Iowa Energy Landscape

- Distributed Generation
- EPA 111(d) Rule Development
- OMS/MISO Resource Adequacy Survey
- Multi-Value Projects
- Other proposed transmission and pipeline projects
Distributed Generation
Notice of Inquiry
Board Docket No. NOI-2014-0001

• Initiated inquiry on January 7, 2014
• Board invited comments from Iowa utilities and interested parties on:
  • Benefits and challenges of DG
  • DG policies that should be examined
  • Technical, financial, regulatory and safety aspects of DG
• 170 participants filed comments
DG Inquiry (Contd.)

- Board’s May 12, 2014 order identified the following topics for next phase:
  - Net Metering (excluding avoided cost issues)
  - Interconnection (including safety and reliability)
  - Customer awareness and protection
- 47 participants filed responses
• In a September 2014 order the Board:
  • Asked additional questions on net metering and interconnection
  • Decided not to assert jurisdiction over net metering or interconnection policies of non-rate-regulated utilities at this time
  • Tabled further discussion of feed-in tariffs (FITs) at this time
  • Scheduled a conference call with the utilities and other participants to clarify and standardize the DG data provided in response to the May 12, 2014 order
  • Announced a workshop for October 21, 2014 to develop a checklist for individuals interested in DG
  • Ordered development of a DG web page to be hosted on the Board’s web site
Eagle Point Solar Decision

- Eagle Point Solar installed PV solar panels on a Dubuque city-owned building.
- Eagle Point Solar would finance, install, own, operate, and maintain the solar system.
- PV generated energy will be sold to Dubuque, on a cents-per-kWh basis through a third party agreement.
- The solar energy remained “behind” Interstate Power and Light’s (IPL) meters. The building would continue to remain connected to the electric grid and purchase some energy from IPL to satisfy some of the electric energy needs of the building.
- Alliant claimed the agreement violated Alliant’s exclusive service territory rights.
- The Board agreed with Alliant and issued an order in 2012.
Eagle Point Solar Decision (Contd.)

• A Polk County District Court Judge reversed the ruling a year later.
• On July 11, 2014 the Iowa Supreme Court held that the “behind the meter” direct sale of electricity generated from solar arrays and using a power purchase agreement that sold the electricity on a cents-per-kWh basis did not automatically render the seller a “public utility.”
• **SZ Enterprises, LLC, d/b/a Eagle Point Solar v. Iowa Utilities Board, ___ N.W.2d. ____ (July 11, 2014)**
EPA’s Proposed 111(d) Regulations For Existing Power Plants

- Iowa Department of Natural Resources is responsible for Iowa’s environmental regulation.
- Board has authority over some environmental activities by utilities. For example, Utilities’ Emission Plan and Budget (Iowa Code Section 476.6(21)).
- Proposed 111(d) regulations affecting existing power plants are different - These rules could have significant adverse effects on the reliability and cost of providing electric service.
- Also, the EPA specifically invited public utility commissions to engage with the EPA in the development of the proposed rules.
EPA’s Proposed 111(d) Regulations
Board Actions to Date

• Iowa Utilities Board sent comments to EPA in December 2013 on how the regulations should be drafted.

• IUB is interested in that the final 111(d) rules are written and implemented such that they do not:
  • create disruptions in the provision of electric service and;
  • create significant, unnecessary increases in the cost of electric service

• IUB is working jointly on comments with IDNR and IEDA.

• IUB is an active participant in IDNR’s 111(d) collaborative process, and will be actively involved in the development of Iowa’s compliance plan after the rules are final.
MISO/OMS Resource Adequacy Survey

- MISO and OMS initiated a resource adequacy survey in summer of 2013.
- Surveyed Load Serving Entities (LSEs) to gain better understanding of Long-Term Resource Plans.
- Survey:
  - Was a first-of-its-kind collaborative effort for MISO, LSEs and OMS
  - Sought information about all existing and future resources
  - Updated demand forecasts including projected Demand Side Management Programs
  - Asked respondents to identify confidence factors for a better understanding of certainty on LSE side
  - Sought longer-term information (10 years out)
Survey Response

• MISO sent survey to 145 entities
• OMS member states followed-up with Load Serving Entities in their respective states
• Responses were received from over 90% of entities and accounted for approx. 99% of load

Iowa Utilities Board
Survey Takeaways

• Survey provided a comprehensive understanding of the longer-term load and generation situation as of date.

• OMS was able to get additional awareness of the generation and load in the local resource zones and the MISO footprint.

• Helped kick-start resource-related discussions between state regulators and all other stakeholders.

• Encouraged MISO to study issues like trapped generation capacity.

Iowa Utilities Board
Survey Results

June 4, 2014 survey update shows:

- For MISO Resource Zone 3 (Iowa and parts of IL and MN)
  - 2016 resources equal 10.1 GW
  - 2016 resource requirements equal 10.6 GW
  - Projected shortfall equals 0.5 GW

- For MISO North and Central Region
  - 2016 resources equal 110.1 GW
  - 2016 resource requirements equal 112.4 GW
  - Projected shortfall equals 2.3 GW

- A shortfall figure means increased probability of a loss of load event
- A 2.3 GW shortfall means approximately a .2 day/year probability of a loss of load event, which is higher than .1 day/year industry standard
Survey Future - MISO Proposal

• MISO proposes:
  • continuing the survey in 2014-15 (and potentially beyond).
  • matching the survey process with the work MISO performs as part of the Long Term Reliability Assessment (LTRA).
  • OMS will vote in October whether it continues to serve as a survey partner
Transmission - Multi-Value Projects

MVP 3 - MEC/ITC joint ownership

- MEC will construct approx. 120 miles of 345 kV line, rebuild existing 161 kV, build two new substation modify one substation – in service date is end 2016.

- ITC will construct 145 miles in Iowa and 75 miles in MN.

- Board issued franchise for MEC’s portion of MVP 3 on August 19 for O’Brien, Clay, Palo Alto, Kossuth, Humboldt and Webster counties (Docket Nos. E-22106, E-22103, E-22107, E-22105, E-22104, E-22108)

- ITC has filed franchise petitions for projects in Kossuth, Winnebago, and Worth counties (E-22116, E-22140, E-22142, and E-22141).

- Board issued franchise for a section of ITC’s share (11.43 miles) on May 1 in Cerro Gordo County (Docket No. E-21894.2)
MVP 4 -- MEC/ITC joint ownership

- Consists of several sections (new additions, upgrades, rebuilds)

- For each section, an electric franchise petition or an amendment of a franchise petition has been filed with the Board.

- Board issued franchise for MEC’s section on June 22
  - approx. 22 miles in Black Hawk County (Docket No. E-22099)

- Board issued franchise for ITC’s section on June 17
  - 9.5 miles addition in Buchanan County (Docket No. E-22011.1)
  - 2.5 miles addition in Black Hawk County (Docket No. E-22034.1)

- Board issued franchise for ITC’s section on May 1
  - 11.5 miles addition and rebuild in Cerro Gordo County (Docket No. E-22034.1)

- Three MEC petitions and two related petitions by ITC for sections of MVP 4 are under review by the Board. Hearing is scheduled for December 9 in Franklin county. (Docket Nos. E-22097, E-22098, E-22099.1, E-22153, and E-22152)
Transmission - Multi-Value Projects (Cont.)

• MVP 7 – Ottumwa, IA to Adair, MO
  • MEC has not filed with the Board

• MVP 16 – Oak Grove to Galesburg, IL
  • Iowa does not have jurisdiction (MEC project)
Other Projects

• Clean Line Transmission Project

• Energy Transfer Partners Pipeline Project
For questions or more information, contact:

Libby Jacobs  
Chair, Iowa Utilities Board  
(515)725-7365  
Libby.Jacobs@iub.iowa.gov