

STATE OF IOWA

BEFORE THE IOWA UTILITIES BOARD

IN RE: INVESTIGATION INTO UTILITIES' PREPAREDNESS PLANS FOR LOAD SHEDDING ON PEAK DAYS	DOCKET NO. INU-2022-0001
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**INTERSTATE POWER AND LIGHT COMPANY RESPONSE TO ORDER
REQUESTING ADDITIONAL INFORMATION**

COMES NOW, Interstate Power and Light Company (IPL) and provides its Response to the Order Requesting Additional Information issued by the Iowa Utilities Board (Board) on May 19, 2022 (May 19 Order). In the May 19 Order, the Board indicated that it was opening the above-captioned investigation to obtain additional information about electric utilities' plans for addressing load shedding on peak days directed all utilities to provide to the Board responses to the questions listed in Attachment A to the Order. The Board also scheduled a Technical Conference for May 31, 2022 so the electric utilities can share their plans and answer any further questions that the Board.

IPL's mission is to deliver the energy solutions and exceptional service that our customers and communities count on – safely, efficiently and responsibly. IPL provides safe, reliable and affordable service to nearly 500,000 electric and 250,000 gas customers in 83 Iowa counties. IPL provides the following answers to the questions posed by the Board in Attachment A:

Question No. 1

Are Iowa utilities ready to reliability serve peak load for summer 2022?

IPL Response

IPL is a Market Participant in Midcontinent Independent System Operator (MISO) and is part of the larger MISO Balancing Authority Area. As both the Balancing Authority and Reliability Coordinator, MISO has the responsibility for serving the overall peak load as well as maintaining system reliability.

IPL, like all other Market Participants, plays a role in the overall MISO market and its reliability. IPL works diligently to secure supply resources to meet its demand obligation. IPL submitted a Fixed Resource Adequacy Plan and offered all available and eligible resources in the MISO Planning Year 2022-2023 Planning Resource Auction (PRA). All resources offered were cleared in the PRA.

According to MISO, MISO North/Central did not have enough confirmed capacity resources offered into the PRA to meet the total Planning Reserve Margin Requirement (PRMR) for the MISO North/Central Region.

MISO has indicated that MISO Zones 1, 2, and 3 (MN, IA, WI) all had excess capacity above their PRMR; Iowa actually had sufficient resources to meet the PRMR and had some excess capacity clear in the PRA. However, MISO Zones 4 (IL), 5 (MO), 6 (IN), and 7 (MI) did not have sufficient capacity clear in the PRA to meet the net total PRMR for MISO North/Central (Zones 1-7). As a result, MISO North/Central was net short 1,230 MW of Zonal Resources Credits (ZRC) from meeting the total MISO North PRMR of 101,249 ZRC. This shortfall caused all of MISO North/Central Region LRZ to clear at the Cost of New Entry (CONE) for all Zones 1 through 7.

Question No. 2

Do Iowa utilities have comprehensive plans for managing and initiating a systemwide load shed to protect the bulk electric system in the event of an imbalance of electricity supply and demand?

- a. What are the plans?**
- b. How often are the plans for firm load shed reviewed and updated and what is the review process?**

IPL Response

MISO, as the Balancing Authority (BA), has the responsibility for balancing supply and demand within their region. IPL, as a Local Balancing Authority (LBA) within the MISO BA Area, maintains plans for responding to capacity emergencies and firm load shedding within the MISO footprint. MISO has the sole responsibility for initiating a load shed event resulting from a capacity emergency.

The MISO Market Capacity Emergency plan, SO-P-EOP-00-002, is publicly available and can be found on the MISO website.

The Alliant Energy Electric Emergency Manual contains procedures to address both a MISO capacity emergency and a firm load shedding event. These procedures outline the actions required by Alliant Energy operations personnel to address any emergencies or Operating Instructions issued by MISO or the Transmission Operator. Both MISO and Alliant Energy procedures are updated as needed to address any changes and are reviewed annually by all appropriate subject matter experts.

Question No. 3

Do Iowa utilities participate in Midcontinent Independent System Operator, Inc. emergency drills, including the firm load shed drills? What has been the impact of this participation?

IPL Response

Yes, the Alliant Energy Generation Dispatch Center (GDC) and Distribution System Operations (DSO) staff participate in the monthly load management drills, firm load shed drills and annual power system restoration drills hosted by MISO. IPL System Operators also participate in the annual MISO Market Capacity Emergency drills held in the spring of each year. These drills ensure IPL system operators are familiar with both MISO and internal procedures and allow operators to gain experience operating under emergency conditions. In addition, key Alliant Energy operations personnel participate in internal restoration and load shed table-top drills, the next of which will take place in June.

Question No. 4

How do Iowa utilities that also serve as a Local Balancing Authority communicate their firm load shed plans to load serving entities within their balancing areas?

IPL Response

IPL is both the LBA and the largest Load Serving Entity (LSE) within the Alliant Energy West (ALTW) LBA area. IPL makes up nearly 85 percent of the load in the LBA with the remaining approximately 15 percent served by Central Iowa Power Cooperative (CIPCO). The IPL firm load shed procedure was developed in coordination with CIPCO and is reviewed annually. The IPL DSO and CIPCO are both included in all Alliant Energy System Operator notifications related to MISO Capacity Emergencies. The remaining load served by LSEs in the LBA is immaterial in response to a load shed event, but these LSEs would be contacted as needed to address the emergency. The IPL Electric Emergency Manual specifies that LSEs may be requested to reduce load in the same manner as Alliant Energy when capacity or transmission emergency conditions arise. This participation will be in accordance with plans and will be maintained as equitable as possible.

Question No. 5

How have Iowa utilities prepared or updated their communication plans to provide timely information to customers, regulators, and other stakeholders?

IPL Response

IPL has regularly reviewed standard operating procedures related to implementation of its Demand Response programs including plans for communicating with participating customers during an interruptible event or warning.

Concerning the Commercial and Industrial (C&I) Interruptible Program, IPL will contact customers via email, text and telephone if MISO issues a “Max Gen Warning” to inform participants that an interruptible event is possible during a specified period. The communication is sent to the participating customer’s contacts, Iowa Utilities Board Staff and Duty Officer and the Office of Consumer Advocate and staff.

Similarly, if MISO escalates the Max Gen Warning to a “Max Gen Event Step 2” IPL will communicate that an interruptible event has been triggered.

IPL also communicates the cancellation or end of a warning or event via the same means.

For the C&I Interruptible Program, IPL works annually with participating customers to update their lists of contacts and performs a communication test. IPL conducted the 2022 test on May 25, 2022.

For the residential Direct Load Control Program, IPL updates its external website with event information and prepares associates in its call center to respond to customer inquiries.

For residential customers participating in the Smart Hours (smart thermostat) Pilot, in addition to the webpage being updated, the thermostat companies push alerts in the manner the customer has selected. During an event, the thermostat displays a message noting an event is taking place.

If it becomes necessary to request that all customers voluntarily reduce their energy usage during a peak alert, IPL informs customers and the public through Alliant Energy’s social media pages and external website. IPL also evaluates proactive outreach to the media, based on the timeline of the peak alert. Additionally, IPL also prepares associates in its call center to respond to customer inquiries and is prepared to respond to inquiries from the media. The message includes the expected timeline and tips for customers to reduce their usage.

Question No. 6

What are Iowa utilities' expectations on summer 2022 energy prices compared to prior years?

IPL Response

IPL expects energy prices to be elevated for this upcoming summer compared to previous years due to the tight supply conditions currently being experienced in MISO North as explained in the responses above. Power futures contracts for the Indiana hub, one of the most liquid trading hubs in MISO, are currently trading 200 percent higher than last year's actual locational marginal prices (LMP) for the upcoming summer (July 2022 and August 2022). Futures contracts for natural gas are also elevated, however not as high as power prices. The natural gas trading location in Iowa called Ventura is currently trading at over a 100 percent premium compared to last year's actual price. Based on the expectation that electricity prices will be increasing more than natural gas prices, IPL expects generation margins at natural gas fired power plants to be higher thereby providing benefits to customers.

Question No. 7

Do Iowa utilities have short-term or long-term policy suggestions that the Utilities Board could implement to ensure Iowa customers experience minimal impact from possible capacity shortages in the future? If so, what are the policy suggestions?

IPL Response

As noted in response to Question No. 1, IPL works diligently to secure supply resources to meet the needs of its Iowa customers. In many cases, adding new generation resources requires approval by the Board. Iowa Code § 476.53 expresses the legislative intent to attract the development of electric power generating and transmission facilities within the state in sufficient quantity to ensure reliable electric service to Iowa consumers and provide economic benefits to the state. The Board's review and approval of advanced ratemaking principles for electric generation projects is necessary to allow utilities in the state to ensure adequate capacity is available to meet the needs of Iowa customers in a reliable manner.

For example, IPL has proposed the addition of 475 MW of utility-scale solar generation and battery energy storage in order to supply customers with clean, emissions-free, and cost-effective capacity. The proposed solar and battery energy storage will also add more diversity to IPL's generation fleet. This additional generation was the result of a collaborative resource planning evaluation between IPL and numerous stakeholders, which led to the development of IPL's Iowa Clean Energy Blueprint.

WHEREFORE, IPL respectfully requests that the Board accept IPL's Response to the Board's May 19 Order requesting additional information.

Dated this 31st day of May, 2022.

Respectfully submitted,

INTERSTATE POWER AND LIGHT COMPANY

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