A BILL FOR

1 An Act establishing an incentive program applicable to
2 specified wind energy production facilities.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
Section 1. NEW SECTION. 476.43A Wind energy incentive program.
1. A wind energy production facility with a nameplate generating capacity of less than or equal to twenty megawatts which seeks to enter into an interconnection and power sales agreement with an electric utility may submit an application for approval to the board. The board shall develop an application form and establish approval criteria by rule.
2. a. Eligibility for the program shall be contingent upon the following:
   (1) Constructing the facility on agricultural land in this state as defined in section 9H.1.
   (2) Having applied for or obtained the necessary financing to cover facility construction and operation costs.
   (3) Completing a standard interconnection request form established by the board by rule.
   b. Notwithstanding the ownership or maximum purchase requirements of section 476.44, an electric utility shall interconnect with a facility which is approved by the board for participation in the program and shall purchase energy from that facility at the rates approved in the standard offer contract filed pursuant to subsection 3 with the board. However, an electric utility shall not be required to purchase an amount of energy from new program participants in a given year which exceeds fifty percent of the electric utility's retail sales growth during the previous year.
3. a. The board shall develop a standard offer contract form to facilitate interconnection between an electric utility and a program participant. The form shall be subject to biannual review and periodic adjustment by the board with respect to new program participants. The board shall require all electric utilities to file with the board standard offer contracts consistent with the form, subject to modification and approval by the board. Electric utilities shall make the contracts available to any approved program participant.
1 Standard offer contracts shall continue in effect for a
ten-year period or until construction and financing costs of
the facility have been recovered, whichever is earlier, may be
renewed, and shall be subject to termination provisions for
failure to perform, to be established by the board by rule.

b. The standard offer contracts shall be calculated on
a kilowatt-hour basis, and shall be based on each utility’s
cost, inclusive of its required rate of return, for the new
development of wind technology.

c. Until the owner of the facility has recovered all
construction and financing costs incurred in construction
of the facility through electricity sales to the utility,
electricity generated by the facility shall be fully
transmitted to the utility and not available to the owner of
the facility for utilization on-site.

4. Standard offer contracts shall be in lieu of rates
otherwise determined by the board pursuant to section 476.43.
An unsuccessful applicant, or a wind energy production facility
with larger than twenty megawatts of nameplate generating
capacity, shall be governed by the rates established in section
476.43.

5. The board shall submit a report to the general assembly
by January 1 annually regarding participation levels and
program results.

EXPLANATION
This bill establishes a wind energy incentive program
applicable to wind energy production facilities approved for
participation in the program.
The bill provides that a wind energy production facility
with a nameplate generating capacity of less than or equal
to 20 megawatts which seeks to enter into an interconnection
and power sales agreement with an electric utility may submit
an application for approval to the Iowa utilities board. To
be eligible to apply for the program, a facility must be
constructed on land suitable for use in farming, have applied
for or obtained the necessary financing to cover facility
construction and operation costs, and complete a standard
interconnection request form established by the board by rule.
The bill provides that notwithstanding the ownership or
maximum purchase requirements of Code section 476.44, an
electric utility shall be required to interconnect with a
facility approved by the board for the program, but shall not
be required to purchase an amount of energy from new program
participants in a given year which exceeds 50 percent of its
retail sales growth during the previous year.
The bill directs the board to develop a standard offer
contract form to facilitate interconnection between an electric
utility and a program participant, which shall be subject to
biannual review and periodic adjustment by the board with
respect to new program participants. All electric utilities
shall file with the board standard offer contracts consistent
with this form, subject to modification and board approval, and
shall make these contracts available to any approved program
participant. The bill provides that standard offer contracts
shall continue in effect for the earlier of 10 years, or the
date by which the facility owner has recovered construction and
financing costs, are renewable, and are subject to termination
provisions for failure to perform to be established by the
board by rule.
The bill provides that purchases of electricity under the
standard offer contracts shall be calculated on a kilowatt-hour
basis, and shall be based on each utility's cost, inclusive of
its required rate of return, for the new development of wind
technology. Until the owner of the facility has recovered all
construction and financing costs incurred in construction of
the facility, the bill provides that all electricity generated
by the facility shall be fully transmitted to the utility and
not available to the owner of the facility for utilization
on-site.
The bill states that standard offer contracts shall be
in lieu of alternate and renewable energy rates otherwise determined by the board pursuant to Code section 476.43, and that an unsuccessful applicant, or an alternate energy production facility with larger than 20 megawatts of nameplate generating capacity, shall be governed by the Code section 476.43 rates.

The bill requires the board to submit a report to the general assembly by January 1 annually regarding program participation levels and results.