**April 3, 2016**

**From The Preservation of Rural Iowa Alliance - HF 2448**

Representative Kaufmann is expecting the bill to be debated either Tuesday afternoon or Wednesday of this week (April 3, 2016). He has asked that we reach out to people across the state to contact Senators and Representatives.

The first task will be getting the bill passed in the Iowa house so we should focus on our representatives initially. Do not be afraid of contacting Senators to let them know about the bill in the house.

**Important points:**

* Our organization has been working with the House Oversight Committee to draft language to address high-voltage direct current power lines being erected across the state of Iowa by private companies for purely economic development reasons.
* It is the Alliances belief that private companies simply moving a commodity (in this case electricity) through the state of Iowa to be used by people in other states should be treated differently than utilities. In particular these companies building merchant lines should not be afforded the right of eminent domain to the same extent as a utility.
* Iowa must develop a statutory framework to balance private landowner rights against the economic development interests of private companies wanting to build electrical lines for purely economic gain.
* The legislation authored by the House Oversight Committee sets up a statutory framework to create such a balance between private companies building merchant lines and Iowa private landowners. HF 2448 does not forbid a company from requesting the power of eminent domain to construct a merchant line but it does put limitations on the extent of the proposed line that may be condemned. In particular, the bill requires the petitioner to have acquired at least 75% of the route voluntarily before the utilities board may even consider their petition.
* Iowans should not have to live with a potential condemnation and/or construction of huge high-voltage lines on their property for an indefinite amount of time. The bill specifically addresses the length of time that a petitioner can keep their filing open with the utilities board. The bill accomplishes this by requiring the utilities board to grant a franchise within two years of the first County informational meeting held by the petitioner.
* The bill also changes the definition of public that the utilities board must apply when determining public interest or benefit. When reviewing a petition for construction of a merchant line, the board must only consider consumers located in Iowa as compared to consumers both inside and outside of Iowa.
* We want our members to ask for the legislator’s support of the legislation so that we can there is sufficient guidance to the utilities board when they are faced with a petition to construct a merchant line.

**Full explanation of the bill as provide by our lobbyists:**

This bill adds provisions in Code chapter 478 applicable to merchant transmission lines.

The bill defines a “merchant line” to mean 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.

The bill defines “bifurcation” to mean 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 or lines are 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.

The bill specifies several requirements, limitations, or restrictions applicable to merchant lines, in addition to any other applicable provisions in Code chapter 478. The bill provides that the Iowa utilities board shall not permit the bifurcation in any manner of a petition for a franchise to construct a merchant line, and shall reject any request by such a petitioner asking for bifurcation. The bill also provides that the sale and transfer of a merchant line, by voluntary or judicial sale or otherwise, shall not carry with it the transfer of the franchise.

The bill additionally provides that if a petition for a franchise to construct a merchant line that involves the taking of property under eminent domain is not approved by the board and a franchise granted within two years following the date of the first informational meeting regarding the petition held in any county, the board shall reject the petition and make a record of the rejection. If this occurs, the bill provides that a petitioner may not file a petition for the same or a similar project within 60 months following the date of rejection.

The bill further provides that the board shall not consider a petition for a franchise to construct a merchant line that involves the taking of property under eminent domain until a minimum of 75 percent of the easements necessary to construct the project have been obtained voluntarily and that in considering whether to grant a petition for a franchise to construct a merchant line that involves the taking of property under eminent domain under Code section 478.3, the term “public” shall be interpreted to be limited to consumers located in Iowa.

The bill takes effect upon enactment and is applicable to petitions for franchise filed on or after November 1, 2014, that have not been approved by the board on the bill’s effective date and to petitions for franchise filed on or after the bill’s effective date.