

**STATE OF IOWA
DEPARTMENT OF COMMERCE
BEFORE THE IOWA UTILITIES BOARD**

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. RPU-2019-0001
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REBUTTAL TESTIMONY OF ANDREW JOHNSON

1 value of the grid services provided – often by a very large margin. That is,
2 ratepayers are paying in some cases double the price that they could be paying to
3 get the same suite of grid services from MISO.”

4 We also agree that there are very good options to embark upon coal plant
5 retirement planning immediately that would benefit both ratepayers and keep the
6 company/shareholders whole. Witness Varadajaran recommends both accelerated
7 cost-recovery and also “rate-payer backed bond securitization” (*Id.*, 24-30).
8 Securitization appears to be a powerful financial mechanism to ensure positive
9 outcomes for ratepayers, shareholders, and coal-dependent communities, and lack
10 of prior legislative approval in Iowa should not preclude its inclusion in this
11 process nor potential applicability at multiple stages in coal plant retirement¹.

12 **Q. Do you support the acceleration of IPL coal plant retirement?**

13 A. Yes, with a critical caveat: that the economic impact on coal plant communities be
14 a fundamental part of the regulatory and utility planning process, and that funding
15 mechanisms be developed to mitigate the severe – even destructive – impacts of
16 rapid plant closures on Iowa communities. In my Direct Testimony at page 16, I
17 discussed the role of the “regulatory compact” in this rate case, and proposed that
18 “The ‘ad hoc and factual’ nature of the compact between regulator and utility is
19 fundamentally subsidiary to the primary public interest compact between
20 regulators and Iowa customers and communities.” Themes of equity, inclusion,
21 and justice have been growing in urgency, acceptance, and implementation as part
22 of the accelerating clean energy transition at all levels. Here in Iowa, we contend
23 that these themes – combined with the primary public interest compact between

¹ https://saberpartners.com/wp-content/uploads/2019/01/nrri_securitization_final_fichera.pdf

1 Iowa customers and communities – require a planning process and financial
2 mitigation tools that ensure coal plant communities, as well as ratepayers and
3 shareholders, survive and thrive in a clean energy future.

4 **Q. Are you suggesting that coal plant retirement be delayed, or consideration be
5 put off for a future docket?**

6 A. No. It is abundantly clear for multiple reasons that a process and plan for rapid
7 coal plant retirement is urgently needed, and this is the appropriate time and
8 place² for the Board to develop such a process and plan.

9 • Coal has been decreasing in economic viability as a least-cost power
10 generation resource for at least one to two decades relative to natural gas,
11 wind, and increasingly solar – the writing has been on the wall for a long
12 time, and there is no excuse for delaying the ratepayer benefits of
13 transitioning away from fossil fuels now.

14 • The evidence for the dominant role of fossil fuel power generation
15 emissions in driving climate change has also been incontrovertible for
16 decades, and there is no excuse for delaying the societal and inter-
17 generational imperative of transitioning away from fossil fuels now.

² As the Board stated in Docket No. RPU-2018-0003 [Final Decision And Order](#):

The supporting parties both indicate that an analysis [of the cost-effectiveness and risks to customers of continuing to operate its coal generators compared to replacing this capacity with renewables, storage, demand-side management, and other clean resources] would provide the Board with a better understanding of the company's potentially uneconomic facilities and would encourage MidAmerican to build a more flexible portfolio that relies less heavily on fossil fuels. These goals are consistent with the energy policy of the state. ... should a rate-regulated utility continue to utilize an uneconomic facility, the Board may disapprove the costs incurred as imprudent or unreasonable during a rate case. Accordingly, the Board finds, on the basis of the record before it that it will decline to adopt a principle requiring MidAmerican to file a coal-fired generation economic analysis with the Board.

1 • The opportunity for Iowa customers, communities, and entrepreneurs to
2 invest in and prosper from the 21st century clean energy economy through
3 all forms of distributed energy resources has been growing for over a
4 decade, and it is high time to replace economically unviable and
5 ecologically destructive fossil generation with clean energy prosperity
6 opportunities in every Iowa community and county – *with a special focus*
7 *on communities most impacted by coal plant retirement.*

8 **Q. What specific steps do you recommend be part of the coal plant retirement
9 planning and implementation process?**

10 A. We recommend the Board take the following steps:

- 11 • Take all action within this docket to verify the analyses of witnesses
12 Varadajan and Chernick, and if confirmed, take immediate steps to relieve
13 the ratepayers of the burden of these uneconomic investments.
- 14 • Initiate a stakeholder planning process at the state level (including but not
15 limited to regulators/consumer advocates, policymakers, investor-owned
16 and customer-owned utilities, the League of Cities, IEDA, and nonprofits)
17 to develop a statewide roadmap for the rapid transition away from
18 uneconomic fossil fuel and toward renewables, storage, and DERs. This
19 planning process should include a separate stakeholder planning process at
20 the community level of each coal-fired generation facility that would
21 include – in addition to some/all of the above – relevant local government,
22 chamber of commerce and economic development, community college,
23 and others participants.

- 1 • Initiate (with the OCA) and lead a task force on the development of
2 funding options for the mitigation of community-level financial impacts
3 related to coal plant retirements. This effort should include a focus on the
4 opportunity provided by securitization to provide a just transition for coal
5 communities³, and if further investigation supports the option, a
6 mechanism to bring the issue before legislature for authorization during
7 the 2020 session.
- 8 • Require IPL to initiate a community-based transition planning effort
9 immediately in each community that hosts a coal-fired generation facility,
10 beginning with Lansing, as existing local and regional stakeholders are
11 ready and willing to engage with IPL on a transition process supportive of
12 ratepayers, shareholders, AND the community itself.

13 **Q. Does this conclude your Rebuttal Testimony?**

14 A. Yes.

³ <https://blog.ucsusa.org/jeremy-richardson/securitization-can-help-achieve-just-transition-for-coal-communities>

AFFIDAVIT OF ANDREW JOHNSON

STATE OF IOWA :
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COUNTY OF WINNESHIEK :
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 SS:

I, Andrew Johnson, being first duly sworn on oath, depose and state that I am the same Andrew Johnson identified in the foregoing Rebuttal Testimony, that I have caused the Testimony to be prepared and am familiar with the contents thereof, and that the Direct Testimony is true and correct to the best of my knowledge, information and belief as of the date of this Affidavit.

/s/ Andrew Johnson

Andrew Johnson

Subscribed and sworn to before me, a Notary Public in and for said County and State this 15th day of August, 2019.

/s/ Anthony Clarke _____ [Seal]
Notary Public

My commission expires on March 11, 2022.