

IOWA UTILITIES BOARD
Regulatory Analysis Section

Docket No.: RPU-2019-0001
Utility: Interstate Power and Light
Company
File Date: May 28, 2020
Memo Date: September 1, 2020

TO: Docket No. RPU-2019-0001
FROM: Edgard M. Verdugo
SUBJECT: Renewable Energy Rider Quarterly Report—May 2020

Background

On February 20, 2020, the Utilities Board (Board) issued an Order Addressing Motions for Clarification, Motions for Reconsideration, and Compliance Filings that requires Interstate Power and Light Company (IPL) to provide quarterly reports showing the costs and recovery that flow through the Renewable Energy Rider (RER).

On May 28, 2020, IPL filed a quarterly report that provided the cumulative cost and recovery information for the RER for the period from February 26 to March 31, 2020. The filing consisted of Schedules A–C and Workpapers 1–4. Additionally, IPL provided the following updates regarding its wind investments:

- On March 27, 2020, Golden Plains Wind Farm, which has 200 MW of nameplate capacity, achieved commercial operation.
- As of March 31, 2020, four of the five IPL wind farms being constructed as part of New Wind I and New Wind II have been placed in-service.

On July 14, 2020, Board staff requested additional information. On July 29, 2020, IPL filed the additional information, which elicited the following understandings:

- The purpose of the megawatt-hour (MWh) sales originally provided in Workpaper 1 of the report are to determine the Iowa electric retail portion of the RER revenue requirement and are not sales figures related to the RER. With the additional information, IPL has supplemented its report by providing kilowatt-hour (kWh) sales that are applicable to the RER revenue for February and March of 2020.
- IPL inadvertently included capital costs for shared operations centers in the RER in the original quarterly filing. IPL determined that the costs for

the shared operations centers were not included in the calculation of the \$0.00272 per kWh RER factor, and are instead being recovered in base rates. Therefore, IPL assured that it would eliminate the shared operations centers costs from the calculation of cumulative costs and recovery in IPL's future RER reports.

Analysis

The current RER factor of \$0.00272 per kWh was implemented on February 26, 2020. IPL is reporting an over-collection balance of approximately \$2,344,062 that accrued during the period of February 26 through March 31, 2020. The reported balance is an overestimation that erroneously includes costs for the shared operations centers. Staff expects the balance to reduce for the annual reconciliation filing.

The purpose for RER quarterly reports is to provide staff with insight into the variables and accounting mechanics that will impact the RER factor when the factor is updated. IPL is required to file RER quarterly reports February, May, and August of each year in addition to the reconciliation filing expected in October. During the annual reconciliation filing, IPL is expected to file the complete annual reconciliation report and seek approval from the Board to modify the RER factor.

Recommendation

Staff recommends notifying IPL that IPL's RER quarterly report, filed on May 28, 2020, and amended on July 29, 2020, has been accepted, subject to complaint or investigation.

/emv