

Iowa Environmental Council
ENERGY & GLOBAL WARMING SOLUTIONS
2011 State Legislative Summary
July 11, 2011

During the 2011 Legislative Session the Iowa Environmental Council provided guidance to legislators on proposed policies that would promote the creation of clean energy, clean energy jobs in Iowa, and state policies that would have helped reduce air pollution in Iowa cities.

If you've been an Action Alert volunteer for the Council in past years you may have also noticed that many more attempts were made this year, than in other recent years, to undermine state water quality safeguards, clean air protections, habitat protection and conservation funding. One House resolution extended state legislators reach into federal policy by advocating for no action by either Congress or the EPA to control greenhouse gas emissions. A lot of our time was spent fighting bad bills. 2011 was the first of a two year session. With the same legislators returning next year, we can expect that in six months we may see many of these bills resurface.

All Iowans owe a huge debt of gratitude to those who took the time to let decision makers know that caring for natural resources is key to sustaining our lives and those of future generations.
THANK YOU ACTION ALERT VOLUNTEERS!

Below is a snapshot of a few key energy bills and their status, now that the 2011 Legislature has adjourned...

Wind and Renewable Energy ... The legislature passed and Gov. Branstad signed a bill to improve Iowa's 476B (Wind Energy Tax Credit) and 476C (Renewable Energy Tax Credit) programs. HF 672 was a must-pass bill, as one provision extends the eligibility for the tax credit programs for 3 years (it was originally scheduled to end at the end of 2011, cutting off a lot of projects that were eligible but not constructed). The bill also includes some important but watered down policy intent language regarding renewable energy.

Solar and Small Wind ... The Senate passed a bill, SF 516, to provide an upfront and refundable 30% tax credit to homeowners and small businesses who install a solar photovoltaic (PV), solar hot water, or small wind renewable energy system. This incentive would help spur installation of many more solar and wind systems and provide a boost to the jobs and businesses in this growing industry. The bill moved forward with bipartisan support and a floor vote of 49-1. The House made some minor modifications to the bill and moved it out of committee with bipartisan support, but ultimately failed to take up the bill for a final vote. The bill remains alive for consideration next session.

Nuclear Energy ... While the Council decided in 2010 not to take a position for or against nuclear energy technology, a bad piece of legislation related to nuclear energy was introduced this session. The bill contains the following provisions:

- Exempts nuclear from the 'reasonable alternative' planning requirements. In other words, regulators could not deny an application to build a plant just because they find the proposal to be unreasonable compared to other alternatives.
- Requires ratepayers to pay most or all costs upfront, before a plant generates electricity. None of this money is refunded if the plant is not built or never produces electricity.

- Significantly constrains how the Iowa Utilities Board would review the plant – essentially ties the hands of regulators. Also limits judicial review by the courts.

Our concern with this legislation was that it is so favorable for nuclear that would harm efforts to move forward with solar, wind, and energy efficiency – existing Council priorities. Too many risks and costs are shifted from MidAmerican and its shareholders to Iowa ratepayers. We worked with a coalition of groups to make changes to the bill and to encourage alternatives (e.g., the solar and wind legislation above). The House passed the bill, but passage in the Senate failed. The bill remains alive and could be considered next session.

Passenger Rail ... The House passed bills to claw back money appropriated in previous years to match federal funding to extend passenger rail service from Iowa City to the Quad Cities and ultimately to Chicago. A \$6.5M appropriation from last year was de-appropriated, but several appropriations before that were not de-appropriated. Of the \$20M match that Iowa needs to provide, \$5M is still provided. The language expressing the legislature's intent to provide the balance of the \$20M match remains.