

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

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**IN RE:** )  
 ) **DOCKET NO. NOI-2014-0001**  
**DISTRIBUTED GENERATION** )  
 )  
 ) **RESPONSE TO BOARD ORDER**  
 ) **SOLICITING FINAL COMMENTS**  
 ) **REGARDING ON-SITE GENERATION**  
 ) **GUIDE**

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The Environmental Law & Policy Center and Iowa Environmental Council file these comments pursuant to the Iowa Utilities Board Order Soliciting Final Comments Regarding On-Site Generation Guide issued on December 3, 2014. ELPC and IEC have been active participants in this docket and have filed three rounds of comments with additional parties.

The Environmental Law & Policy Center (ELPC) is a non-profit corporation with an office in Des Moines, Iowa and members who reside in the State of Iowa. ELPC's goals include promoting clean energy development and advocating for policies and practices that facilitate the use and development of clean energy such as solar and wind power.

The Iowa Environmental Council (IEC) is a broad-based environmental policy organization with over 70 diverse member organizations and a mission to create a safe, healthy environment and sustainable future for Iowa. IEC's work focuses on clean water, clean air, conservation, and clean energy, including the promotion of policies that would facilitate the development of clean energy and clean energy jobs.

ELPC and IEC participated in the October 21, 2014 workshop on the checklist and submitted comments on October 24, 2014. As we stated during the workshop and reiterated in our past comments, we think that education has a valuable role to play in helping consumers understand the energy implications of distributed generation. A well designed, easy-to-use checklist can help a consumer think through the implications of distributed generation, better equip them to make important decisions, and help them navigate the process from idea to installation. We emphasized the following principles during the workshop and in our October 24, 2014 comments:

- If the checklist is too long and cumbersome, it will not serve the goals of providing consumers with accessible information and increasing awareness;
- The simpler the information, the easier it is for consumers to use;
- The checklist should be brief and focused;
- Information that is generic or general to a “smart consumer” should be taken out so that the focus can be on distributed generation;
- The checklist should recognize that dealers and installers help consumers with many aspects of the installation through turnkey services.

We think that the updated draft incorporates many of these principles and is a significantly improved checklist from the first draft. The checklist is well-organized, straightforward and streamlined. The checklist appropriately recognizes the role for the dealer/installer helping consumers with the process to install on-site generation. The checklist appropriately outlines potential finance options.

We have several recommendations to the revised checklist. First, we think that the final checklist should be clear that it is being provided for informational purposes only and use of the checklist is voluntary. This is consistent with how Board staff presented the checklist during the workshop. We suggest that language be included at the beginning of the checklist to make this point clear.

We think that the checklist should carefully balance alerting customers of potential issues with implying that those issues may exist when they will not exist in all cases. For example, we would suggest deleting the word ‘properly’ regarding dealers’ qualifications on page 3. While we support installers and dealers obtaining certifications such as NABCEP, that certification is voluntary in Iowa. The use of ‘properly’ implies that this certification is required. Another example is at the bottom of page 4. The final bullet implies that the roof would need repair at the end of a PPA/lease. While there might be instances of roofs needing repair that is not always the case. We would suggest “Who pays to remove the system and repair the roof (if repairs are necessary) ...”

Finally, we have concern with several pieces of the language that MidAmerican suggested in its December 19, 2014 filing. The most important concern is related to Power Purchase Agreements and net metering. MidAmerican suggested adding the statement that “Net metering is not available to customers who do not own their distributed generation systems.” This statement is inconsistent with the Board rules on net metering for rate regulated utilities. The net metering rule requires that “Each utility shall offer to operate in parallel through net metering (with a single meter monitoring only the net amount of electricity sold or purchased) with an AEP facility provided that the facility complies with any applicable standards established in accordance with these rules.” 199 Iowa Administrative Code § 15.11(5). The interconnection standards are the only area where there is a requirement on third-party owned systems in the Board rules. The interconnection rules allow for interconnecting third-party owned systems provided that “When an applicant is not currently a customer of the utility at the proposed site, the applicant shall provide, upon utility request, proof of the applicant’s legal right to control the site, evidenced by the applicant’s name on a property tax bill, deed, lease agreement or other

legally binding contact.” 199 Iowa Administrative Code § 45.5(6). If a third-party owned system located on an electricity customer’s property meets the interconnection requirements in the Board rules, the third-party owned system can net meter under the Board rules. The checklist should not state or imply otherwise.

MidAmerican also suggests adding language to the “Beware of scams” paragraph in the section on choosing a dealer and equipment on page 3. MidAmerican suggests adding “aggressive assumptions in the payback period calculations leading to a short payback.” This language is vague and the warning is misleading. Paybacks vary significantly depending on tax credits, utility rebates, utility rates, REAP grants, financing options and a host of other factors that are individualized to specific projects. We are aware of payback periods under three years that resulted from taking advantage of multiple incentives. This is not an appropriate criteria for warning of a scam. To the extent this is a concern, the guidance on cost consideration at the beginning of the checklist combined with factors in project proposals at the beginning of the Choosing a Dealer and Equipment section already address these concerns. A detailed proposal including the incentives utilized should allow the consumer to understand the payback period, its basis, and whether those assumptions are appropriate for the consumer’s property.

MidAmerican also suggests additions under the cost considerations section on page 2. MidAmerican suggests adding to the cost of the system: “the cost of any potential upgrades to the utility distribution system.” Our understanding is that this is meant to be a consumer guide targeted to the typical homeowner and some small business owners who would be installing relatively small systems. These systems would mostly be Level 1 interconnections, and it is unlikely that these systems would require distribution upgrades in the interconnection process. This type of information does not seem appropriate for a consumer guide of this nature. To the

extent that this would be an issue for a particular project, it would be addressed in the interconnection process, which is already adequately covered in the checklist.

We appreciate the Board's approach to developing the checklist, and the opportunity to provide additional feedback on the checklist.

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Respectfully submitted,

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