



***VIA ELECTRONIC FILING***

April 18, 2016

Chair and Members of the  
Iowa Utilities Board  
Attn: Executive Secretary  
1375 E. Court Avenue  
Des Moines, IA 50319

**FILED WITH  
Executive Secretary  
April 18, 2016  
IOWA UTILITIES BOARD**

**RE: Docket No. NOI-2014-0001: Utility Net-Metering Generation Pilots**

Chair, Members of the Board, and Executive Secretary:

The Alliance for Solar Choice (TASC) thanks the Iowa Utilities Board (Board) for its thoughtful and reasoned approach to evaluating distributed generation (DG) policies in this docket. TASC is particularly appreciative of the Board's October 30, 2015 Order (Order). TASC agrees with the Board's directive to the utilities to develop pilot proposals that expand renewable DG in the state.<sup>1</sup> TASC also agrees with the Board's determination that additional information is needed before any rate design changes should be considered.<sup>2</sup>

TASC submits this letter to comment briefly on the pilot proposals submitted to the Board by MidAmerican Energy Company (MidAmerican) and Interstate Power and Light Company (IPL) on March 28, 2016. TASC asks the Board to reject aspects of the MidAmerican and IPL pilot proposals that are clearly beyond the scope of the Order and to allow stakeholders to comment on those aspects of the utility pilot proposals that are within the scope of the Order.

In the October 30, 2015 Order, the Board asked the utilities to develop "pilot projects exploring various aspects of net metering or other DG issues that could be used to inform future policy or rule changes."<sup>3</sup> Two topics the Board recommended could be addressed by pilot programs are the treatment of excess net-metering credits and whether the net-metering cap should be increased.<sup>4</sup> To the extent the utilities have developed pilot proposals that address these topics, TASC asks the Board to allow public comment on such proposals.

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<sup>1</sup> See Order Regarding Policy Statement, Rate Design Presentations, and Net-Metering Generation Pilots (Oct. 30 2015) [hereinafter October 30, 2015 Order], at pp. 7, 9.

<sup>2</sup> *Id.* at pp. 10-11.

<sup>3</sup> *Id.* at p. 7.

<sup>4</sup> *Id.* at p. 8.

Unfortunately, the utilities have presented new DG rate design proposals that are inconsistent with the Order's request for limited pilot programs. Rather than propose pilot programs to expand DG or modify existing DG policy as requested by the Order, MidAmerican and IPL have proposed new rate structures for all future DG customers. These proposals plainly go beyond the pilot programs the Board envisioned in its October 30, 2015 Order, wherein the Board determined that there is not sufficient information at this time to change the net metering rules.<sup>5</sup> As the Board explained, "A pilot approach provides an opportunity to make changes on a *limited basis* in order to determine the impacts that those changes might have on the utility and its customers prior to making these changes permanent."<sup>6</sup>

Nonetheless, IPL has proposed an "alternative form of net metering" that would effectively end net metering by requiring all new DG customers to participate in a "buy-all/sell-all arrangement" whereby exported energy would be compensated on a monthly basis through a two-tiered pricing structure.<sup>7</sup> MidAmerican proposes a three-part tariff for new solar net metering customers that would consist of a basic service charge, demand-based charge, and a volumetric energy usage charge.<sup>8</sup> These are not limited proposals, but are in fact overhauls of the existing net-metering rate structure. These rate proposals clearly extend beyond the limited pilot programs sought by the Board and are therefore inconsistent with the Board's October 30, 2015 Order. TASC respectfully requests that the Board reject these rate proposals.

Stakeholders have already spent a great deal of time addressing issues regarding net metering rate design in this proceeding. The utilities raised their rate proposals earlier, leading the Board to determine that insufficient information exists to change net metering.<sup>9</sup> Addressing the utilities' rate proposals now would be an inefficient use of time, as it would revisit topics that have already been extensively covered and ruled on by the Board. In fact, the Board has already established a process by which it will consider the utilities' rate proposals. As the Order indicates, "The Board's staff will contact MidAmerican and IPL to schedule a time at one of the Board's regularly scheduled meetings to present their plans for future rate designs."<sup>10</sup> Addressing the utilities' rate proposals in the context of the pilot programs would conflict with the Board's envisioned process for considering these proposals.

Moreover, the proper venue for consideration of rate design changes is a general rate proceeding. The Board has consistently characterized proposals to change rates outside of a general rate case as "piecemeal ratemaking," which the Board considers a "significant departure from traditional ratemaking" that is "prohibited" and "unfavored" absent "extraordinary circumstances."<sup>11</sup> This

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<sup>5</sup> *Id.* at p. 9.

<sup>6</sup> *Id.* at p. 7 (emphasis added).

<sup>7</sup> IPL, Preliminary Implementation Plans (Mar. 28, 2016), at pp. 5-7.

<sup>8</sup> MidAmerican, Preliminary Implementation Plan (Mar. 28, 2016), at p. 7.

<sup>9</sup> October 30, 2015 Order at p. 7.

<sup>10</sup> October 30, 2015 Order at p. 11.

<sup>11</sup> See, e.g., *Office of Consumer Advocate v. Iowa State Commerce Commission*, 465 N.W. 2d 280, 282 (Iowa Supreme Court 1991); *Order Rejecting Revenue Requirement and Capital Additions Tracker Settlement Agreement and Approving Small Volume Transportation Service Settlement Agreement*, In re: Black Hills/Iowa Gas Utility Co., LLC, Docket No. RPU-08-3, pp.

proceeding is therefore not the proper venue for the utilities' rate proposals and the utilities should instead bring these proposals in a general rate proceeding.

The Consumer Advocate's response to the proposals submitted by MidAmerican and IPL raises a number of issues that highlight the extent to which the rate design changes proposed by the utilities are inconsistent with the Board's Order. As the Consumer Advocate notes, the utilities' proposals do not promote renewable DG in Iowa, but instead undermine the growth of renewable DG.<sup>12</sup> This aim contradicts the Board's expressed intent that the utilities "consider implementing pilot projects that will expand renewable DG in Iowa."<sup>13</sup> Such proposals, therefore, are clearly contrary to the Board's October 30, 2015 Order and would curtail renewable DG at a time when Iowa is seeking creative ways to encourage renewable generation.

As the Consumer Advocate further notes, the Board recommended that IPL and MidAmerican collaborate with NOI participants in developing their pilot proposals.<sup>14</sup> However, the utilities' proposals were not developed in collaboration with other participants in the NOI, but are instead resubmissions of positions the utilities previously took in the NOI that were rejected by the Board.<sup>15</sup> TASC shares the Consumer Advocate's concerns and believes they further illustrate the extent to which the utilities' rate design proposals are inconsistent with the Board's Order and should therefore not be considered.

Despite our concerns about the utilities' rate design proposals, TASC believes the community solar pilot proposals IPL and MidAmerican provide appropriately respond to the Board's Order and should therefore be subject to public comment. IPL plans "to develop a single pilot with the option for multiple sites" for community solar projects and plans to offer two subscription options, both available to Residential and General Service customers.<sup>16</sup> MidAmerican plans to build, own and operate a community solar project of at least 5 MW, with additional capacity up to 35 MW developed given sufficient customer demand.<sup>17</sup> TASC believes these pilot projects are of the type and scale contemplated by the Board's Order. TASC therefore requests the Board allow stakeholders an opportunity to comment on the utilities' community solar pilot proposals. However, TASC encourages the Board to reject the portions of the utility filings related to rates modifications, which are clearly beyond the scope of the pilot programs the Board requested.

TASC respectfully asks that the Board take the foregoing concerns and recommendations into consideration.

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19-25 (May 7, 2009).

<sup>12</sup> Consumer Advocate, *Response to MidAmerican Energy Company's Preliminary Implementation Plan* (Apr. 7, 2016) [hereinafter Consumer Advocate MidAmerican Response], at p. 4; Consumer Advocate, *Response to Interstate Power and Light Company's Preliminary Implementation Plan* (Apr. 7, 2016) [hereinafter Consumer Advocate IPL Response], at p. 4.

<sup>13</sup> October 30, 2015 Order at p. 9.

<sup>14</sup> *Id.*; Consumer Advocate MidAmerican Response at pp. 4-6; Consumer Advocate IPL Response at pp. 4, 6-7.

<sup>15</sup> Consumer Advocate MidAmerican Response at pp. 4-6; Consumer Advocate IPL Response at pp. 4, 6-7.

<sup>16</sup> IPL, Preliminary Implementation Plans (Mar. 28, 2016), at pp. 13-14.

<sup>17</sup> MidAmerican, Preliminary Implementation Plan (Mar. 28, 2016), at pp. 3-4.

Respectfully submitted,

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