



IOWA HOUSE DEMOCRATS

AMENDMENT SUMMARY

Utilities Omnibus SF 2311

Status of Bill: House Floor

Committee: Commerce (14-8); Senate (27-23)

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Lead Democrat: Rep. Forbes

Floor Manager: Rep. Carlson

Amendment Summary

H-8268 (Commerce Committee Amendment): This amendment removes language from SF 2311 that would allow customers, REC's and Muni's to opt-out of energy efficiency and demand response plans. Additionally, the amendment strikes the arbitrary cap language, and creates an administrative procedure for the IUB to use when reviewing a utility's plan, budget, proposed modification or contested case proceeding.

The amendment maintains original language that allows REC's and Muni's to use automatic adjustment mechanisms in order to recover costs of an energy efficiency or demand response plan. However, gas or electric utilities are prohibited from recovering costs in excess of two percent of a customer's total billing statement from energy efficient or demand response plans. Additionally, the IUB must ensure that costs are recovered from all customers on a reasonably comparable basis, including customers utilizing alternate energy production facilities. [See Sections 9, 10, and 12 of attached chart].

H-8340 (Carlson): This amendment is a strike after, and makes the following changes to SF 2311:

- Deregulates IUB's oversight of Muni's discrimination against using renewable energy resources;
- Removes rate-regulated public utilities ability to file voluntary tariff or rate changes;
- Requires IUB to adopt rules mandating utilities to report transmission expenses and transmission-related activity;
- Amends Section 9 by requiring gas or electric utilities to limit administrative costs associated with the adoption of energy efficiency plans to 10% or less of the plan's total cost;
- Maintains customer or public utilities' inability to opt-out of any energy efficiency program;
- Removes Iowa Code language that: (1) requires utilities to assess maximum potential energy savings and projected customer usage through cost-effective energy efficiency programs; (2) requires utilities to establish energy efficiency goals; and (3) requires utilities to evaluate cost-effectiveness using a cost-effectiveness test and report findings to the Board;
- Maintains gas utilities requirement to limit cap of cumulative annual energy efficiency costs at 1.5% of the gas utility's annual customer revenue; electric utilities must cap cumulative annual energy efficiency costs at 2% of the electric utility's annual customer revenue; and (3) electric utilities must cap cumulative annual demand response costs at 2% of the electric utility's annual customer revenue;
- Public utilities would be required to file energy efficiency or demand response plans to the Board no later than October 31, 2018;

- Board required to approve, reject, or modify filed plans no later than March 31, 2019. If the board fails to approve, reject or modify any plan that was filed prior to the enactment date, before the new deadline, the plan will be automatically terminated;
- Public utilities must represent energy efficiency or demand response as a separate cost or expense in customer billing statements;
- Currently, Iowa law prohibits a municipality, corporation, or cooperative from considering a customer's use of renewable energy as a basis for establishing discriminatory rates or charges. This amendment would allow municipalities to discriminate through special rates and charges for users, as long as the difference in rates is based on the difference in service cost and anticipated energy use;
- Removes right of first refusal language from the bill;
- Narrows the IUB's use of future test year during a rate proceeding. The IUB must conduct a proceeding after the new rate's effective date to determine whether the actual costs are reasonably consistent with the utility's prediction. If the actual cost is not reasonably consistent with the prediction, the Board will adjust rates accordingly.
- The Economic Development Authority must conduct a study of electronic vehicle infrastructure support to evaluate costs and benefits associated and report findings to the General Assembly.

[See sections 5&6, 8, 9, 10, 12, 14, 15, 17, and 18 of attached chart]

H-8346 to H-8340 (Watts): Amends H-8340 to completely abolish the Office of Consumer Advocacy from the Iowa Code. As a result, all consumer complaints/issues with public utilities would be funneled through the Iowa Utilities Board. The amendment also contains alternative energy production facility provisions related to net metering in amendment H-8355. *[See H-8355 on pg. 3 of this handout].*

H-8356 to H-8340 (Watts): Amends H-8340 to completely abolish the Office of Consumer Advocacy from the Iowa Code. As a result, all consumer complaints/issues with public utilities would be funneled through the Iowa Utilities Board.

H-8358 to H-8340 (Watts): Amends H-8340 by clarifying references to the Iowa Energy Center, which is now under the Economic Development Authority instead of the Board of Regents. *[See Section 4 of attached chart.]*

H-8406 to H-8340 (Watts): Amends H-8340 by removing funding provisions for the Center for Global and Regional Environmental Research program. *[See Sections 4, 5 and 15 of attached chart.]*

H-8350 to H-8340 (Carlson): This amendment makes the following adjustments to H-8340:

- Strikes Muni's and REC's requirement to file energy efficiency plans and results.
- Allows Muni's to discriminate against renewable energy resources and removes utilities' requirement to file energy efficiency plans with the IUB.
- Requires public utilities to submit five-year energy efficiency plans.
- Removes demand response for public utilities' energy efficiency plans.
- Clarifies that IUB must ensure costs are recovered from all customers on a reasonably comparable basis, including those utilizing alternate energy production facilities that were installed prior to December 31, 2018.
- Modifies future test year provisions to allow the IUB to determine whether actual costs and revenues are reasonably consistent with those approved. If the IUB determines the actual cost and revenue is not reasonably consistent, then the Board must adjust rates accordingly.

[See Sections 4, 5, 9, 12 and 18 of attached chart]

H-8359 to H-8340 (Carlson): Amends H-8340 with the following actions:

- Removes utility energy efficiency filing requirements with the Board.
- Allows Muni's to discriminate against renewable energy resources and removes utilities' requirement to file energy efficiency plans with the IUB.
- Changes requirement for public utilities to submit energy efficiency plans to five-year plans.
- Removes the demand response for energy efficiency plans for public utilities.
- Clarifies that IUB must ensure costs are recovered from all customers on a reasonably comparable basis, including those utilizing alternate energy production facilities that were installed on or after January 1, 2019.
- Modifies future test year provisions to allow the IUB to determine whether actual costs and revenues are reasonably consistent with those approved. If the IUB determines the actual cost and revenue is not reasonably consistent, then the Board must adjust rates accordingly.

[See Sections 4, 5, 9, 12 and 18 of attached chart]

H-8379 to H-8340 (Carlson): This amendment makes the following adjustments to H-8340:

- Strikes Muni's and REC's requirement to file energy efficiency plans and results.
- Allows Muni's to discriminate against renewable energy resources and removes utilities' requirement to file energy efficiency plans with the IUB.
- Requires public utilities to submit five-year energy efficiency plans.
- Removes demand response for public utilities' energy efficiency plans.
- Clarifies that IUB must ensure costs are recovered from all customers on a reasonably comparable basis, including those utilizing alternate energy production facilities that were installed on or after January 1, 2019.
- Requires the IUB to approve rate-regulated gas or electric utilities ratepayer refund schedules filed in response to the Tax Cuts and Jobs Act of 2017 by May 1, 2018.
- Modifies future test year provisions to allow the IUB to determine whether actual costs and revenues are reasonably consistent with those approved. If the IUB determines the actual cost and revenue is not reasonably consistent, then the Board must adjust rates accordingly.

[See Sections 4, 5, 9, 12 and 18 of attached chart]

H-8381 to H-8340 (Carlson): The only difference between this amendment and H-8379 is the deadline for the IUB to approve rate-regulated gas or electric utilities ratepayer refund schedules filed per the Tax Cuts and Jobs Act of 2017. The deadline for IUB approval under this amendment is May 15, 2018. *[See Sections 4, 5, 9, 12 and 18 of attached chart.]*

[See Sections 4, 5, 8, 9, 12 and 18 of attached chart]

H-8365 to H-8340 (Forbes): This secondary amendment maintains current law that prohibits municipalities from discriminating against a customer with higher rates if the customer uses renewable energy sources. Renewable energy sources include but are not limited to: solar, wind, and conversion of waste to methane gas and liquid fuels. *[See Sections 5 and 17 of attached chart]*

H-8380 to H-8340 (Heaton): This amendment removes public utilities' ability to automatically adjust rates to recover transmission costs incurred by the utility. *[See Section 8 of the attached chart.]*

H-8345 to H-8340 (Watts): Amends H-8340 to reinsert language that would allow utility customers to opt-out of their energy efficiency or demand response plan. *[See Section 9 of attached chart.]*

H-8344 to H-8340 (Watts): This amendment removes the utilities 10% administrative cost recovery cap for energy efficiency or demand response plans. *[See Section 9 of attached chart.]*

H-8367 to H-8340 (Forbes): This amendment removes gas and electric utilities' arbitrary annual spending cap for energy efficiency plans. This amendment also maintains the Office of Consumer Advocacy as oversight and removes IUB requirement to recover costs on a 'reasonably comparable basis'. *[See section 12 of attached chart].*

H-8414 to H-8340 (Carlson): This amendment makes the following changes to H-8340:

- Strikes Muni's and REC's requirement to file energy efficiency plans and results.
- Allows Muni's to discriminate against renewable energy resources and removes utilities' requirement to file energy efficiency plans with the IUB.
- Requires utilities to have automatic adjustment rates and charges filed and approved by the IUB prior to implementing new charges. Additionally, the IUB must approve the utilities' filed rate schedule prior to utilities raising rates in order to recover energy and transmission costs.
- Reinserts language that permits customers to opt-out of energy efficiency programs and allows utilities to request an energy efficiency modification plan. Additionally utilities would be required to file a five-year energy efficiency or demand response plan with the IUB.
- Reinserts language that places an arbitrary utility spending cap on energy efficiency programs at 1.5% for gas and 2% for electric utilities.
- Requires the IUB to approve rate-regulated gas or electric utilities ratepayer refund schedules filed in response to the Tax Cuts and Jobs Act of 2017 by May 1, 2018.
- Modifies future test year provisions to allow the IUB to determine whether actual costs and revenues are reasonably consistent with those approved. If the IUB determines the actual cost and revenue is not reasonably consistent, then the Board must adjust rates accordingly.

[See Sections 4, 5, 8, 9, 12 and 18 of attached chart]

H-8348 to H-8340 (Watts): This amendment removes the January 1, 2019 deadline for utilities to include energy efficiency or demand response costs in customer billings. *[See section 12 of attached chart.]*

H-8366 to H-8340 (Forbes): This amendment requires rate regulated utilities to offer program financing to qualified customers. *[See section 13 of attached chart].*

H-8357 to H-8340 by (Watts): Amends H-8340 to allow a public utility or municipally owned utility to construct, own, and maintain an electric transmission line. *[See section 17 of attached chart]*

H-8355 to H-8340 (Watts): Amends H-8340 by adding provisions related to alternative energy production facilities, and defining "avoided cost" as the cost an electric utility would incur had the utility generated electricity purchased through a net metering agreement or from another source. This amendment also defines "net metering" as the interconnection between an alternative energy production or small hydro facility and an electric utility where the onsite electricity's production or consumption offsets electricity otherwise produced by the facility and is transferred to the utilities grid.

The following are conditions required for public utilities to purchase electricity from an alternative energy production or small hydro facilities through net metering agreements:

- Net metering of one megawatt of nameplate generating capacity, to offset up to 100% of a net-metered customer's load.
- Net metering must be available to all customer classes, providing that each customer's generation only offset energy charges, and will not offset customer charges or demand charges.

- The utility provides for an annual cash-out of net excess generation, or excess credits, at a rate that is based upon, and does not exceed, the utilities' avoided cost. The annual cash-out must occur during the calendar year's first billing cycle. The funds from the cash-out must be equally divided between the customer and the utility to provide assistance to qualified customers.

[See Section 18 of attached chart]

H-8349 to H-8340 (Watts): Amends H-8340 by striking the electric vehicle study.

H-8334 to SF 2311 (Isenhart): This amendment creates and defines energy investment districts. Cities and counties may jointly, or separately, establish an energy investment district to provide financing for energy investment projects that benefit private property located in the district. Energy investment is defined as an acquisition, installation or modification that benefits private property and allows for the use of alternate or renewable energy. The amendment establishes a governing body (board) that manages and administers the district.

Additionally, a board may finance a project if the following requirements are met: (1) sufficient resources exist to complete the project; (2) the estimated monetary benefit is equal or greater than the project's cost; and (3) the project complies with all local safety ordinances and regulations. The board must finance the project under an assessment contract that is executed by the board and the property owner(s). The contract must include the following components: (1) project description with the estimated cost and savings; (2) a mechanism for verifying final project costs; (3) the property owner agrees to pay special assessments and applicable fees during the project; (4) an assessment schedule; (5) a statement confirming future property owners will be contractually obligated to the project; (6) acknowledgement that the property's subdivisions will divide the special assessment's total or incurred fees; and (7) consent from all property mortgagors or contract sellers to the levy and collection of special assessments and charged fees.

Special assessments levied by the board are prohibited from exceeding the total cost of the project. Special assessment or fees that are not paid within the time specified under the contract would be considered delinquent and would become a property lien.

This amendment creates new sections in Iowa Code that authorizes a board to issue bonds payable from the special assessment proceeds and provide the city or county's governing body an annual report on the project's status. [See Sections 1 & 2 of attached chart.]

H-8330 to SF 2311 (Isenhart): This amendment requires public utilities that automatically adjust rates to recover transmission costs to represent the increase/decrease percentage change from existing rates in the customer's billing statement. [See Section 8 of attached chart.]

H-8306 to SF 2311 (Vander Linden): This amendment removes section 17 of the bill, which would maintain current law and prohibit utilities from considering a customer's use of renewable energy as a basis for establishing discriminatory rates or charges. Additionally, existing utility transmission owners in Iowa would not have the right of first refusal to construct and own new projects within their service territories. [See Section 17 of attached chart.]

H-8331 to SF 2311 (Isenhart): This amendment requires utilities to comply with utility service cost disclosures pertaining to existing or prospective property renters. Currently, Iowa Code states utilities must comply with utility cost disclosures regarding current or prospective property owners.

Additionally, a new section is created that requires a landlord to disclose to a prospective tenant, in writing, prior to entering into a tenant agreement, the utility costs for the property. The information would be based on a preceding twelve-month period and provided to the landlord/property owner for free. Landlords who fail to provide a disclosure statement within seven days or misrepresents utility service costs on a disclosure

statement would be subject to a civil penalty of \$500. The penalty would be remitted to the division of community actin agencies and deposited into the energy crisis fund. [See Section 18 of attached chart.]

H-8424 to H-8340 (Isenhart): This amendment requires public utilities that automatically adjust rates to recover transmission costs to represent the increase/decrease percentage change from existing rates in the customer's billing statement. [See Section 8 of attached chart.] (1)

H-XXXX to H-8340 (Isenhart): This amendment creates and defines energy investment districts. Cities and counties may jointly, or separately, establish an energy investment district to provide financing for energy investment projects that benefit private property located in the district. Energy investment is defined as an acquisition, installation or modification that benefits private property and allows for the use of alternate or renewable energy. The amendment establishes a governing body (board) that manages and administers the district.

Additionally, a board may finance a project if the following requirements are met: (1) sufficient resources exist to complete the project; (2) the estimated monetary benefit is equal or greater than the project's cost; and (3) the project complies with all local safety ordinances and regulations. The board must finance the project under an assessment contract that is executed by the board and the property owner(s). The contract must include the following components: (1) project description with the estimated cost and savings; (2) a mechanism for verifying final project costs; (3) the property owner agrees to pay special assessments and applicable fees during the project; (4) an assessment schedule; (5) a statement confirming future property owners will be contractually obligated to the project; (6) acknowledgement that the property's subdivisions will divide the special assessment's total or incurred fees; and (7) consent from all property mortgagors or contract sellers to the levy and collection of special assessments and charged fees.

Special assessments levied by the board are prohibited from exceeding the total cost of the project. Special assessment or fees that are not paid within the time specified under the contract would be considered delinquent and would become a property lien.

This amendment creates new sections in Iowa Code that authorizes a board to issue bonds payable from the special assessment proceeds and provide the city or county's governing body an annual report on the project's status. [See Sections 1 & 2 of attached chart.] (2)

H-8423 to H-8340 (Isenhart): This amendment prohibits the IUB from approving any energy efficiency or demand response plan that provides or results in a cross-subsidy between customer rate classes. [See Section 12 of attached chart]. (4)

H-XXXX to H-8340 (Isenhart): This amendment requires the IUB to permit gas or electric utilities to provide energy efficiency or demand response plans with investment returns exceeding up to 9% of the utility's current or previously approved plan's revenue. These investments, including the return allowed by the IUB, must be cost-effective. [See Section 12 of attached chart]. (5)

H-8425 to H-8340 (Staed): This amendment relates to the creation of an extreme protective order against a person who presents a significant danger to themselves or others. An extreme protective order allows courts to temporarily prohibit a person from having guns if law enforcement, a person they are in an intimate relationship with or family members show that they pose a significant danger to themselves or others. The bill defines "family member" as a spouse, a person who is cohabiting, a parent, or another blood relative. (6)

H-XXXX to H-8340 (Isenhart): This amendment contains the same amendment language as H-8355 (Watts) on pg. 4 with the exception of a utility's annual cash-out. Here, the utility's annual cash-out must occur at the discretion of the customer rather than the start of an annual billing cycle. The funds from the cash-out must be equally divided between the customer and the utility to provide assistance to qualified customers. (7)

H-8435 to H-8340 (Bennett): This amendment requires the Iowa Utilities Board, in consultation with relevant stakeholder groups, to conduct a long-term study on the bill's energy policy impact towards minorities, rural residents, elderly, low-income and disabled Iowans....and to report findings to the General Assembly by January 19, 2019. (9)

H-8415 to H-8340 (Kressig): Creates an energy related task force made up of at least representatives from Iowa Utility Board, Office of Consumer Advocacy, and delegates from both the majority and minority from the Iowa House and Senate to submit recommendations regarding the effectiveness of Iowa's current energy policies to the governor and general assembly no later than January 19, 2020. (10)

H-8420 to H-8340 (Ourth): Delays the bill's enactment clause until the Office of Consumer Advocacy, in collaboration with the Iowa Utilities Board, reports to the General Assembly the bill's impact on rural, elderly, low-income, minorities, and disabled Iowans. (12)

H-8434 to H-8340 (Kearns): Requires all utilities to provide equal energy rates, discounts and tax credits to all Iowans. (In other words, if Mid-American or Alliant energy is going to give a big corporate discount/provide a significantly lower corporate utility rate to big industries....then the utilities should be required to offer the same discount to middle income Iowan consumers)(13)

H-8432 to H-8340 (R. Smith): Requires all utilities to not perform rate discrimination and maintain energy financing to low-income Iowa consumers. (14)

H-8418 to H-8340 (Steckman): Requires the IUB to annually identify population centers within Iowa counties containing lower income, elderly, disabled, and minority consumers and require all utilities servicing the area to reassess energy assistance and perform outreach to ensure consumers accessibility to energy programs. (15)

H-8429 to H-8340 (Wolfe): Requires all utilities to provide written notice to every energy consumer describing the impact of this bill and provide an assessment of the potential rate increases and charges to the consumer's utility bill. (16)

H-8427 to H-8340 (Mascher): Delays the enactment date until Office of Consumer Advocacy is adequately prepared/has a procedure in place to adequately address potential consumer complaints regarding increases in utility rates/charges. (17)

H-8416 to H-8340 (Gaskill): Prohibits deregulating or discontinuing any energy assistance program until the Iowa Utilities Board has notified the General Assembly of the energy policy impact on low-income, elderly, disabled, minorities, and rural Iowans. (18)

H-8419 to H-8340 (Anderson): Delays the enactment date until the General Assembly has learned from Legislative Services Agency a cost comparison of other states that have passed similar legislation while determining costs associated implementing this bill to low income, elderly, disabled, minorities and rural Iowans. (19)

H-8417 to H-8340 (Hunter): Requires municipal utility companies to be subjected to a random audit regarding automatic rate adjustments/increases in consumer costs and report to the Iowa Utility Board and Office of Consumer Advocacy how the utility increase in funds is being spent. (20)

H-8426 to H-8340 (Hunter): Requires all municipal utility companies to compensate their employees on an equal payment scale and to not consider race or gender when determining employee wages. (21)

H-8430 to H-8340 (Mascher): Creates an independent agency for the reporting of sexual harassment

H-8433 to H-8340 (Steckman): Requires the party or individual to pay for sexual harassment claims.

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