

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

IN RE:)	
)	DOCKET NO. RMU-2016-0018
REVIEW OF ENERGY EFFICIENCY)	
PLANNING AND COST REVIEW)	
RULES [199 IAC CHAPTER 35])	REPLY COMMENTS
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The Environmental Law & Policy Center (ELPC) and Iowa Environmental Council (IEC) file these reply comments to the November 27, 2017 comments submitted by the Office of Consumer Advocate (OCA), MidAmerican Energy Company (MidAmerican), Interstate Power and Light Company (IPL), and Black Hills Energy regarding the potential amendments to 199 IAC Chapter 35 pursuant to the Iowa Utilities Board’s Order on October 24, 2017. These comments are the most recent step in a process that included a workshop and four previous rounds of comments, and started on August 8, 2016 with an Order Requesting Stakeholder Comment on Potential Rule Changes related to the 199 Iowa Administrative Code Chapter 35 rules on energy efficiency.

I. ELPC and IEC Would Participate in a Workshop on Perpetual Energy Efficiency Plans.

ELPC and IEC have serious concerns with changing the energy efficiency plans to perpetual plans because it could undermine energy efficiency in Iowa and weaken both programs and accountability. As we noted in our November 27, 2017 comments, the details of a policy change of this magnitude matter, and those details have not been proposed or vetted yet. Several of the other parties in this docket had similar observations. MidAmerican specifically noted that

a perpetual plan would require significant changes to Chapter 35 and recommended a workshop to address the issue. IPL and OCA also suggested a workshop to address the concept of perpetual energy efficiency plans. ELPC and IEC would participate in a workshop on perpetual energy efficiency plans to explore benefits and drawbacks of such a proposal and the details and implications of the changes that would be necessary to the Chapter 35 rules.

II. Energy Efficiency Should be the Highest Priority from a Policy Perspective.

We support OCA's recommendation to retain language that makes energy efficiency the highest priority in 199 IAC 35.1. While it is unclear what the implication of changing from highest priority to great priority would be in practice, there is value in noting that energy efficiency is the highest priority. Energy efficiency remains the least-cost energy resource and has additional benefit to bill payers, the environment and the economy. Therefore, we support maintaining the policy in Iowa rules that states energy efficiency is the highest priority.

III. The Energy Efficiency Plans Should Outline EMV Implementation.

We support OCA's recommendation to include language requiring a utility plan to outline each phase of the monitoring and evaluation plan if the phrase "in complete detail is removed from 35.8(2)(h).

IV. The Filings Should Facilitate Review by Requiring Excel Versions of Exhibits and Workpapers. 35.6(2)

We support OCA's recommendation to require filing of excel versions of exhibits and work papers. We think that this will facilitate review and accountability in the docket without adding any burden on the utilities.

V. Peak Definitions 35.2.

We support MidAmerican's definition of 'peak demand' to focus on the peak hour, but we still recommend that our changes to the definition of 'peak period' be included as well. The

two recommendations are complementary, not mutually exclusive. There is benefit from a definition of ‘peak period’ that captures the high load and high cost hours for the electric utility beyond just the single peak hour in the MidAmerican definition of ‘peak demand.’ Energy efficiency plans should be thinking about the peak period or periods, and the definition should reflect that.

VI. Non-Energy Benefits

We support Black Hills Energy’s proposals regarding non-energy benefits, including a proposed definition of non-energy benefits and the inclusion of quantifiable non-energy benefits in cost-effectiveness tests. We have supported improving the use of non-energy benefits in our past comments. In our initial comments in this rulemaking (filed September 7, 2016), we supported establishing a definition and better quantifying non-energy benefits (page 10). In our post-workshop comments, we supported better inclusion of non-energy benefits during EM&V (pages 8-9). We have noted that the current Chapter 35 rules contemplate non-energy benefits (e.g., 35.8(1)(b)), but additional detail is lacking on types of non-energy benefits or the inclusion of quantified non-energy benefits in cost-effectiveness tests. Black Hills Energy’s proposals help add that level of detail.

VII. Load Forecast, Class Load Data 35.9

Consistent with our past comments, including our post-workshop comments, we support retaining the load forecast and class load data sections, 35.9(1) and 35.9(2), and keeping those sections in Chapter 35. We specifically stated in our post-workshop comments that we “support retaining 35.9(1) and 35.9(2) in the Chapter 35 rules.” ELPC/IEC Post-Workshop Comments at 9. We disagree with IPL’s suggestion to move these rule sections to Chapter 20 and with IPL’s suggestion to move 35.10 to Chapter 19. The information required by these sections is an

important part of both energy efficiency planning and overall resource planning. Because there is currently no rule chapter establishing an integrated resource planning process, the best place for these sections is in the energy efficiency planning and Chapter 35.

VIII. Plan Modification 35.6(4)

We support part of IPL's proposal related to plan modification. IPL indicated that the 20 percent threshold "may be appropriate, but triggering a modification at the program level is too narrow." We agree and would support applying the 20 percent threshold at the customer class or customer grouping level. This is consistent with part of MidAmerican's comments on this issue as well. We would support language that clarifies that the 20 percent variance for the energy savings performance standard applies at the customer class level, rather than the program level, as long as it is paired with our suggestion that a variance by 15% in two consecutive years would also serve as a trigger. We disagree with proposals by MidAmerican and Black Hills Energy to remove or scale back plan modification triggers. As we have stated in previous comments in this docket and in plan modification dockets, the plan modification process can be straightforward and does not need to be administratively burdensome. The process is important to maintain planned savings and spending levels and keep plans current given changing circumstances.

IX. Prudence Review

We support OCA's comments regarding prudence review, which are generally consistent with the concerns we raised in our initial comments. Similarly, we disagree with the comments by MidAmerican, IPL, and Black Hills Energy that would have the effect of limiting or even eliminating prudence review.

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Respectfully submitted,

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