

STATE OF IOWA
BEFORE THE IOWA UTILITIES BOARD

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

REBUTTAL TESTIMONY
OF
KERRI JOHANNSEN

On Behalf of

Environmental Law & Policy Center and
Iowa Environmental Council

September 10, 2019

1 **I. INTRODUCTION**

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

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

7 **Q. Are you the same Kerri Johannsen who filed rebuttal testimony in this docket?**

8 A. I am.

9 **Q. What is the purpose of your testimony?**

10 A. The purpose of my testimony is to respond to the rebuttal testimony of IPL witnesses
11 Jason Nielsen, specifically his assertions about the appropriateness of the compensation
12 rates established for each of IPL’s proposed renewables programs and the
13 appropriateness of excluding transmission costs from the compensation rate for the
14 community solar program. I will also respond to Mr. Nielsen’s arguments related to the
15 application of Rider RTS to all kWh delivered to customers with behind the meter
16 generation.

17 **Q. How does IPL witness Nielsen respond to your criticism of IPL’s proposed
18 renewable programs?**

19 A. Mr. Nielsen states that my concerns with utilities creating competition with the private
20 solar market are unfounded. Mr. Nielsen specifically challenges my concerns related to
21 cross-subsidization, program structures that give the utility an unfair advantage compared
22 to private market participants, and the utility taking advantage of an information

1 imbalance to unfairly capture customers. It concerns me that Mr. Nielsen is so quick to
2 offer a wholesale dismissal of these basic considerations.

3 I am particularly concerned that Mr. Nielsen misunderstood my recommendations and the
4 recommendations of the other ELPC/IEC witnesses related to use of non-wires
5 alternative (NWA) screening criteria and information about grid hosting capacity. One
6 type of unfair use of information is a utility using customer inquiries about installing
7 generation behind the meter to market utility-owned renewable programs to those
8 customers. This is a real risk and should not be dismissed. The Board should require IPL
9 to establish a firewall between the utility staff working with customers on DG and those
10 marketing the utility-owned renewable programs.

11 A second information imbalance is the utility's exclusive access to grid hosting capacity
12 information. This information allows the utility to choose the lowest-cost areas to install
13 DG and create a competitive advantage for itself. It is entirely consistent to state that the
14 utility should be using a good NWA screen to target the highest-value areas for its own
15 small-scale renewable projects while ensuring it is not encroaching on private developers.
16 The key logical connector is transparency and access to information for all actors. It is
17 important that information about grid hosting capacity be made public so that developers
18 and private individuals can be on an even playing field with the utilities in knowing
19 where low-cost renewables can be built and where they would be most beneficial.

20 Customers are required to pay for any needed upgrades to the distribution system as part
21 of the interconnection process and will cover that full cost so their investments should not
22 be limited to high-value or low-cost areas. The utility, on the other hand, should focus on
23 developing projects exclusively in areas where there are benefits for all customers, not

1 just those participating. ELPC/IEC Witness Curt Volkmann provided examples of where
2 integrated distribution planning (IDP) is happening in other states. An IDP process could
3 allow IPL to sort out its confusion around the issues of unfair utility competition versus
4 intelligent use of NWA analyses and create a strategy for making grid hosting capacity
5 information public.

6 **Q. Does Mr. Nielsen offer a compelling justification for the various compensation**
7 **methodologies developed for its renewables programs?**

8 A. No. Mr. Nielsen states on page 7 of his rebuttal testimony that different distributed
9 energy resources (DERs) have a different value depending upon their use and where the
10 DER is located. I agree with this statement. However, IPL's actual program structures do
11 not reflect Mr. Nielsen's statement. IPL has not offered any detail on the intended "use"
12 of any of the facilities it is considering adding through these programs nor has it created a
13 credible NWA screening tool or committed to using that tool to determine high-value
14 locations for utility-owned DER. Use of LMPs as part of the calculation in one program
15 is not adequate to claim IPL is focused on locational value.

16 **Q. How do you respond to Mr. Nielsen's argument that avoided transmission costs**
17 **should not be part of the compensation formula for the community solar program?**

18 A. Mr. Nielsen argues that community solar will not reduce transmission costs because the
19 energy will be limited to its distribution system. However, as ELPC/IEC Witness Will
20 Kenworthy points out on pages 24 and 25 of his Direct Testimony, reducing the load on
21 the distribution system at peak times, as community solar would do, avoids transmission
22 charges at those times. If the community solar customers paying for the project do not

1 receive these reduced transmission charges as a benefit then the reduction is an unfair
2 windfall to IPL.

3 Mr. Nielsen stated in his testimony that the energy produced by IPL's community solar
4 facilities will never reach the transmission grid; reducing load on the distribution grid
5 also reduces transmission load and the associated charges. Similarly, the energy produced
6 by customers with DER will never reach the transmission grid but will have the impact of
7 reducing transmission charges for IPL. Part of the value of the credit that the customer-
8 owned DG generates includes the avoided transmission cost and that is appropriate and
9 real. IPL's proposed change to the Rider-RTS effectively strips that value from the credit
10 before it is applied to offset energy consumption, again allowing IPL to capture the
11 windfall of reduced transmission charges without passing that benefit back to the
12 customer. This is inappropriate and unfair.

13 **Q. Mr. Nielsen states that the Board should reject witness recommendations for a**
14 **Value of Solar (VoS) study based on precedent. Has anything changed since the**
15 **previous Board order on VoS that should lead to a different decision?**

16 A. Questions about the value of customer-owned and utility-owned solar resources are
17 plentiful in this docket. This is the first time an investor-owned utility in Iowa is
18 proposing to enter the solar market as a competitor with private business. In addition,
19 IPL is proposing cuts to net metering credits that effectively change the value of
20 customer-owned solar without doing a full accounting of costs and benefits. Questions of
21 value and cost should not be litigated piecemeal, but resolved through a VoS study and
22 this docket has demonstrated that. The Board should set aside the customer-hosted

1 renewables and renewable partners programs and any changes to net metering pending a
2 VoS analysis.

3 **Q. How do you respond to Mr. Nielsen’s assertion that meter aggregation should be**
4 **allowable under the Renewable Energy Partner Program because the program**
5 **differs from net metering?**

6 A. I do not find Mr. Nielsen’s argument in this area compelling. The fact remains that IPL is
7 creating a program with benefits that cannot be offered by private business because of
8 IPL’s own policies restricting meter aggregation. The Board should not approve IPL
9 programs that allow the company to exploit its monopoly status to create an unfair
10 competitive environment where a robust private market is entirely possible. Meter
11 aggregation policies should be applied uniformly to the utility and customers.

12 **Q. Has IPL adequately justified the benefit to all customers and the formulation of the**
13 **compensation for the customer-hosted renewables program?**

14 A. No. The company has not justified its use of MISO cost of new entry (CONE) either in
15 direct or rebuttal testimony and has not committed to adequate NWA criteria and use of
16 those criteria for siting these projects.

17 **Q. Does this conclude your rebuttal testimony?**

18 A. Yes.

AFFADAVIT OF
KERRI R. JOHANNSEN

STATE OF IOWA)
COUNTY OF POLK) ss.

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 Johannsen
Kerri Johannsen

Subscribed and sworn before me the 9th day of September, 2019.

/s/ Patricia Kindheart
Notary Public in and for the State of Iowa