

Office of Energy Independence Bill Senate File 471

Last Action:
House Appropriations
Committee
April 15, 2009

Executive Summary Only

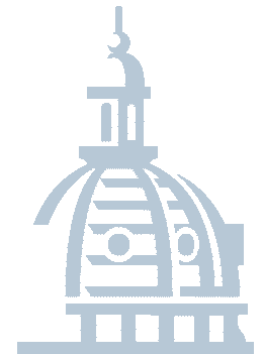
An Act relating to energy efficiency and renewable energy, including allocating appropriated amounts from the Iowa Power Fund to fund tax credits for innovative renewable energy generation components, transferring authority over specified energy-related measures and programs from the Department of Natural Resources to the Office of Energy Independence, and providing transition provisions relating to the transfer of authority.

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available on line at <http://www3.legis.state.ia.us/noba/index.jsp>

Fiscal Services Division

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**EXECUTIVE SUMMARY
NOTES ON BILLS AND AMENDMENTS**

**SENATE FILE 471
OFFICE OF ENERGY INDEPENDENCE**

BILL SUMMARY

- The Bill transfers authority over specified energy-related measures and programs from the Department of Natural Resources (DNR) to the Office of Energy Independence, including the State Energy Program (SEP), and provides transition provisions relating to the transfer of the authority.
- Permits the Office Director to use federal funds to employ personnel necessary to administer any program assigned to the Office, including employing employees transferred from the DNR in positions relating to the authority transferred under the Bill.
- Restricts the cost to administer federal funds to an amount equal to 5.0% of the federal funds.
- Requires the Office to eliminate any positions funded by the federal American Recovery and Reinvestment Act (ARRA) if funding from the ARRA is eliminated.
- Permits the Office Director to allocate \$1.0 million from the Iowa Power Fund to the Department of Economic Development (DED) to provide funding for the research activities tax credit relating to innovative renewable energy generation.
- Changes the names of the Energy Bank Program and the Energy Bank Fund to the Building Energy Management Program and Building Energy Management Fund, respectively.
- The Bill contains transition provisions, including:
 - Transfers monies retained in an account or fund under the control of the DNR to a comparable fund or account of the Office.
 - Continues any license, permit, or contract issued or entered into by the DNR pending transfer and assignment to the Office.
 - Continues any rule, regulation, form, order, or directive promulgated by the DNR relative to the provisions of the Bill until emergency rules are promulgated by the Office.
- The Office is currently authorized to use funds from the Iowa Power Fund to purchase private or public technical assistance needed to conduct due diligence activities and to address all technical, financial, and management processes associated with applications to the extent not financed by the applicant. The Office is also authorized to use monies from the Fund to research, develop, produce, and initiate implementation of the Energy Independence Plan. The Office uses a temporary staffing agency to perform work beyond the work performed by the 4.0 FTE positions currently authorized for the Office. The temporary employees are restricted to working 18 months and can not be hired again.
- The Office will receive approximately \$50.0 million in additional federal support to be used over an estimated three years. The amount of additional federal awards in the form of block grants and competitive awards is unknown. The administration share of the Iowa Power Fund and fees will be used to meet federal match requirements.

BACKGROUND

**EXECUTIVE SUMMARY
NOTES ON BILLS AND AMENDMENTS**

**SENATE FILE 471
OFFICE OF ENERGY INDEPENDENCE**

FISCAL IMPACT

- There is no fiscal impact to the General Fund from this Bill and the impact on other funds is displayed below. The table does not display the current operation of the Office and only displays the current SEP operations at the DNR and the use of additional federal funding.

	Current Law Estimated FY 2009	FY 2010	Estimated Inc. (Decrease)
Revenue			
Power Fund Match	\$ 123,000	\$ 131,000	\$ 8,000
Federal SEP	472,000	472,000	0
Federal ARRA Admin.	0	1,666,000	1,666,000
Fees	12,000	12,000	0
Carry-Forward Fees	220,000	211,000	(9,000)
Total Revenue	\$ 827,000	\$ 2,492,000	\$ 1,665,000
Expenditures			
Salaries and Benefits	\$ 323,000	\$ 1,920,000	\$ 1,597,000
Support	71,000	200,000	129,000
Contract Services	192,000	275,000	83,000
Travel and Supplies	30,000	45,000	15,000
Capital Outlay/Computers	0	50,000	50,000
Balance Forward	211,000	2,000	(209,000)
Total Expenditures	\$ 827,000	\$ 2,492,000	\$ 1,665,000
Net Effect	\$ 0	\$ -	\$ -
FTE Positions	3.00	24.00	21.00

- If additional federal funds become available, the Office may add additional staff and expenses.
- The Bill is effective on enactment.

EFFECTIVE DATE