

STATE OF IOWA
BEFORE THE IOWA UTILITIES BOARD

FILED WITH
Executive Secretary
March 18, 2016
IOWA UTILITIES BOARD

IN RE:

**INTERSTATE POWER AND LIGHT
COMPANY**

**DOCKET NO. WRU-2016-0007-0150
(EEP-2012-0001)
(TF-2015-0015)**

REQUEST FOR WAIVER OF 199 IAC 35.6(4)“a”(2)
REGARDING IPL’S 2015 ENERGY EFFICIENCY PLAN BUDGET

Interstate Power and Light Company (IPL), pursuant to 199 IAC § 1.3 and 199 IAC 35.7, requests a waiver of 199 I.A.C. § 35.6(4)"a"(2) for the residential electric grouping 2015 budget in IPL’s 2014-2018 Energy Efficiency Plan (Plan).¹ In 2015, IPL underspent its Plan budget for electric residential programs. This underspend should not be considered a sustained deviation from IPL’s Plan budget because customer participation could increase sufficiently to merit the full budget expenditures in 2016. Accordingly, IPL seeks Iowa Utilities Board (Board) waiver of IPL’s 2015 residential electric Plan budget underspend.² In support of its request, IPL states as follows:

¹ On December 2, 2013, the Board approved IPL’s 5-year Energy Efficiency Plan in Docket No. EEP-2012-0001.

² Concurrently with this waiver request, on March 18, 2016 IPL separately files an Application for an Energy Efficiency Plan Limited Modification (Limited Modification) proposing permanent changes to four select IPL electric and natural gas program budgets and impact goals pursuant to 199 IAC 35.6(4); waiver is not an appropriate procedural mechanism for the permanent program changes sought in the Limited Modification.

BACKGROUND

1. IPL takes energy efficiency seriously and is committed to collaborating with its stakeholders to aggressively promote energy efficiency to its customers. IPL also places a high priority on delivering impact results with sensitivity to customer costs and program efficiency. In its upcoming May 1, 2016 Annual Report, IPL anticipates delivering electric results that exceed the Plan electric savings goal while maintaining spending within the Plan's budgeted amounts.

2. On February 29, 2016, IPL filed TF-2016-0015 its Electric Energy Efficiency Cost Recovery Report. In comparison to the approved residential electric grouping budget for 2015, this report showed a 27 percent variance between actual spending and budget.

3. IPL's Settlement Agreement with the parties to the Energy Efficiency Plan (Appendix 3, section 4a)³ states that IPL must only file a program modification if it affirmatively believes and has reason to believe the circumstances leading to the variance will continue:

“...If the filing demonstrates spending or impact variances above thresholds established in IUB rule (199 35.6(4)) **and the circumstance(s) contributing to such variance is (are) expected to continue**, IPL will seek a program modification concurrently with or shortly after its EECR filing. The scope of the modification may be limited to the particular factor(s) driving the budget or impact variance. (emphasis added)”

³ Docket No. EEP-2012-0001 “Joint Motion for Approval of Non-Unanimous Partial Settlement Agreement”, July 26, 2013.

IPL does not believe or have any reason to believe that the underspending variance in the residential electric programs will continue. Therefore, a waiver for this 2015 underspend is the appropriate action.⁴

REQUEST FOR WAIVER

4. IPL highly values meeting customer demand for programs and helping customers save energy and money. IPL believes these goals are best accomplished by designing and implementing desirable programs; prudent implementation practices and customer demand guide the success of the Plan program.

5. If some of the anticipated customer demand does not materialize, spending will naturally moderate. IPL, however, will target outreach as appropriate to increase awareness of and possible demand for the programs.

6. Waivers are valuable tools to manage unanticipated program variations during Plan implementation.⁵ The flexibility that waivers provide allows utilities to fulfill customer expectations in a timely manner, help grow energy efficiency in Iowa, and avoid costly and unnecessary plan modifications.

7. IPL requests a waiver of its 2015 Plan residential electric grouping budget requirement pursuant to 199 IAC § 1.3 from 199 IAC 35.6(4)“a” for the following reasons:

⁴ The Board has waiver mechanisms at its disposal. *Compare* 199 IOWA ADMINISTRATIVE CODE 35.7 (2016) (stating that upon good cause shown, the Board may waive any EEP requirement) *with* 199 IOWA ADMINISTRATIVE CODE 1.3 (2016) (the Board’s general 199 wavier provision).

⁵ For more permanent Plan variations, 199 IAC 35.6(4)“a” requires that a utility file a plan modification when, “(1) The total annual plan budget has changed or will change by a factor of at least plus or minus five percent...”, “(2) The budget per customer class or grouping has changed or will change by a factor of at least plus or minus 10 percent;...”. These modification conditions are not present in this Waiver request, so 199 IAC 35.7 applies: “[u]pon request and for good cause shown, the board may waive any energy efficiency plan requirement.”

- A. The 2015 electric residential underspend as compared to the Plan budget should not be considered a sustained deviation necessitating a modification when customer participation could increase sufficiently to merit the full budget expenditures. If IPL instead modified the Plan budget based on 2015 numbers, it may be required to modify the Plan budget again next year based on IPL's expectation that this budget trend is not permanent. The costs associated with this would pose an undue hardship on IPL's customers.⁶
- B. IPL plans to launch a Residential Behavioral pilot mid-2016 that, in addition to driving behavioral impacts for IPL, will drive impacts in other IPL cross-promoted residential programs. Also in 2016, Residential Prescriptive Rebates, specifically electric measures, will be strongly marketed to individual customers; IPL expects an increase in participation in the program as a result.
- C. Granting the waiver will not prejudice the substantial legal rights of any person, and the granting of this waiver will not impinge upon public health, safety or welfare.⁷
8. On May 6, 2015, the Board issued an Order on a previous waiver request sought by IPL. In approving IPL's waiver, the Board reminded utilities that any future Chapter 35.6(4) filings for waiver of spending variations must be accompanied by information addressing whether the spending variances are

⁶ 199 IOWA ADMINISTRATIVE CODE 1.3(1) (2016).

⁷ 199 IOWA ADMINISTRATIVE CODE 1.3(2)(4) (2016).

expected to continue and whether the plan budget should be changed.⁸ IPL does not expect the 2015 residential electric grouping underspend variance to continue. The Plan budget should not change.

WHEREFORE, for the reasons above stated, IPL requests a waiver of 199 I.A.C. 35.6(4)"a" to allow the Plan residential electric grouping spending for 2015 to vary more than ten percent from the Plan budget.

Dated this 18th day of March, 2016.

Respectfully submitted,

**INTERSTATE POWER AND LIGHT
COMPANY**

By: /s/ Benjamin M. Clark
Benjamin M. Clark
Attorney – Regulatory
Alliant Energy Corporate Services, Inc.
200 First Street SE, P.O. Box 351
Cedar Rapids, IA 52406-0351
319.786.4686
benjaminclark@alliantenergy.com

⁸ See May 6, 2015 Order, p. 7, WRU-2015-0014-0150; compare 199 IOWA ADMINISTRATIVE CODE 1.3(3) (2016) (requiring that the provisions waived are not specifically mandated by statute) *with* IOWA CODE § 476.6(15)"e" (2015) (allowing the Board to ... modify the plans and budgets) *and* 199 IOWA ADMINISTRATIVE CODE 35.6(4) "a" (2016) (stating that a utility shall file an application to modify upon the occurrence of certain conditions) *and* 199 IOWA ADMINISTRATIVE CODE 35.7 (stating that upon good cause shown, the Board may waive any EEP requirement).