

Senate File 2399 - Reprinted

SENATE FILE _____
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 2325)
(SUCCESSOR TO SF 2133)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to renewable energy including the renewable
2 energy tax credit and the wind energy production tax credit
3 and including an effective date.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

5 SF 2399

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1 1 Section 1. Section 476B.1, subsection 4, paragraph c, Code
1 2 Supplement 2005, is amended to read as follows:

1 3 c. Was originally placed in service on or after July 1,
1 4 2005, but before July 1, ~~2008~~ 2009.

1 5 Sec. 2. Section 476B.5, subsection 1, paragraph e, Code
1 6 Supplement 2005, is amended to read as follows:

1 7 e. A copy of an executed power purchase agreement or other
1 8 agreement to purchase electricity upon completion of the
1 9 project. An executed interconnection agreement or

1 10 transmission service agreement shall be accepted by the board

1 11 under this paragraph if the owner of the facility has agreed

1 12 to sell electricity from the facility directly or indirectly

1 13 to a wholesale power pool market.

1 14 Sec. 3. Section 476B.5, subsection 3, Code Supplement

1 15 2005, is amended to read as follows:

1 16 3. A facility that is not operational within eighteen
1 17 months after issuance of an approval for the facility by the
1 18 board shall cease to be a qualified facility. However, a

1 19 facility that is approved as qualified under this section but

1 20 is not operational within eighteen months due to the

1 21 unavailability of necessary equipment shall be granted an

1 22 additional twelve months to become operational. A facility

1 23 that is granted and thereafter loses approval may reapply to

1 24 the board for a new determination.

1 25 Sec. 4. Section 476C.1, subsection 6, unnumbered paragraph

1 26 1, Code Supplement 2005, is amended to read as follows:

1 27 "Eligible renewable energy facility" means a wind energy

1 28 conversion facility, a biogas recovery facility, a biomass

1 29 conversion facility, a methane gas recovery facility, ~~or~~ a

1 30 solar energy conversion facility, or a refuse conversion

1 31 facility that meets all of the following requirements:

1 32 Sec. 5. Section 476C.1, subsection 6, paragraph d, Code

1 33 Supplement 2005, is amended to read as follows:

1 34 d. Was initially placed into service on or after July 1,

1 35 2005, and before January 1, ~~2011~~ 2012.

2 1 Sec. 6. Section 476C.1, subsection 8, Code Supplement

2 2 2005, is amended to read as follows:

2 3 8. "Heat for a commercial purpose" means the heat in

2 4 British thermal unit equivalents from refuse derived fuel,

2 5 methane, or other biogas produced in this state sold to a

2 6 purchaser of renewable energy for use for a commercial purpose

2 7 in this state or for use by an institution in this state.

2 8 Sec. 7. Section 476C.1, Code Supplement 2005, is amended

2 9 by adding the following new subsection:

2 10 NEW SUBSECTION. 12A. "Refuse conversion facility" means a

2 11 facility in this state that converts solid waste into fuel

2 12 that can be burned to generate heat for a commercial purpose

2 13 in this state.

2 14 Sec. 8. Section 476C.3, subsections 2, 3, 4, and 5, Code

2 15 Supplement 2005, are amended to read as follows:

2 16 2. The board shall review the application and supporting

2 17 information and shall make a preliminary determination
2 18 regarding whether the facility is an eligible renewable energy
2 19 facility. The board shall notify the applicant of the
2 20 approval or denial of the application within thirty days of
2 21 receipt of the application and information required. If the
2 22 board fails to notify the applicant of the approval or denial
2 23 within thirty days, the application shall be deemed denied
2 24 unless the application is placed on a waiting list as
2 25 described in subsection 5. An applicant who receives a

2 26 determination denying an application may file an appeal with
2 27 the board within thirty days from the date of the denial
2 28 pursuant to the provisions of chapter 17A. In the absence of
2 29 a timely appeal, the preliminary determination shall be final.
2 30 If the application is incomplete, the board may grant an
2 31 extension of time for the provision of additional information.

2 32 3. A facility that is not operational within ~~eighteen~~
2 33 thirty months after issuance of an approval for the facility
2 34 by the board shall cease to be an eligible renewable energy
2 35 facility. A facility that is granted and thereafter loses
3 1 approval may reapply to the board for a new determination.

3 2 4. The maximum amount of nameplate generating capacity of
3 3 all wind energy conversion facilities the board may find
3 4 eligible under this chapter shall not exceed ~~ninety one~~
3 5 hundred eighty megawatts of nameplate generating capacity.

3 6 The maximum amount of energy production capacity equivalent of
3 7 all other facilities the board may find eligible under this
3 8 chapter shall not exceed a combined output of ~~ten twenty~~
3 9 sixty-seven billion megawatts of nameplate generating capacity and one hundred
3 10 sixty-seven billion British thermal units of heat for a
3 11 commercial purpose. Of the maximum amount of energy

3 12 production capacity equivalent of all other facilities found
3 13 eligible under this chapter, fifty-five billion British
3 14 thermal units of heat for a commercial purpose shall be
3 15 reserved for an eligible facility that is a refuse conversion
3 16 facility for processed, engineered fuel from a multi-county
3 17 solid waste management planning area. The maximum amount of
3 18 energy production capacity the board may find eligible for a
3 19 single refuse conversion facility is fifty-five billion
3 20 British thermal units of heat for a commercial purpose.

3 21 5. The board shall maintain a waiting list of facilities
3 22 that may have been found eligible under this section but for
3 23 the maximum capacity restrictions of subsection 4. The
3 24 priority of the waiting list shall be maintained in the order
3 25 the applications were received by the board. The board shall
3 26 remove from the waiting list any facility that has
3 27 subsequently been found ineligible under this chapter. If
3 28 additional capacity becomes available within the capacity
3 29 restrictions of subsection 4, the board shall grant approval
3 30 to facilities according to the priority of the waiting list
3 31 before granting approval to new applications. An owner of a
3 32 facility on the waiting list shall provide the board each year
3 33 by August 31 with a sworn statement of verification stating
3 34 that the information contained in the application for
3 35 eligibility remains true and correct or stating that the
4 1 information has changed and providing the new information.

4 2 ~~5.~~ 6. An owner meeting the requirements of section
4 3 476C.1, subsection 6, paragraph "b", shall not be an owner of
4 4 more than two eligible renewable energy facilities. A person
4 5 that has an equity interest equal to or greater than fifty-one
4 6 percent in an eligible renewable energy facility shall not
4 7 have an equity interest greater than ten percent in any other
4 8 eligible renewable energy facility.

4 9 Sec. 9. Section 476C.5, Code Supplement 2005, is amended
4 10 to read as follows:

4 11 476C.5 CERTIFICATE ISSUANCE PERIOD.

4 12 A producer or purchaser of renewable energy may receive
4 13 renewable energy tax credit certificates for a ten-year period
4 14 for each eligible renewable energy facility under this
4 15 chapter. The ten-year period for issuance of the tax credit
4 16 certificates begins with the date the purchaser of renewable
4 17 energy first purchases electricity, hydrogen fuel, methane gas
4 18 or other biogas used to generate electricity, or heat for
4 19 commercial purposes from the eligible renewable energy
4 20 facility for which a tax credit is issued under this chapter.
4 21 Renewable energy tax credit certificates shall not be issued
4 22 for renewable energy purchased after December 31, ~~2020~~ 2021.

4 23 Sec. 10. EFFECTIVE DATE. Except for section 12 of this
4 24 Act relating to a proposal for a study on the transmission of
4 25 electricity, this Act takes effect January 1, 2007.

4 26 Sec. 11. TRANSITION PROVISIONS == APPLICABILITY.

4 27 1. The waiting list described in this Act is the waiting

4 28 list maintained by the Iowa utilities board for applications
4 29 for eligibility received prior to the effective date of this
4 30 Act.
4 31 2. As of the effective date of this Act, the section of
4 32 this Act amending section 476C.3, subsection 6, applies to all
4 33 facilities on the waiting list described by this Act
4 34 regardless of the date a facility applied for eligibility.
4 35 Sec. 12. PROPOSAL FOR TRANSMISSION STUDY. The utilities
5 1 board shall submit to the government oversight committee by
5 2 January 1, 2007, a proposal to conduct a study on the
5 3 transmission of electricity in Iowa. The proposal shall
5 4 include a description of the content to be studied which shall
5 5 include examining the reliability and limitations of the
5 6 primary grid system and the development of additional small
5 7 wind projects in all regions of the state. The content to be
5 8 studied shall also include issues related to the security of
5 9 Iowa's energy supply in the event of a national or local
5 10 emergency affecting the primary grid system. The proposal
5 11 shall include a description of the estimated time needed to
5 12 complete the study, an estimate of the cost to complete the
5 13 study, and any other information the board deems necessary.
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