

**Interstate Power and Light Company**

March 31, 2017

**INTERPRETATION NO. IPL E2016-21**

**ALTERNATIVE ENERGY PRODUCTION RATE  
REVISED COMPLIANCE FILING**

**RE: DOCKET NOS. TF-2016-0321  
TF-2016-0322**

Procedural History

On July 19, 2016, the Iowa Utilities Board (Board) issued an order (July 19<sup>th</sup> Order), directing Interstate Power and Light Company (IPL) to file a new net-metering tariff pilot (Pilot). See Docket No. NOI-2014- 0001. IPL, in compliance with the July 19<sup>th</sup> Order, submitted a Pilot on August 31, 2016, which allows net metering of energy (kWh) for all customer classes, including residential, general service and large general service customers. See Docket Nos. TF-2016-0321, TF-2016-0322, and NOI-2014-0001. The Pilot includes a capacity limitation for net metering up to no more than 1,000 kW of nameplate capacity or 100 percent of customer's load – with load being defined as a customer's maximum annual kilowatt (kW) demand – whichever is less.

Since IPL's initial tariff filing on August 31, 2016, the Board has issued three additional orders: 1) Order Docketing Tariffs for Further Investigation and Setting Dates for Comments and Responses – September, 27, 2016; 2) Order Requiring Revised Tariff - TF-2016-0321 and TF-2016-0322 – February 3, 2017; and 3) TF-2016-0321 and TF-2016-0322 Order Granting in Part, and Denying in Part, Applications for Rehearing and Requiring Revised Tariff Filing by Interstate Power and Light Company – March 17, 2017 (March 17<sup>th</sup> Order). See Docket Nos. TF-2016-0321, TF-2016-0322, and NOI-2014-0001.

Purpose

The March 17<sup>th</sup> Order directs IPL to revise its tariff to: 1) allow a net-metering customer to assign its contract with IPL to another customer upon written consent of the parties; 2) expressly provide that the load cap will be applied in terms of alternating current (AC) kW; and 3) set forth the class load factors that IPL will use to determine load-based caps for net metering.

In compliance with the March 17<sup>th</sup> Order, IPL has made the following changes to its tariff sheets:

1. On tariff sheet no. 42, Sunset Provision, IPL has incorporated language in this provision comparable to that in the MidAmerican tariff (sheet number 365) providing that the contract between the utility and the net-metering customer may be assigned upon written consent of the parties, such consent not to be unreasonably withheld.

2. On tariff sheet no. 41, IPL has incorporated language that the load cap is to be applied in terms of alternating current (AC) kW.
3. On tariff sheet no. 41, Load Limitations for Private Generation Credits provision, IPL specifies that customer class average annual load factors will be used for customers who do not have historical kW demand data, as well as the customer class non-coincident demand that will be used to define the load for a customer with no historic kWh usage. Tariff sheet no. 42.1, special provision 7, lists the 2016 customer class load factors that will be used, as well as the corresponding non-coincident demands.
4. On the top of tariff sheet no. 42, IPL provides a sample calculation demonstrating how the load limitations for customers with no historic kW data are determined. Below is an example of how the sample calculation may be applied.

**Example - Residential Customer with no Historic kW (*i.e.*, load) data**

Assumptions:

- 19 percent average load factor for residential customer class (see *note*);
- 12,000 kWh annual usage;

Load at 100 percent = 12,000 kWh (annual usage) / 8,760 hours in a year divided by 19 percent (the average residential customer class load factor) = 7.2 kW. The 7.2 kW represents the size of the installation that would match 100 percent of the customer's load, and is eligible for net metering.

Under this Pilot, the customer retains the option to install any size private generation facility. If the customer installs a 10 kW solar installation and it generates excess energy beyond what the customer can consume, that energy is sent back through IPL's meter to the grid, Seventy-two percent\* of the excess energy is eligible for net-metering treatment (*i.e.*, can be used as an offset to kWh IPL provides the customer). The remaining 28 percent of the excess is credited on the customer's bill at market rates. There is no limit to the amount of energy that can be consumed by the customer directly from the generation facility behind the meter; it is only the excess generation to which net metering applies. .

Note: IPL will utilize the customer class non-coincident demand from the annual class load data filing to make this determination. IPL has included this information as Attachment A.

\*Seventy-two percent is derived by dividing 7.2 kW eligible by 10 kW installed (*i.e.*, 100% of customer's load measured in kW divided by the actual size of the private generation facility measured in kW).

Additionally, IPL has identified minor, administrative revisions to its tariff sheets, which are included in this filing.

1. On tariff sheet no. 41, Annual Cash-Out provision, IPL has replaced any references to “contribution” from the customer to IPL’s Hometown Care Energy Fund with “transfer.” This change is made to better conform to the Board’s Order Requiring Revised Tariff, issued February 3, 2017 in this proceeding, which indicated that the Board was unable to provide any guidance on whether the customer allocations should be considered a customer donation for tax purposes.
2. On tariff sheet no. 42, Customers with Private Generation Facilities over 1,000 kW, IPL has removed descriptive information relative to IPL’s avoided cost informational filing.

Upon Board approval, IPL’s net metering pilot tariff will be effective May 1, 2017, and the existing net metering tariff (AEP Rate) will no longer be available going forward for new generation installations.. Any customer who submits a completed interconnection application prior to May 1, 2017 will be allowed to take service under the existing AEP Rate. Existing AEP Rate customers may opt-into the new net metering tariff; customers who transition to the new net metering pilot tariff rate will be unable to transition back to the AEP Rate. Therefore, the AEP tariff sheets will be marked as “Frozen,” and under the General Description section will state that it is frozen to existing customers at existing locations.

IPL has attached a data collection plan for this pilot in Attachment B.

Red-lined tariff sheets are provided.

**Tariff Changes:**

(IPL Original Electric Tariff No. 1)

Replace:

Fourth Revised Sheet No. 1  
Fourth Revised Sheet No. 39  
Fourth Revised Sheet No. 40  
Fourth Revised Sheet No. 41  
Fourth Revised Sheet No. 42

With:

Fifth Revised Sheet No. 1  
Second Substitute Fourth Revised Sheet No. 39  
Second Substitute Fourth Revised Sheet No. 40  
Second Substitute Fourth Revised Sheet No. 41  
Second Substitute Fourth Revised Sheet No. 42

Second Revised Sheet No. 52  
First Revised Sheet No. 53  
First Revised Sheet No. 54

Substitute Third Revised Sheet No. 52  
Substitute Second Revised Sheet No. 53  
Substitute Second Revised Sheet No. 54

Attachments:

Attachment A – 2016 Load Research Information (Excel)  
Attachment B – Data Collection Plan

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Attachment B- IPL Data Collection Plan

### **IPL Private Generation Data Reporting Recommendations**

As discussed by the Iowa Utilities Board (Board), one of the objectives of the Net Metering Pilot Tariff (Pilot) is “to collect the data necessary to determine whether permanent revisions need to be made to the Board’s net metering policies.” Docket No. NOI-2014-0001, Order Directing Filing of Net Metering Tariffs at 3 (July 19, 2016). Interstate Power and Light Company (IPL) currently has data it collects from: 1) the Interconnection Agreements it executes with customers who are installing private generation facilities and information available at the time of interconnection; 2) customer billing data; and 3) metering data.

To assist the Board in its efforts to evaluate net metering policies, IPL makes the following recommendations, which can be used to establish a baseline and monitor the effects of IPL’s Pilot.

#### **Data Available from Interconnecting Customers**

- Eligible private generation size vs. requested installation size (nameplate capacity)
- Number of customers who change the installation size when informed of the eligible size for private generation (if known)
- Ownership of private generation facilities (own, lease, third-party PPA)
- Customer Type (Residential, General Service or Large General Service)
- Technology type (Solar, Wind, Bio-digester, Other)
- In-service date (i.e., permission to operate)
- Nameplate capacity of system
- Location of system
- Number of customers contributing over 50 percent to Hometown Care Energy Fund in each of the following groups:
  - 75 percent
  - 100 percent

#### **Billing Data**

- Bill impact by Private Generation (PG) customer (reduction to bill for net metering and monthly excess energy cash-out)
- Amount of energy banked by month (kWh)
- Number of customers that bank by month
- Total cash out dollars paid to customers in each of the following groups annually
  - April cash out customers (dollar value plus customer count)
  - January cash out customers (dollar value plus customer count)
- The monthly cash out for energy in excess of that allowed to qualify for net-metering treatment (dollar value plus customer count)
- Total dollar amount transferred to Hometown Care Energy Fund
- Amount of excess energy cashed out by month (dollars and kWh)

## Attachment B- IPL Data Collection Plan

- Number of customers with excess energy cash-outs by month
- The number of existing net metering customers who opt into the Pilot

### **Metering Data (does not include total consumption or total generation; net only)**

- Annual usage for prior 12 months for new participants (if an existing customer)
- kWh usage reduction by customer (if an existing customer)
- Aggregate load profiles derived from hourly load data
- Demand based on calendar month derived from hourly load data for the following:
  - Delivered
  - Received
  - Net monthly
- Statistically-based load comparisons between non-PG and PG customers by customer class
- IPL will also explore the option of directly metering private generation by adding a request to do so at the time of interconnection.