

IOWA UTILITIES BOARD
Regulatory Analysis Section

Docket No.: TF-2016-0321/TF-2016-0322
Utility: Interstate Power and Light
Company
File Date/Due Date: May 17, 2019 / N/A
Effective Date:
Memo Date: June 28, 2019

TO: The Board
FROM: Brenda Biddle
SUBJECT: Net Metering Tariff revisions

I. Background

On July 19, 2016, the Utilities Board (Board) issued an order in Docket No. NOI-2014-0001 directing Interstate Power and Light Company (IPL) and MidAmerican Energy Company (MidAmerican) to file net-metering pilot tariffs reflecting specific provisions contained in the July 19, 2016 order. The order required MidAmerican and IPL to file tariffs implementing changes to be effective for a three-year study period; increasing the net-metering cap from 500 kW to 1 MW (up to 100 percent of a customer's load); allowing all customer classes to utilize net metering, providing that each customer's generation will offset only energy (kWh) charges (not customer or demand charges); and providing for an annual cash-out of excess credits at the utility's tariffed avoided cost rate.

On August 31, 2016, Interstate Power and Light Company (IPL) filed its compliance tariff, Net Billing Pilot – Renewable Energy Facilities tariff (NM Pilot tariff), in Docket No. TF-2016-0321 and revisions to its Alternative Energy & Small Hydro Production tariff (AEP tariff) in Docket No. TF-2016-0322. IPL revised the AEP tariff to close the AEP rate to customers installing distributed generation after the NM Pilot tariff became effective. The AEP tariff sheets were marked as "Frozen" to signify the rate is available only to existing customers at existing locations. The Board consolidated the two tariffs and docketed them for further investigation. Subsequently, IPL filed revised tariffs on March 31, 2017. The Board approved IPL's revised tariffs in an Order issued May 4, 2017.

IPL filed revisions to the NM Pilot tariff on August 17, 2018. The revisions updated the load factors and non-coincident demand for each customer class based upon 2017 load research instead of the 2016 load research previously used. IPL's load factors and non-coincident demand are based on the average of customer class data and are used to determine the size of the distributed

generation facility eligible to be net-metered for customers that do not have historical kilowatt (kW) demand data or historic kilowatt-hour (kWh) usage.¹ No objections were filed and the tariff was approved by letter dated September 12, 2018, subject to complaint or investigation. The revised NM Pilot tariff became effective September 16, 2018.

On May 17, 2019, IPL filed revisions to the NM Pilot tariff. These revisions again updated the load factors and non-coincident demand for each customer class. The revisions were based upon 2018 load research and replaced the information based upon the 2017 load research. On May 20 and May 29, 2019, IPL filed Attachment A (Excel) and Attachment A (Excel) – Revised, respectively. These attachments provide the basis for the revisions to the load factors and the non-coincident demand used for each class.

On May 29, 2019, the Environmental Law and Policy Center and the Iowa Environmental Council (ELPC/IEC) filed an objection and on June 5, 2019, ELPC/IEC filed an amended objection. In the amended objection ELPC/IEC argued IPL's workpapers (Attachment A (Excel) – Revised) are unclear and not consistent with the load data filed in Docket No. IAC-2019-3511. ELPC/IEC further opined the non-coincident data is not included in the Docket No. IAC-2019-3511 filing. Additionally, ELPC/IEC maintain the proposed revisions to the load factors and net-metering caps would reduce the eligible size of a customer's distributed generation system under the NM Pilot tariff, thereby discouraging renewable energy development. ELPC/IEC also suggests that changing the load factors and non-coincident demand partway through the pilot will lead to inconsistent data over the pilot period. Lastly, ELPC/IEC states it is unclear which customers will be subject to the revised load factors and non-coincident demand and recommends the issue be resolved before the tariff becomes effective.

The Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice, filed a response on June 12, 2019. In its response, OCA noted that it had previously expressed concerns that IPL's NM Pilot tariff would create barriers to the development of distributed generation; however, OCA believes the proposed revisions are consistent with the Board's May 4, 2017 Order approving IPL's NM Pilot tariff.

On June 12, 2019, the Board issued an Order Docketing and Suspending Proposed Tariff for Further Review.

IPL filed a response to ELPC/IEC's amended objection on June 13, 2019. IPL noted that the class load data filed in Docket No. IAC-2019-3511 (on May 15,

¹ The pilot parameters set forth in the Board's July 19, 2016 Order increased the net-metering cap to 1 MW but stipulated that a customer could only net meter up to 100 percent of its load. For customers with no historic demand or usage information, IPL uses the average of the customer class to determine the size limitations.

2019) used a different data set than the class load data filed to support the tariff revisions but noted both rely on the same load research analysis. IPL explained that the data in workpapers for the NM Pilot tariff are for a calendar month and the population is the number of meters, whereas the data for Docket No. IAC-2019-3511 is for the billing month and the population is the number of customers. Additionally, IPL points out that non-coincident demand is not a reporting requirement of 199 IAC 35.11; therefore, IPL has not included that information in the IAC-2019-3511 filing. Further, IPL clarified that the class non-coincident demand is the sum at the peak of the class and all analysis is based on metered data from the load research sample of customers.

On June 21, 2019, ELPC/IEC withdrew its objection. ELPC/IEC said that since filing the objection, IPL filed supporting documentation and additional explanations regarding the applicability of the proposed tariff. However, ELPC/IEC contend that on May 2, 2018, IPL notified distributed electric generation dealers and installers via email² of changes to the NM Pilot tariff (i.e., changes to the class load factors and non-coincident demand) prior to receiving approval.³ Additionally, ELPC/IEC point out that the information sent in the email does not match the information in the revised tariff filed August 17, 2018, and approved on September 12, 2018.⁴

II. Analysis

Staff has reviewed the proposed tariff and the concerns raised by ELPC/IEC. Staff believes the revisions proposed by IPL are consistent with the Board's May 4, 2017 Order and note that the data provided by IPL's Attachment A (Excel) – Revised is similar to the data IPL provided when it requested the tariffs be revised in August 2017. Additionally, staff notes the Board's rules do not require that the data filed in Docket No. IAC-2019-3511 contain non-coincident demand data and is not required to be consistent with the information used in these dockets.

In the tables below, staff has summarized the load factor percentages and non-coincident demand revisions for each of the tariff revisions.

² See email from Devin Wever, Customer Owned Generation Specialist, EI Exhibit 1 filed 6/21/19.

³ IPL's 8/17/19 tariff filing was approved by staff letter on 9/12/18 and became effective 8/16/19.

⁴ Specifically, the load factor percentage for General Service in the email was 25 percent versus 24 percent in the 8/17/18 tariff; the non-coincident demand for General Service in the email was 10.78 kW compared to 10.68 kW in the 8/17/18 tariff.

Load Factor Percentages			
	March 31, 2017 Tariff	August 17, 2018 Tariff	May 17, 2019 Tariff
Residential	19%	17%	19%
General Service	24%	24%	28%
Large General Service	51%	51%	56%

Non-Coincident Demand (kW)			
	March 31, 2017 Tariff	August 17, 2018 Tariff	May 17, 2019 Tariff
Residential	5.29	5.15	5.59
General Service	12.75	10.68	10.26
Large General Service	527.43	448.92	459.80

Staff does not believe the revisions to the load factor percentages and non-coincident demand are significant enough to deter distributed generation development, especially since this information is applicable only for customers that do not have enough historic information for IPL to determine the appropriate eligible facility size in relation to the net-metering cap. Furthermore, staff believes that it is appropriate to make these changes during a pilot program so that all parties can determine whether the changes influence the development of net-metered distributed generation.

However, staff suggests the Board encourage IPL to communicate tariff changes after the changes have been approved or to communicate that the changes are pending, subject to Board approval. The changes communicated should match those in the tariff.

III. Recommendation

Staff recommends the Board consider the attached order approving the revisions proposed by Interstate Power and Light Company in Docket Nos. TF-2016-0321 and TF-2016-0322.

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