

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

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IN RE:  INTERSTATE POWER AND LIGHT COMPANY	DOCKET NOS. TF-2016-0321, TF-2016-0322, NOI-2014-0001
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**ORDER APPROVING COMPLIANCE TARIFFS, REQUIRING SUBMISSION OF  
DATA, AND CLOSING DOCKET**

(Issued May 4, 2017)

**PROCEDURAL BACKGROUND**

On July 19, 2016, the Utilities Board (Board) issued an order in Docket No. NOI-2014-0001 directing Interstate Power and Light Company (IPL) and MidAmerican Energy Company (MidAmerican) to file net-metering pilot tariffs reflecting specific provisions contained in the July 19, 2016, order. The order required MidAmerican and IPL to file tariffs implementing changes to be effective for a three-year study period, increasing the net-metering cap from 500 kW to 1 MW (up to 100 percent of a customer's load), allowing all customer classes to utilize net metering, providing that each customer's generation will offset only energy (kWh) charges (not customer or demand charges), and providing for an annual cash-out of excess credits at the utility's tariffed avoided cost rate. The July 19, 2016, order also addressed the distribution of funds from the cash-out between the customer and the utility's customer assistance fund and required that participating customers be

afforded the tariff terms for the life of their interconnected equipment if the Board should determine not to make the tariff provisions permanent.

On August 31, 2016, IPL filed its compliance tariff as TF-2016-0321. The Board docketed the tariff for further investigation on September 27, 2016, and established dates for receiving comments on the proposed tariff. On the same date IPL also filed revisions to its Alternative Energy and Small Hydro Production tariff (Rate Code AEP), identified as TF-2016-0322, related to the proposed net-metering pilot tariff. The two dockets have been consolidated. Several parties filed comments on IPL's compliance tariff filing and IPL filed reply comments on November 18, 2016.

On February 3, 2017, the Board issued an "Order Requiring Revised Tariff" in these dockets, identifying specific changes for IPL to include in a compliance filing and approving certain tariff provisions that other parties had challenged. The Board approved IPL's approach to defining customer load in terms of peak demand, with reference to a customer's historic load or by applying an annual load factor to annual usage. The Board required further revisions to provide expressly that net metering is available for facilities under any ownership structure, including facilities financed through third parties. In addition, the Board allowed customers to elect a cash-out date in the first billing cycle of each year, or the first billing cycle after April 1 of each year, and required that the tariff provisions be effective for the life of interconnected generation equipment up to 25 years.

The Board required IPL to offer an annual cash-out based on the IPL cogeneration and small power production (CSPP) avoided cost rate in effect at the time, with an option for a time-of-use blended rate. The Board approved IPL's provision allowing allocation of additional amounts to customer assistance funds in 25 percent increments, specified that IPL must distribute funds to community action agencies statewide on a population-proportionate basis, and required elimination of a tariff provision for use of smart inverters. Finally, the Board required clarification of certain terminology. IPL filed its revised tariff provisions on February 17, 2017.

On February 23, 2017, pursuant to Iowa Code § 476.12 and Board rule 199 Iowa Administrative Code 7.27, the Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice, filed a "Motion and Application for Reconsideration" of the Board's February 3, 2017, order. On the same date, the Environmental Law & Policy Center (ELPC), Iowa Environmental Council (IEC), Sierra Club, Iowa Solar Energy Trade Association (ISETA), Solar Energy Industries Association (SEIA), Vote Solar, and Winneshiek Energy District (WED) (collectively, the Joint Commenters) filed a "Petition for Rehearing and Motion for Clarification" of the February 3, 2017, order arguing for reconsideration on a number of grounds. Luther College filed a letter expressing its support for the positions of OCA and the Joint Commenters.

On March 17, 2017, the Board issued an order, "Order Granting in Part, and Denying in Part, Applications for Rehearing and Requiring Revised Tariff Filing by Interstate Power and Light Company," in which the Board denied the parties'

requests for reconsideration of the Board's February 3, 2017, order with respect to the definition of load, implementation of the cap on facility output eligible for net metering, and allocation of cash-out payments. The Board granted reconsideration in part, requiring IPL to modify its tariff in three respects.

### **COMPLIANCE TARIFF**

On March 31, 2017, IPL filed its revised net metering pilot tariff to comply with the March 17, 2017, order. IPL also filed updated tariff sheets for its Alternative Energy and Small Hydro Production tariff (Rate Code AEP). The revised net-metering tariff incorporated a revised sunset provision, language stating that the load cap is to be applied in terms of alternating current (AC) kW, and a sample calculation showing how the load limitations are determined for customers with no historic kW data. In Special Provision 7, IPL also set forth the customer class average annual load factors to be used for customers without historical kW demand data, as well as customer class non-coincident demand to define the load for customers with no historic kWh usage. IPL's Attachment A identifies the sources for the load factors and non-coincident demand figures included in the tariff. IPL also filed a Data Collection Plan recommending data that the Board could collect during the pilot period.

On April 19, 2017, the Joint Commenters filed "Response Comments" on IPL's revised tariff filing, identifying six issues that the Joint Commenters argue should be addressed before final approval of the pilot tariff. After consideration of the six

issues, the Board finds that including information at the level of detail requested by Joint Commenters would make the tariff difficult to read, potentially confusing for customers, and could have unintended consequences in specific situations. A preferable approach is for IPL to provide for customer reference a document setting forth the answers to these and other frequently asked questions. The Board will direct IPL to file such a document in this docket and to post it on IPL's Web site, with updates as appropriate to reflect IPL responses to customer questions of a similar nature during the course of the pilot project.

Finally, the Joint Commenters object to IPL's proposal to explore the option of directly metering private generation "by adding a request at the time of interconnection." The Joint Commenters claim that this would dramatically change the pilot project and would contravene current Board rules on net metering which expressly contemplate use of a single meter. The Board understands IPL's proposal to mean that a customer could opt, at the time of interconnection, to utilize a separate meter dedicated to measuring the output of the customer's distributed generation unit. This would not itself affect the net metering arrangement, and could provide valuable information on distributed generation that is not available from the single meter used in the typical net metering arrangement. Use of the additional meter, moreover, is at the customer's option. On that basis, the Board will allow IPL to provide the option of directly metering private generation.

The Board has reviewed the compliance tariffs filed by IPL and finds that the revised tariffs are in compliance with the requirements of the Board's February 3, 2017, order and the additional requirements set forth in the March 17, 2017, order. The Board therefore will approve IPL's revised net metering pilot tariff as filed on March 31, 2017.

### **ADDITIONAL DATA COLLECTION REQUIREMENTS**

One goal of the net metering pilot projects is to collect data that can be used in evaluating whether changes to net metering policy should be adopted on a permanent basis. In the July 19, 2016, order the Board required IPL to provide data regarding DG and net metering prior to the implementation of the tariff so as to establish a baseline and to provide data annually so that the Board can monitor any impacts that occur as a result of these specific changes. The Board has identified the additional information that IPL shall submit at the outset of the pilot project, as well as data to be reported thereafter at annual intervals.

On or before July 1, 2017, IPL shall file with the Board the baseline data, reported as of April 30, 2017, for all customer-owned distributed generation facilities interconnected with its system (or for which interconnection is pending). The baseline data to be provided is as follows:

1. Installed nameplate capacity (kW)
2. Location (city)
3. Fuel/technology type (solar, wind, biomass, etc.)
4. Date the interconnection application was filed (month/year)
5. Status of the interconnection application (approved, pending, etc.)

6. Date the facility was placed in service (permission to operate)
7. Customer class (residential, nonresidential)
8. Is the facility a QF?(Yes/No)
9. Is the facility an AEP? (Yes/No)
10. Tariff(s) assigned to the customer (NM, AEP, etc.)
11. For net-metered facilities, the net balance of total energy delivered by IPL to customer, less energy delivered from customer premises to utility system, through December 31, 2016

In addition, on or before May 1, 2018, and thereafter on May 1 of every year for the duration of the pilot project, IPL shall submit a report containing the following data for the calendar year preceding the reporting date. The data shall be reported by facility. The Board understands that the initial reporting year will be from the effective date of the tariffs through December 31, 2017.

The data to be reported each calendar year is as follows:

1. Original interconnection application size (kW)
2. Eligible facility size (kW) for net metering
3. Installed nameplate capacity (kW)
4. Location (city)
5. Fuel/technology type (solar, wind, biomass, etc.)
6. Date the interconnection application was filed (month/year)
7. Status of the interconnection application (approved, pending, etc.)
8. Date the facility was placed in service (permission to operate)
9. Customer class (residential, nonresidential)
10. Is the facility a QF? (Yes/No)
11. Is the facility an AEP? (Yes/No)
12. Tariff(s) assigned to the customer (NM, AEP, etc.)
13. For facilities in the net metering pilot, date the facility opted in to pilot tariff
14. Pilot tariff cash-out date (January or April billing cycle?)
15. Percentage designated to transfer to low-income funds (50%, 75%, or 100%)
16. Pilot tariff cash-out amount (\$ per year or per month if applicable)
17. Ownership type (own, lease, third-party PPA)
18. a. Monthly net of kWh delivered to customer less kWh received from a customer;

- b. Year-end kWh balance (annual cycle); and
  - c. Monthly net kWh banked per pilot tariff and monthly net kWh cashed out as required by a separate tariff
19. Peak demand (kW) by month – as available
  20. If facility size exceeds the 100% cap as determined by utility (i.e., if capacity exceeds 100% of customer load), percentage that is eligible for IPL net-metering tariff
  21. For new net-metered facilities, customer's kWh usage by month for the 12 months prior to the installation of the distributed generation facility
  22. For new net-metered facilities, peak demand (as available) by month for the 12 months prior to the installation of the distributed generation facility
  23. Customer participation in utility energy efficiency programs within the past two years (Yes/No)

In addition, IPL will be required to file the following information, if the information is available, with the information provided on May 1 of each year:

1. Total amount transferred to the low income programs.
2. Number of existing net metering customers that switched to the pilot tariff.
3. Results of any consumer surveys related to net metering pilot.
4. Aggregate load profile comparison by customer class (with net metering and without net metering).
5. Bill impacts for customer by month (reduction to bill for net metering and monthly excess energy cash-out).
6. To the extent that IPL tracks distributed generation technology costs and trends, a summary of sources used.
7. Any other observations or customer comments.

#### **DOCKET NO. NOI-2014-0001**

Since the Board is approving the net metering tariffs for IPL and MidAmerican and establishing a pilot project to gather data for determination of permanent net metering program, the Board considers the purpose of Docket No. NOI-2014-0001 to be completed and the Board will close that docket. The docket was to gather



information regarding distributed generation, and more specifically to identify potential benefits from and challenges presented by distributed generation for utilities and ratepayers, to assess whether these differ between utility-owned and customer-owned distributed generation, and to identify matters related to distributed generation for possible consideration in developing distributed generation policies. With the implementation of the net-metering pilot projects by IPL and MidAmerican, these inquiries proceed into the next stage -- that of collecting and then evaluating operational data to inform future deliberations on rate and other related terms for customers with distributed generation.

### **ORDERING CLAUSES**

#### **IT IS THEREFORE ORDERED:**

1. The Utilities Board approves the revised net metering pilot tariffs, Docket Nos. TF-2016-0321 and TF-2016-0322, filed by Interstate Power and Light Company on March 31, 2017. The tariffs will become effective on the date of this order.
2. Interstate Power and Light Company shall file with the Utilities Board on or before July 1, 2017, a document with responses to the six issues identified by the Joint Commenters in their Response Comments filed on April 19, 2017, and shall post the responses on its Web site. Interstate Power and Light Company shall update the document as appropriate during the pilot project to respond to similar questions of interest to project participants.

3. Interstate Power and Light Company shall file with the Utilities Board, on or before July 1, 2017, the baseline facility data identified in this order, and shall file on or before May 1, 2018, and annually on or before May 1 thereafter until the termination of the pilot project, the pilot project reporting data identified in this order.

4. Docket No. NOI-2014-0001 is hereby closed.

**UTILITIES BOARD**

/s/ Geri D. Huser

/s/ Nick Wagner

ATTEST:

/s/ Trisha M. Quijano  
Executive Secretary, Designee

/s/ Richard W. Lozier Jr.

Dated at Des Moines, Iowa, this 4<sup>th</sup> day of May 2017.