

FEDERAL UPDATE

Iowa's congressional delegation and committee assignments

Following Representative King's recent comments, the Republican U.S. House leadership stripped him of all committee assignments. However, Representative Cindy Axne was appointed to serve on the House Agriculture Committee, one of Representative King's previous assignments. Axne will also serve on the House Financial Services Committee. Representative Abby Finkenauer was assigned to the House Transportation and Infrastructure Committee, and Representative Loeb sack remains on the House Energy and Commerce Committee.

Fed raises rates and says to look for more in 2019

Fed officials raised short-term interest rates for the fourth time this year in late December. The central bank projected two more rate increases in 2019 - down from a forecast of three.

President Trump nominates acting EPA chief to permanent position

President Trump nominated acting EPA chief Andrew Wheeler to run the agency permanently. The decision pleased Republican lawmakers and industry groups eager for less onerous federal environmental oversight but drew criticism from environmental groups critical of the EPA's direction under Trump.

STATE UPDATE

Jury awards Boone County landowner \$250,000 in Dakota Access pipeline lawsuit

A Boone County jury this week awarded a property owner who sued over the construction of an oil pipeline through her property \$250,000 following a nearly weeklong trial in which she challenged the pipeline's use of eminent domain.

MidAmerican Wind XII site locations unknown

MidAmerican Energy has proposed an additional investment of \$922 million for its Wind XII project expected to be completed in late 2020 "somewhere in Iowa." Wind XII will provide an average \$6.9 million per year in additional Iowa property tax payments on wind turbines and nearly \$5.6 million more in annual landowner easement payments. In 2017, MidAmerican Energy paid \$19.6 million in Iowa property taxes on wind turbines.

Iowa ethanol producers set another record

Iowa ethanol plants produced a record 4.35 billion gallons in 2018, up from 4.2 billion the year before. The plants fell short of reaching their 4.5 billion capacity. Iowa Renewable Fuels Association Executive Director Monte Shaw said much of the increase came to meet international demand. He said the plants would have performed even better had the Chinese market not been shut down. The U.S. government's exemptions allowing small refineries to avoid blending ethanol also hurt, he said.

IOWA DOT proposes extra charges for electric vehicles

State officials say the growing electric vehicle market could divert hundreds of thousands of dollars from Iowa's main fund for road and bridge repairs. Following a Dec. 31 report by the Iowa Department of Transportation that shows a \$317,000 reduction in the Road Use Tax Fund in 2018, state officials have made recommendations to the Iowa Legislature such as increasing fees or charging taxes to electric vehicle owners. Iowa drivers pay for infrastructure needs through a gas tax — 30.7 cents per gallon for non-ethanol gasoline, 29 cents for ethanol blends and 32.5 cents for diesel and low-percentage biodiesel — and annual vehicle registration fees and a one-time 5 percent fee when they buy a new vehicle. There were 800 battery electric vehicles registered in Iowa in September, which was double the number registered in April 2017, according to the report. There are another 1,900 plug-in hybrid electric vehicles in the state, according to the report, which was drafted at behest of the Iowa Legislature.

Upcoming Activities

IAEC 2019 Directors' Update – West Des Moines, IA	February 6-7, 2019
IAEC-CFC Financial Workshop – West Des Moines, IA	February 7-8, 2019
NRECA Directors Conference – San Antonio, TX	February 9-12, 2019
NET Conference – San Diego, CA	February 11-13, 2019
CIPCO Board Committee Meetings – Des Moines, IA	March 4, 2019
CIPCO Board Meeting – Des Moines, IA	March 5, 2019
NRECA Director Education Programs – Orlando, FL	March 7-10, 2019
NRECA Annual Meeting & Expo – Orlando, FL	March 10-13, 2019
TechAdvantage Conference & Expo – Orlando, FL	March 10-13, 2019
CIPCO Annual Meeting Reception – Altoona, IA	March 19, 2019
CIPCO Annual Meeting – Altoona, IA	March 20, 2019

Consumer Price Index

Month	Seasonally Adjusted Change from Previous Month
December 2018	-0.1%
November 2018	0.0%
October 2018	0.3%
September 2018	0.1%
August 2018	0.2%
July 2018	0.2%
Unadjusted Rolling 12 Month Average: 1.9%	