

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

IN RE:)	
)	
IRONWOOD DEVELOPMENT, LC)	
)	
AND)	Docket No. WRU-2014-0013
)	
PROFESSIONAL PROPERTY MANAGEMENT, INC.)	
)	
)	

**MIDAMERICAN ENERGY COMPANY’S RESPONSE TO THE IOWA UTILITIES
BOARD REQUEST FOR ADDITIONAL INFORMATION**

NOW COMES MidAmerican Energy Company (MidAmerican) and for its response to the Iowa Utilities Board (Board) Order Requesting Additional Information issued January 30, 2015, (Order), states the following:

Introduction

On September 11, 2014, Ironwood Development and Professional Property Management, Inc. (Applicants) filed a Request for Waiver with the Board requesting a permanent waiver of 199 I.A.C. Section 20.3(1)(b). Along with the request, the Petitioners also filed an Exhibit B detailing the energy efficiency measures it proposed to install for its proposed two residential complexes. MidAmerican and the Applicant agreed to a pilot program to allow for master metering under certain terms and conditions and the Applicant filed a preliminary Altoona Towers Master Pilot Project on January 9, 2015. MidAmerican and the Office of Consumer Advocate (OCA) provided input to the filing. In response to the Board’s January 30, 2015, Order, Applicants are filing an updated

Altoona Towers Master Pilot Project on February 27, 2015. MidAmerican is filing its separate response to address the Board's questions raised in the January 30, 2015, Order specific to MidAmerican. MidAmerican also notes that the Applicants do not agree with the proposed rate discussed in the response to Question 2. MidAmerican understands the Applicants plan to file an Altoona Towers Master Pilot Project update to its waiver request which outlines the reason it opposes MidAmerican's proposed rate. The Applicant only made its argument and analysis available to MidAmerican on February 27, 2015. MidAmerican will address the issues raised by the Applicant and file a response on March 4, 2015, after MidAmerican has time to review the information provided in the Applicant's February 27, 2015, filing.

Response to Board Questions

In response to the Board's questions, MidAmerican provides the following:

1. MidAmerican and Applicants are required to provide a complete list of objectives for the project.

Response:

MidAmerican's objectives for the pilot revolve around gathering enough information for the Board to make a reasonable decision regarding whether allowing master metering is the best way to overcome the split incentive associated with energy efficiency in rental housing.

MidAmerican believes that in order to make that decision the Board will need to determine the following:

- Do the rental facilities that are the subject of the pilot (the "experimental group") use less energy per square foot than comparable facilities without the added energy efficiency measures and master metering (the "control group")?
- How much of the per square foot energy savings for the experimental group is attributable to the energy efficiency measures?
- How much of the per square foot energy savings from energy efficiency measures for the experimental group is offset by increased tenant usage?
- How do the load profiles for the apartments in the pilot facilities compare to load profiles for comparable apartments in other facilities?

- How much does the actual cost of energy used vary between pilot facility residents in similar size apartments?
- How much of a rental premium do the apartments in the pilot facility command in the rental market?
- What strategies were used to communicate the value of the reduced energy usage of the apartments and how successful were those strategies?

2. MidAmerican will need to file a proposed tariff with the new rate for the pilot project. Does MidAmerican expect other customers to be able to take service under this pilot project rate, or is this available to just the Applicants?

Response:

See Attachment 1 for the MidAmerican's proposed Rate RMS – Residential Master Metered Service rate (Rate RMS). MidAmerican believes Rate RMS is appropriate for a residential master-metered facility. It includes a basic service charge consistent with the general service demand rate (Rate GD) and energy charges consistent with the summer rate and first-step winter rate of the residential rate (Rate RS). This assumes the tenant loads would still have the same load shape as other residential customers, but that with their overall reduced usage levels, they would be unlikely to qualify for the lower second step of the winter rate. Residential phase-in, equalization and transmission cost adjustment factors would apply. Because this is a pilot project, with the outcome yet undetermined, MidAmerican would not intend to make the rate available to anyone other than the Applicants.

3. How long do Applicants and MidAmerican anticipate the pilot project will need to continue until there is sufficient data to address the goals of the project?

Response:

MidAmerican believes three years should be sufficient time to address all the goals of the project.

4. Is it possible for MidAmerican to estimate energy use by metering common areas and to provide sub-metering for those areas?

Response:

MidAmerican plans to measure monthly usage for each apartment and for the facility as a whole. The difference between the total facility usage and the apartment usage would be assumed to be related to the common areas.

- 5. Applicants should provide specific details, where possible, for all of the items (appliances, technologies, building components or sub-systems, and other measures) listed as contributing significantly to energy use (equaling five percent or greater). The details should include anticipated energy savings of each item.**

Response:

This information is being provided by the Applicants on February 27, 2015.

- 6. Is it possible, and feasible, for MidAmerican to meter a sample of apartments with recording meters capable of measuring and storing energy use at smaller than monthly time periods (e.g., hourly, 15-minute interval). If the costs are reasonable, can such meters be installed on a ten percent sample to help identify savings attributable to specific, major energy uses, including heating/cooling, lighting, cooking and plug load?**

Response:

While MidAmerican plans on installing interval meters on at least ten percent of the pilot project apartments, other devices, such as data loggers on specific equipment, may be needed to accurately assess the savings related to major energy uses.

- 7. MidAmerican should specify what type of data will be collected for individual apartments, common areas, and the total buildings for the “experimental group” as well as the “control group.”**

Response:

MidAmerican intends to collect monthly usage data for all individual apartments in the pilot facility, hourly data for a sample (at least ten percent) of individual apartments and hourly data for the facility as a whole. The usage attributed to common areas will be the difference between the total facility usage and the apartment usage. MidAmerican will also collect information regarding the square footage and number of occupants for each apartment.

The “control group,” which will consist of a facility or facilities determined to be similar to the pilot facility except for levels of energy efficiency and master metering. MidAmerican will collect monthly usage data for control group facilities and usage, square footage and number of occupants for individual apartments within those facilities. MidAmerican will determine if it can utilize any existing load research data for apartment customers, MidAmerican may have to provide hourly load profile information, and if that is not satisfactory, will deploy additional interval metering to collect hourly data.

MidAmerican also plans to collect monthly rental cost information for the pilot facility and for other control group facilities. MidAmerican will also determine the effectiveness of the

developer's efforts to convey the value of the energy efficiency measures to potential renters through use of surveys.

- 8. MidAmerican should describe, develop, and identify a set of metrics and describe the methodology that will be used to analyze the data collected.**

Response:

MidAmerican has not fully developed the metrics or methodology it would use to analyze the data collected. MidAmerican believes the data it plans to collect will allow for adequate analysis to address the questions listed in Question 1 regarding its objectives. MidAmerican plans to consult with its evaluation, monitoring and verification contractor regarding selection of the control group and metrics and methodology to be used to analyze the data. In order to fund the analysis, MidAmerican proposes to use administrative budget dollars from the non-residential electric energy efficiency budget. The verification of the Applicant's energy efficiency projects is consistent with the requirements of the non-residential program requirement to verify projects.

- 9. Are there any privacy issues that need to be addressed, if MidAmerican is going to obtain individual apartment energy usage and analyze the data?**

Response:

Yes, there could be various privacy issues regarding usage data. MidAmerican considers the customer usage data it collects as confidential. Therefore, to address any privacy issues, MidAmerican will not make the usage information publically available.

- 10. Staff believes there are metrics that will provide a yearly average usage, Btu, per square foot per year. Is it possible for MidAmerican to provide this type of comparison for these apartment buildings?**

Response:

Yes.

- 11. Will the information provided by Applicants with regard to the educational programs indicate how many tenants attended these meetings?**

Response:

This information is being provided by the Applicants on February 27, 2015

WHEREFORE, MidAmerican Energy Company respectfully requests the Iowa Utilities Board accept MidAmerican's additional information and find it in compliance with the Board's January 30, 2015, Order in the above reference docket.

Respectfully submitted,

MidAmerican Energy Company

/s/ Jennifer S. Moore

By _____

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