

### **473.11 Energy conservation trust established receipts and disbursements.**

- a.* The energy conservation trust is created within the state treasury. This state, on behalf of itself, its citizens, and its political subdivisions accepts any moneys awarded or allocated to the state, its citizens, and its political subdivisions as a result of the federal court decisions and United States department of energy settlements resulting from alleged violations of federal petroleum pricing regulations and deposits the moneys in the energy conservation trust.
- b.* The energy conservation trust is established to provide for an orderly, efficient, and effective mechanism to make maximum use of moneys available to the state, in order to increase energy conservation efforts and thereby to save the citizens of this state energy expenditures. The moneys in the funds in the trust shall be expended only upon appropriation by the general assembly and only for programs which will benefit citizens who may have suffered economic penalties resulting from the alleged petroleum overcharges.
- c.* The moneys awarded or allocated from each court decision or settlement shall be placed in a separate fund in the energy conservation trust. Notwithstanding section 12C.7, interest and earnings on investments from moneys in the trust shall be credited proportionately to the funds in the trust.
- d.* Unless prohibited by the conditions applying to a settlement, the petroleum overcharge moneys in the energy conservation trust may be used for the payment of attorney fees and expenses incurred by the state to obtain the moneys and shall be paid by the director of the department of administrative services from the available moneys in the trust subject to the approval of the attorney general.
- e.* However, petroleum overcharge moneys received pursuant to claims filed on behalf of the state, its institutions, departments, agencies, or political subdivisions shall be deposited in the general fund of the state to be disbursed directly to the appropriate claimants in accordance with federal guidelines and subject to the approval of the attorney general.
- f.* The moneys deposited under section 473.16 in the general fund of the state shall be used for research and development of selected projects to improve Iowa's energy independence by developing improved methods of energy efficiency, or by increased development and use of Iowa's renewable nonresource-depleting energy resources. The moneys credited to the general fund of the state under section 556.18, subsection 3, shall be used for energy conservation and alternative energy resource projects. The projects shall be selected by the director and administered by the department. Selection criteria for funded projects shall include consideration of indirect restitution to those persons in the state in the utility customer classes and the utility service territories affected by unclaimed utility refunds or deposits.

Moneys deposited into the general fund of the state under sections 473.16, 476.51, and 556.18, subsection 3, are subject to the requirements of section 8.60.

2. The treasurer of state shall be the custodian of the energy conservation trust and shall invest the moneys in the trust, in consultation with the energy fund disbursement council established in subsection 3 and the investment board of the Iowa public employees' retirement system, in accordance with the following guidelines:

  - a.* To maximize the rate of return on moneys in the trust while providing sufficient liquidity to make fund disbursements, including contingency disbursements.
  - b.* To absolutely insure the trust against loss.
  - c.* To use such investment tools as are necessary to achieve these purposes.
3. An energy fund disbursement council is established. The council shall be composed of the governor or the

governor's designee, the director of the department of management, who shall serve as the council's chairperson, the administrator of the division of community action agencies of the department of human rights, a designee of the director of the department of natural resources who is knowledgeable in the field of energy conservation, and a designee of the director of transportation who is knowledgeable in the field of energy conservation. The council shall include as nonvoting members two members of the senate appointed by the president of the senate, after consultation with the majority leader and the minority leader of the senate, and two members of the house of representatives appointed by the speaker of the house, after consultation with the majority leader and the minority leader of the house. The legislative members shall be appointed upon the convening and for the period of each general assembly. Not more than one member from each house shall be of the same political party. The council shall be staffed by the department of natural resources. The attorney general shall provide legal assistance to the council.

The council shall do all of the following:

- a.* Oversee the investment of moneys deposited in the energy conservation trust.
  - b.* Make recommendations to the governor and the general assembly regarding annual appropriations from the energy conservation trust.
  - c.* Work with the department of natural resources in adopting administrative rules necessary to administer expenditures from the trust, encourage applications for grants and loans, review and select proposals for the funding of competitive grants and loans from the energy conservation trust, and evaluate their comparative effectiveness.
  - d.* Monitor expenditures from the trust.
  - e.* Approve any grants or contracts awarded from the energy conservation trust in excess of five thousand dollars.
  - f.* Prepare, in conjunction with the department of natural resources, an annual report to the governor and the general assembly regarding earnings of and expenditures from the energy conservation trust.
4. The director of the department of natural resources or the director's designee shall be the administrator of the energy conservation trust. The administrator shall disburse moneys appropriated by the general assembly from the funds in the trust in accordance with the federal court orders, law and regulation, or settlement conditions applying to the moneys in that fund, and subject to the approval of the energy fund disbursement council if such approval is required. The council, after consultation with the attorney general, shall immediately approve the disbursement of moneys from the funds in the trust for projects which meet the federal court orders, law and regulations, or settlement conditions which apply to that fund.
5. The following funds are established in the energy conservation trust:
- a.* The Warner/Imperial fund.
  - b.* The Exxon fund.
  - c.* The Stripper Well fund.
  - d.* The Diamond Shamrock fund.
  - e.* The office of hearings and appeals second-stage settlement fund.
6. The moneys in the fund in the energy conservation trust distributed to the state as a result of the federal

court decisions finding oil companies in violation of federal petroleum pricing regulations shall be expended expeditiously, until all the receipts are depleted and shall be disbursed for projects which meet the strict guidelines of the five existing federal energy conservation programs specified in Pub. L. No. 97-377, § 155, 96 Stat. 1830, 1919 (1982). The council shall approve the disbursement of moneys from the fund in the trust for other projects only if the projects meet one or more of the following conditions:

- a.* The projects meet the guidelines for allowable projects under a modification order entered by the federal court in the case involving Exxon corporation.
- b.* The projects meet the guidelines for allowable projects under a directive order entered by the federal court in the case involving Exxon corporation.
- c.* The projects meet the guidelines for allowable projects under the regulations adopted or written clarifications issued by the United States department of energy.
- d.* The projects meet the guidelines for allowable projects under the petroleum violation settlement agreement expenditure plan approved by the United States department of energy.

7. On June 30, 2003, the energy fund disbursement council established in subsection 3 shall be dissolved. At that time, the department of natural resources shall be responsible for the disbursement of any funds either received or remaining in the energy conservation trust. These disbursements shall be for projects and programs consistent with the allowable uses for the energy conservation trust. Also, at that time, and annually thereafter, the state department of transportation shall report to the department of natural resources on the status of the intermodal revolving loan fund established in the department. In the fiscal year beginning July 1, 2019, the department of natural resources shall assume responsibility for funds remaining in the intermodal revolving loan fund and disburse them for energy conservation projects and programs consistent with the allowable uses for the energy conservation trust.

93 Acts, ch 11, §13; 93 Acts, ch 131, §19; 94 Acts, ch 1107, §76, 77; 98 Acts, ch 1211, §2, 3; 2002 Acts, ch 1162, §6769; 2003 Acts, ch 145, §286