

STATE OF IOWA
BEFORE THE IOWA UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NOS. TF-2016-0321, TF-2020-0237, TF-2020-0238
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FILING OF ADDITIONAL INFORMATION

COMES NOW, Interstate Power and Light Company (IPL) and, pursuant to the Iowa Utilities Board's (Board) October 6, 2020 Order Requiring Additional Information (October 6 Order), hereby submits its response to the additional information requested by the Board.

Information Request No. 1

IPL's proposed inflow-outflow tariff does not specifically address what ownership structures, such as facilities financed through third parties, will be allowed to participate in the inflow-outflow billing arrangement.

Please clarify what ownership structures will be allowed to participate in the inflow-outflow billing arrangement.

IPL Response No. 1

Iowa Code § 476.49(1)(e), as created by Senate File 583, defines an "eligible distributed generation facility" as follows:

e. "Eligible distributed generation facility" means a distributed generation facility that elects a billing method pursuant to subsection 3, and to which all of the following apply:

- (1) The facility is located behind a customer's electricity meter.
- (2) The facility is interconnected to the electric utility distribution system.
- (3) The facility has an aggregate nameplate capacity less than or equal to one megawatt alternating current.
- (4) The facility has a capability to produce no more than one hundred ten percent of the customer's annual electricity usage.
- (5) The facility's generating capacity and associated energy is intended to serve only the on-site electric requirements of the customer.

A distributed generation facility that meets all of the requirements in Iowa Code § 476.49(1)(e) is eligible for the IPL's proposed Inflow-Outflow DG Billing Tariff. IPL's proposed Inflow/Outflow Billing Tariff does not restrict participation on the billing rate based on ownership structure, so long as the distributed generation facility itself meets the eligibility requirements in Iowa Code § 476.49(1)(e).

Information Request No. 2

IPL's proposed inflow-outflow tariff does not specifically identify whether customers will be allowed to aggregate accounts at different geographic locations to "virtually" meter.

IPL Response No. 2

Senate File 583 does not permit "virtual" aggregation of customer accounts that are located at different geographic locations. Iowa Code § 476.49(1)(b) defines a "Distributed generation customer" as "a person other than a public utility that interconnects *an* eligible distributed generation facility to *an* electric distribution system." (Emphasis added.) Similarly, Iowa Code § 476.49(1)(e) defines an "eligible distributed generation facility" as "a distributed generation facility" that is, among other requirements "located behind a customer's electricity meter" and "[t]he facility's generating capacity and associated energy is intended to serve *only the on-site* electric requirements of the customer." (Emphasis added.)

In addition, SF 583 specifically states that "Net metering" means "*a single meter* monitoring only the net amount of electricity delivered to and exported by an eligible distributed generation facility, which electricity offsets electricity that would otherwise be purchased by a distributed generation customer from the electric utility." (Emphasis added.) The statutory language clearly provides that the billing arrangements under Iowa Code § 476.49 are for a single distributed generation facility measured by a single meter. Nothing in the legislation allows for "virtual" aggregation of customer accounts and

distributed generation facilities. Such an aggregated approach is also inconsistent with IPL's Original Tariff No. 1, General Rules and Regulations, Section 6.04, which does not permit aggregation of meters unless the additional meter is for the convenience of the utility or because it is more economical for the company to do so.

To the extent the Board believes additional clarity on this issue is needed, IPL is willing to add an additional Term and Condition to its proposed Inflow-Outflow Billing Tariff providing:

- Company shall not be required to combine consumption of electric service supplied through multiple meters at the same or different geographic locations for purposes of billing under this Inflow-Outflow DG Billing tariff.

Information Request No. 3

The opening paragraph on MidAmerican Energy Company's (MidAmerican) tariff Sheet No. 376 states: "In the context of the Rate IO tariff, the Customer's load is defined as the Customer's average annual energy usage based on recent billing data or estimated annual energy usage. The Company reserves the right to request from the Customer estimated annual energy usage if the Customer has less than one (1) year of billing data."

Terms and Conditions #7 on IPL's tariff Sheet No. 42.2 states: "If, at minimum, twelve months of usage is not available for the property, Company shall use the Customer's class average annual kWh energy usage in the determination of a Customer's annual electricity usage."

Winneshiek Energy District (Winneshiek), Iowa 80 Truckstop, and Iowa Environmental Council and the Environmental Law and Policy Center (IEC/ELPC) expressed concerns about IPL's method for determining the system size for customers that do not have 12 months of historical data. According to IEC/ELPC, MidAmerican develops such estimates based on a comparable customer. Iowa 80 Truckstop stated the industry sizes electrical equipment based on projected usage.

Please comment on whether the method for determining a customer's average annual kW energy usage, when 12 months of historical data is not available for customer, should be the same for MidAmerican and IPL, and comment on the appropriate method for determining the system size for these customers.

IPL Response No. 3

IPL is not opposed to updating the language in Terms and Conditions No. 7 to reflect an estimation method for annual energy usage in absence of 12 months of

historical usage that is similar to the language used by MidAmerican Energy Company in its tariff. Although multiple methods may be accurate, IPL is not opposed to using a relatively consistent approach. IPL is willing to edit Terms and Conditions No. 7 as follows:

7. For Customers taking service under the Inflow-Outflow DG Billing tariff, Company shall use the most recent three-year average annual usage before DG installation at the Customer's property to determine if the expected annual output of the Eligible Distributed Generation Facility is capable of producing greater than 110 percent of the Customer's annual electricity usage. If, at minimum, twelve months of usage is not available for the property, Company shall request from the Customer estimated annual energy usage and/or use the Customer's class estimates based on a comparable customer's average annual kWh energy usage in the determination of a Customer's annual electricity usage.

Information Request No. 4

The first full paragraph on IPL's tariff Sheet No. 42.3 and the fifth paragraph on MidAmerican's tariff Sheet No. 383 state: "The Company shall own and have title to the renewable energy attributes, renewable energy credits and greenhouse gas emission credits related to all outflow credits."

IEC/ELPC and Winneshiek argue that the customer should retain all RECs produced when the outflow rate is set at the retail rate and notes that RECs will be specifically accounted for in a value of solar rate. Iowa 80 Truckstop believes RECs should remain with the customer.

Please respond to the comments raised by IEC/ELPC, Winneshiek, and Iowa 80 Truckstop.

IPL Response No. 4

IPL customers increasingly want and expect their energy provider to power their homes and businesses with clean, renewable and affordable energy. To meet this customer demand, IPL has made significant investments in renewable generation that benefits customers by reducing costs over the long term and reducing IPL's greenhouse

gas emissions.¹ Most recently, IPL completed the addition of 1,000 megawatts (MW) of new wind generation that will serve Iowa customers for decades, while supporting hundreds of jobs during construction, millions of dollars in lease payments to landowners and tens of millions of dollars in local property taxes through the life of the wind farms.

One mechanism by which IPL delivers the environmental attributes of clean energy to customers is through the voluntary retirement of Renewable Energy Credits (RECs). In 2019 and 2020, IPL has filed petitions with the Board to verify the percentage of energy generation that comes from renewable sources. For example, in Docket No. SPU-2020-0011, IPL has requested that the Board verify that IPL delivered 26.5 percent of all generation from renewable sources in 2019 and IPL noted that this percentage will grow in the future as IPL has brought new wind generation online in 2020. This percentage includes both IPL's owned generation and generation obtained through Power Purchase Agreements (PPAs) where IPL is entitled to the renewable attributes. IPL then certifies to customers the portion of their energy that was provided from renewable sources so that customers may use that information to meet their own sustainability goals.

Inflow-Outflow billing is statutorily limited to only the specific types of generators that create RECs, namely an Alternate Energy Production Facility or a Small Hydro Facility, as defined in Iowa Code § 476.42. These generators are eligible under the Inflow-Outflow DG Billing tariff for a higher Outflow Purchase Rate than other types of generators, which are generally paid for the purchased energy at the utility's avoided cost rate. If IPL is required to pay this higher Outflow Purchase Rate but does not receive the environmental attributes, IPL's other customers will be harmed as IPL will not be able to consider any of the energy purchased under the Inflow-Outflow DG Billing tariff as

¹ See Alliant Energy's 2020 Corporate Sustainability Report at: <https://poweringwhatsnext.alliantenergy.com/crr/>

renewable in its future renewable verification petitions. It is reasonable that if IPL is required to pay a higher rate for renewable energy that IPL receive the associated renewable attributes.

IPL further notes that only the RECs associated with the output energy actually sold to the utility would be transferred. All the RECs associated with the energy produced by the distributed generation facility and consumed by the customer would remain with the customer to meet their sustainability goals or the customer could choose to sell the RECs. The Inflow-Outflow DG Billing tariff is an optional tariff that a customer may choose to utilize if they meet the eligibility requirements. If a customer desires to keep the all the RECs associated with the energy they sell to IPL, they may select a different rate option.

Senate File 583 significantly changes the existing net metering structure by separating and separately accounting for the purchase of electricity from the utility and the sale of energy produced by an eligible distributed generation facility. Consistent with this structural change, SF 583 directs the Board to conduct a value of solar study when certain thresholds are met where certain factors are considered in setting the value. The intervenors' arguments that the ownership and title of RECs should not be included as part of the Outflow Purchase should be rejected. If the intervenors' position that RECs are not part of the Outflow Purchase were adopted, there would be no need to address the value of these attributes in the future Value of Solar study identified in SF 583.

Information Request No. 5

Terms and Conditions #1 on IPL's tariff Sheet No. 42.4 states: "Customer may be served from a distribution transformer which serves no other Customer."

Please explain what the quoted language means and whether such language should be included in all net billing or inflow-outflow tariffs.

IPL Response No. 5

A distribution transformer can serve a single or multiple customer(s), and electrical needs are typically assessed at the time service is first established. Terms and Conditions #1 states the distribution transformer *may* be replaced to serve a single interconnection customer due to potential distribution system changes brought on by the addition of the distributed generation facility. This same provision is also included in IPL's current net metering rate schedules.

Information Request No. 6

Winneshiek states that size caps must be flexible enough to allow customers to grow their distributed generation systems concurrent with usage.

Please comment on Winneshiek's concern and provide alternative language if applicable.

IPL Response No. 6

Iowa Code § 476.49(1)(e)(4) specifically provides that in order to be eligible for inflow-outflow billing the distributed generation facility must have the capability to produce no more than one hundred ten percent of the customer's annual electricity usage. This statutory limit on production of the distributed generation facility ensures systems are appropriately sized to a customer's on-site electrical requirements. If a customer wishes to install a larger system to generate additional energy to sell to the utility, the customer can take service under other rate options, such as CSPP or a PPA. A customer taking service on the Inflow-Outflow DG Billing Tariff that is growing and adding additional load and wishes to increase the capacity of their current distributed generation facility would need to execute a new interconnection application and subsequent agreement. At the time of the new application, IPL and the customer would review the customer's current and anticipated usage and, if the usage can reasonably be assumed to increase or has

increased, IPL would use the customer's new anticipated usage to determine the 110 percent threshold.

Information Request No. 7

Winneshiek Energy District, Iowa 80 Truckstop, and IEC/ELPC argue that the language of Terms and Conditions #5 on IPL's Sheet No. 42.4 could preclude inflow-outflow tariff participants from offering paid electric vehicle contradicts 199 Iowa Administrative Code rule 20.20.

Please respond to these comments.

IPL Response No. 7

As part of its vision for a clean energy future, IPL supports the expansion and proliferation of highly fuel-efficient battery electric vehicles and plug-in hybrid electric vehicles (collectively, EVs). IPL and its customers will benefit from increased electrification adoption through increases in the load required to charge a growing number of EVs and other electrified equipment. Revenues from that increased load can be used to help control and offset customer costs, benefiting all customers through increased sales over which fixed electric system costs can be spread. In addition, increased EV adoption is expected to induce regional and state economic development, improve the utilization of IPL's energy grid through off-peak charging, and curb carbon dioxide and other emissions.

The intervenors' arguments related to public electric vehicle charging inappropriately conflate the Board's rules and the Inflow-Outflow billing eligibility requirements in Iowa Code § 476.49(1)(e). The Board's rules at 199 IAC 20.20 address the issue of whether a commercial or public electric vehicle charging station meets the definition of a public utility, under Iowa Code § 476.3.² To the extent an entity owning a

² On October 14, 2020, the Board issued an Order Commencing Rule Making in Docket No. RMU-2020-2020 proposing to rescind the existing rule at 199 IAC 20.20 and replace it with a new rule providing in

public charging station is deemed a public utility, that entity would not be eligible for the Inflow-Outflow DG Billing Tariff because the definition of a “Distributed generation customer” in Iowa Code § 476.49(1)(b) specifically excludes public utilities. In addition, Iowa Code § 476.49(1)(e)(5) specifically provides that in order to be eligible for the higher rate under the inflow/outflow billing structure “[t]he facility’s generating capacity and associated energy is intended to serve *only the on-site electric requirements of the customer.*” (Emphasis added.)

The on-site electric requirements of the customer cannot reasonably be read to include the electric fueling requirements of any member of the public with an electric vehicle. Electricity provided to a public electric vehicle charging station by a distributed generation facility is clearly not used or intended to be used only to meet the on-site electric requirements of the customer. Nor is the electricity being used to meet the requirements of the customer – it is being used to provide fuel for another person’s electric vehicle. IPL further addresses potential customer on-site electric requirements in response to Information Request No. 8 below.

IPL’s Terms and Conditions No. 5 implements the eligibility criteria in SF 583. However, IPL would not object to replacing Terms and Conditions No. 5 so that provision states:

- The generating capacity and associated energy of the Customer’s distributed generation facility shall be intended to serve only the on-site electric requirements of the customer. If the generating capacity and associated energy is used to serve, or is intended to serve, an energy usage other than the on-site electric requirements of Customer, then Customer shall be removed from this Inflow-Outflow DG Billing tariff.

relevant part that: “A commercial or public electric vehicle charging station is not a public utility under Iowa Code section 476.1 if the charging station receives all electric power from the electric utility in whose service area the charging station is located. If an electric vehicle charging station obtains electric power from a source other than the electric utility, the determination of whether the commercial or public electric vehicle charging station is a public utility shall be resolved by the board.”

Information Request No. 8

IPL's eligibility criteria include language that the facility's generating capacity and associated energy is intended to serve only the on-site electric requirements of the customer. On page 4 of its filed comment, IEC/ELPC states: "We consider on-site electric, vehicle charging to be the customer's needs consistent with the eligibility requirements of the statute." Winneshiek's and Iowa 80 Truckstop's comments reiterate this position.

Please respond to contentions raised by IEC/ELPC, Winneshiek, and Iowa 80 Truckstop.

IPL Response No. 8

Please see IPL's response to Information Request No. 7 above. Iowa Code § 476.49(1)(e)(5) defines an eligible distributed generation facility as one where "[t]he facility's generating capacity and associated energy is intended to serve *only the on-site electric requirements of the customer.*" (Emphasis added.) Such electric requirements could include, for example, an electric vehicle charging station used to recharge the customer's electric forklifts and fleet vehicles. However, the electric fueling requirements of the public do not constitute "the on-site electric requirements of the customer." The electricity provided to a public electric vehicle charging station by a distributed generation facility is clearly not being used on-site. A customer with a distributed generation facility who uses that facility to serve a load other than its own *on-site* electric requirements is statutorily not eligible to receive the higher Outflow Purchase Rate, which is paid by all other customers. A customer can offer public electric vehicle charging using a separately metered account that is not interconnected with a distributed generation facility, consistent with 199 IAC 20.20, the Board's proposed rule in RMU-2020-2020 and IPL's proposed Inflow/Outflow DG Billing Tariff.

Information Request No. 9

IEC/ELPC point out that Terms and Conditions #11 on IPL's tariff Sheet No. 42.5 provides that customers are eligible for the tariff for 20 years, but that the tariff does not specify that the purchase rate will be in effect for the 20-year period.

Please respond to IEC/ELPC's concern.

IPL Response No. 9

IPL is not opposed to adding the following additional language to Terms and Conditions No. 11 of IPL's Inflow-out DG Billing tariff to further reflect the twenty-year term in Iowa Code § 476.49(3)(b)(5):

11.A Customer with an Eligible Distributed Generation Facility shall be eligible for this Inflow-Outflow DG Billing tariff at the time of installation and for twenty years of operation thereafter. If a new Customer takes service at a property with an Eligible Distributed Generation Facility, the new Customer is eligible to take service on this Inflow-Outflow DG Billing tariff until the Eligible Distributed Generation Facility has been in place for twenty years of operation. The Outflow Purchase Rate for an Eligible Distributed Generation Facility will continue to be the applicable retail volumetric rate for a term of twenty years.

WHEREFORE, IPL respectfully requests that the Board accept IPL's response to the Board's October 6 Order requiring additional information.

Dated this 16th day of October, 2020.

Respectfully submitted,

**INTERSTATE POWER AND LIGHT
COMPANY**

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