

SUPREME COURT OF IOWA

Mathis v. Iowa Utilities Board

Mathis v. Iowa Utilities Board · No. No. 18-1184 · Decided May 3, 2019

SUMMARY

The Iowa Supreme Court reviewed whether a 170-turbine wind energy project constituted an electric power generating facility at a single site under Iowa Code section 476A.1(5), requiring a certificate from the Iowa Utilities Board. The court held that the statutory term "single site" was ambiguous and that the Board's longstanding common-gathering-line interpretation was not erroneous. The court affirmed the district court's judgment upholding the Board's declaratory order.

CASE DETAILS

COURT	Supreme Court of Iowa
WRITING FOR THE COURT	Mansfield, Justice
JURISDICTION	Iowa
DECIDED	May 3, 2019
DOCKET	No. 18-1184
DISPOSITION	affirmed
PROCEDURAL POSTURE	Landowners sought judicial review under Iowa Code section 17A.19 of an Iowa Utilities Board declaratory order determining that a wind project was not a single facility requiring a certificate of public convenience, use, and necessity. The Iowa District Court for Palo Alto County affirmed the Board's order, and the Supreme Court of Iowa retained the landowners' appeal.
STANDARD OF REVIEW	Under Iowa Code section 17A.19(10), the Supreme Court reviews the district court's decision to determine whether it correctly applied the law and applies the agency-review standards independently. Because the legislature had not clearly vested the Iowa Utilities Board with authority to interpret 'single site,' the court reviewed the Board's statutory interpretation for correction of errors at law under section 17A.19(10)(c), rather than applying the more deferential irrational, illogical, or wholly unjustifiable standard under section 17A.19(10)(l).
PRECEDENTIAL VALUE	published precedential opinion

PARTIES

Bertha Mathis, Stephen Mathis v. Iowa Utilities Board, Palo Alto Wind Energy, L.L.C., MidAmerican Energy Company, Palo Alto County Board of Supervisors

TOPICS

judicial review of agency action

statutory interpretation

administrative law

standard of review

appellate procedure

PRACTICE AREAS

administrative law

energy regulation

statutory interpretation

appellate procedure

QUESTIONS PRESENTED

1. Whether the Iowa Legislature clearly vested the Iowa Utilities Board with authority to interpret the term 'single site' in Iowa Code section 476A.1(5).
2. If the Board lacked clearly vested interpretive authority, whether its common-gathering-line interpretation of 'single site' and 'facility' was erroneous as a matter of law.
3. Whether the 170-turbine Palo Alto County wind project constituted one facility requiring an IUB certificate of public convenience, use, and necessity.

HOLDINGS

1. The legislature did not clearly vest the Iowa Utilities Board with authority to interpret the term 'single site' in Iowa Code section 476A.1(5). General rulemaking authority, authority to implement the chapter, and the power to waive statutory requirements did not confer authority to define the statutory term for all cases.
2. The term 'single site' is ambiguous, but the Iowa Utilities Board's common-gathering-line standard is a permissible and legally supportable interpretation: wind turbines connected to a common gathering line constitute a single facility, while turbines connected to separate gathering lines are treated as different facilities.
3. Reid does not require treating the entire Palo Alto County wind project as a single facility because Reid concerned components of an electricity-generating facility operating at a single location, whereas the project here generated electricity across a geographically dispersed area.

KEY QUOTATIONS

“On our review, we conclude the legislature has not clearly vested the IUB with authority to interpret Iowa Code section 476A.1(5). Nonetheless, after reviewing the chapter as a whole and considering other factors relevant to statutory interpretation, we cannot find fault with the IUB’s interpretation of an inherently ambiguous term.” (4)

“For all these reasons, we conclude the IUB has not been clearly vested with authority to interpret the term “single site” as used in Iowa Code section 476A.1(5). We therefore review the IUB’s interpretation for errors

| *at law.”* (10)

| *“What we can say is that compared to the standard advanced by the Mathises, it is more consistent with the underlying statutory language and more in line with the legislature’s policy goals.”* (18)

FACTUAL BACKGROUND

Palo Alto Wind Energy proposed a 170-turbine wind project spanning approximately 50,000 acres, or eighty square miles, in Palo Alto County. Each turbine had a capacity of two megawatts, but the turbines were connected through multiple gathering lines, so no individual gathering line exceeded the twenty-five-megawatt threshold in Iowa Code section 476A.1(5). The Iowa Utilities Board applied its longstanding rule that, for wind projects, a facility consists of turbines connected to a common gathering line, and therefore concluded that the project did not require an IUB certificate.

PROCEDURAL HISTORY

The Mathises initially filed a declaratory judgment action in district court, which was dismissed for failure to exhaust administrative remedies. They then petitioned the Iowa Utilities Board for a declaratory order concerning a 170-turbine wind project. The Board reaffirmed its longstanding common-gathering-line interpretation of facility under Iowa Code section 476A.1(5). The district court affirmed, and the Supreme Court of Iowa affirmed the district court.

DISPOSITION

affirmed

CASES CITED

- Irving v. Emp't Appeal Bd., 883 N.W.2d 179, 184-85 (Iowa 2016)
- Hawkeye Land Co. v. Iowa Utils. Bd., 847 N.W.2d 199, 207-08 (Iowa 2014)
- Iowa Dental Ass'n v. Iowa Ins. Div., 831 N.W.2d 138, 144 (Iowa 2013)
- Waldinger Corp. v. Mettler, 817 N.W.2d 1, 5 (Iowa 2012)
- Renda v. Iowa Civil Rights Comm'n, 784 N.W.2d 8, 13-14 (Iowa 2010)
- NextEra Energy Resources, LLC v. Iowa Utils. Bd., 815 N.W.2d 30, 37-38 (Iowa 2012)
- SZ Enterprises, LLC v. Iowa Utils. Bd., 850 N.W.2d 441, 451-52 (Iowa 2014)
- State v. Davis, 922 N.W.2d 326, 330 (Iowa 2019)
- Iowa Ins. Inst. v. Core Group of Iowa Ass'n for Justice, 867 N.W.2d 58, 72, 77 (Iowa 2015)
- Griffin Pipe Prods. Co. v. Bd. of Review, 789 N.W.2d 769, 775 (Iowa 2010)
- Lowe's Home Centers, LLC v. Iowa Dep't of Revenue, 921 N.W.2d 38, 48 (Iowa 2018)
- City of Sioux City v. Iowa Dep't of Revenue & Fin., 666 N.W.2d 587, 592 (Iowa 2003)
- Reid v. Iowa State Commerce Commission, 357 N.W.2d 588, 588-91 (Iowa 1984)
- Northern Laramie Range Alliance, Pioneer Wind Park 1, LLC, & Pioneer Wind Park II, LLC, 138 F.E.R.C. ¶ 61,171, at 61,731-34 (2012)

