



BILL & AMENDMENT SUMMARY

Clean Line Regulations HF 2448

Status of Bill: House Calendar
Committee: Government Oversight (passed Committee 8-1)
Lead Democrats: Rep. Lensing
Floor Manager: Rep. Kauffman
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Background

Rock Island Clean Line LLC (Clean Line) would like to build above ground electrical transmission lines from northwest Iowa to Illinois to specifically transmit wind energy to Illinois and the east coast. They are seeking approval from the Iowa Utilities Board (IUB) to do so. The procedures for the approval process are spelled out in Iowa Code chapter 478. These transmission lines would stretch across 16 counties (O'Brien, Clay, Palo Alto, Kossuth, Hancock, Wright, Franklin, Butler, Grundy, Black Hawk, Buchanan, Benton, Linn, Jones, Cedar, and Scott).

Clean Line held public informational meetings in August, November, and December of 2013, and Clean Line filed their petition with IUB on November 6, 2014. (Entities must wait at least 30 days after the last public informational meeting before filing a petition.) On January 11, 2016, IUB issued an order denying the motion to establish a procedural schedule with two separate, or bifurcated, phases filed by Clean Line on November 30, 2015. At this time no hearing date has been established.

This does not mean IUB is opposed to setting a procedural schedule in this matter. If Clean Line desires a schedule that includes a single hearing to address all issues, it can file an appropriate motion.

Summary

HF 2448 establishes regulations of an electrical transmission line, also known as a **merchant line**, which the bill defines as a high-voltage direct current electric transmission line which does not provide for the erection of electric substations at intervals of less than 50 miles, which substations are necessary to accommodate both the purchase and sale to persons located in Iowa of electricity generated or transmitted by the franchisee. In addition, **bifurcation** is defined as the conducting of two separate hearings when a petition involves the taking of property under eminent domain; one hearing is to consider whether the proposed line is necessary to serve a public use and represents a reasonable relationship to an overall plan of transmitting electricity in the public interest, and the other is to consider the granting of eminent domain authority.

A petitioner that petitions for a franchise to construct a merchant line is subject to the following new requirements:

- The IUB cannot permit bifurcation of a petition, and must reject any request by a petitioner for bifurcation.
- Only for sale and transfer of merchant line, by voluntary or judicial sale, it is prohibited to include the transfer of the franchise.
- If a petition, which involves eminent domain, is not approved by the IUB nor do they grant the franchise within two years following the date of the first informational meeting held in any county regarding the peti-

tion, then the IUB must reject the petition. A petitioner may not file a petition for the same or a similar project that has been rejected previously within five years of the date of rejection.

- The IUB is prohibited from considering a petition, which involves eminent domain, until a minimum of 75% of the easements needed to construct a project have been obtained voluntarily.
- When considering to approve a petition that involves eminent domain, the term **public** used in Chapter 478.3, subsection 3, is limited only to consumers in Iowa.

Subsection 3 of Chapter 478.3, Electrical Transmission Lines, Petition- requirements, states, "For the purpose of this section, the term "public" shall not be interpreted to be limited to consumers located in this state."

Effective Date and Applicability

The new regulations take effect upon enactment and is applicable to petitions filed on or after November 1, 2014, that have not been decided by the IUB on the effective date of the bill, and to petitions filed on or after the effective date of these provisions.

According to Rep. Kauffman, this will give the Clean Line project until November 1, 2016, to meet the requirements of the bill. However, according to IUB, Clean Line had their first informational meetings on August 20, 2013, which would then make their two year deadline of bullet three, from above, to be August 20, 2015. As a result, the current petition would automatically be terminated since that deadline has passed.

Amendments

H-8155 by Kaufmann (R). This amendment extends the time limit from two years to three years from the first informational meeting for IUB to reject a petition that involves eminent domain. This will give Clean Line until August of 2016 to be approved by IUB or granted the franchise.

H-8157 by Kaufmann. This amendment strikes the language regarding IUB's ability to consider a petition eminent domain is used, and a minimum number of easements needed to move forward. The new language states, that the IUB cannot grant a petition, which involves eminent domain, until a minimum of 75% of the easements needed to construct a project have been obtained voluntarily.