

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE:	
INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. EEP-2018-0003

ORDER APPROVING REVISED APPLICATION FOR LIMITED MODIFICATION

BACKGROUND

On March 26, 2019, the Utilities Board (Board) issued a Final Order in Docket No. EEP-2018-0003 concerning Interstate Power and Light Company's (IPL) Application for Approval of its 2019-2023 Energy Efficiency Plan (Plan). On October 15, 2020, IPL filed an Application for Limited Modification, requesting approval to implement a Smart/Wi-Fi Thermostat Demand Response Pilot program for residential customers as part of its Demand Response Plan. IPL revised the application (Revised Application) on November 2, 2020,¹ and filed a description of the pilot program, details on participation and impact savings goals, proposed budget impacts, and a cost-effectiveness analysis.

On October 26, 2020, the Environmental Law and Policy Center and the Iowa Environmental Council (ELPC/IEC) jointly filed comments supporting IPL's proposed modification. ELPC/IEC asserted that IPL's proposed modification is consistent with prior recommendations filed in this docket by these entities and encouraged IPL to take

1. In part, IPL revised its initial Application for Limited Modification as a result of its review of an October 21, 2020 letter that Board staff sent to IPL. In the letter, staff requested IPL file additional information pertaining to its request and respond to certain staff questions.

DOCKET NO. EEP-2018-0003
PAGE 2

steps to maximize participation in the pilot program. As part of implementing the modification, ELPC/IEC recommended IPL host a collaborative meeting 12 to 18 months after program implementation to discuss the successes and challenges of the program.

On October 29, 2020, the Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice, filed a response stating that it does not object to IPL's proposed modification. Similar to ELPC/IEC, OCA asserted the proposed program is consistent with recommendations it previously filed in this docket. OCA agreed with ELPC/IEC's request that IPL hold a collaborative meeting 12 to 18 months after the pilot has been implemented. Finally, OCA asserted that IPL should follow the provisions of the Board's Final Order that directs IPL to include information relating to the pilot program in its energy efficiency annual reports. *See In re: Interstate Power and Light Company*, Docket No. EEP-2018-0003, "Final Order," p. 114 (March 26, 2019) (directing IPL to include updates "on pilot programs, including any smart thermostat pilot" in each annual report filing).

ANALYSIS

Pursuant to 199 Iowa Administrative Code (IAC) 35.10(1), "[a]n approved energy efficiency plan or an approved demand response plan and associated budget may be modified if the modification is approved by the board." Subrule 35.10(3) provides that an application to modify an approved plan must include information pertinent to the proposed modification, including an analysis supporting the request, an estimated

DOCKET NO. EEP-2018-0003
PAGE 3

implementation schedule, and a statement of the anticipated effect of the modification.

According to Iowa Code § 476.6(15)(a)(2), the Board must “take action” on IPL’s Revised Application within 90 days from its November 2, 2020 filing.

IPL states that its proposed Smart/Wi-Fi Thermostat Demand Response Pilot program for residential customers will run parallel to its existing Residential Direct Load Control program for the remainder of the 2019-2023 plan cycle. IPL proposes three pilot enrollment tracks, namely: 1) bring your own device, 2) self-install, and 3) direct install. IPL proposes to issue participating customers a one-time \$50 incentive upon enrollment; those participating customers are eligible for additional rebates for the Smart/Wi-Fi thermostat through the Residential Prescriptive Rebate program. IPL states that it will issue summer demand response program participants a \$25 participation incentive at the end of each summer cooling season and will similarly issue a \$25 participation incentive at the end of the winter heating season to winter demand response program participants. IPL proposes to implement the pilot in December 2020.

IPL anticipates enrolling 5,000 participants for each of the summer 2021 through summer 2023 cycles and 1,000 participants in the winter 2022 and winter 2023 cycles. IPL proposes spending a total of approximately \$4 million during the 2020 through 2023 plan years. Of that total amount, IPL budgets approximately \$1.6 million for incentives, \$1.9 million for administration, and \$0.5 million for advertising and promotion. The societal cost-effectiveness for the proposed pilot is 2.09.

DOCKET NO. EEP-2018-0003
PAGE 4

According to IPL, the proposed pilot program will increase summer demand response reductions by 270 megawatts (MW) in 2021 (1.9 percent) and up to 2,280 MW in 2023 (5.7 percent). Additionally, IPL noted that although the pilot's net societal benefits are positive (greater than 1.0), the overall cost-effectiveness for the energy efficiency and demand response plan will decrease from 2.99 to 2.98.

Having reviewed IPL's Revised Application and supporting material, the Board finds that the filings contain the information required by Rule 35.10(3) to be included in a modification request. The Board observes that IPL's proposed demand response budget, including the pilot program, does not exceed the 2 percent threshold set forth in Iowa Code § 476.6(15)(c)(2). In light of the comments filed by EPLC/IEC and OCA and based on its review, the Board finds no reasonable grounds exist to further investigate, and therefore will approve, the Revised Application.

In its March 26, 2019 Final Order in this docket, the Board directed IPL to include pilot project-related information in its energy efficiency annual reports and this requirement continues. The Board encourages IPL to engage in collaborative activities with interested stakeholders concerning the pilot program.

ORDERING CLAUSES

IT IS THEREFORE ORDERED:

1. Interstate Power and Light Company's November 2, 2020 Revised Application for Limited Modification is granted.

DOCKET NO. EEP-2018-0003
PAGE 5

2. As part of its energy efficiency annual report that must be filed on or before May 1 of each year, Interstate Power and Light Company shall include an update on the Smart/Wi-Fi Thermostat Demand Response Pilot.

UTILITIES BOARD

Geri Huser Date: 2020.11.24
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ATTEST:

Anna Hyatt Date: 2020.11.24
10:10:01 -06'00'

Richard W. Date: 2020.11.23
Lozier, Jr. 16:24:39 -06'00'

Dated at Des Moines, Iowa, this 24th day of November, 2020.