

STATE OF IOWA
DEPARTMENT OF COMMERCE
IOWA STATE UTILITIES BOARD

IN RE: : DOCKET NO. SPU-2023-_____
: :
MIDAMERICAN ENERGY : :
COMPANY : :

PETITION FOR VERIFICATION

Pursuant to 199 IAC Chapter 30, MidAmerican Energy Company (“MidAmerican” or “Company”) petitions the Iowa Utilities Board (“Board”) for an Order verifying the percentage of the Company’s retail sales that were served with renewable energy in calendar year 2022. As set forth below and in the evidence that is provided consistent with the requirements of 199 IAC Chapter 30, MidAmerican requests that the Board verify the Company served 100.0% of its retail sales with renewable energy in 2022.

I. Introduction

On April 3, 2023, MidAmerican filed its 2022 Annual Fuel Mix Report (“Report”), in Docket No. IAC-2023-1517. The Company submitted two versions of the Report in the filing. The first version of the Report is based on all of MidAmerican’s Iowa jurisdictional generation, including 500 MW of new or repowered renewable generation for which MidAmerican does not possess advance ratemaking principles (“Post-Wind XII Assets”). The first version of the Report indicated MidAmerican generated 27,024 gigawatt hours (“GWh”) of renewable generation in 2022 constituting 100.0% of MidAmerican’s Iowa jurisdictional energy consumption. The second version of the Report, which excluded the Post-Wind XII Assets, decreases the annual amount of renewable generation to 25,098 GWh constituting 92.9% of MidAmerican’s Iowa jurisdictional energy consumption.

The need to file two versions of the Report stems from the Board’s order rejecting, without

prejudice, MidAmerican's Renewable Subscription Program.¹ In that order, the Board held, for revenue sharing purposes, MidAmerican's rate base may only include the capital costs and expenses of facilities associated with normal business operations, a term that does not appear in any revenue sharing-related documents and which MidAmerican has argued is inconsistent with the intent of revenue sharing as expressed in settlement documents. In June 2021, the Board also opened a docket to investigate and review the revenue sharing mechanism. MidAmerican subsequently introduced a ratemaking principle as part of its Wind PRIME application that would resolve the issue by allowing the Company to include the unadjusted value of assets on its books in the revenue sharing calculation. In December 2022, the Board closed its revenue sharing investigation and indicated the issue would be addressed in the Wind PRIME docket. On April 3, 2023, MidAmerican's Wind PRIME application was still pending before the Board; therefore, the Company filed two reports to illustrate the impact of excluding the Post-Wind XII Assets from the GreenAdvantage program.²

Though seemingly disparate, there is a connection between revenue sharing and the GreenAdvantage program. If the Board ultimately determines the Post-Wind XII Assets cannot be included in the revenue sharing calculation, the assets would be recorded below-the-line. Expenses associated with below-the-line assets are borne by shareholders, but shareholders also retain any benefits, such as revenues from REC sales. MidAmerican usually seeks a Board order verifying its GreenAdvantage percentage in April of each year. For 2022, the Company delayed the filing to accommodate a final resolution of the revenue sharing issue, which would also resolve the issue of who receives the RECs from the Post-Wind XII Assets—customers or shareholders. To date, this

¹ See Docket No. TF-2020-0273, Order Rejecting Tariff without Prejudice, issued June 4, 2021.

² The Board ultimately issued its final decision on April 27, 2023; however, it granted MidAmerican's request for rehearing on June 15, 2023. The Company filed a second nonunanimous settlement with the Board on August 9, 2023. In addition to MidAmerican, the settling parties include the Office of Consumer Advocate, The Environmental Law & Policy Center, the Iowa Environmental Council, and the Sierra Club. The Iowa Business Energy Coalition has agreed to not oppose the settlement, while Google LLC and Microsoft Corporation oppose elements of the settlement. The Board has scheduled a hearing on the settlement for October 2023; therefore, the Wind PRIME application is still pending before the Board.

issue is not fully resolved.

Because many customers rely on GreenAdvantage in calculating their Scope 2 emissions and 2023 is nearly complete, MidAmerican can no longer wait for resolution of the revenue sharing issue to determine treatment of RECs. The Company must move forward with verification even though the Post-Wind XII Assets may ultimately be recorded below-the-line. MidAmerican has elected to retire the RECs from the Post-Wind XII Assets, worth an estimated \$2.5 million, on behalf of its customers and complete the 100% renewable vision it first announced in 2016.

II. Supporting Evidence

Chapter 30 provides that any petition for verification of an entity's renewable generation must include:

- (1) Evidence that the utility records all of its renewable energy credits ("RECs") in either the Midwest Renewable Tracking System ("M-RETS"), PJM Generation Attribute Tracking System ("PJM-GATS") or other approved tracking system or has transferred RECs recorded in another tracking system to M-RETS or PJM-GATS.
- (2) Evidence that the renewable generation claimed was in fact generation by the utility's renewable generation or purchased by the utility from a renewable facility along with the associated RECs during the prior period.
- (3) Evidence that the number of RECs claimed to have been retired were in fact retired on behalf of the utility's retail customers in the tracking system. This is shown using information from a tracking system's website which shows the certificate numbers and the retirement information for retired RECs.
- (4) An affidavit signed by a corporate officer verifying the accuracy of the percentage calculation, the underlying data used in the calculation, compliance with this rule, and

the evidence filed in support of it.³

With respect to the first requirement, MidAmerican recorded all of its renewable generation in 2022 in either M-RETS, PJM-GATS, or other approved tracking system. This information is verified with the Affidavit of Blake Groen in accordance with the fourth requirement. With respect to the second requirement, the vast majority of this generation is owned by MidAmerican, with a small amount subject to power purchase arrangements (which include the renewable attributes of the generation).⁴ This information is also supported by Exhibit A.⁵

With respect to the third requirement, MidAmerican includes Exhibit B, C, and F to this petition, which provides a listing of all of the generators and the REC retirement serial numbers from those generators. Exhibit B includes information from M-RETS, Exhibit C provides information on retirements from PJM-GATS, and Exhibit F provides information on retirements from an approved tracking system. Together, the exhibits demonstrate in 2022 MidAmerican retired 27,030,429 RECs on behalf of customers including 26,341,322 retired in M-RETS, 682,582 retired in PJM-GATS, and 6,525 Rate IO RECs retired in an approved tracking system. This information is supported by Exhibits A, B, C, and F.

MidAmerican's request for verification of its 2022 renewable energy percentage ("REP") is made pursuant to the following equation: $REP = \text{Retired RECs} / \text{total retail sales}$.⁶ Using the verified information presented in this Petition, the calculation is as follows:

³ 199 IAC 30.2(3).

⁴ All of MidAmerican's renewable generation is registered in M-RETS or PJM-GATS; however, there are some RECs that are obligated to a specific customer or sponsorship that MidAmerican either transfers or retires. Because those RECs are either transferred out of our tracking account or retired for those customers or sponsorships, those RECs are not included in the total that MidAmerican is seeking for verification pursuant to Chapter 30. See 199 IAC 30.1(2).

⁵ MidAmerican's 2022 Annual Fuel Mix Report, filed with the Board on April 3, 2023, in Docket No. IAC-2023-1517, did not include RECs attributable to Rate IO (Inflow/Outflow Billing of Eligible Distributed Generation Facilities) because MidAmerican did not receive Board approval of this tariff until April 6, 2023, in Docket No. SPU-2022-0009. A revised 2022 Annual Fuel Mix Report was filed simultaneously with this filing that now includes RECs attributable to Rate IO. Rate IO RECs are included in Exhibit A of this filing.

⁶ 199 IAC 30.2(2).

27,030,429/ 27,023,904 = 100.0%

To fulfill the requirements of 199 IAC 30.3(2), MidAmerican notes that the average mid-price for National Voluntary Wind RECs for 2022 was \$2.885/MWh, as published in Platts Megawatt Daily. Supporting information for the average mid-price is included in Exhibit D. MidAmerican has also attached Exhibit E, the M-RETS Terms of Use Schedule A for each purchase power agreement designating MidAmerican as the Responsible Party for certain facilities. The Board has requested this information in previous requests for verification pursuant to 199 IAC chapter 30.

WHEREFORE, MidAmerican Energy Company respectfully requests that the Iowa Utilities Board issue an order pursuant to 199 IAC Chapter 30 verifying that MidAmerican served 100.0% of its retail load with renewable energy in 2022.

DATED this 22nd day of September 2023.

Respectfully submitted,

MIDAMERICAN ENERGY COMPANY

By /s/ Jeffrey J. Cook
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ATTORNEY FOR MIDAMERICAN
ENERGY COMPANY

STATE OF IOWA
DEPARTMENT OF COMMERCE
BEFORE THE IOWA UTILITIES BOARD

IN RE: :
MIDAMERICAN ENERGY COMPANY : DOCKET NO. SPU-2023-_____

STATE OF IOWA)
) ss:
COUNTY OF POLK)

I, Blake Groen, of legal age, being first duly sworn on oath, do hereby depose and state that I am the Vice President and Chief Financial Officer for MidAmerican Energy Company (“MidAmerican”), and in said position and based upon my professional experience, I have personal knowledge of the facts stated herein.

I file this Affidavit in support of the claim that MidAmerican registered and retired renewable energy credits (“RECs”) created in calendar year 2022. The retirement information is included in Exhibits B, C, and F to the Petition. Exhibit B includes information from M-RETS, Exhibit C provides information on retirements from PJM-GATS, and Exhibit F provides information on retirements from an approved tracking system. I reviewed the information in Exhibits B, C, and F and confirm that these Exhibits show an accurate accounting of the RECs that MidAmerican registered and retired.

I confirm that MidAmerican registered all its renewable generation in either M-RETS or PJM-GATS, or other approved tracking system. Further, I reviewed the generators listed in Exhibits B, C, and F and confirm that MidAmerican either owns or has power purchase agreements for all the generators listed. I also confirm that any power purchase agreements include bundled RECs (i.e., the energy and the renewable attributes are both sold to MidAmerican pursuant to the agreement).

Finally, I have reviewed the Platt’s Megawatt Daily information about the average mid-price

for National Voluntary REC prices for 2022 and observe that the average price was \$2.885/MWh in 2022.

/s/ Blake Groen
Blake Groen

Subscribed and sworn to before me on this 22nd day of September 2023.

/s/ Laura M. Farrance
Notary Public in and for the State of Iowa

Notary Seal
Commission Number 796096
My Commission Expires 5/10/2024