

**STATE OF IOWA
DEPARTMENT OF COMMERCE
BEFORE THE IOWA UTILITIES BOARD**

IN RE:)	DOCKET NO. DRU-2017-0001
)	
MIDAMERICAN ENERGY)	
COMPANY)	REPLY COMMENTS
)	

The Environmental Law & Policy Center (ELPC) and the Iowa Environmental Council (IEC) (collectively “Environmental Intervenors”) provide the following reply comments on MidAmerican Energy Company’s (MidAmerican) Revised Petition for Declaratory Order in DRU-2017-0001:

In our initial comments, we noted that we do not object to MidAmerican’s request to have its 2016 renewable energy generation verified by the Iowa Utilities Board. We want to make clear that we have not attempted to verify MidAmerican’s percentage of renewable generation, rather we do not object to the request to have the Board do so. A significant part of the value of verification of renewable generation is the benefit that it can provide to customers. Consequently, it is important that the Board listen to customer concerns in this process and make sure that customers are confident that any verification will provide them with benefits from renewable generation. The Office of Consumer Advocate (OCA) and Facebook, Google and Microsoft (collectively Tech Customers), two key customer groups, have expressed concern with the current process. ELPC and IEC think that any decision that the Board makes in this DRU should be limited to the current year and should not be precedent setting for a renewable energy verification program.

As noted in our initial comments, the Board has authority to establish a verification

program. The Board should establish such a program through rulemaking. A rulemaking is a more transparent process that establishes clear processes, requirements, and guidelines, and gives stakeholders an opportunity to thoroughly address issues with the program and any changes to the program. While MidAmerican's current petition has been narrowed, this issue will be in front of the Board year after year. In such an instance, it is important for a program to be established in rules. ELPC and IEC think that it is necessary for a rulemaking to take place for any future years of renewable energy verification.

There are a number of important issues that should be addressed as part of a verification program. ELPC and IEC highlighted the concerns with double counting in our initial comments. The complexity of these issues is important to understand, and the program details are important to get right in order for customers to realize the full benefit of renewable energy generation. To the extent that the Board will take precedent setting action, the Board should do so in a rulemaking.

The Office of Consumer Advocate (OCA) provided some discussion of the benefit of a proposed verification program and stated that "most customers cannot derive similar benefits [to business customers who have corporate sustainability goals] from REC retirement." The customer benefit is significantly broader than OCA represented. Many businesses now have sustainability and renewable energy goals, and many communities also have similar goals. We provided the example of the City of Des Moines in our initial comments. Sustainability goals at the local level go well beyond the City of Des Moines. The Capital Crossroads, a central Iowa regional visioning initiative, specifically states a goal of "comprehensive, complementary, and linked approaches to ensure that central Iowa's natural resources are sustainable and protected"

including renewable energy opportunities.¹ Johnson County has active sustainability initiatives and a working group.² Many cities and counties have sustainability efforts, and many more will develop similar efforts in the coming years. As those communities look to take action to meet sustainability goals, policymakers will have decisions to make about whether to expend taxpayer resources to meet them, and a renewable energy verification can help those communities meet goals in a cost effective and efficient manner. The value of a renewable energy verification program and retirement of RECs on behalf of customers already does extend beyond businesses with sustainability goals, and it will impact more communities and customers in the future. An effective renewable energy verification program can provide opportunities for individuals, businesses, communities, and other entities to meet sustainability goals in a cost-effective and efficient manner. These benefits should not be undervalued as the Board considers the development of a renewable energy verification program or the prudence of MidAmerican's action to retire RECs.

Respectfully submitted this April 28, 2017.

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¹ Available at <http://www.capitalcrossroadsvision.com/capitals/natural-capital/#resource-conservation>.

² Available at http://www.johnson-county.com/dept_sustainability.aspx?id=10827.