STATE OF IOWA

BEFORE THE IOWA UTILIITIES BOARD

IN RE:	)	DOCKET NO. RPU-2019-0001
INTERSTATE POWER AND LIGHT REQUEST FOR RATE INCREASE	)	DIRECT TESTIMONY

DIRECT TESTIMONY
OF
KERRI JOHANNSEN

On Behalf of

Environmental Law & Policy Center and
Iowa Environmental Council

August 1, 2019

I. INTRODUCTION

Q. Please state your name, business name and address, and role in this proceeding.

A. My name is Kerri R. Johannsen. I am the Energy Program Director with the Iowa Environmental Council, located at 505 Fifth Ave, Suite 850, in Des Moines, Iowa. I appear here in my capacity as a witness on behalf of the Environmental Law and Policy Center and the Iowa Environmental Council (collectively "ELPC and IEC").

Q. Please describe your background.

A. I have a Bachelor of Arts degree from Gustavus Adolphus College in St. Peter, Minnesota and a Masters in Public Policy in Science, Technology, and Environmental Policy from the Hubert Humphrey Institute of Public Affairs at the University of Minnesota in Minneapolis, Minnesota. I have been working in the energy policy arena since 2007. I have worked for the Iowa Environmental Council (IEC) since 2016. The Iowa Environmental Council is a 501(c)(3) non-profit, member-based corporation that works to advance public policies that provide a safe, healthy environment and sustainable future for all Iowans. In my capacity at IEC, I have worked primarily on renewable energy and energy efficiency cases before the Iowa Utilities Board ("Board") and renewable energy and energy efficiency legislation at the Iowa Legislature. Between 2007 and 2008 I worked to develop the Energy Title of the 2008 Farm Bill as part of the U.S. Senate Agriculture Committee Staff. From 2008-2010 I was employed by the Iowa Office of Energy Independence first as an emergency management specialist and data analyst and later as administrator of the Iowa Power Fund, evaluating cutting-edge energy projects for state funding. Between 2010 and 2016, I worked as a legislative liaison and policy specialist with the Iowa Utilities Board. My work included leadership

of the Environmental Plan and Budget dockets, serving as Co-Chair of the Board's environmental team during development and implementation of the Clean Power Plan, and managing all state legislative activities for the Board. I also served as the Board's representative and lead staff during emergencies and natural disasters impacting utility service and infrastructure and recovery from such disasters.

Q. Have you testified with the Iowa Utilities Board before?

A. Yes. I provided testimony regarding MidAmerican Energy Company's (MidAmerican's) energy efficiency plan in Docket No. EEP-2018-0002, Interstate Power and Light's (IPL's) efficiency plan in Docket No. EEP-2018-0003, MidAmerican's Wind XII proposal in Docket No. RPU-2018-0003, and IPL's Beyond Solar program proposal in Docket Nos. AEP-2017-0060, TF-2017-0289, and RN-2017-0002. In addition, I have drafted or assisted in drafting our organization's comments and joint comments in various dockets before the IUB, including RMU-2018-0100, RMU-2016-0018, TF-2016-0290, TF-2016-0294 and others.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to give a brief overview of the testimony submitted by the witnesses sponsored by ELPC and IEC, to comment and make recommendations regarding the three new renewable programs IPL has proposed, and to provide analysis and context regarding the impact of IPL's proposed changes to Rider RTS and Rider EECR as they apply to customers with distributed generation.

Q. Please provide a brief overview of the testimony submitted by the other witnesses sponsored by ELPC and IEC in this Docket.

A. 1) Will Kenworthy provides recommendations regarding the proposed community solar, renewable partners, and customer-hosted renewables programs.

2) Karl Rábago addresses issues of rate design, proposed renewable energy programs, rebates for electric vehicle charging, return on equity, and collection of trade association dues.

3) Uday Varadarajan provides an economic analysis of IPL's current fossil generating fleet and provides recommendations for how to manage uneconomic units.

4) Curt Volkmann provides analysis and recommendations regarding IPL's proposed distribution system capital investments and process for managing grid modernization.

Q. Do you support IPL's attempt to offer customers more renewable energy program offerings?

A. I am encouraged to see IPL's community solar programs proposed in this Docket. The community solar proposal could, given a few important changes, fill a gap in IPL's renewable energy program offerings for customers. Although I appreciate IPL's attempts to create additional new renewable offerings for customers, I have concerns about the intent and proposed structure of the customer-hosted renewables and renewable energy partner programs.

Q. What are your concerns about IPL's new renewable energy program offerings?

A. I have two major concerns about IPL's new renewable energy program offerings. First, it is critical for the Board to ensure that IPL's new offerings are not structured to give IPL an unfair competitive advantage compared to private solar businesses and investors. Iowa has a robust private market for solar with small businesses employing over 850

Iowans across the state.[1] These businesses compete for projects, operating under the rate parameters that have been set by the Board in order to provide goods and services to Iowans. On the other hand, IPL is a government-designated monopoly operator. Iowans do not have a choice of power provider, per Iowa law, so it is critical that utilities are regulated to avoid monopoly encroachment into competitive areas that should be driven by markets. If structured incorrectly, distributed renewable projects owned by utilities could allow the company to push out competition at the expense of ratepayers while damaging the private solar market. IPL does not address or propose steps to mitigate its market power advantage anywhere in its filing in this proceeding.

The Bureau of Labor Statistics projects that solar installer will be the fastest-growing job category between 2016 and 2026.[2] Recent data show that 86% of solar jobs are in the customer-owned solar sector and only 14% are in utility-scale solar nationwide.[3] If Iowa wants to maintain and grow our solar workforce, it is critical that the Board ensures the monopoly utility companies are not allowed an unfair advantage at the expense of the private market. Again, there are no proposals in the Company's application to address this issue.

My second major concern is that IPL has created multiple methodologies for valuing distributed generation in this docket. None of these methodologies are particularly

[1] The Solar Foundation, Solar Jobs Census 2018, Iowa fact sheet, *available at* https://www.thesolarfoundation.org/solar-jobs-census/factsheet-2018-ia/ (accessed on 7/24/2019).
[2] Bureau of Labor Statistics, *Fastest Growing Occupations* (for years 2016-2026), *available at* https://www.bls.gov/ooh/fastest-growing.htm (accessed on 7/24/2019).
[3] The Solar Foundation, *Solar Jobs Census 2018, page 6, available at* https://www.thesolarfoundation.org/national/ (accessed on 7/24/2019).

accurate or logical and there is no consistency in the value they assign to distributed generation. This wide array of compensation methods is confusing for customers, unfair for competitive market actors, and a detriment to non-participating customers because the complexity of the various rates makes it harder to account for where costs and benefits accrue. This leads to less accountability. The testimony of ELPC/IEC Witness Karl Rábago proposes the development of a methodology for ensuring consistency across programs. I recommend the Board follow his recommendation to set a value of solar and require competitive projects to fairly compare the programs to private options.

Q. What types of unfair practices could occur when an unconstrained utility enters a competitive market space?

A. Unfair practices a monopoly could exercise include:

1) The cross-subsidization of utility-owned solar options through allocation to all customers of direct costs and/or soft costs like engineering, customer service, marketing, and other utility staff time toward program and project implementation. Competitive market participants are not able to use these types of cross-subsidies. Instead, the direct and indirect costs of these programs should be allocated directly to the participating customers so they are subject to the full cost of the program and can make a fair comparison with market-based solar offerings.
2) Assigning a higher avoided cost rate to utility-owned distributed generation than is assigned to non-utility-owned generation and/or offering more favorable contract terms such as a longer contract. If valued appropriately, utility and customer-owned generation should be assigned the same avoided cost rate and other contract terms should be equivalent. This is a quite basic “level playing field issue.”

3) Giving utility projects unfair advantages in the interconnection process. This could include using data about the utility's distribution system and capacity that is not available to the public in order to inform the marketing and design of projects, moving utility projects ahead of customer projects in the study or interconnection queue, or charging the costs of necessary distribution system upgrades for utility-owned projects to all customers while charging those costs directly to customers interconnecting their own systems.

4) Using confidential customer information, such as billing and usage, or customer service contacts from customers inquiring about solar to market utility products and programs.

Q. Are there safeguards the Board could require to mitigate the risks of IPL's proposed programs from encroaching on the private market?

A. Yes. To avoid monopoly encroachment into the private market, utility programs should be focused on markets that are not otherwise well-served by the private market such as low-income customers, multi-family housing, and areas that have shading or other physical barriers to distributed generation (DG) installation. The utility should be assigned an affirmative obligation to demonstrate that competitive market opportunities do not exist or are not ready to address the customer need that the utility seeks to serve with its monopoly solution.

These issues could also be partially addressed by requiring IPL to adopt criteria for siting non-wires alternatives (NWAs) and to use those criteria to target sites, similar to what is described and recommended in the testimony of ELPC/IEC Witness Curt Volkmann. The Board could also delay implementation of the customer hosted renewables and renewable

partners programs until completion of an Integrated Distribution Planning (IDP) process also recommended by Witness Volkmann. Such an analysis and/or planning process would allow the utility to focus its own DG investments in high-value grid locations that would provide benefits for all ratepayers. If a private customer is interested in installing DG at a less beneficial location, they could do so but other ratepayers would not be funding the project or paying the costs of any needed upgrades, which would be the responsibility of the customer doing the installation. Requiring utility DG to be directed toward the most beneficial grid locations would mitigate unfair competition and ensure benefits for all ratepayers. The Company must identify the highest marginal cost locations in its grid and target its distributed energy resource (including distributed generation) projects at those locations.

Q. Please provide background on the ELPC and IEC's involvement in the development of IPL's Community Solar proposal.

A. On June 28, 2017, IPL filed their proposed Beyond Solar program in Docket Nos. AEP-2017-0060, TF 2017-0286, and RN-2017-0002. The Iowa Environmental Council, Environmental Law and Policy Center, and Sierra Club intervened in the dockets. Board staff and IPL as well as the Office of Consumer Advocate, ELPC, IEC, and the Sierra Club (collectively, the Parties) participated in a workshop on August 3, 2017. On September 19, 2017, IPL, with the consent of the parties, filed a *Joint Motion to Stay Procedural Schedule in Docket Nos. AEP-2017-0060, TF-2017-0286, and RN-2017-0002* which requested a 120-day stay. The parties at that time stated the reason for the stay was the need for continued discussion about the Beyond Solar Program. Specifically, IPL agreed to withdraw the existing Dubuque solar project as part of the program and to

focus on a new resource and that IPL would explore creating a more traditional community solar program structure. On January 18, 2018, with the consent of the other parties, IPL filed a Joint Motion for Additional Time. In its February 21st Order approving the motion, the Board set a deadline of June 28, 2018, for the parties to have either reached agreement or to move forward in a contested case proceeding. On June 28, 2018, with the consent of the parties, IPL filed a Motion to Close Docket Nos. *AEP-2017-0060, TF-2017-0286, and RN-2017-0002 Without Prejudice*, stating that progress had been made but that a filing would be premature. On July 11, 2019, the Board approved IPL's Motion. ELPC and IEC continued to participate in discussions with IPL, OCA, and others to work to improve the program with the final discussion occurring on January 31, 2019.

The Beyond Solar program had a number of serious issues including a lack of additionality and a failure to share the economic benefits of the renewable projects with customers. Beyond Solar was a simple "green pricing" program to be marketed to high-income customers and not a truly new offering or community solar program. IPL's proposed Community Solar (Rider CSP) offering is a meaningful improvement compared to the Beyond Solar proposal and is the only credible community solar offering that has been presented by an investor-owned utility in Iowa to date. We appreciate that IPL considered stakeholder feedback in the process and its proposal has improved as a result. However, ELPC and IEC continue to take issue with several elements of the program as proposed. These are criticisms we raised in the stakeholder process that were not addressed by IPL in its proposal, and so we raise them again here.

Q. What are your concerns with the Community Solar program?

A. First, the program lacks robust access for low-income customers. Although IPL references donations of shares in the program, there are ways to structure the program from the start that will allow customers of all income levels access. The testimony of ELPC and IEC witness Will Kenworthy addresses these options in more detail. This access and tailoring to allow participation by low-income customers is also relevant in ensuring that this utility product is tailored to markets not already served by the private sector.

Residential customers must have a robust opportunity to participate in IPL's program. IPL has proposed reserving 25% of the first 1 MW and 10% of each subsequent MW of capacity for residential customers for the first 6 months that a facility is open for subscriptions. These set-asides will be held for 6 months and if not subscribed will be made available to other customer classes. Unless backed by effective marketing, the six-month window is just window dressing. IPL's tariff also limits a single entity's ownership share to 60% of a facility. I am concerned that this structure is biased toward the participation of large customers and provides inadequate opportunities for residential customers. I recommend allowing no more than 40% of any project be subscribed by a single customer and that the set-aside for residential customers be kept in place a minimum of 1 year from the initial offering.

Finally, I disagree with IPL's methodology for determining the credit rate for Rider CSP. First, the rate includes only embedded demand and energy costs and specifically excludes transmission costs. Avoided transmission costs are a key piece of the value of distributed generation, including smaller-scale community solar. This issue is covered in more detail in the testimony of Witness Kenworthy.

The compensation structure for this program – the embedded cost model – is not consistent with already-established methodologies for valuing distributed generation or the other methodologies created in this docket. For now, I believe that using the embedded cost rate including transmission is an acceptable methodology for determining the compensation rate under Rider CSP and this may be the appropriate structure for valuing utility-owned distributed generation. However, I find that the methodology for valuing solar and prioritizing NWAs laid out by EPLC/IEC Witnesses Rábago and Volkmann is superior and the Board should in the future use that methodology.

Q. Is IPL's proposed Customer-Hosted Renewables (CHR) Program is a good offering for customers?

A. Although the CHR program could in theory offer benefits to both participating and non-participating customers, the structure as proposed by IPL is not well-justified. It creates yet another valuation for distributed generation, there is a lack of focus on maximizing benefits for customers as a whole, and there are inadequate protections in place to ensure the program does not compete unfairly with the free market by taking up roof space that could be developed privately.

IPL proposes, under this program, to lease rooftops and ground space from non-residential General Service and Large General Service customers to site solar and/or storage projects. Compensation for solar is set at the Cost of New Entry (CONE) in MISO adjusted for the capacity value of the resource. Compensation for storage is based on a comparable rate for leasing land for a current IPL storage project. The program limits system size to correspond with a hosting customer's actual firm demand while

sending all energy produced to the distribution system. There are several problems with the Company's proposal.

First, limiting system size/lease payments to correspond with a customer's firm demand is not logical when all energy produced will be delivered to the distribution system. IPL should be targeting sites for customer-hosted renewables in locations where solar and storage (or any other distributed energy resource) can provide maximum grid benefits. Targeting should be determined using non-wires alternatives criteria or the IDP process similar to that discussed by Witness Volkmann. The size of the facility that is needed for grid purposes may or may not be the same as the host customer's firm demand, so that demand is not a reasonable metric.

There is a fundamental lack of connection between CONE and the cost of leasing roof or ground space for solar. The lease payments for solar proposed to be offered by IPL may exceed the market rate because they are based on CONE rather than any specific comparable lease rate. Above-market lease payments mean that all IPL customers will be paying too much for the solar resource and IPL will be creating unfair competition with private solar developers.

I appreciate IPL's recognition that CONE is a useful marker for the capacity value of distributed solar resources. In fact, I would suggest that this type of valuation be applied to the capacity value of solar wherever appropriate. However, IPL relies on other methods for setting the capacity value of distributed resources in its other proposals and tariffs and uses CONE to inappropriately set the lease rate for this program.

Q. What do you recommend with regard to IPL's proposed Customer Hosted Renewables program?

A. My recommendations follow those of Witnesses Kenworthy, Volkmann, and Rábago. If the Board approves this program it should require that any and all investments have a net benefit to all ratepayers and fit the grid suitability criteria as laid out by Witness Volkmann. The Board must also be willing to conduct strict oversight to ensure IPL is not engaging in unfair competition. If these conditions cannot be met, the Board should reject this program as anti-competitive and unfairly advantageous to IPL.

Q. Is IPL's proposed Renewable Energy Partners Program is a good offering for customers?

A. Potentially. Many businesses have adopted sustainability goals and Iowa should be a place friendly to attraction of such businesses. It is beneficial for these businesses to have options for meeting their goals. However, it is important that the Board ensure this program does not displace the private solar market or receive an unfair advantage in the ways discussed earlier in my testimony and in the testimony of Will Kenworthy. One item that is especially concerning is IPL's plan to allow meter aggregation for customers under this program. I am not opposed to meter aggregation in principle. However, the company does not typically allow meter aggregation for net metering customers under non-utility programs. Instead, a facility must be behind the meter at the location where the energy is being used. IPL should not be able to offer superior contract terms for utility programs that they do not offer to customers utilizing the private market to build and operate their renewable energy project. Meter aggregation in this program is reasonable if meter aggregation is also made available for customers under the net metering tariff.

My second concern is the proposed structure for passing along the economic benefit of the energy produced to the participating customer. Under the Company proposal, the customer is obligated to "pay the cost of the dedicated renewable resource, as agreed upon in the contract…" (Revised tariff sheet No. 76 in TF-2019-0018). This is appropriate to avoid cost-shifting to other customers. However, it does not appear that the proposed program appropriately values the customer's generation and does not pass that value along to the customer. ELPC and IEC Witness Kenworthy addresses the tax treatment of the projects in his testimony. The customer receives no value for energy that is generated in excess of their actual demand in a 60-minute period. The tariff states that "any excess generation above a Customer's load for a given 60-minute interval will be provided to non-participating Customers at no cost" (Revised tariff sheet No. 76 in TF-2019-0018). While it is appropriate that IPL not receive a windfall by selling the excess energy to other customers, the electricity being provided by the customer-funded project is providing value in the way of energy, capacity, and avoided fuel and transmission costs when it serves other customers and IPL's proposal effectively reduces those benefits to zero from a bill credit perspective. It is also not clear why IPL is creating yet another way to value distributed generation with this program instead of using one of the other pre-established valuations to ensure fair treatment and a fair competitive landscape. If solar and other DG is valued appropriately and participating customers are paying all applicable costs, then any theoretical risk to ratepayers and the company is mitigated.

Q. What do you recommend with regard to the Renewable Energy Partner Program proposed by IPL?

A. My recommendation mirrors that of Witnesses Kenworthy, Volkmann, and Rábago. If the Board approves this program, it also must allow private market actors to offer virtual PPAs that include meter aggregation. In addition, the Board should undergo a process to set a rate that is logical and based on actual benefits that solar provides. Finally, it is critical that the Board review any contracts executed under this program to ensure that IPL is not engaging in unfair competitive practices and that other ratepayers are not subsidizing these projects.

Q. Please describe IPL's proposed changes to Rider RTS and Rider EECR and the potential impacts of those changes for DG customers.

A. IPL has proposed to alter Rider RTS to apply to all kWh of energy consumed by the customer, whether self-generated or delivered by IPL or base kW of the customer's demand but only based upon a group average calculation. (*See* Revised Tariff Sheet No. 86 in TF-2019-0018). IPL also proposes to change Rider EECR to cause it to apply to "all kilo-Watt hours consumed by the customer and delivered by the Company" (Revised Tariff Sheet No. 60 in TF-2019-0018) and intends to interpret the language in the same way.

IPL estimates that the Rider RTS changes will impact DG customers taking service under the net metering (NM) and Alternate Energy Production (AEP) tariffs by increasing their bills by $9.98 per month for residential customers and $54.86 per month for general service customers.[4] IPL estimates that the Rider EECR changes will impact these same customers by increasing monthly residential bills by $1.83 per month, General Service

[4] IPL Response to ELPC/IEC DR 65, attached as ELPC/IEC Johannsen Direct Exhibit 1.

(GS) customers by $13.16 per month, and Large General Service (LGS) customers by $82.68 per month. Table 1 below summarizes the total impact to residential, GS, and LGS DG customers from these two changes.

Table 1 – DG Customer Impact from Proposed Changes to Rider RTS and Rider EECR[5]

Customer Class	**Monthly bill Increase**
Residential	$11.81
General Service	$68.02
Large General Service	$82.68[6]

These proposed changes to Rider RTS and Rider EECR will negatively impact existing and future distributed generation customers and are inconsistent with Iowa statute and the goals of the net metering pilot tariffs required in Docket No. NOI-2014-0001. The proposed changes also ignore the Iowa Legislature's rejection of new, punitive rate structures for distributed generation as evidenced by the failure of HF 669 to advance in the 2019 Legislative Session. ELPC/IEC Witness Rábago describes additional reasons why the Board should reject these tariff changes and I adopt his analysis as well.

Q. Are IPL's proposed tariffchanges in conflict with the goals of the net metering pilot projects?

A. Yes. The Board's October 30, 2016, Order in Docket No. NOI-2014-0001 stated that "given the current status of DG development and net metering in Iowa, additional

[5] Source: ELPC/IEC Johannsen Direct Exhibit 1 and IPL Response to ELPC/IEC DR 66 attached as ELPC/IEC Johannsen Direct Exhibit 2.

[6] In response to discovery requests, IPL stated that the change to Rider RTS will not impact LGS customers so the $82.68 is only the estimated increase in charges under Rider EECR. ELPC and IEC have additional discovery pending to determine whether it is appropriate to assume the changes to Rider RTS will not impact LGS customers.

information is required before any permanent policy or rule changes are made."[7] The Order further stated:

> A pilot approach…provides an opportunity to make changes on a limited basis in order to determine the impacts that those changes might have on the utility and its customers prior to making these changes permanent.[8]

IPL's proposed changes to Rider RTS and Rider EECR are not limited, but rather are significant and permanent changes to IPL's net metering policy that would significantly reduce the value of net metered energy. The changes are being proposed outside of the pilots and without consideration of any data gathered through the pilots.

Furthermore, the changes are directly counter to another portion of the Board's October 30, 2016 Order, where the "Board encourage[d] all utilities (municipal, rural electric cooperatives, and investor-owned), but particularly the investor-owned utilities (IPL and MidAmerican), to consider implementing pilot projects that will *expand* renewable DG in Iowa."[9] The pilots were intended to expand DG; the proposed reductions in the value of net metered energy will have the opposite effect and discourage DG adoption by increasing the payback period for solar installations, undermining project economics and viability.

Finally, even as the pilot projects come to a close in the Spring of 2020, it is critical that any changes are thoughtful, receive full vetting, and take into account the data that the utilities have taken the time to gather and report and the Board to collect. It would be a

[7] IUB Order Regarding Policy Statement, Rate Design Presentations, and Net-Metering Generation Pilots in NOI-2014-0001 at p. 7 (issued Oct. 30, 2016).
[8] *Id.*
[9] Ibid at p. 9.

waste of resources to undertake pilot projects and fail to consider the data gathered before making a decision about permanent changes.

Q. What other concerns do you have about these changes and their impact on DG customers?

A. Requiring DG customers to pay for transmission of energy that never reaches the transmission system or for not using energy that used the transmission system is unreasonable and unfair. When a customer-owned solar facility is generating energy, any excess electricity will flow to the nearest point where it can be used—the nearest unserved load. If the customer is drawing power when the solar is producing, the electricity will serve on-site load, but never impact the bulk transmission system except as a reduction in demand. Any "excess" electricity not consumed by the customer will be used by neighbors through the distribution system, and will never reach the transmission system. Distributed generation customers are, therefore, not using the transmission system to carry energy and certainly not using it when they are producing solar to offset their own energy use. It is not appropriate to charge transmission costs for the kWh customer-generators who are not purchasing from the utility.

IPL claims that metering technology is not relevant to how customers will be assessed the increased charges.[10] At the same time, IPL states that it is not able to track how much power is consumed on-site by customers using their own generation. As stated by IPL, "the observed amount of electricity captured by IPL's electric retail bi-directional meter only captures generation in excess of what has already been consumed by customer

[10] ELPC/IEC Johannsen Direct Exhibits 1 and 2.

load."[11] Given the stated inability of IPL to measure customer production behind the meter, it is difficult to see how they could determine "kilo Watt hours (energy) consumed by the customer" as specified in the proposed change to Rider-RTS and Rider EECR. There are many reasons why the Board should reject these proposed additional charges. The apparent inability of IPL to meter customer consumption to ensure fair charges is a clear disqualification for approval of this charge.

Q. Are the changes to net metering proposed by IPL consistent with public policy enacted by the Iowa Legislature?

A. No. These changes are at odds with current Iowa statute related to the promotion of renewable sources of generation, bans on discrimination against customers based on their use of renewables, and the failure just months ago of legislation to impose new fees on solar customers.

Iowa Code Section 476.58A states, "it is the intent of the general assembly to encourage the development of renewable electric power generation. It is also the intent of the general assembly to encourage the use of renewable power to meet local electric needs…" The changes proposed by IPL are not consistent with this statute as they will damage the economics of customer-owned renewable generation in IPL's service territory rather than encouraging "the use of renewable power to meet local electric needs."

These changes also conflict with the Iowa statute prohibiting discrimination based on a customer's use of renewable generation. Iowa Code Section 476.21 states:

[11] IPL Response to OCA-DR-418, attached as ELPC/IEC Johannsen Direct Exhibit 3.

> A corporation or cooperative association providing electrical or gas service shall not consider the use of renewable energy sources by a customer as a basis for establishing discriminatory rates or charges for any commodity sold to the customer or discontinue services or subject the customer to any other prejudice or disadvantage based on the customer's use or intended use of renewable energy sources.

The changes proposed by IPL to Rider RTS and Rider EECR constitute unjust and unlawful discrimination based on the customer's use of renewable energy. Treating customers with renewable generation differently than customers reducing their energy use in some other way is discriminatory and inconsistent with Section 476.21.

Finally, the Iowa Legislature in 2019 considered legislation (SF 583/HF 669) that would have changed the structure of net metering in Iowa, reducing the portion of a customer's bill that could be off-set by customer-owned generation. This bill was adopted by the Iowa Senate with a carve-out for biofuels producers and facilities larger than 1 MW. It was not brought up for a vote in the Iowa House. Thirteen Republicans cosponsored two different amendments – one that would have exempted agricultural producers from the new structure and another that struck all of the language in the bill and replaced it with a Value of Solar study. The introduction of these amendments and the failure of the bill to advance is a clear indicator that there is no consensus among Iowa lawmakers for implementing new charges on solar customers that will increase costs and payback periods and damage the industry. The Board should not move forward in a direction that was rejected by the Iowa Legislature only months ago.

Q. What do you recommend with regard to Rider RTS and Rider EECR?

A. I recommend that the Board reject IPL's proposed changes to Rider RTS and Rider EEC and leave the application of those riders in place as currently structured.

Q. Does this conclude your Direct testimony?

A. Yes.

AFFADAVIT OF
KERRI R. JOHANNSEN

STATE OF IOWA) ss.
COUNTY OF POLK)

I, Kerri R. Johannsen, being first duly sworn on oath, state that I am the same Kerri R. Johannsen identified in the testimony being filed with this affidavit, that I have caused the testimony to be prepared and am familiar with its contents, and that the testimony is true and correct to the best of my knowledge and belief as of the date of this affidavit.

_/s/ Kerri R. Johannsen_____
Kerri Johannsen

Subscribed and sworn before me the 26th day of July, 2019.

_/s/_ Brenda Lea Schoen_____
Notary Public in and for the State of Iowa