

Senate Sends Electricity Generation Bill to Governor

The Senate passed legislation intended to encourage utilities to plan for a low-carbon environment. The bill will now go to the Governor for his signature.

House File 2399 states that it is the intent of the General Assembly that future reliability of electricity generation requires that utilities consider:

- Diversity of types of fuel used to generate power.
- Availability and reliability of various fuel supplies.
- Price volatility of various fuel supplies.
- Alteration of facilities to manage emissions to facilitate transition to a carbon-constrained environment.
- Analysis of the possible construction of nuclear power facilities that would be beneficial in a carbon-constrained environment.

Even taking into account Iowa's aggressive construction of wind turbines and retrofitting of existing plants to reduce emissions, it is unlikely that Iowa utilities will be able to meet carbon reduction proposals being considered by the federal government without relying on nuclear energy to some extent.

House File 2399 specifically provides for MidAmerican Power to begin an analysis of the possibility of constructing a nuclear power plant.

MidAmerican will be allowed to recover its reasonable and prudent planning costs, as approved by the Iowa Utilities Board (IUB), over a 36-month period, with a rate increase not to exceed 0.5% of its 2009 billed revenue.

The IUB will conduct a regular rate making proceeding allowing for public comment on MidAmerican's proposal.

MidAmerican must submit its plan to the IUB before December 31, 2013. It must file such information as the IUB deems necessary, including annual reports identifying and explaining its expenditures.