

Summary

2015 Major Iowa Energy Legislative Issues

Governor Terry Branstad – Republican
Iowa House – Republican majority (53R – 47D)
Iowa Senate – Democratic majority (26D – 24R)

1. **DISTRIBUTED GENERATION - IBEW “DISCONNECTION DEVICES”**

SIGNED INTO LAW

The IBEW brought forward, and the utility supported, a proposal (**HF-548**) that requires the installation of a disconnection device that is visible and accessible near the electric meter at DG facilities. The bill was approved by both chambers and was signed into law.

2. **ELECTRIC TRANSMISSION ‘RROW’ CLARIFICATION**

LEGISLATURE APPROVED – WAITING GOVERNOR’S SIGNATURE

ITC-Midwest successfully sought legislation in 2015 that would amend 476.27 (Railroad Rights-of-Way) in order for the transmission company to be specifically included in the chapter as: “... electric transmission owners primarily providing service to public utilities as defined in 476.1.” ITC-Midwest wanted to insure that electric transmission companies are subject to Iowa’s railroad rights-of-way statutes comparable to other public utilities defined in 476.1.

3. **EXPANSION OF RENEWABLE ENERGY TAX CREDITS**

LEGISLATURE APPROVED – WAITING GOVERNOR’S SIGNATURE

In the final hours of the session, the legislature did approve a comprehensive proposal that expands the availability of renewable energy tax credits and increases the current tax credit capacity for the 476C program. **Of special note, municipally-owned city utilities and rate-regulated utilities were added to already eligible electric cooperatives for 476C program participation.**

4. **FUNDING FOR DNR’S AIR BUREAU (Title V Fees)**

SIGNED INTO LAW

The Iowa Legislature did approve (**SF-488**) that establishes a new funding system for the Air Quality Bureau. This proposal was approved after many months of work by an industry stakeholder group that included large and small emitters. This issue was one of the utility industry’s priorities for the 2015 session.

5. **TAX EXEMPTION FOR NONRESIDENT UTILITY WORKERS**

LEGISLATURE APPROVED – WAITING GOVERNOR’S SIGNATURE

Alliant Energy was successful in seeking an individual income tax exemption for payments received by a nonresident utility worker performing emergency response work in Iowa or receiving training in Iowa.

6. **AT&T PROMOTES INCREASED WIRELESS SERVICE**

LEGISLATURE APPROVED – WAITING GOVERNOR’S SIGNATURE

In the final hours of the session, lawmakers combined bills that contained much of the Governor’s broadband access proposal and AT&T’s bill to encourage wireless deployment across Iowa. Utility lobbyists worked to insure that the bill would exempt “utility poles” from the structures that could be mandated to accommodate wireless transmitters.

7. PUBLIC HEARINGS REQUIRED FOR FRANCHISE FEE INCREASES

LEGISLATURE APPROVED – WAITING GOVERNOR’S SIGNATURE

The legislature did approve a new provision in Iowa’s franchise fee law that that requires a city to hold a public hearing prior to increasing the rate of a franchise fee.

8. TAX REDUCTION FOR LARGE GAS BY-PASS (ETHANOL) CUSTOMERS

NO ACTION

Ethanol interests did introduce a bill (**SF-248**) early in the session that would have removed gas by-pass customers from the utility replacement tax on natural gas deliveries. The bill did not receive any committee hearings as leaders waited for a decision on pending litigation before the Iowa Supreme Court. On April 10, 2015 the Court did rule against the ethanol plants in support of the utility replacement tax and, in a later decision, did refuse to hear an appeal by Little Sioux Ethanol.

9. BILLS TO RESTRICT “CLEAN LINE ENERGY” TRANSMISSION PROJECT AND “DAKOTA ACCESS” LIQUID PIPELINE PROJECT

DID NOT ADVANCE

Bills were not approved in 2015 that were intended to place further restrictions (roadblocks) on the development of Clean Line Energy’s high voltage transmission project across Iowa and the proposed Dakota Access liquid pipeline. The bills focused on the IUB’s process for granting a franchise for such projects.

10. TAX CREDITS FOR ELECTRIC/CNG VEHICLE FUELING FACILITIES

DID NOT ADVANCE

Bills (**HSB-216** & **SF-483**) in the House and Senate were not advanced that would have provided for a 30 percent tax credit for purchasing and installing electric and CNG vehicle fueling facilities.

11. BLACK HILLS SEEKS MODIFICATION OF CROSS-SUBSIDIZATION PROHIBITION

DID NOT ADVANCE

Black Hills Energy unsuccessfully promoted two proposals that would have modified Iowa’s cross-subsidization prohibition to allow the utility to provide HVAC services in conjunction with its Service Guard appliance repair services in communities of 10,000 or less. The proposals were not advanced by their respective chamber’s subcommittees.

12. UTILITY REPLACEMENT TAX REVENUES TO BE USED FOR ECONOMIC DEVELOPMENT PROJECTS – *Mitchell County*

NO ACTION

For a number of years, there has been interest from an economic development group from northern Iowa in seeking legislation that would allow new, local utility replacement tax revenues to be used to support bonds that would provide funding for certain area business development projects – including county natural gas pipeline development. Bills were introduced this year creating “Natural Gas Distribution Agencies” that could utilize revenue bonds for construction/installation of gas projects. The bonding is supported by the “incremental replacement taxes” that would be collected in that area.