

STATE OF IOWA
BEFORE THE IOWA UTILITIES BOARD

IN RE:

INTERSTATE POWER AND LIGHT
COMPANY

DOCKET NO. RPU-2021-0003

REBUTTAL TESTIMONY OF BEN LIPARI

1 Q. Please state your name.

2 A. My name is Ben Lipari.

3 Q. Are you the same Ben Lipari that filed direct testimony and supplemental
4 direct testimony in this proceeding?

5 A. Yes.

6 Q. What is the purpose of your rebuttal testimony?

7 A. My rebuttal testimony provides an update on the status of Interstate Power and
8 Light Company's (IPL) diligence to acquire and develop a reasonable cost cap for
9 the 400 MW of solar and a 75 MW battery energy storage system (BESS)
10 (collectively, the Projects) that are critical to meeting the capacity needs of IPL's
11 customers and IPL's resource adequacy obligations. As discussed further by IPL
12 witness Erin M. Carroll, Senior Vice President of Supply Chain Consulting at Wood
13 Mackenzie, current global and domestic economic conditions are impacting the
14 costs of renewable energy projects across the country, including the Projects.
15 Based on these market conditions, my rebuttal testimony proposes reasonable
16 updates to the Cost Cap to reflect IPL's anticipated costs to acquire and construct
17 the Projects.

1 Additionally, my rebuttal testimony responds to the direct testimony of the
2 Office of Consumer Advocate (OCA) witnesses Blake J. Kruger and Scott C.
3 Bents, the direct testimony of the Iowa Business Energy Coalition (IBEC) witness
4 Greg R. Meyer, and the direct testimony of Large Energy Group (LEG) witness
5 David Vognsen in this proceeding.

6 **Q. Are you sponsoring any exhibits as part of your rebuttal testimony in this**
7 **proceeding?**

8 A. Yes. I am sponsoring two exhibits:

- 9 • IPL Lipari Rebuttal Confidential Exhibit 1, which provides a summary of the
10 costs of the Projects currently under consideration by IPL for development
11 or acquisition, or already contracted for acquisition as in the case of the
12 solar projects and BESS project located near the Duane Arnold Energy
13 Center (Duane Arnold Solar I and Duane Arnold Solar II, and collectively,
14 the Duane Arnold Solar Projects). These costs were used to develop the
15 updated Cost Cap Ratemaking Principle based on the domestic and global
16 economic conditions described below and in the rebuttal testimony of Ms.
17 Carroll; and
- 18 • IPL Lipari Rebuttal Exhibit 2, which provides an updated analysis of the
19 Midcontinent Independent System Operator’s (MISO) Definitive Planning
20 Phase Study Results, originally provided as IPL Lipari Direct Exhibit 4.

21 **Q. Can you provide a brief recap of the Projects which are the subject of this**
22 **proceeding?**

1 A. To meet the capacity needs of IPL’s customers, IPL is proposing to acquire two
2 solar projects and one BESS from affiliates of NextEra Energy Resources, LLC
3 (NextEra) located at the Duane Arnold Energy Solar facility. These include: 1) a
4 50 MW solar development known as Duane Arnold Solar I, which has an existing
5 generator interconnection agreement (GIA); and 2) a 150 MW solar development
6 co-located with a 75 MW BESS, known as Duane Arnold Solar II, for a total of 275
7 MW of nameplate capacity (each a Project, collectively the Duane Arnold Solar
8 Projects). In addition, IPL is planning to acquire an additional 200 MW (nameplate)
9 of solar generation to be comprised of one or more projects that IPL is developing
10 or that may be acquired from other developers operating in Iowa. Including the
11 Duane Arnold Solar Projects, IPL is planning to acquire 475 MW of nameplate
12 capacity.

13 **Q. Is there a date by which a final decision from the Board is needed for IPL to**
14 **proceed with the Projects?**

15 A. Yes. IPL respectfully requests a final decision from the Board on IPL’s Application
16 by September 30, 2022 for the reasons explained further below and in the rebuttal
17 testimony of IPL witness Mayuri N. Farlinger.

Updates to the Cost Cap Ratemaking Principle

18 **Q. Is IPL proposing any changes to the Cost Cap Ratemaking Principle?**

19 A. Yes. In my direct testimony, I explained that IPL proposed an overall Cost Cap for
20 the Projects. The proposed Cost Cap was based on IPL’s arms’ length negotiations
21 with NextEra and IPL’s informed estimates of solar and storage project costs in the
22 industry as of the summer and fall of 2021. Since that time, however, the impact

1 of recent and dramatic global supply chain constraints and recent trade policy
2 uncertainty outside of IPL's control have affected IPL's ability to execute the
3 Projects within the proposed Cost Cap. After weighing several options for the entire
4 portfolio of Projects subject to this proceeding, IPL has concluded that an increase
5 in the proposed Cost Cap is necessary for IPL to construct the Project portfolio.
6 Based on IPL's recent assessment of costs, IPL proposes an updated overall Cost
7 Cap of \$1,934/kW, explained in more detail below.

8 **Q. How did IPL develop the updated Cost Cap?**

9 A. To manage customer costs, IPL is considering a wide range of projects, which
10 include a mix of self-developed projects and projects available for acquisition. IPL
11 Lipari Rebuttal Confidential Exhibit 1 provides a summary of projects under
12 consideration to make up the additional 200 MW of solar generation, as well as
13 other changes. IPL calculated the updated Cost Cap from indicative pricing based
14 on IPL's market research and intelligence, including for construction and
15 equipment supply, for each of the Projects under consideration. Although that
16 pricing is not binding as of the time of this filing, IPL reasonably anticipates that it
17 will be able to acquire or develop and construct Projects within the updated Cost
18 Cap.

19 **Q. Can you briefly describe the cost estimates provided in IPL Lipari Rebuttal**
20 **Confidential Exhibit 1?**

21 A. IPL has actively engaged in informal discussions with various third-party
22 developers in Iowa to identify available projects and has received indicative pricing
23 for acquisition of these projects. IPL has also continued to make good progress on

1 several MISO interconnection queue positions and is considering self-developed
2 projects for which it has calculated indicative pricing informed by IPL's market
3 experience with researching solar project acquisition and construction costs. And,
4 as described further below, IPL is preparing requests for proposals (RFPs) for
5 project construction and equipment supply.

6 **Q. Are the projects listed in IPL Lipari Rebuttal Confidential Exhibit 1 an**
7 **exhaustive list of the projects being considered by IPL?**

8 A. No. The projects listed in IPL Lipari Rebuttal Confidential Exhibit 1 are not
9 necessarily a complete list of the projects under consideration, as other projects
10 may become available between now and the time that IPL is ready to execute
11 commercial agreements. Rather, the list provides a summary of the types of
12 projects and cost profiles that are currently available in the market, as well as a
13 survey of the indicative pricing that reflects the current and forecasted global and
14 domestic supply chain and economic conditions. IPL is continuing to research
15 potential projects, including the projects included in IPL Lipari Rebuttal Confidential
16 Exhibit 1, to make up the remaining 200 MW of solar generation.

17 **Q. Are there any other changes to the Project portfolio that IPL is considering?**

18 A.



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Q. What cost components are included with the updated Cost Cap Ratemaking Principle?

A. Similar to the Cost Cap as initially proposed, the updated Cost Cap Ratemaking Principle includes acquisition of the development rights, equipment supply, construction costs, allowance for funds used during construction (AFUDC) (or financially equivalent carrying costs), engineering, project substation, transmission interconnection facilities and network upgrades, owners' costs, as well as contingency associated with recent market changes, including with respect to acquisition of the BESS. Based on the updates proposed, the Cost Cap reflects the global and domestic economic conditions faced by IPL's customers and is reasonable and competitive with project costs in Iowa and across the country. A breakout of the major components of the requested Cost Cap is provided in the table below.

Table 1. Updated Cost Cap Categories

Cost Category	\$/kW
Site Acquisition/Development/Construction Costs	\$1,822
Transmission Interconnection Facilities and Network Upgrades	\$11
Sub-Total	\$1,833
AFUDC and other financing carrying costs	\$101
TOTAL	\$1,934

1 **Q. Are there any other developments that IPL considered in updating the Cost**
 2 **Cap?**

3 A. Yes. On April 1, 2022, the United States Department of Commerce (DOC) initiated
 4 a circumvention investigation, based on allegations made by Auxin Solar Inc.
 5 (Auxin), a U.S. manufacturer of solar panels, into whether imports of crystalline
 6 silicon photovoltaic cells, and modules containing such cells, imported from
 7 Cambodia, Malaysia, Thailand, and Vietnam are circumventing certain
 8 antidumping and countervailing duty orders imposed by the United States on China
 9 (the Auxin Proceeding).

10 On June 6, 2022, President Biden issued an Emergency Declaration under
 11 section 318(a) of the Tariff Act of 1930 to authorize the DOC to waive any new
 12 tariffs, including those arising from the Auxin Proceeding, for a period of two years
 13 from the date of the Emergency Declaration. However, the existence of the Auxin

1 Proceeding itself and the disruption that it caused to the solar industry in the United
2 States has nevertheless impacted solar project costs, including the cost of the
3 Projects in this proceeding. Both the Auxin Proceeding and President Biden's
4 Emergency Declaration are further described in the rebuttal testimony of Ms.
5 Carroll.

6 **Q. Please describe some of the ways in which IPL is managing the global and**
7 **domestic supply chain constraints, and domestic and global economic**
8 **conditions identified above.**

9 A. One of the key risk mitigation techniques that IPL typically employs to manage
10 market and supply chain cost risk includes considering a diversity of project sizes,
11 a diversity of suppliers, and a diversity of contracting methodologies. For example,
12 IPL Lipari Rebuttal Confidential Exhibit 1 includes a number of different project
13 sizes that IPL is currently considering, a number of different developers that have
14 provided indicative pricing, IPL's own projects that reflect IPL's diligence on
15 construction costs and equipment supply costs, and different contracting
16 methodologies such as build transfer and asset acquisition from NextEra, EPC
17 agreements offered by developer construction affiliates, where IPL manages the
18 balance of plant (BOP) and equipment supply contracts directly with the assistance
19 of an owner's engineer. In addition, as explained further below, IPL plans to
20 conduct an RFP with respect to BOP and equipment supply for the Projects. This
21 diversity of projects, developers, and contracting methodologies, as well as the
22 RFP process, will allow IPL to mitigate the cost increases seen across the solar
23 industry.

1 **Q. Please show how IPL proposes to update the Cost Cap Ratemaking**
2 **Principle.**

3 A. In light of increasing costs as explained by Ms. Carroll, IPL proposes that the Cost
4 Cap Ratemaking Principle for the Projects account for these various risks.
5 Accordingly, IPL proposes that the Cost Cap Ratemaking Principle read as follows,
6 shown with changes below (new text in red):

7 IPL shall be permitted to include in rates the actual costs of the Projects of up
8 to \$1,934/kW, on a cumulative basis for the Projects, inclusive of Allowance for
9 Funds Used During Construction (AFUDC), other deferred carrying costs, all
10 transaction costs, and all costs of transmission network upgrades, upgrades
11 required as a result of Midcontinent Independent System Operator studies,
12 generator tie lines, transmission interconnection and any other appurtenant
13 facilities associated with the foregoing, whether owned by IPL or any other
14 entity, without the need to establish prudence or reasonableness (the “Cost
15 Cap”). In the event that actual costs are lower than the projected costs, rates
16 shall recover only actual costs. In the event that actual costs exceed the cost
17 cap, IPL shall be required to establish the prudence and reasonableness of any
18 excess before it can be included in rates. The Cost Cap shall include all
19 amounts contributed by a tax equity investor through a tax equity partnership,
20 provided, IPL shall only be permitted to recover from customers those actual
21 costs of the Projects incurred by IPL.

22 **Q. Are the Projects still reasonable in light of the updated Cost Cap Ratemaking**
23 **Principle?**

24 A. Yes. Ms. Carroll confirms in her rebuttal testimony, based on her analysis and
25 based on the updated Cost Cap Ratemaking Principle, that the Projects remain
26 reasonable considering other feasible alternatives.

Rebuttal of OCA, LEG, and IBEC Witnesses

27 **Q. How do you respond to Mr. Bents’ direct testimony at pages 15-16, Mr.**
28 **Vognsen’s direct testimony at pages 14-15 and 26, and Mr. Brubaker’s direct**
29 **testimony at pages 2 and 5 regarding their concerns with the 200 MW of solar**

1 **where the final location has not yet been selected, and specifically, Mr.**
2 **Brubaker’s recommendation that the 200 MW not be included in this**
3 **proceeding?**

4 A. IPL’s Application exceeds the information provided in past advance ratemaking
5 dockets involving alternative energy production facilities. The Board has not
6 required applicants in past dockets, including those involving IPL, to identify each
7 and every project that the applicant is considering for acquisition or development
8 in advance of receiving ratemaking principles. It has been sufficient for the
9 applicant to state that any projects ultimately selected for acquisition will be
10 consistent with the advance ratemaking principles ordered by the Board.

11 For example, in New Wind I, Docket No. RPU-2016-0005, IPL had identified
12 the Whispering Willow North Project, but had not yet identified the additional
13 projects. Rather, IPL committed to identifying additional wind projects within the
14 proposed cost cap in that proceeding and explained that it was using the
15 characteristics of the identified project to guide its search for and selection of
16 comparable sites in Franklin County and throughout Iowa. Similarly, in the New
17 Wind II proceeding, Docket No. RPU-2017-0002, IPL had identified the Upland
18 Prairie project, and again, committed to acquiring additional projects within the
19 proposed cost cap.

20 Here, similar to previous applications for advance ratemaking principles for
21 alternative energy production facilities, IPL has identified two key projects (Duane
22 Arnold Solar I and Duane Arnold II) and provided additional information concerning
23 potential projects that IPL may acquire to complete the portfolio of 475 MW.

1 Additionally, IPL is providing potential projects it is considering for the additional
2 200 MW in IPL Lipari Confidential Rebuttal Exhibit 1. However, requiring that IPL
3 identify all of the projects in the portfolio as a condition of granting advance
4 ratemaking principles, as OCA and intervenors seem to request, would be a
5 significant departure from the Board's past practice and would send inconsistent
6 messages to current and future applicants for advance ratemaking principles.

7 Most importantly, requiring IPL to have secured the remaining 200 MW of
8 projects as a condition of receiving advance ratemaking principles would require
9 IPL to rush to execute agreements to the detriment of its customers, before IPL
10 has had the opportunity to complete due diligence on those projects. IPL should
11 be given the time that it needs to conduct its due diligence and acquire Projects
12 that it is reasonably confident can be executed within the updated Cost Cap
13 Ratemaking Principle and that will provide the needed capacity and reliability
14 benefits to customers.

15 **Q. How do you respond to Mr. Bents' testimony at pages 15-16 requesting that**
16 **IPL be required to conduct RFPs for the remaining 200 MW proposed in this**
17 **docket?**

18 A. My response to Mr. Bents' testimony largely depends on the type of RFP to which
19 he is referring. An RFP for project acquisition for the remaining 200 MW would not
20 likely provide meaningful additional information. For example, to the extent that
21 Mr. Bents is referring to an RFP for development asset acquisition (land rights and
22 permits), the cost of development assets does not make up a substantial portion
23 of the overall cost of a solar project. To the extent Mr. Bents is suggesting an RFP

1 for projects acquired by build transfer agreements, even if IPL is able to identify,
2 through the lengthy and time-consuming RFP process, a competitive price for a
3 build-transfer project, in practice a developer in this market may not ultimately
4 stand behind that price when it comes time to execute the contract. There is likely
5 to be limited transparency from developers as to how they are managing price
6 fluctuations caused by global events and the potential imposition of tariffs through
7 their suppliers and subcontractors.

8 If Mr. Bents is referring to an RFP for equipment supply or BOP
9 construction, then I agree that an RFP for construction and equipment supply
10 directed to vendors (racking suppliers, main power transformer suppliers) and BOP
11 contractors would likely yield meaningful market intelligence. IPL would obtain that
12 information directly from those sources, rather than solely through developers that
13 manage risk across large project portfolios.

14 **Q. Is IPL planning to conduct an RFP for construction and equipment supply**
15 **for the Projects that IPL self-develops?**

16 A. Yes. Similar to IPL's process for deployment of wind generation facilities in New
17 Wind I and New Wind II, for projects that IPL is self-developing or where IPL is
18 solely acquiring development assets, IPL intends to conduct an RFP for balance
19 of plant (BOP) construction and equipment supply (inverters, racking,
20 transformers, and BESS and related components). The results of this RFP will
21 provide additional insight and market intelligence that IPL can use to conduct
22 further diligence on the balance of its solar project portfolio and identify projects
23 that are reasonably likely to have costs within the updated Cost Cap.

1 **Q. Is IPL continuing to target projects with low transmission and**
2 **interconnection costs?**

3 A. Yes. As IPL continues working to identify the projects that will make up the 200
4 MW, IPL is targeting projects with low transmission and interconnection costs and
5 advanced development status. Similar to the Duane Arnold Solar Projects, IPL is
6 searching for projects that have minimal network upgrade and interconnection
7 costs. Several of those potential projects are identified on IPL Lipari Rebuttal
8 Confidential Exhibit 1.

9 **Q. Has IPL conducted further analysis of potential projects in the MISO queue**
10 **and their associated transmission costs?**

11 A. Yes. IPL has been tracking and analyzing data from recent MISO West study
12 groups to identify trends and forecasts based on the projects that are the subject
13 of this study. The MISO Transmission Queue Analysis included as IPL Lipari Direct
14 Exhibit 4, indicated that many solar projects in the MISO transmission study
15 process were expected to have significant network upgrade, interconnection, and
16 affected system costs. As shown in IPL Lipari Rebuttal Exhibit 2, since this initial
17 analysis was prepared, approximately 47 projects have been withdrawn from the
18 MISO queue, potentially due to high-cost estimates that did not allow the projects
19 to be competitive compared to other options available.

20 This analysis demonstrates the limited availability of projects, and highlights
21 the uniqueness of the Duane Arnold Solar Projects, which, as explained in my
22 direct testimony, are among a limited number of solar projects that include storage,

1 that have low interconnections and network upgrade costs, and that can be placed
2 in service in 2023 and 2024.

3 **Q. How do you respond to Mr. Meyer’s direct testimony at page 2 and Mr. Bents’**
4 **direct testimony at page 15 opposing a single overall cost cap?**

5 A. As indicated in my direct testimony, similar to the cost cap ratemaking principles
6 ordered by the Board in previous dockets, the proposed Cost Cap will apply to all
7 Projects to provide IPL with flexibility to optimize the costs and benefits of each
8 Project for IPL’s customers. An overall cost cap has several benefits for IPL’s
9 customers and reduces overall Project risk.

10 First, providing an overall, rather than project-specific, cost cap allows IPL
11 to mitigate market and price variability in the acquisition of additional solar and
12 battery energy storage projects. IPL has not yet acquired the balance of the 200
13 MW of solar projects referenced in the Application, and the supply of solar projects
14 available for development and acquisition in Iowa is relatively limited. Further, in
15 the course of the past year, global supply chain limitations and other economic
16 pressures have resulted in increased costs for solar equipment and other
17 materials. Providing an overall cost cap is one of only a handful of ways to mitigate
18 those cost pressures by allowing IPL to blend projects with different cost profiles
19 while still remaining within the overall cost cap.

20 Second, because IPL is still assessing options for the remaining 200 MW
21 (which may consist of one or more projects), it is unclear how to develop a project-
22 specific cost cap for these projects. Generally, smaller solar projects tend to be
23 more costly on a dollar per kilowatt (\$/kW) basis, but may present lower

1 development risks, and larger projects tend to be less costly on a \$/kW basis. A
2 lower project-specific cost cap may preclude IPL from acquiring otherwise viable,
3 low-development risk solar projects, which would limit IPL's negotiating position in
4 the market. Moreover, a higher project-specific cost cap may not be necessary to
5 acquire large-scale projects and would not be optimal from a customer cost
6 perspective. Using an overall, blended cost cap allows IPL to acquire a mix of
7 larger and smaller projects, all while remaining within the cost cap.

8 Third, the relevant consideration, from IPL's perspective, is not the cost of
9 each individual solar project, but the overall cost of IPL's acquisition of the portfolio
10 of solar projects (the Duane Arnold Solar Projects and the balance of the 200 MW
11 of Projects). That is, a project should not be disqualified from IPL's potential
12 acquisition simply because it exceeds the individual cost cap if the acquisition
13 would still allow IPL to remain within the overall cost cap. Indeed, IPL took a similar
14 approach in Docket Nos. RPU-2016-0005 and RPU-2017-0002, in which an overall
15 cost cap was applied to IPL's acquisition of wind projects in each of those two
16 dockets. This approach benefited customers by allowing IPL to mix projects with
17 different cost profiles, improving IPL's negotiating position in the market and
18 allowing IPL to remain focused on managing costs for customers.

19 Fourth, a project-specific cost cap for the BESS is unreasonable because
20 the BESS will be integrated with the solar generating facility at Duane Arnold Solar
21 II and is included in the overall purchase price for that Project. Further, the BESS
22 enhances the value of Duane Arnold Solar II for customers by allowing IPL to store
23 low-cost energy and capacity generated by solar at Duane Arnold Solar II during

1 the day and discharge that energy and capacity during period of peak demand,
2 avoiding higher costs in the MISO real time market during those times. Isolating
3 and limiting the BESS cost through a separate cost cap creates an additional risk
4 to the viability of this integrated Project, especially where, as noted above, the
5 relevant consideration is the overall cost and benefits of the Projects for IPL's
6 customers, not the isolated costs of each individual Project.

7 IPL intends to and is working diligently to negotiate competitive pricing for
8 all Projects, and a single overall cost cap does not change IPL's commitment to
9 doing so. Additionally, in the event that actual costs are lower than the projected
10 costs, only actual costs will be included in rates. Similarly, in the event that actual
11 costs exceed the cost cap, IPL is required to establish the prudence and
12 reasonableness of any excess before it can include it in the rates.

13 **Q. How do you respond to Mr. Vognsen's direct testimony at page 27 where he**
14 **states that it is not reasonable to include contingency and owner's costs in**
15 **the Cost Cap?**

16 A. It would be imprudent for IPL not to include contingency and owner's costs in the
17 Cost Cap, especially in light of recent market changes, including recent global
18 supply disruptions and an increase in commodity prices and shipping costs.

19 **Q. How do you respond to Mr. Vognsen's direct testimony at page 28-29**
20 **proposing a Cost Cap of \$1,350/kW?**

21 A. Mr. Vognsen's proposal for a \$1,350/kW Cost Cap is unrealistic and unreasonable
22 in light of current market conditions. As explained in further detail by Ms. Carroll,

1 IPL's updated Cost Cap is reasonable and consistent with current pricing and
2 market conditions.

3 **Q. How do you respond to Mr. Kruger's direct testimony at page 12 requesting**
4 **that the approved Cost Cap be limited to an amount excluding the tax equity**
5 **partner's contribution?**

6 A. For clarity, IPL proposes only to recover the Project costs actually incurred by IPL
7 as opposed to the tax equity investor. Mr. Kruger's proposal of a Cost Cap that is
8 separate from the actual project costs is impractical to implement because tax
9 equity investors may contribute different amounts to different projects at different
10 stages, making it difficult to determine the precise Cost Cap at any given moment
11 during project construction and during negotiation of the tax equity agreements.
12 Again, IPL will not recover those amounts contributed by a tax equity investor
13 through the tax equity partnership. IPL intends to ensure that the costs of the
14 Projects are within the updated Cost Cap Ratemaking Principle. Costs incurred in
15 excess of the updated Cost Cap Ratemaking Principle would be subject to
16 prudence review in a future rate proceeding.

17 **Q. How do you respond to Mr. Vognsen's direct testimony at pages 13-14 in**
18 **which he states that IPL failed to consider the alternative of entering into**
19 **power purchase agreements (PPAs)?**

20 A. It is incorrect that IPL failed to consider PPAs as an alternative. As explained in
21 the Application and in IPL witness Brent R. Kitchen's direct testimony, IPL
22 considered entering into PPAs for the Projects rather than acquiring them, but that
23 option was ultimately rejected in light of the benefits of long-term ownership of


1 projects for IPL customers. Moreover, as explained in Ms. Carroll’s rebuttal
2 testimony, developers offering PPAs are faced with the same supply chain
3 constraints, tariff risks, and economic conditions that IPL faces as a project owner.
4 Availability of PPAs in Iowa is extremely limited. And, with a PPA, IPL has far fewer
5 mechanisms available to mitigate those risks. For example, with a PPA, IPL
6 exercises less control over a project’s development, design, equipment supply,
7 and siting decisions. By owning the Projects, IPL will have the ability to mitigate
8 cost risks through design and equipment supply. IPL will also be able to take
9 advantage of future technological developments and cost reductions expected
10 during the life of the Project, including the future potential option of repowering the
11 facilities to enable lower cost, more efficient generation.

12 **Q. Mr. Vognsen states on page 13 of his direct testimony that “‘flip’ PPAs are**
13 **fairly typical in the solar industry”. Do you agree with this statement?**

14 A. It is not entirely clear what Mr. Vognsen is referring to in his testimony. He seems
15 to be suggesting that IPL enter into a short term PPA with an independent power
16 producer (IPP) that includes an option for IPL to purchase the project after the ITC
17 recapture period, and after the tax equity investor (with whom the IPP has
18 transacted) has exited the partnership (*i.e.*, at years seven or eight of the PPA).
19 However, these transactions do not carry the benefits of ownership, as described
20 by Mr. Kitchen in his direct testimony, and, contrary to Mr. Vognsen’s assertion,
21 are not particularly common in the market as many developers do not prefer such
22 a short PPA term.

1 **Q. You indicated above that a decision is needed on or before September 30,**
2 **2022. Can you please further explain the reasons for this request?**

3 A. There are several reasons why a decision is needed on or before September 30,
4 2022.

5 First, the Projects are needed to be in-service for the 2024/25 MISO
6 Planning Resource Auction (PRA). As elaborated in the Rebuttal testimony of Mr.
7 Kitchen, 

8 

13 IPL and NextEra expect to close on the acquisition of the Duane Arnold
14 Solar I Project on or before October 31, 2022 (which is referred to as the Outside
15 Closing Date in the Purchase and Sale Agreement for that Project), and to
16 authorize NextEra to proceed with construction and procurement activities for both
17 Duane Arnold Solar projects shortly after that date. In addition, IPL must achieve
18 commercial operation of the Duane Arnold Solar I Project prior to December 21,
19 2023 in order to preserve the low-cost interconnection rights for that Project. To
20 achieve that construction timeline, IPL understands that NextEra's construction
21 affiliate must begin procurement activities in the fall of 2022 and commence
22 construction of the Project in early 2023, thereby enabling IPL to achieve
23 commercial operation of that Project in late fall of 2023.

1 In addition, a decision by September 30, 2022 will allow IPL to move quickly
2 to secure panel supply contracts to minimize the risk of any new solar panel tariffs
3 that may be imposed, as further explained in the rebuttal testimony of Ms. Carroll.

4 Finally, A decision by September 30, 2022 will allow IPL ample time to
5 complete negotiations with one or more tax equity investors on terms consistent
6 with those outlined in the updated Indicative Term Sheet, as described by IPL
7 witness Michael L. Gresens.

8 For all of these reasons, it is critical for the Board to approve IPL's
9 Application by September 30, 2022 and IPL respectfully requests that the Board
10 issue a final decision and order on or before that date.

11 **Q. If your rebuttal testimony does not include a response to a statement made**
12 **by another witness in this proceeding, does that mean you agree with their**
13 **position?**

14 A. No. The fact that I do not respond to a statement made by another witness should
15 not be taken to mean that I agree with their position.

16 **Q. Does this conclude your rebuttal testimony?**

17 A. Yes.

STATE OF IOWA
BEFORE THE IOWA UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. RPU-2021-0003
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AFFIDAVIT OF
BEN LIPARI

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

I, Ben Lipari being first duly sworn on oath, depose and state that I am the same Ben Lipari identified in the Rebuttal Testimony, including exhibits, that I have caused the Rebuttal Testimony, including exhibits, to be prepared and am familiar with the contents thereof; and that the Rebuttal Testimony, including exhibits, are true and correct to the best of my knowledge and belief as of the date of this Affidavit.

/s/ Ben Lipari
Ben Lipari

Subscribed and sworn to before me,
a Notary Public in and for said County
and State, this 20th day of June, 2022.

/s/ Linda J. Gomez
Linda J. Gomez
Notary Public
My commission expires on February 6, 2026