

Senate Study Bill 3092 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON BOUSSELOT)

A BILL FOR

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

1 Section 1. Section 476.1, Code 2026, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 5. A community solar facility established
4 pursuant to section 476.50 shall not be regarded as a public
5 utility for purposes of this chapter.

6 Sec. 2. Section 476.25, Code 2026, is amended by adding the
7 following new subsection:

8 NEW SUBSECTION. 4. The furnishing of electricity pursuant
9 to a community solar facility under section 476.50 shall not
10 be considered an unnecessary duplication of electric utility
11 facilities and shall not constitute a violation of this
12 section.

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

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

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

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

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

35 (a) The facility is located on one or more parcels of

1 land within the assigned area of service of that utility and
2 no other community solar facility under the control of the
3 same entity, an affiliate's entity, or an entity under common
4 control is located on that land.

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

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

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

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

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

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

1 even if the distributed generation facility does not meet any
2 of the conditions described in subparagraph (l), subparagraph
3 divisions (c), (e), and (f).

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

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

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

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

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

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

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

1 *d.* An electric utility shall be required to bill subscribers
2 to a community solar facility in accordance with section
3 476.49, to the extent that section does not conflict with this
4 section.

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

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

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

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

34 *g.* A subscriber may subscribe all of their electricity
35 meters to a community solar facility.

1 *h.* Community solar facilities may be owned by investors.

2 *i.* An electric utility shall provide a bill credit to
3 a subscriber's subsequent monthly electric bill for the
4 proportional output of a community solar facility attributable
5 to that subscriber for not less than twenty-five years from the
6 date the solar facility is first placed into operation.

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

19 *k.* An electric utility shall provide a subscriber
20 organization a report each month in a standardized electronic
21 format detailing the total value of bill credits generated
22 by the subscriber organization's community solar facility in
23 the prior month and the amount of bill credits applied to each
24 subscriber.

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

1 *m.* Any renewable energy credits created from the production
2 of electricity in a community solar facility are the property
3 of the subscriber organization that owns or operates the
4 community solar facility. The subscriber organization may
5 sell, accumulate, retire, or distribute to subscribers the
6 renewable energy credits of the subscriber organization.

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

10 *a.* Reasonably allow for the creation and financing of
11 community solar facilities.

12 *b.* Allow all customer classes to participate as subscribers
13 to a community solar facility, and ensure participation
14 opportunities for all customer classes.

15 *c.* Prohibit removing a customer from the customer's
16 applicable customer class due to the customer subscribing to a
17 community solar facility.

18 *d.* Reasonably allow for the transferability and portability
19 of subscriptions, including allowing a subscriber to retain a
20 subscription to a community solar facility if the subscriber
21 moves within the same investor-owned electric utility's service
22 territory.

23 *e.* Modify existing interconnection standards, fees,
24 and processes as needed to facilitate the efficient and
25 cost-effective interconnection of community solar facilities
26 and that allow an electric utility to recover reasonable
27 interconnection costs for each community solar facility.

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

1 *g.* Allow an electric utility to recover costs of applying
2 bill credits under this section.

3 *h.* Ensure an electric utility does not unreasonably refuse
4 or delay interconnection of a community solar facility.

5 *i.* Require a subscriber organization to satisfy
6 interconnection process benchmarks, demonstrate site control,
7 and obtain all applicable nonministerial permits for a
8 community solar facility before the subscriber organization
9 owns or operates the facility.

10 4. *a.* Not later than eighteen months after a community
11 solar facility has ceased generating electricity, except for
12 instances when the owner is actively working to recommence
13 production of electricity, including instances following the
14 occurrence of a force majeure or similar event, the owner of
15 the community solar facility shall commence decommissioning of
16 the facility.

17 *b.* Unless the property owner authorizing the community
18 solar facility to operate on the property and the owner of
19 the community solar facility mutually agree in writing on
20 an alternative condition for restoring the property, the
21 decommissioning plan for the community solar facility shall
22 include all of the following:

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

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

27 (3) Restoration of the property to a condition reasonably
28 similar to its condition before the commencement of
29 construction, except for ordinary wear and degradation and any
30 changes to the condition of the property caused by or at the
31 request of the property owner.

32 (4) To the extent practicable and seasonally appropriate,
33 at the request of the property owner, reseeded, or causing the
34 reseeded of, any cleared areas on the property.

35 5. *a.* The owner of a community solar facility shall

1 a for-profit or nonprofit entity that owns or operates
2 one or more community solar facilities. The bill defines
3 "subscription" to mean a proportional contractual interest in a
4 community solar facility.

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

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

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

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

31 The bill requires the owner of a community solar facility to
32 have a decommissioning plan, including financial assurances.
33 The bill provides procedures and requirements for the
34 decommissioning of a community solar facility.

35 The bill requires an electric utility to file new or updated

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1 tariffs, if applicable, by January 1, 2027, to implement any
2 necessary changes resulting from the bill.