

**STATE OF IOWA  
DEPARTMENT OF COMMERCE  
BEFORE THE IOWA UTILITIES BOARD**

---

<b>IN RE: INTERSTATE POWER AND LIGHT COMPANY</b>	<b>DOCKET NO. TF-2020-0237</b>
--	--------------------------------

---

**Response Comments**

COMES NOW, Winneshiek Energy District (“**WED**”) with response comments to the Board’s October 6, 2020 *Order Requiring Additional Information*. WED submitted initial comments and an objection in this docket on July 21, 2020. Below we list and respond to certain questions from the October 6 order, Attachment A, and may submit further reply comments at a later date.

**1. IPL’s proposed inflow-outflow tariff does not specifically address what ownership structures, such as facilities financed through third parties, will be allowed to participate in the inflow-outflow billing arrangement.**

**Please clarify what ownership structures will be allowed to participate in the inflow-outflow billing arrangement.**

Third party ownership (eg third party power purchase agreements, or PPA) has always been an eligible approach within Interstate Power and Light’s (IPL) and MidAmerican Energy’s (MEC) net metering tariffs, and the current iteration should be no different.

PPAs have many benefits, but the most significant is the ability of a non-taxable entity such as a local government or nonprofit organization to capture at least partial value of available tax

credits, thus significantly improving the solar project economics. Private investors utilize the credits (generally over 7-10 years), then sell the system to the entity at fair market value.

Most city and school solar systems are installed utilizing the PPA approach, and many would not have happened without the PPA option. We recently partnered with the city of West Union and North Fayette Valley School District to host local leadership for a solar tour in West Union. Between them, these entities have fourteen solar arrays totaling about 680 KW of solar PV capacity, and all are installed through PPAs with a local contractor and local investors.

The ability to work with local investors is another important reason for third party ownership. The projects in West Union (as well as in Cresco, and at Luther College) utilized both local contractors and local investors/capital. This is an entirely different situation than most utility solar, which is almost always accomplished with large non-local contractors, and with capital from either the investor-owned utility or from other national investors. Local governments and institutions, entering into solar PPAs with local investors and utilizing solar contractors, is a powerful example of the local job creation and wealth creation/retention potential of clean energy, when policies are supportive.

**2. IPL's proposed inflow-outflow tariff does not specifically identify whether customers will be allowed to aggregate accounts at different geographic locations to "virtually" meter.**

**Please clarify whether customers participating in the inflow-outflow billing arrangement will be allowed to "virtually" net meter.**

We interpret meter aggregation (MA) and virtual net metering (VNM) as different, though closely related, practices.

VNM is a fundamental underpinning behind community solar programs, for example, whereby the universe of utility customers (most of which have just one meter/account) can

subscribe to solar production at an array located elsewhere (often owned/managed by a third party) and have that production credited to their account “virtually”. We fully support a broad VNM policy within IPL and MEC net metering/inflow-outflow tariffs that would enable competitive, locally and/or third party owned community solar approaches, and would welcome the opportunity for further exchange on this topic if it is of interest to the Board.

Meter aggregation, in contrast, is generally described as “*a program design that allows a single customer to offset electrical use from multiple meters on his or her property, using a single renewable energy generating system also located on the owner’s property. For example, aggregate net metering allows a farmer to use net metering credits generated from a single renewable energy system to offset the load from multiple meters on the farmer’s same property or adjacent farm properties.*”<sup>1</sup> A form of VNM is involved in the crediting of production from one array to multiple meters, but it is “single-customer” VNM versus “multiple-customer” as in community solar.

Meter aggregation is very important for some farms and businesses, and its benefits are even greater for institutions such as colleges, local governments, and school districts. These entities often have dozens of meters, many of which have no space at all for solar yet are in the same rate class and even billed together already. Decorah, for example, has over 60 meters, the vast majority of which have no room for solar, and this has been a significant obstacle in the City’s consideration of solar to date. The solar projects recently completed by the City of West Union involved a dozen separate arrays and interconnections. The ability to aggregate those meters and

---

<sup>1</sup> National Conference of State Legislatures (NCSL); web page on State Net Metering Policies (<https://www.ncsl.org/research/energy/net-metering-policy-overview-and-state-legislative-updates.aspx>); 11/20/2017.

install just one or two arrays at locations amenable to the community and utility could have saved costs to taxpayers, ratepayers, and benefitted the grid at the same time.

At least 17 states have adopted some form of meter aggregation within their net metering programs, and the afore-referenced NCSL web page summarizes these programs.<sup>2</sup> We strongly support the inclusion of a meter aggregation provision in both the IPL and MEC net metering/inflow-outflow tariffs, and propose three options for the Board and utilities to consider (helpful graphical context relevant to these options can be found at the Institute for Local Self-Reliance<sup>3</sup>).

1. Single owner meter aggregation would allow institutions such as cities to aggregate meters and apply production from one or more arrays to the aggregated meters regardless of co-location. This would be a critical enabling policy for local governments, schools, and colleges<sup>4</sup>. This could be limited to meters from a single customer all located on the same distribution grid, and/or within the same county or a defined distance.
2. Tenant aggregation could be added to a single owner meter aggregation policy, allowing an owner to work with tenants to spread the benefits of solar to renters. This would be a critical enabling policy that could open the door to innovative partnership projects to bring the benefits of solar to lower-income households through local investment and ownership.
3. Multiple customer aggregation combined with virtual net metering and non-utility ownership would represent a community solar approach. IPL is currently creating a

---

<sup>2</sup> National Conference of State Legislatures (NCSL); web page on State Net Metering Policies (<https://www.ncsl.org/research/energy/net-metering-policy-overview-and-state-legislative-updates.aspx>); 11/20/2017.

<sup>3</sup> Institute for Local Self-Reliance; web page Aggregate Net Metering (<https://ilsr.org/aggregate-net-metering/>); “Categories of Net Metering” graphic; June 2005.

<sup>4</sup> Aggregate Net Metering: Opportunities for Local Governments ([https://icma.org/sites/default/files/306815\\_Aggregate%20Net%20Metering%20Opportunities%20for%20Local%20Government.pdf](https://icma.org/sites/default/files/306815_Aggregate%20Net%20Metering%20Opportunities%20for%20Local%20Government.pdf)); Chelsea Barnes for the North Carolina Solar Center; July 2013

community solar program to be available later this year<sup>5</sup>, but the terms as proposed in the 2019 rate case are not nearly as favorable as current on-site net metering, or those that a non-utility (such as a community, or private developer) could offer. Allowing non-utility owned community solar would create an open, competitive environment fostering local innovation and ownership opportunities.

**3. The opening paragraph on MidAmerican Energy Company's (MidAmerican) tariff Sheet No. 376 states: "In the context of the Rate IO tariff, the Customer's load is defined as the Customer's average annual energy usage based on recent billing data or estimated annual energy usage. The Company reserves the right to request from the Customer estimated annual energy usage if the Customer has less than one (1) year of billing data."**

**Terms and Conditions #7 on IPL's tariff Sheet No. 42.4 states: "If, at minimum, twelve months of usage is not available for the property, Company shall use the Customer's class average annual kWh energy usage in the determination of a Customer's annual electricity usage."**

**Winneshiek Energy District (Winneshiek), Iowa 80 Truckstop, and Iowa Environmental Council and the Environmental Law and Policy Center (IEC/ELPC) expressed concerns about IPL's method for determining the system size for customers that do not have 12 months of historical data. According to IEC/ELPC, MidAmerican develops such estimates based on a comparable customer. Iowa 80 Truckstop stated the industry sizes electrical equipment based on projected usage.**

**Please comment on whether the method for determining a customer's average annual kWh energy usage, when 12 months of historical data is not available for the customer, should be the same for MidAmerican and IPL, and comment on the appropriate method for determining the system size for these customers.**

We addressed the challenges with IPL's proposed method for creating artificial system size limits in our initial comments and objection, and may follow up after seeing IPL's answer to this question.

---

<sup>5</sup> Alliant Energy Community Solar web page (<https://www.alliantenergy.com/InnovativeEnergySolutions/SustainableEnergyChoices/CommunitySolar>)

Meanwhile, we propose that in principle, 1) any methodology should err on the side of allowing a customer to size a system based on the customer's own estimate of need and annual usage, and 2) such methodology should (and can easily) include some level of protection from oversizing for both the customer and the utility. *The utility and non-solar ratepayers are already protected from harm* by the language in SF 583 that states "Any outflow purchase credits remaining at the end of an annual period shall be forfeited ...". The main question is how to also protect a solar-installing customer from loss due to oversizing, while still maintaining optimum flexibility for the customer in sizing their own system. The development of a methodology whereby the utility develops a *recommendation* for the customer based on transparent assumptions, and that that clearly states the consequences of overproduction, could achieve maximum awareness while still retaining customer freedom to choose system size, and potentially plan for future/anticipated needs.

**9. IEC/ELPC point out that Terms and Conditions #11 on IPL's tariff Sheet No. 42.5 provides that customers are eligible for the tariff for 20 years, but the tariff does not specify that the purchase rate will be in effect for the 20-year period.**

**Please respond to IEC/ELPC's concern.**

We believe that SF 583 was clear on this point<sup>6</sup>:

The outflow purchase rate for any distributed generation facility will continue to be the applicable retail volumetric rate for a term of twenty years. Any change in ownership of such eligible facility, or adoption and use by the electric utility of a value-of-solar rate pursuant to subsection 4, shall not impact the outflow purchase rate for the distributed generation facility during the twenty-year term.

---

<sup>6</sup> Iowa Legislature Billbook for SF 583, section 3(b)(5); (<https://www.legis.iowa.gov/legislation/BillBook?ba=SF%20583&ga=88>)

In stating that the neither ownership nor the development of a value of solar rate shall impact the outflow purchase rate for the twenty-year term, the intent is clear that a customer is to receive the certainty of a known purchase rate for the 20-year term. This certainty is provided by regulators to utility investors in rate cases, has always been provided to Iowa solar owners in prior iterations of net metering tariffs, and ought to continue in the tariffs under consideration.

Sincerely,

/s/ Andrew Johnson  
Executive Director  
Winneshiek Energy District  
563-382-4207x1#  
[andy@energydistrict.org](mailto:andy@energydistrict.org)  
October 16, 2020