compliance  
11 with this chapter or comply with all directives of the department  
12 to prevent the runoff.

13 7. A person stockpiling materials or dry digestate on karst  
14 terrain shall comply with all of the following:

15 a. If the proposed stockpile is located in potential karst  
16 terrain, a professional engineer licensed in Iowa or a staff  
17 person or organization qualified through the Iowa natural  
18 resource conservation service shall submit a soil report to the  
19 department, based on the results from soil corings, test pits,  
20 or acceptable well log data, describing the subsurface materials  
21 and vertical separation distance from the proposed bottom of  
22 the stockpile to the underlying limestone, dolomite, or soluble  
23 rock. A minimum of two soil corings spaced equally within the  
24 stockpile location or two test pits located within five feet of  
25 the outside of the stockpile location are required if acceptable  
26 well log data is not available. The soil corings shall be  
27 taken to a minimum depth of twenty-five feet below the bottom  
28 elevation of the proposed stockpile or into bedrock, whichever  
29 is shallower. After the soil exploration is complete, each  
30 coring or test pit shall be properly plugged with concrete grout,  
31 bentonite, or similar materials and completion of this activity  
32 shall be documented in the soil report. If a twenty-five-foot  
33 vertical separation distance can be maintained between the bottom  
34 of the proposed stockpile and limestone, dolomite, or other  
35 soluble rock, then the structure is not considered to be in karst

1 terrain.

2     b. The person shall stockpile the dry digestate at a location  
3 where there is a vertical separation distance of at least five  
4 feet between the bottom of the stockpile and the underlying  
5 limestone, dolomite, or other soluble rock.

6     c. A person who stockpiles materials or dry digestate for  
7 more than fifteen consecutive days shall use any of the  
8 following:

9     (1) A qualified stockpile structure.

10    (2) A qualified stockpile cover. However, the person shall  
11 not stockpile materials or dry digestate using a qualified  
12 stockpile cover at a long-term stockpile location unless the  
13 stockpile is located on reinforced concrete at least five inches  
14 thick.

15    8. A person stockpiling materials or dry digestate shall  
16 comply with applicable national pollutant discharge elimination  
17 system permit requirements pursuant to the federal Water  
18 Pollution Control Act, 33 U.S.C. ch. 26, as amended, and 40  
19 C.F.R. pts. 122 and 412.

20    9. A person stockpiling materials or dry digestate shall  
21 remove the dry digestate and apply it in accordance with the  
22 provisions of this chapter within six months after the materials  
23 or dry digestate are first stockpiled.

24    Sec. 22. NEW SECTION. **459C.501 General enforcement.**

25    The department and the attorney general shall enforce the  
26 provisions of this chapter in the same manner as provided in  
27 chapter 459, subchapter VI.

28    Sec. 23. NEW SECTION. **459C.502 Violations — civil**  
29 **penalty.**

30    A person who violates a provision of this chapter for which  
31 the alleged harm is related to air quality shall be subject  
32 to the same penalty as provided in section 459.602. A person  
33 who violates a provision of this chapter for which the alleged  
34 harm is related to water quality shall be subject to the same  
35 penalties and restrictions as provided in section 459.603. A

1 habitual violator of the provisions of this chapter shall be  
2 subject to the same penalties and restrictions as provided in  
3 sections 459.604 and 459.605. Any collected civil penalty and  
4 interest on a civil penalty shall be credited to the Iowa  
5 nutrient research fund created in section 466B.46.

6 Sec. 24. CODE EDITOR DIRECTIVE.

7 1. The Code editor shall designate sections 459C.101 through  
8 459C.502, as enacted by this division of this Act, as new chapter  
9 459C, entitled "Anaerobic Digester Systems".

10 2. The Code editor shall designate sections 459C.101 through  
11 459C.103, as enacted by this division of this Act, as a new  
12 subchapter within chapter 459C, entitled "General Provisions".

13 3. The Code editor shall designate sections 459C.201 through  
14 459C.203, as enacted by this division of this Act, as a  
15 new subchapter within chapter 459C, entitled "Construction  
16 Provisions".

17 4. The Code editor shall designate sections 459C.301 through  
18 459C.302, as enacted by this division of this Act, as a new  
19 subchapter within chapter 459C, entitled "Digestate Disposal".

20 5. The Code editor shall designate section 459C.401, as  
21 enacted by this division of this Act, as a new subchapter within  
22 chapter 459C, entitled "Stockpiling Provisions".

23 6. The Code editor shall designate sections 459C.501 through  
24 459C.502, as enacted by this division of this Act, as a  
25 new subchapter within chapter 459C, entitled "Enforcement  
26 Provisions".

27 **EXPLANATION**

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

30 This bill relates to rate-regulated utilities by modifying  
31 provisions relating to electric power generation, energy storage,  
32 and transmission facility ratemaking principles, creating tariffs  
33 for public utility innovation programs, implementing land  
34 restoration standards, and modifying the energy infrastructure  
35 revolving loan program.

1 Division I of the bill modifies intent language to reflect  
2 an intent to attract energy storage and develop nuclear power  
3 generation for consumers in the state.

4 Division I of the bill alters ratemaking principle processes  
5 and modifies when a rate-regulated public utility may seek  
6 ratemaking principles. In addition to electric power generating  
7 facilities and alternate energy production facilities, the  
8 utilities commission (commission) may specify the ratemaking  
9 principles applying to an energy storage facility.

10 Division I of the bill provides that a rate-regulated public  
11 utility may seek ratemaking principles from the commission  
12 when there are construction-related costs of an electric power  
13 generating facility with a nameplate generating capacity equal  
14 to or greater than 40 megawatts, an alternate energy production  
15 facility, or an energy storage facility, or significant  
16 alterations to an existing electric power generating facility,  
17 alternate energy production facility, or energy storage facility.  
18 Current law generally provides that when a rate-regulated public  
19 utility files an application to construct a baseload electric  
20 power generating facility with a nameplate generating capacity  
21 equal to or greater than 300 megawatts or a combined-cycle  
22 electric power generating facility or an alternate energy  
23 production facility, or to significantly alter an existing  
24 generating facility or a new alternate energy production  
25 facility, the commission shall specify in advance the ratemaking  
26 principles that will apply.

27 Division I of the bill modifies the requirements for  
28 a significant alteration of an existing generating facility  
29 to qualify for the establishment of ratemaking principles.  
30 Division I of the bill provides that to qualify for ratemaking  
31 principles, the significant alteration can convert an electric  
32 power generating facility to an alternate fuel type, add carbon  
33 capture and carbon storage to an electric power generating  
34 facility, add a facility to capture exhaust heat to an electric  
35 power generating facility, repower an alternate energy production

1 facility, or add energy storage to an existing electric  
2 power generating facility, alternate energy production facility,  
3 or energy storage facility. Current law provides that to  
4 qualify for ratemaking principles, the significant alteration can  
5 convert a coal-fueled facility into a gas-fueled facility, add  
6 carbon capture and carbon storage to a coal-fueled facility,  
7 add gas-fueled capability to a coal-fueled facility, add a  
8 biomass-fueled capability to a coal-fueled facility, or repower  
9 an alternate energy production facility.

10 Division I of the bill provides that a utility investment to  
11 convert an electric power generating facility to a different fuel  
12 type, add carbon capture and carbon storage to an electric power  
13 generating facility, or add a fuel type to an electric power  
14 generating facility shall be eligible to apply the ratemaking  
15 principles established by an order issued prior to construction  
16 or lease of a facility.

17 Division I of the bill provides that a rate-regulated public  
18 utility may seek ratemaking principles for leasing or owning  
19 a new electric power generating facility with a nameplate  
20 generating capacity equal to or greater than 40 megawatts,  
21 a new energy storage facility, or a new alternate energy  
22 production facility. Current law provides that a rate-regulated  
23 public utility leasing or owning a new baseload electric power  
24 generating facility with a nameplate generating capacity equal  
25 to or greater than 300 megawatts, a combined-cycle electric  
26 power generating facility, or a new alternate energy production  
27 facility may seek ratemaking principles.

28 Division I of the bill requires the commission to issue an  
29 order after the contested case proceeding that the ratemaking  
30 principles will apply when the costs of the electric power  
31 generating facility or alternate energy production facility  
32 are included in regulated electric rates once the commission  
33 finds that the rate-regulated public utility's application for  
34 ratemaking principles meets all the commission's requirements.

35 Division I of the bill requires a rate-regulated public

1 utility seeking ratemaking principles to provide support of  
2 reasonability with an electric utility resource plan that has  
3 been updated within 24 months of filing the application.

4 Division I of the bill requires the commission to adopt rules  
5 for proceedings to conclude 10 months after a petition is filed.

6 Division I of the bill requires rate-regulated electric  
7 utilities to file a resource plan at least once every five  
8 years. The resource plan must consider all reasonable resources  
9 by the utility for meeting the probable future demand for energy,  
10 including supply resources and conservation and management of  
11 demand. For conservation and management of demand, the resource  
12 plan shall include programs approved in the electric utility's  
13 most recently approved energy efficiency plan. The objectives  
14 of the resource plan include but are not limited to adequate,  
15 cost-effective, and reliable energy service considering costs,  
16 fuel diversity, and probable future demand for energy, and should  
17 reflect the circumstances and management judgment of the electric  
18 utility. The resource plan does not require specific outcomes or  
19 specific investment decisions.

20 Division I of the bill directs the commission to issue an  
21 order within 90 days of the resource plan acknowledging receipt  
22 of the plan. This order may provide recommendations to an  
23 electric utility regarding any additional analyses or actions  
24 that the electric utility should consider completing in its next  
25 resource plan.

26 Division I of the bill directs the commission to adopt rules  
27 regarding the timeline and stakeholder process to review and  
28 provide comments on the resource plan. The stakeholder process  
29 shall include the electric utility organizing and facilitating  
30 a stakeholder conference with representatives of the commission,  
31 the consumer advocate, and the electric utility's customers.  
32 Division I of the bill directs the electric utility to make  
33 a good faith effort to inform and consider input from the  
34 commission, the consumer advocate, and stakeholders.

35 Division II of the bill provides that it is the intent of

1 the general assembly to encourage public utility innovation in  
2 pricing and programs, and that the new innovations not negatively  
3 impact nonparticipating customers. Division II of the bill  
4 additionally provides that it is the intent of the general  
5 assembly to attract and retain customers for the benefit of the  
6 state's economy, support of economical energy production, and  
7 support of sustainable energy production.

8 Division II of the bill authorizes a tariff program. Division  
9 II of the bill provides that a tariff shall comply with  
10 several provisions. The tariff shall be optional for customers,  
11 define eligible customer groups, and assess program costs to  
12 participating customers. Program costs shall include specified  
13 direct costs arising from the tariff program and costs related to  
14 the implementation of tariff programs. Participants of a tariff  
15 program shall participate in future indirect costs allocated to  
16 customers of that utility without regard for the existence of  
17 an approved tariff. The tariff shall not allow for an eligible  
18 customer group excluding directly competing customers in the same  
19 customer service territory, alter existing base rate or charges  
20 of the public utility, or negatively impact nonparticipating  
21 customers. Negative impacts include additional costs incurred by  
22 nonparticipating customers due to costs arising from the tariff,  
23 tariff participants no longer sharing in customer class costs, or  
24 decreased customer benefit from existing infrastructure.

25 Division II of the bill explains that a tariff may include  
26 provisions relating to recovery of costs, rate of return,  
27 application of the program to other specified patterns, program  
28 benefits, and refunds, credits, or waivers when the program  
29 replaces an existing service, or recovery of costs associated  
30 with existing facilities. A participating program customer  
31 shall pay the costs of the services received from the public  
32 utility unless the costs are refunded, credited, or waived  
33 under the program. Division II of the bill provides that if  
34 the program or eligible customer group cease to exist and the  
35 public utility seeks recovery of the program-specific facilities

1 through a general rate case proceeding, the public utility  
2 shall demonstrate the reasonableness and prudence without any  
3 presumption regarding approval of such request. A public utility  
4 shall be allowed to recover program-specific facilities through  
5 general rate case proceedings. If the utility can demonstrate to  
6 the commission that the proposed tariff generates excess revenue  
7 for the utility as compared to total revenue without the tariff,  
8 the excess revenue may be retained by the utility.

9 Division II of the bill provides for tariff application  
10 and approval. A public utility's authority is not mandatory  
11 regarding tariffs. Division II of the bill provides that an  
12 application for a tariff or amendment to a tariff shall be  
13 filed with the commission. The commission shall approve, deny,  
14 or docket for further review an application within 30 days.  
15 If the commission docket the application for further review,  
16 the commission shall render a decision within 90 days from  
17 the date of application filing, unless an objection is filed.  
18 The commission shall not reconsider existing programs previously  
19 approved under the tariff during a review of an application for  
20 an amendment to a tariff unless the review of a program is  
21 proposed as part of the amendment.

22 Division II of the bill prohibits the commission from certain  
23 actions. Division II of the bill provides that the commission  
24 shall not limit the number of applications a public utility may  
25 file, deny, or condition the approval of a tariff because a  
26 public utility is subject to an alternative regulatory mechanism,  
27 or require a public utility subject to an alternative regulatory  
28 mechanism to record revenues and costs in an inconsistent  
29 manner with specified federal standards, provided that the  
30 proposed tariff would not result in detrimental treatment of  
31 other customers or require adjustment to the calculation of  
32 the alternative regulatory mechanism to reflect the impact  
33 of an approved tariff. Division II of the bill prohibits  
34 the commission from conditioning approval of a tariff on the  
35 requirement that the public utility change the proposal to

1 unagreed-upon terms, but this prohibition does not prevent the  
2 commission from identifying changes to the proposal that might  
3 result in approval.

4 Division II of the bill provides that tariffs and programs  
5 approved pursuant to division II of the bill shall be rebuttably  
6 presumed to be just and reasonable in general rate case  
7 proceedings. Division II of the bill prohibits the commission  
8 from conditioning approval or denial of a tariff on the final  
9 adoption of rules and requires the commission to adopt rules  
10 related to division II of the bill.

11 Division II of the bill applies to a public utility filing  
12 an application with the commission for review of a tariff on or  
13 after the effective date of division II of the bill.

14 Division III of the bill relates to electric transmission  
15 lines and electric transmission owners. Division III of the  
16 bill expounds the legislative purpose of Code section 478.16,  
17 identifying Iowa consumers' urgent need for development and  
18 investment in high-voltage transmission. Division III of the  
19 bill provides that an incumbent electric transmission owner may  
20 be formed, located, or headquartered in any state as long as the  
21 electric transmission line is located in Iowa.

22 Division III of the bill defines an "incumbent electric  
23 transmission owner" as an individual or entity who, as of July  
24 1, 2024, owns and maintains an electric transmission line in this  
25 state that is required for rate-regulated electric utilities,  
26 municipal electric utilities, and rural electric cooperatives  
27 in the state to provide electric service to the public for  
28 compensation.

29 Under division III of the bill, an incumbent electric  
30 transmission facility owner has the right to construct, own, and  
31 maintain an electric transmission line that directly connects to  
32 the electric transmission facility. If a proposed transmission  
33 line would directly connect to facilities owned by two or more  
34 facility owners, each owner has the right to construct, own, and  
35 maintain the electric transmission line individually and equally.

1 Division III of the bill requires an incumbent electric  
2 transmission owner exercising its right to construct, own, and  
3 maintain an electric transmission line to offer public power  
4 utilities an opportunity to jointly own a portion of the electric  
5 transmission line. The offered amount must be at least the  
6 amount of the public power utility's electric load divided by  
7 the total electric load in the applicable incumbent electric  
8 transmission owner's pricing zone. Division III of the bill  
9 does not prohibit the entities from agreeing to joint ownership  
10 in a different amount. Additionally, division III of the bill  
11 allows the public power utility to transfer or assign its joint  
12 ownership rights to another public power utility or group of  
13 public power utilities with the consent of the incumbent electric  
14 transmission owner.

15 Division III of the bill allows an incumbent electric  
16 transmission owner exercising its right to construct, own, and  
17 maintain an electric transmission line to contract with another  
18 electric transmission owner or electric public utility to jointly  
19 own a portion of the electric transmission line.

20 Division III of the bill requires the incumbent electric  
21 transmission owner or owners with approved electric transmission  
22 lines not subject to right of first refusal in a federally  
23 registered planning authority transmission plan to give notice to  
24 the commission whether the owner or owners intend to construct,  
25 own, and maintain the electric transmission line. The notice  
26 shall be given within the later of 90 days of approval for  
27 construction or 90 days after enactment of division III of  
28 the bill. The commission may determine whether another person  
29 may construct the electric transmission line if the incumbent  
30 electric transmission owner or owners give notice declining to  
31 construct or do not give timely notice.

32 Division III of the bill requires incumbent electric  
33 transmission owners to provide documentation to the commission  
34 that shows utilization of competitively bid construction  
35 contracts that meet all necessary technical, commercial, and

1 other specifications required for compliant construction.

2 Division III of the bill allows the consumer advocate free  
3 access to all documents, reports, and information submitted to  
4 the commission regarding cost accountability measures for the  
5 construction of electric transmission lines. These documents,  
6 reports, and information may be used by the consumer advocate for  
7 any purpose within the scope of the consumer advocate's duties.  
8 These provisions do not create a private cause of action or  
9 complaint.

10 Division III of the bill directs the commission to adopt rules  
11 to implement the land restoration requirements after initial  
12 construction of an electric transmission line as set forth in  
13 division III of the bill.

14 Division III of the bill requires incumbent electric  
15 transmission owners to repair drain tiles damaged during  
16 construction as soon as practicable and to complete permanent  
17 repairs as soon as practicable after initial construction. The  
18 permanent repairs must be of the same quality, size, and flow  
19 capacity of the original drain tile.

20 Division III of the bill requires incumbent electric  
21 transmission owners to remove all nonnative rocks larger than  
22 three inches in diameter from the easement area. The disposal  
23 of rock that cannot be used as backfill must be done at a  
24 location and in a manner agreed to between the incumbent electric  
25 transmission owner and the landowner.

26 Division III of the bill requires the incumbent electric  
27 transmission owner to till agricultural land affected by  
28 construction, including right-of-way access points or roads,  
29 after electric transmission line construction activities are  
30 completed on the affected property. The land must be tilled at  
31 least 18 inches deep in land used for crop production and 12  
32 inches deep in all other land, unless otherwise agreed to by the  
33 landowner.

34 Division III of the bill requires the incumbent electric  
35 transmission owner to restore soil conservation practices and

1 structures damaged during construction to their previous state,  
2 compact the soil used to repair embankments intended to  
3 retain water, and reestablish any vegetation disturbed during  
4 construction, including cover crops.

5 Division III of the bill requires the incumbent electric  
6 transmission owner to reseed the agricultural land, excluding row  
7 crops and small grain production, following compaction of the  
8 land. Seeding for cover crops may be delayed if construction  
9 is completed too late in the year and is not required if the  
10 land will be tilled the following year. When the season is  
11 not suitable for the seeding of cover crops, the landowner may  
12 request ground cover to prevent soil erosion.

13 Division III of the bill requires the incumbent electric  
14 transmission owner to remove all field entrances and temporary  
15 roads used during construction and to restore the areas to  
16 their previous state following the completion of the initial  
17 construction.

18 Division III of the bill requires the incumbent electric  
19 transmission owner to use good practices when constructing in  
20 wet conditions and to grade and till any rutted land in order  
21 to restore the land to its original condition to the extent  
22 practicable. Additionally, division III of the bill allows  
23 the landowner to repair damage caused by construction in wet  
24 conditions. The incumbent electric transmission owner shall  
25 then reimburse the landowner for reasonable costs of repair.

26 Division III of the bill requires an electric transmission owner  
27 to utilize mudflats, mats, or other measures to minimize soil  
28 disturbance when using heavy equipment in wetlands.

29 Division III of the bill requires the incumbent electric  
30 transmission owner to provide contact information to all persons  
31 affected by the construction of each transmission line.

32 Division III of the bill allows the commission to appoint  
33 an inspector to determine compliance with restoration standards  
34 in the event the incumbent electric transmission owner and the  
35 landowner dispute over potential violations. The cost of the

1 inspection shall be paid by the incumbent electric transmission  
2 owner. If the inspector determines there have been violations of  
3 the restoration standards, the commission will provide oral and  
4 written notice to the incumbent electric transmission owner. The  
5 commission will order corrective actions be taken to comply with  
6 the standards. The costs of the corrective actions will be borne  
7 by the electric transmission owner.

8 Division III of the bill allows the commission to issue an  
9 order requiring corrective action and impose civil penalties if  
10 the incumbent electric transmission owner or its contractor do  
11 not comply with the required standards.

12 Division III of the bill requires the commission to instruct  
13 the inspectors on the statutes, rules, and responsibilities  
14 regarding restoration standards.

15 Division III of the bill requires petitioners for a franchise  
16 for electric transmission construction to file a land restoration  
17 plan outlining how the construction will conform to the required  
18 standards. The restoration plan will also be provided to all  
19 property owners affected by the construction.

20 Division III of the bill allows alternative provisions in  
21 independent agreements with landowners regarding protecting or  
22 restoring property as long as these provisions are in writing and  
23 are provided to the commission.

24 Division III of the bill allows electric transmission owners  
25 to propose alternate methods of land restoration to the  
26 commission. The commission, by waiver, may allow variations  
27 to the land restoration requirements if the proposed alternate  
28 methods would restore the land to a condition as good or better  
29 than those required by division III of the bill.

30 Division III of the bill allows the commission to waive the  
31 preparation of a separate land restoration plan, in whole or  
32 in part, if the incumbent electric transmission owner satisfies  
33 the requirements through similar agreement with other agencies  
34 in the state. The relevant agreements must be filed with the  
35 commission.

1 Division III of the bill does not limit, expand, or otherwise  
2 modify the rights of access and obligations for damages set forth  
3 in Code section 478.17.

4 Division III of the bill takes effect upon enactment.

5 Division III of the bill applies retroactively to an electric  
6 transmission line included in a federally registered planning  
7 authority long-term transmission plan approved on or after July  
8 1, 2020, with the exception of the provisions requiring incumbent  
9 electric transmission owners to offer public power utilities  
10 the option to jointly own qualifying electric transmission  
11 lines. For this exception, division III of the bill applies  
12 retroactively to July 1, 2024.

13 Division IV of the bill relates to the energy infrastructure  
14 revolving loan program, which is renamed as the "energy and water  
15 infrastructure revolving loan program".

16 Under current law, the energy infrastructure revolving loan  
17 fund (fund) and program are administered by the Iowa energy  
18 center (center). Division IV of the bill instead places the  
19 administrative duty with the Iowa economic development authority  
20 (IEDA) and renames the fund the "energy and water infrastructure  
21 revolving loan fund".

22 Division IV of the bill adds financial assistance for  
23 the development and construction of water infrastructure that  
24 supports economic development to the fund's approved uses,  
25 including drinking water treatment systems and wastewater  
26 treatment systems.

27 Division IV of the bill expands the entities eligible for  
28 assistance under the fund to include a county or city.

29 Under current law, the approval of the center's governing  
30 board is required before IEDA can determine the amount and the  
31 terms of all financial assistance awarded to an eligible borrower  
32 and all agreements and administrative authority are vested in the  
33 center's governing board. Division IV of the bill removes the  
34 approval requirement by the center and its authority regarding  
35 agreements.

1 Division IV of the bill adds that to be eligible for  
2 a financial assistance award under the energy and water  
3 infrastructure revolving loan program, an eligible borrower must  
4 demonstrate that the proposed project will attract and encourage  
5 the location of new industrial enterprise or the expansion of  
6 existing industrial enterprise. Division IV of the bill states  
7 that IEDA shall determine the amount and the terms of all  
8 financial assistance awarded to an eligible borrower under the  
9 program and that all agreements and administrative authority  
10 shall be vested in IEDA. Division IV of the bill provides that  
11 IEDA may adopt rules for the implementation of this program.

12 Division IV of the bill grants IEDA the ability to authorize  
13 the transfer of up to \$633,000 annually to Iowa state university  
14 of science and technology to be used for providing financial  
15 assistance to the state load forecasting center.

16 Division V of the bill relates to anaerobic digester  
17 systems. Division V of the bill states its purpose is to  
18 provide requirements relating to the construction, including  
19 the expansion, and operation of anaerobic digester systems and  
20 the control of digestate. Division V of the bill directs the  
21 environmental protection commission to make rules for this stated  
22 purpose. Division V of the bill states that if the provisions  
23 of new Code chapter 459C conflict with Code chapter 459, 459A, or  
24 459B, the provisions of Code chapter 459C shall prevail.

25 Division V of the bill directs the department of natural  
26 resources (DNR) to approve applications for permits for  
27 construction, including expansion, of anaerobic digester systems  
28 based on procedures required in division V of the bill and rules  
29 created by DNR pursuant to division V of the bill. Division V  
30 of the bill prohibits the construction of an anaerobic digester  
31 system, regardless of size, until the construction permit has  
32 been approved. The applicant must also submit a \$250 permit  
33 application fee, a written plan for disposal of the digestate,  
34 and a written operation plan for an anaerobic digester system.

35 Division V of the bill requires an anaerobic digester

1 system to accept only manure unless DNR otherwise approves the  
2 inclusion of organic by-product, food product, or food for human  
3 consumption. Nonmanure materials shall not compose more than  
4 10 percent of the total material added to an anaerobic digester  
5 system.

6 Division V of the bill requires a daily record of materials  
7 added to an anaerobic digester system to be kept and maintained  
8 at the facility and grants DNR the authority for additional  
9 testing or monitoring of the materials added to an anaerobic  
10 digester system and the digestate.

11 Division V of the bill prohibits medical wastes, including  
12 expired or unused antibiotics, petroleum products not designed  
13 for use in manure storage facilities, pesticides, paints,  
14 solvents, hazardous materials, municipal or sanitary waste  
15 or sludge, industrial wastewater, contaminated feedstock,  
16 slaughterhouse wastes, and residues from processing of food  
17 materials that have not been deemed acceptable for human  
18 consumption from being processed in an anaerobic digester system.

19 Division V of the bill directs DNR to adopt rules to  
20 establish construction design standards for formed manure storage  
21 structures that are part of an anaerobic digester system.

22 Division V of the bill requires construction design standards to  
23 be based upon uniform standards and provides construction design  
24 standards for concrete.

25 Division V of the bill prohibits the construction of unformed  
26 manure storage structures on karst terrain, but allows the  
27 construction of a formed manure storage structure on karst  
28 terrain or an area that drains into a known sinkhole if upgraded  
29 construction design standards necessary to ensure that the  
30 structure does not pollute groundwater sources are used.

31 Division V of the bill provides separation distance  
32 requirements between an anaerobic digester system manure storage  
33 structure and a surface intake of a drainage well, wellhead,  
34 cistern of an agricultural well, known sinkhole, water source,  
35 or wetland. Division V of the bill provides exceptions for a

1 location or object and a farm pond or privately owned lake.

2 Division V of the bill prohibits construction, expansion,  
3 or diversion of a water source or the designation of a  
4 wetland if the action would cause an anaerobic digester system  
5 manure storage structure to be in violation of the distance  
6 requirements.

7 Division V of the bill prohibits an anaerobic digester system  
8 manure storage structure from being constructed on land that is  
9 part of a 100 year floodplain as determined by DNR.

10 Division V of the bill states there are no distance  
11 requirements between a location or object and a farm pond or  
12 privately owned lake. Additionally, distance requirements do not  
13 apply to an anaerobic digester system manure storage structure  
14 constructed with a secondary containment barrier approved by DNR.

15 Division V of the bill provides separation distances between  
16 an anaerobic digester system manure storage structure and  
17 a residence, bona fide religious institution, public use  
18 area, commercial enterprise, educational institution, or public  
19 thoroughfare. Division V of the bill allows the titleholder  
20 of the land benefiting from the distance requirements to waive  
21 the distance requirements. Division V of the bill allows the  
22 state or political subdivision to waive distance requirements of  
23 public thoroughfares. The waivers must be filed with the county  
24 recorder before becoming effective.

25 Division V of the bill allows an anaerobic digester system  
26 manure storage structure to be within the distance requirement  
27 from a residence, educational institution, commercial enterprise,  
28 bona fide religious institution, city, or public use area if the  
29 anaerobic digester system manure storage structure was operating  
30 in conformance with distance requirements, but was brought within  
31 the distance requirement due to the expansion or construction of  
32 a residence, educational institution, commercial enterprise, bona  
33 fide religious institution, city, or public use area. A change  
34 in ownership or expansion of an anaerobic digester system shall  
35 not change the established date of operation.

1 Division V of the bill requires an anaerobic digester system  
2 to retain all digestate produced by operation between periods of  
3 digestate disposal or delivery to animal feeding operations and  
4 to dispose the digestate in a manner that will not cause surface  
5 water or groundwater pollution.

6 Division V of the bill requires the owner of an anaerobic  
7 digester system that discontinues the use of the operation to  
8 remove all digestate from related anaerobic digester system  
9 structures used to store digestate within six months following  
10 the date that the anaerobic digester system is discontinued.

11 Division V of the bill requires materials returned to an  
12 animal feeding operation for land application be accounted for in  
13 the animal feeding operation's manure management plan or nutrient  
14 management plan and that the owner of the anaerobic digester  
15 system must satisfy all applicable laws for proper application  
16 of any portion of the digestate not returned to an animal feeding  
17 operation.

18 Division V of the bill allows an anaerobic digester system  
19 to stockpile materials prior to digestion or dry digestate so  
20 long as the facility stockpiles the materials and dry digestate  
21 in compliance with restrictions applicable to stockpiling as  
22 provided in division V of the bill. Division V of the bill  
23 prohibits anaerobic digester system stockpiles from commingling  
24 with animal feeding operation stockpiles.

25 Division V of the bill provides separation distance  
26 requirements between a stockpile and a designated area that  
27 includes a known sinkhole, a cistern, an abandoned well, an  
28 unplugged agricultural drainage well, an agricultural drainage  
29 well surface inlet, a drinking water well, a designated wetland,  
30 or a water source. Special separation distance requirements  
31 are provided for a high-quality water resource, an agricultural  
32 drainage well, or a known sinkhole. Division V of the bill  
33 provides special separation distance requirements between a  
34 stockpile and a terrace tile inlet or surface tile inlet.  
35 An exception allows a stockpile to be located closer than

1 otherwise required from these water sources so long as it  
2 is maintained in a manner that will not allow precipitation  
3 induced runoff to drain from the material or dry digestate.  
4 Division V of the bill also provides separation distance  
5 requirements between a stockpile and a residence, bona fide  
6 religious institution, public use area, commercial enterprise, or  
7 educational institution.

8 Division V of the bill provides that a stockpile cannot be  
9 located in a grassed waterway. The stockpile also cannot be  
10 located on a slope of a certain grade, unless efforts are taken  
11 to contain the stockpile and prevent runoff.

12 If the materials or dry digestate are not stockpiled on karst  
13 terrain, division V of the bill does not provide any requirements  
14 so long as the materials or dry digestate are stockpiled for  
15 15 days or less. Otherwise, division V of the bill requires  
16 a person to comply with stockpiling requirements or file a  
17 monthly inspection report with DNR. The special stockpiling  
18 requirements include either the use of a structure or the use of  
19 an impermeable cover. However, if the stockpile is covered on a  
20 long-term basis, it must be sited on compacted or other prepared  
21 ground.

22 Division V of the bill states that if a proposed stockpile is  
23 located on potential karst terrain, a qualified person must test  
24 the ground in conformance with requirements described in division  
25 V of the bill and submit a soil report to confirm whether the  
26 proposed stockpile location is on karst terrain. If the material  
27 or dry digestate is stockpiled on karst terrain, there must be a  
28 separation distance between the bottom of the stockpile and the  
29 soluble rock, regardless of how long the stockpile is located at  
30 that location. For material or dry digestate that is stockpiled  
31 for more than 15 days, special compliance requirements apply,  
32 including either the use of a structure or an impermeable cover.  
33 If the stockpile is located at that location on a long-term  
34 basis, it must be sited on concrete.

35 Division V of the bill requires a person stockpiling material

1 or dry digestate to comply with all applicable national pollutant  
2 discharge elimination system permit requirements pursuant to the  
3 federal Water Pollution Control Act.

4 Division V of the bill requires a person stockpiling materials  
5 or dry digestate to remove the dry digestate and apply it  
6 in accordance with the provisions of division V of the bill  
7 within six months after the materials or dry digestate are first  
8 stockpiled.

9 Division V of the bill directs DNR and the attorney general to  
10 enforce Code chapter 459C in the same manner as provided in Code  
11 chapter 459, subchapter VI. A person who violates the provisions  
12 of division V of the bill for which the alleged harm is related  
13 to air quality shall be subject to the same penalty as provided  
14 in Code section 459.602. A person who violates the provisions  
15 of division V of the bill for which the alleged harm is related  
16 to water quality shall be subject to the same penalties as  
17 provided in Code section 459.603. A habitual violator of the  
18 provisions of division V of the bill shall be subject to the same  
19 penalties and restrictions as provided in Code sections 459.604  
20 and 459.605. Any collected civil penalty and interest on a civil  
21 penalty shall be credited to the Iowa nutrient research fund  
22 created in Code section 466B.46.