

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: MIDAMERICAN ENERGY COMPANY	DOCKET NOS. TF-2016-0323, NOI-2014-0001
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**ORDER APPROVING COMPLIANCE TARIFF, REQUIRING SUBMISSION OF
DATA, AND CLOSING DOCKET**

(Issued May 4, 2017)

On July 19, 2016, the Utilities Board (Board) issued an order in Docket No. NOI-2014-0001 directing MidAmerican Energy Company (MidAmerican) and Interstate Power and Light Company (IPL) 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, so as to increase the net-metering cap from 500 kW to 1 MW (up to 100 percent of a customer's load), to allow all customer classes to utilize net metering, to provide that each customer's generation will offset only energy (kWh) charges (not customer or demand charges), and to provide for an annual cash-out of excess credits at the utility's tariffed avoided cost rate. The July 19, 2016, order also addressed the distribution of funds from the cash-out between the customer and the utility's customer assistance fund and required that participating customers be afforded the tariff terms for the life of their interconnected equipment if the Board should determine not to make the tariff provisions permanent.

On August 31, 2016, MidAmerican filed its compliance tariff as TF-2016-0323. The Board docketed the tariff for further investigation on September 27, 2016, and established dates for receiving comments on the proposed tariff. Several parties filed comments on MidAmerican's compliance tariff filing and MidAmerican filed reply comments on November 18, 2016.

On February 3, 2017, the Board issued an "Order Requiring Revised Tariff" in this docket, identifying specific changes for MidAmerican to include in a further compliance filing and approving certain provisions in the MidAmerican tariff that other parties had challenged. In light of the parties' comments, the Board approved MidAmerican's definition of customer load in terms of historic or anticipated annual energy consumption and directed MidAmerican to specify in its tariff the means of calculating annual energy usage. The Board required MidAmerican to revise the pilot tariff to allow a customer installing a distributed generation unit under 1 MW capacity with output exceeding the customer's annual usage to be eligible for service under the proposed Rate PG Pilot tariff for that portion of output serving the customer's own needs, with MidAmerican's Rate QF (cogeneration) or Rate AEP (alternate energy production) applying to the excess.

The Board required certain further tariff changes, including language stating that net metering is available regardless of facility ownership structure, express provision for customer election between cash-out dates in the year's first billing cycle or the first cycle following April 1, and amendment of the "sunset" provision to make

the tariff available through the life of interconnected equipment for up to 25 years. The Board also required MidAmerican to update its pilot tariff to reflect revisions to the avoided cost rate based on the Rate QF tariff. Approving MidAmerican's proposal for additional options for incremental contribution to customer assistance funds, the Board also required MidAmerican to distribute funds to community action agencies on a population-proportionate basis within the State. The Board also addressed certain questions of terminology and required clarification whether cogeneration facilities must use renewable energy sources.

MidAmerican filed its revised tariff provisions on February 17, 2017. On the same date, MidAmerican filed a "Request for Reconsideration of the Board's February 3, 2017, Order", and specifically that portion of it requiring MidAmerican to revise its tariff to allow customers who install a distributed generation facility of less than 1 MW capacity but exceeding the customer's energy needs to be subject to the terms of the proposed Rate PG Pilot tariff for that proportion of the facility that serves the customer's needs, with the remainder assigned to MidAmerican's Rate QF or Rate AEP. MidAmerican advanced several grounds for reconsideration of this directive, and proposed a clarified definition of "significantly oversized" DG units, to be served solely under the QF or AEP tariff, based on 150 percent of annual customer energy usage.

Subsequently, on February 23, 2017, the Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice, filed a "Motion and Application

for Reconsideration” of the Board’s February 3, 2017, order. On March 17, 2017, the Board issued an order, “Order Denying Applications for Rehearing and Requiring Revised Tariff Filing by MidAmerican Energy Company,” denying MidAmerican’s and OCA’s requests for reconsideration, and directing MidAmerican to file tariff revisions in compliance with the Board’s February 3, 2017, order.

On March 31, 2017, MidAmerican filed its revised Rate PG Pilot tariff. The Board finds that this revised tariff meets the requirements of the Board’s February 3, 2017, order. The Board therefore approves MidAmerican’s revised compliance tariff as filed on March 31, 2017.

A chief purpose of conducting the pilot program under the terms of MidAmerican’s Rate PG Pilot tariff is to collect data that can be used in evaluating the rates, terms, and conditions under which electric utilities provide service to customers with distributed generation facilities, as well as the costs and benefits of distributed generation for customers and for utilities. The Board has identified certain information that MidAmerican shall submit at the outset of the pilot program, and data to be reported thereafter at annual intervals.

On or before July 1, 2017, MidAmerican shall file with the Board the baseline data, reported as of April 30, 2017, for all customer-owned distributed generation facilities interconnected with its system (or for which interconnection is pending). The baseline data to be provided is as follows:

1. Installed nameplate capacity (kW)
2. Location (city)

3. Fuel/technology type (solar, wind, biomass, etc.)
4. Date the interconnection application was filed (month/year)
5. Status of the interconnection application (approved, pending, etc.)
6. Date the facility was placed in service (permission to operate)
7. Customer class (residential, nonresidential)
8. Is the facility a QF? (Yes/No)
9. Is the facility an AEP? (Yes/No)
10. Tariff(s) assigned to the customer (NM, AEP, etc.)
11. For net-metered facilities, the net balance of total energy delivered by MidAmerican to customer, less energy delivered from customer premises to utility system, through December 31, 2016

In addition, on or before May 1, 2018, and thereafter on May 1 of every year for the duration of the pilot project, MidAmerican shall submit a report containing the following data for the calendar year preceding the reporting date. The data shall be reported by facility. The Board understands that the initial reporting year will be from the effective date of the tariffs through December 31, 2017.

The data to be reported each calendar year is as follows:

1. Original interconnection application size (kW)
2. Eligible facility size (kW) for net metering
3. Installed nameplate capacity (kW)
4. Location (city)
5. Fuel/technology type (solar, wind, biomass, etc.)
6. Date the interconnection application was filed (month/year)
7. Status of the interconnection application (approved, pending, etc.)
8. Date the facility was placed in service (permission to operate)
9. Customer class (residential, nonresidential)
10. Is the facility a QF? (Yes/No)
11. Is the facility an AEP? (Yes/No)
12. Tariff(s) assigned to the customer (NM, AEP, etc.)
13. For facilities in the net metering pilot, date the facility opted in to pilot tariff
14. Pilot tariff cash-out date (January or April billing cycle?)
15. Percentage designated to transfer to low-income funds (50%, 75%, or 100%)
16. Pilot tariff cash-out amount (\$ per year or per month if applicable)

17. Ownership type (own, lease, third-party PPA)
18.
 - a. Monthly net of kWh delivered to customer less kWh received from customer;
 - b. Year-end kWh balance (annual cycle); and
 - c. Monthly net kWh banked per pilot tariff and monthly net kWh cashed out as required by a separate tariff.
19. Peak demand (kW) by month – as available
20. If facility size exceeds the 100% cap as determined by utility (i.e., if annual energy production exceeds 100% of annual energy usage), percentage that is eligible for MidAmerican net-metering tariff
21. For new net-metered facilities, customer's kWh usage by month for the 12 months prior to the installation of the distributed generation facility
22. For new net-metered facilities, peak demand (as available) by month for the 12 months prior to the installation of the distributed generation facility
23. Customer participation in utility energy efficiency programs within the past two years (Yes/No)

In addition, MidAmerican will be required to file the following information, if the information is available, with the information provided on May 1 of each year:

1. Total amount transferred to the low income programs.
2. Number of existing net metering customers that switched to the pilot tariff.
3. Results of any consumer surveys related to net metering pilot.
4. Aggregate load profile comparison by customer class (with net metering and without net metering).
5. Bill impacts for customer by month (reduction to bill for net metering and monthly excess energy cash-out).
6. To the extent that MidAmerican tracks distributed generation technology costs and trends, a summary of sources used.
7. Any other observations or customer comments.

Since the Board is approving the net metering tariffs for IPL and MidAmerican Energy Company and establishing a pilot project to gather data for determination of a permanent net-metering program, the Board considers the purpose of Docket No. NOI-2014-0001 to be completed and the Board will close that docket. The docket

was to gather information regarding distributed generation, and more specifically to identify potential benefits from and challenges presented by distributed generation for utilities and ratepayers, to assess whether these differ between utility-owned and customer-owned distributed generation, and to identify matters related to distributed generation for possible consideration in developing distributed generation policies. With the implementation of the net-metering pilot projects by IPL and MidAmerican, these inquiries proceed into the next stage -- that of collecting and then evaluating operational data to inform future deliberations on rate and other related terms for customers with distributed generation. A new docket may be opened after the completion of the pilot projects, if necessary.

IT IS THEREFORE ORDERED:

1. The Utilities Board approves the revised Rate PG Pilot Tariff filed by MidAmerican Energy Company on March 31, 2017. The tariff shall be effective on the date of this order.
2. MidAmerican Energy Company shall file with the Utilities Board on or before July 1, 2017, the baseline facility data identified in this order, and shall file on or before May 1, 2018, and annually on or before May 1 thereafter until the termination of the pilot project, the pilot project reporting data identified in this order.

3. Docket No. NOI-2014-0001 is hereby closed.

UTILITIES BOARD

/s/ Geri D. Huser

/s/ Nick Wagner

ATTEST:

/s/ Trisha M. Quijano
Executive Secretary, Designee

/s/ Richard W. Lozier Jr.

Dated at Des Moines, Iowa, this 4th day of May 2017.