

**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])	COMMENTS ON CHAPTER 35 RULES
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The Environmental Law & Policy Center (ELPC) and Iowa Environmental Council (IEC) file these comments pursuant to the Iowa Utilities Board Order Requesting Stakeholder Comment on Potential Rule Changes issued on August 8, 2016.

The Environmental Law & Policy Center (ELPC) is a non-profit corporation organized under Illinois law. ELPC has members who reside in the State of Iowa and an office in Des Moines. ELPC's goals include promoting renewable energy and energy efficiency and advocating for policies and practices that facilitate the use, development and implementation of effective renewable energy and energy efficiency. ELPC has invested significant time and resources into promoting renewable energy and energy efficiency in Iowa and nine other states in the Midwest.

The Iowa Environmental Council (IEC) is a non-profit corporation organized under Iowa law. The IEC is a broad-based environmental policy organization with a mission to create a safe, healthy environment and sustainable future for Iowa. The IEC represents a broad coalition of Iowans including over 70 diverse member and cooperator organizations ranging from agricultural, conservation, and public health organizations, to educational institutions, business associations, and churches, along with hundreds of individual members. 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 have been active participants in the utility energy efficiency plans and related issues. ELPC and IEC have been intervenors in MidAmerican Energy Company (MidAmerican) and Interstate Power Light Company (IPL) plan filings in EEP-2008-1, EEP-2008-2, EEP-2012-0001, and EEP-2012-0002. In addition, we have been active participants in the collaborative and stakeholder processes to implement energy efficiency plans in Iowa. We have suggested new energy efficiency programs and improvements to existing programs. During the current plan cycle, we have served on the Oversight Committees for the development of the Technical Reference Manual and the Net-to-Gross Report. We have provided feedback on utility Evaluation, Measurement, and Verification efforts and the RFP and bidders for the next Assessment of Potential.

We are invested in the success of Iowa's energy efficiency programs. Well run programs provide significant benefits to Iowa customers, the environment, and the economy. The successes of Iowa's energy efficiency programs are built on the strong framework for energy efficiency in the Iowa statute and administrative rules. We think this rulemaking is an opportunity to strengthen and improve upon Iowa's programs. In this filing, we comment on the Board's proposed changes, recommend a number of changes to clarify existing practice and make modest improvements, and suggest a handful of more significant changes that will dramatically improve Iowa's implementation of energy efficiency by creating programs that are more nimble and able to respond to changes in technology, the economy and regulatory landscape, ensuring program resources are directed to where they can have the most impact by

providing independence of program evaluation, and incorporating energy efficiency into ongoing resource planning.

We encourage the Board to address these changes, and we recognize that some of these ideas are worth exploring in more detail and in collaboration with other stakeholders. To that end, we suggest the Board consider directing future rounds of comments on specific topics or workshops with the stakeholders. We anticipate that as issues arise in other filed comments, we may comment on additional sections in response to other parties in the reply comments or elaborate and refine positions that we have presented here.

Iowa Energy Efficiency Programs Should Adopt a Three Year Plan Cycle by Making Changes to 199 IAC 35.4(1), 35.4(4), and 35.8(2)(d).

For energy efficiency plans to be effective, the Board, stakeholders, and utilities must review and revise the programs often enough to account for changes in a variety of areas affecting the programs' capacity to save energy – including the economy, the regulatory landscape, and technology. These fast-changing areas have a profound effect on the efficacy of programs. While the current approach of five-year plans has been the practice in recent plan cycles, a shorter plan period allows for faster and more efficient responses to changing technology, lessons learned from program evaluations, and regulatory changes at both the state and national level. We have identified several examples to illustrate this point as well as specific rule changes to transition to a three-year plan cycle.

During the last plan cycle, the Environmental Intervenors argued for a faster and more ambitious integration of LED technology into lighting programs. The plans filed in late 2012 and early 2013 had proposed a very low proportion of LED bulbs, approximately 1% of total bulbs, through 2018. MidAmerican accepted the intervenor testimony and revised program goals to

reflect an increasing number of LED measures (reaching 43% by 2018). IPL resisted the change and only agreed to adjust targets on an annual basis. In practice, LED technology has advanced more rapidly than even we predicted during the plan cycle. We are now at a point where we should be revisiting the structure of utility lighting programs to account for this significant technological advance, but we will operate under the current lighting program for another two and a half years. These issues surrounding the development of technology are constantly occurring in the context of energy efficiency plans. The emergence of smart thermostats is an example of a technology that was not even emphasized during the last plan cycle. ComEd in Illinois has implemented an ambitious smart thermostat program. A stronger smart thermostat program in Iowa is ripe for development and implementation in Iowa, and the extended plan cycle is delaying this development.

ELPC has been active in a number of states that have different time gaps between plans. Michigan, for example, requires utilities to file every two years, Ohio and Illinois are every three years and Iowa is every five years. We have found that in Michigan we have to start a new plan before we even get the results from the previous plan. In Illinois and Ohio, once the utilities implement a new plan we have nearly two years of results to take into consideration in formulating the next plan. This gives a good read on the results from the previous plans, while allowing us to start developing a new plan before the old programs become outdated.

The five-year plan horizon is not consistent with the pace at which the utilities collect and develop information, such as with Evaluation, Measurement and Verification (EMV) efforts of both utilities. For the past two five-year plan cycles, IPL has conducted EMV activities at the beginning of the plan cycle and completed evaluation activities in the second or third year of a plan cycle. This raises two concerns. First, the evaluation results are stale by the time the next

plan is developed. Second, the final two or three years of the plan cycle have no evaluation activities, and there is no learning, adaptation or evidence-based improvement during that time. This is a major inefficiency and shortcoming with the current programs. MidAmerican currently does a better job staggering program evaluation, but even the staggered approach creates significant gaps in evaluation activities. A three-year plan cycle would be better aligned with ongoing evaluation activities and timely action based upon those activities.

The Clean Power Plan presents an example of the regulatory changes that move faster than the five-year plan cycle. Iowa is in the midst of the current five-year plan cycle. The next five-year plans will be filed in late 2017 and early 2018, and those will be for plan cycles from 2019-2023. The implementation of the Clean Power Plan is currently pending litigation. A Supreme Court decision is likely in 2018. By that time, the next plans will have been developed and mid-way through the approval process. We could have a situation where the Board approves five-year plans just as the Supreme Court upholds the Clean Power Plan. The state implementation plan development and initial plan implementation would all take place during that five-year plan period, given that the first year of compliance is scheduled for 2022. This would make coordinating the implementation plan and energy efficiency efforts needlessly difficult. A three-year plan timeframe would mean that we would have another plan cycle in advance of the 2022 compliance period, better aligning Iowa energy efficiency planning with ongoing regulatory changes and allowing Iowa to use low-cost efficiency resources for compliance. Similar issues regarding the mismatch of regulatory schedules and the five-year plan have arisen in the past regarding building and energy codes, as Iowa is on a three-year schedule to adopt the latest building and energy codes, and the implementation of the Energy Independence and Security Act (EISA).

When proposing their five-year plans, the utilities make estimates six years into the future. The utilities' best estimates of how the national and Iowa economy will affect their programs have proven to be inaccurate. Adjusting the plans to three years does not solve the problem, but it decreases the time between adjustments and is likely to produce better results. The swings of the economy are too hard and unpredictable to achieve the best, most economic efficiency at the current plan lengths.

Finally, frequent waiver requests from plan modification requirements underscore that five years is too long. There have been waiver requests from plan modification requirements, or filed plan modifications, in most years of the 2009-2013 and 2014-2018 (so far) plan cycles. The fact that plan modification requirements are triggered regularly, and the volume of waivers from those requirements, suggests that a shorter plan interval would be more accurate. Waiver dockets require utility, Board, Office of Consumer Advocate and intervenor effort. This effort would be better focused on developing better programs in a new planning cycle than meeting the formal requirements of a waiver without significant programmatic changes.

By minimizing plan modifications or waivers and by better aligning the three-year plan cycle with changes in the economy, technology, regulations, and EMV results, we believe the three-year plan cycle would not impose a greater administrative burden and could ease the administrative process of reviewing and approving plans. If done properly, three-year plans could reduce contested issues by improving the quality and accuracy of the plans. We would be open to other rule changes in the required plan filings to further address this issue.

The legislature directed the regulated Iowa utilities to file energy efficiency plans with the Board. Iowa Code § 476.16. The Iowa Administrative Code does not specify how often new energy efficiency plans should be filed, stating only that, "[t]he Board will schedule each utility's

filing of an assessment of potential and energy efficiency plan and each utility's prudence review by order." 199 IAC 35.4(1). The only reference to a scheduling period comes in 199 IAC 35.4(4)(b), which makes reference to a "five-year budget time frame." This budget time frame appears nowhere else in the rules or the statute.

The proposed changes below limit the length of energy efficiency plans to three years. By limiting the length of the plans, the Board will help ensure that ratepayers have access to the best, most economic programs.

35.4(1) The board will schedule each utility's filing of an assessment of potential and energy efficiency plan and each utility's prudence review proceeding by order, but subject to the requirement that each utility will file its energy efficiency plan at least every 3 years.

35.4(4)(b) A brief identification of the proposed energy efficiency programs and the estimated annual cost of the proposed energy efficiency programs during the five-year budget time frame;

35.8(2)(d) The budget for the plan and for each program for each year of implementation or for each of the next five years of implementation; whichever is less, itemized by proposed costs. The budget shall be consistent with the accounting plan required pursuant to subrule 35.12(1). The budget may include the amount of the remittance to the Iowa energy center and the center for global and regional environmental research ~~and the alternative energy revolving loan fund.~~

Evaluation, Measurement and Verification Activities Should Be Done by Independent Contractors.

We have previously expressed concerns with the existing method for selecting and managing Evaluation, Measurement and Verification (EMV) contractors in Iowa. EMV activities provide accountability and ensure that ratepayer money is spent effectively on strong programs that can achieve results. The EMV contractor performs an important set of tasks that includes being required to quantify and verify energy efficiency savings from utility programs, offer its opinion on how well a utility has performed and managed their programs, estimate and adjust

program savings, and recommend ways the programs could be improved. It is crucial for EMV contractors to be objective and impartial in their assessment of the performance of utility energy efficiency plans. In order for an EMV contractor to be effective, it must be operating in an environment of autonomy, so that it can maintain its impartiality and ability to offer objective opinions on performance, recommendations, criticisms and suggestions for improvement. However, Iowa's current approach to EMV creates the potential for undue influence by utilities and does not provide sufficient checks on this potential undue influence.

Under the current EMV process, the utilities establish and maintain EMV related contracts including description of the scope of work, deliverables, due dates, and invoicing procedures. While the utilities can provide stakeholders the opportunity to comment on EMV activities and review EMV reports, this stakeholder participation is discretionary and all decision-making related to and management of EMV contractors rests with the utilities. We appreciate the increased opportunity for comment and review on EMV activities and reports that have been arranged with IPL and particularly with MidAmerican during the current plan cycle. Increased stakeholder participation is a good step but does not resolve or eliminate the underlying concerns with undue influence. The utilities can still unilaterally dismiss an EMV contractor without any input from the Office of Consumer Advocate, Board staff, or other interested stakeholders. This gives the utility significant control and potential influence over EMV contractors who need to be completely impartial and objective to effectively do their job.

We recommend creating additional independence in the EMV process. We think that there are several different options that could be explored to accomplish this goal, and we would support additional stakeholder engagement in this process. As a starting point, we would recommend creating a formal oversight committee for each utility EMV process. The Oversight

Committees should be modeled on the successful Oversight Committees for the development of the Technical Reference Manual and Net-to-Gross Report. The Oversight Committee should include representation from the Office of Consumer Advocate and energy efficiency plan docket intervenors. The Oversight Committee should oversee EMV activities including but not limited to scope of work development, RFP development, vendor selection, and review of draft and final EMV reports. The Oversight Committees for the TRM and NTG report have operated on a consensus basis with a backstop of reporting issues of disagreement to the Board for review and decision. A similar process should be adopted for EMV activities.

As a starting point, we propose the following changes to the existing evaluation language in the rules:

35.8(2)(f) A monitoring and evaluation plan. The utility shall describe in complete detail how it proposes to monitor and evaluate the implementation of its proposed programs and plan and shall show how it will accumulate and validate the information needed to measure the plan's performance against the standards. The utility shall work with an Oversight Committee with representation from the Office of Consumer Advocate and intervenors to oversee and make decisions about evaluation activities. The utility shall propose a format for monitoring reports and describe how annual results will be reported to the board on a detailed, accurate and timely basis. If the Oversight Committee is not in agreement on aspects of the evaluation or results that should be included in any report to the Board.

Resource Planning

The Board asks a general question about the rule requirements to meet Iowa Code 476.6(16) which states that the Board shall periodically require rate-regulated gas or electric utilities to file a forecast of future gas requirements or electric generating needs. We believe the filing requirements provide valuable information and think the filing requirements here could be better coordinated with similar filing requirements found in other dockets and rules. For example, when utilities propose advanced ratemaking principles (and a generating certificate where

applicable) for new generation, there are requirements to file similar forecasts and evaluations of generation alternatives. Utilities are also required to provide forecasts in PURPA compliance filings (filed annually or every other year). It is not clear if these filing requirements, or the information filed, is consistent across rules and dockets. More importantly, Iowa is missing an opportunity to engage in more robust resource planning that treats energy efficiency as a resource comparable to new generating assets. We encourage the Board to engage stakeholders in the development of a more comprehensive and unified resource planning process. This process would increase transparency and improve the efficiency and effectiveness of a number of regulatory requirements and dockets that share similar goals but are not currently well-coordinated. Such a process would also help ensure that low-cost clean energy resources, including efficiency, are prioritized for acquisition by the utilities.

Iowa Energy Efficiency Measures Should Quantify Non-energy Benefits and Customer Benefits.

We think that it would be beneficial to define and quantify non-energy benefits from energy efficiency measures. Non-energy benefits could include water savings or economic benefits such as direct and indirect job creation, increased property values, and increased job performance. The assessment of potential is currently required to identify non-energy benefits, but the language in 35.8(1)(b) is brief and not specific as to type of non-energy benefits or impacts (“...non-energy related features, costs and benefits”). The rules do not address the specific non-energy benefits that should be identified, what information should be collected, or how the utilities, the Board, or stakeholders should evaluate and weigh non-energy benefits.

In addition to non-energy benefits, we think this is an appropriate time to evaluate the externality factor in 35.9(7) and 35.10(4). We support the use of the externality factor in

evaluating energy efficiency programs. Currently the externality factor is applied in the development of avoided costs for energy efficiency. We believe the 10% and 7.5% factors (for electric and gas, respectively) likely understate the societal costs of supplying energy from fossil fuels or non-renewable sources of energy. It is also possible that integrating the avoided externalized costs more directly into the cost-effectiveness tests would better account for those costs. As the new “National Standard Practice Manual for Energy Efficiency” is completed, there will be an opportunity to evaluate the use of both externalized costs and non-energy benefits in the cost-effectiveness tests.

In addition to cost-effectiveness tests, we think the utility plans and assessment of potential should include an analysis of the projected customer saving from energy efficiency programs. While the existing cost-effectiveness tests can confirm that ratepayers will be better off with successful efficiency programs and with efficiency measures installed than without them, the tests do not project annual or lifetime economic savings by participants and non-participants. This information would be very helpful in identifying and communicating the benefits of the programs to non-technical audiences and provide another source of information to customers on the economic savings available from key energy efficiency measures (other than the manufacturer). This could be accomplished, for example, by analyzing average savings for participants in popular programs or using popular measures, both on a per customer basis and in aggregate. Customers should be able to understand the benefit to using a measure or program while other stakeholders should be able to understand the benefits in aggregate. The utilities should include some level of information for both gas and electric measures or programs (as long as the utility provides gas and electricity) for all customer classes. A summary of the information

should be included in the non-technical five-page summary of the assessment of potential that each utility provides.

We think this is an area that would benefit from additional stakeholder comment or a workshop and encourage the Board to gather this input moving forward.

199 IAC 35.1

The Board proposes to change the policy and purpose from a statement that implementation of effective energy efficiency plans is “the highest priority” to “great priority.” While we agree that this reflects Iowa 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.

The Board also proposes language that takes detail out of what needs to be included in the energy efficiency plan filings. We think the additional detail is a useful way to provide a clear set of expectations about the minimum requirements of an energy efficiency plan. The proposed change likely will not have an impact in current practice, but over time, it could lead to an erosion of materials filed with the Board. We suggest adding the following language:

Each rate-regulated natural gas and electric utility shall file energy efficiency plans as provided in this chapter. The filed plans shall provide the board and stakeholders with the necessary information to review, for each utility, the assessment of potential, the proposed capacity and energy savings performance standards, and appropriateness of the proposed energy efficiency plan.¹

199 IAC 35.2

¹ Throughout the document, we have reproduced proposed changes by the Board and kept the underline and strikethrough formatting. We have added our changes using the same formatting, but we have also highlighted our changes to help track which changes we have proposed and which the Board has proposed.

The Board proposes multiple changes to definitions that are meant to streamline rules by eliminating terms no longer found in the rules, moving definitions to one definition section, and removing unnecessary explanatory language. Unless specifically noted below, we have no concern with the Board changes at this time, but reserve the right to respond to potential rule changes to definitions in our reply comments.

The Board suggests deleting the definition “customer’s side of the meter.” This definition is used in the definition of “energy efficiency measures,” and it is a useful reference point. In addition, it is possible that it could have relevance with new or emerging technologies. We recommend maintaining this language.

The Board proposes to remove language from the definition of “energy efficiency measures” that serves to illustrate several categories of efficiency measures. This language provides helpful clarification on the types of activities that constitute energy efficiency measures. We recommend maintaining this language.

We suggest the Board include a definition of spillover. Spillover is the additional energy savings that occur when a program participant, as a result of the program’s influence, installs energy efficiency measures outside of the energy efficiency program after having participated in the program or when a customer’s participation is driven by the program but that customer does not take advantage of the discount or rebate.

There are currently definitions for ‘economic potential’ and ‘technical potential’ but no definition for ‘achievable potential.’ The utilities’ assessment of potential studies identify achievable potential. We suggest adding a definition to the rules. Definitions for achievable potential vary and we suggest soliciting additional stakeholder input on the definition. A starting

point for the definition is: “An estimated range of energy and capacity savings attainable by programs that encourage the adoption of energy efficiency measures.”

The definitions related to utility peaks should apply to both electric and gas utilities. The Board proposed deleting the ‘Seasonal peak demand’ definition, which applied to electric utilities. The remaining definitions for “Off-peak period,” “Peak day demand,” and “Peak period” only apply to gas utilities. We suggest adding electric utilities to the remaining three peak definitions to ensure that these definitions cover both electric and gas utilities.

For the four cost benefit tests, we suggest evaluating use of the new National Home Performance Council’s “National Standard Practice Manual for Energy Efficiency” that is currently under development, with a first draft due out at the end of this year and a final version due out by October 2017. See <http://www.nationalefficiencyscreening.org/>. Moving to this new standard practice would likely affect the definitions for “benefit/cost test,” “participant test,” “ratepayer impact test,” “societal test,” and “utility cost test” at a minimum and may affect other definitions or require new definitions. This is an area where we could take relatively simple steps to align Iowa practice with national best practices. This type of action will be increasingly important as we look to use energy efficiency for compliance purposes such as with the Clean Power Plan.

199 IAC 35.3

No comments.

199 IAC 35.4

The Board added detail to the annual energy efficiency reports in 35.4(3). We think this additional detail is useful. In addition, we recommend that the rules specifically require the

utilities report on how evaluation results have been or will be applied to energy efficiency programs:

Each utility shall file an annual report by May 1 of each year which shall include the utility's energy efficiency spending, impacts, and cost effectiveness results by program and total plan for the prior calendar year, the results of any monitoring and evaluation activities, how evaluation results have been or will be applied to programs, and any other information pertinent to the performance of the energy efficiency plan for the previous calendar year.

A key component of evaluation activities is the next step that the utility takes to implement evaluation recommendations. This additional language ensures that the utilities report on evaluation implementation and not just the evaluation activities.

We recommend a more detailed notice to the public. To that end, we suggest the following changes to 35.4(4)(b)

A brief identification of the proposed energy efficiency programs, a summary of any significant program changes, additions or deletions in the new plan filing, and the estimated annual savings and cost of the proposed energy efficiency programs during the five-year budget time frame;

This additional detail will provide the public with meaningful information about what the filing does and can help focus attention on key issues. This information is readily available to the utilities and would not create any additional burden to provide this information to the public as part of the written notice.

199 IAC 35.6

We have several comments on 199 IAC 35.6(4) regarding modification after implementation. First, the three triggers in the current rules for a plan modification focus on spending deviations from the plan or program changes (new or eliminated programs). 199 IAC 35.6(4)(a)(1)-(3). We suggest adding a trigger focused on whether the utility's plan is not achieving the approved annual performance standard. The annual performance standard – the

actual amount of energy being saved – is a key metric to evaluate plan performance, but is not part of the plan modification rule. We do not think that a utility exceeding its performance standard should require a plan modification, but a utility that is well below its performance standard should modify its plan so as to better achieve the performance standard. We suggest the following language to address this issue:

35.6(4)(a)(4) The approved performance standard in annual kWh or therm savings is not met by 10% or more.

Second, we have concerns with the potential rule change to insert ‘utility requests to change’ in 35.5(4)(a)(1) and (2) because that leaves the question of plan modification to the utility’s discretion. If the utility is not meeting plan targets (whether spending targets in the current rule or savings/performance targets in our proposed language above), the plan modification can be used to improve the plan and position the utility to meet the spending or performance targets. The practice in recent years has been to request waivers from the plan modification requirements rather than to make plan modifications to improve the plans, often because budgets fluctuate. We are more interested in utilities meeting annual energy savings targets and performance standards than annual budget targets. If there is a non-discretionary requirement for plan modification if the performance standards are not met, per our proposed rule change above, the utility discretion on budget changes is less of a concern.

Alternatively, we think that our concerns with the plan modification process could be addressed by having a shorter plan cycle as discussed in more detail above.

199 IAC 35.7

We agree that it is appropriate to use the same waiver procedure for energy efficiency plans as for other matters before the Board, and a waiver procedure unique to energy efficiency is not necessary.

199 IAC 35.8

The rules should be more explicit that individual measures and programs do not need to meet a specific cost threshold as long as the plan as a whole remains cost effective. This has been the practice in Iowa, and it is implied in the way the rule is currently written. It would be better to explicitly acknowledge this practice in the rules. In addition, it makes sense to address the low-income and tree planting cost effectiveness in the threshold section rather than in the information filing section.

35.8(1)(e)(2) Cost-effectiveness threshold(s). The utility shall describe and justify the level or levels of cost-effectiveness, if greater or less than a benefit/cost ratio of 1.0, to be used as a threshold for cost-effective utility implementation of programs. Individual measures may still be implemented even if those measures have a benefit/cost ratio less than 1.0. Low-income and tree-planting programs do not need to meet a benefit/cost ratio threshold and do not need to be tested for cost-effectiveness, unless the utility wishes to present the results of cost-effectiveness tests for informational purposes. Pilot projects do not need to meet a specific cost-effectiveness threshold, but cost-effectiveness shall be one of the factors for evaluating the successfulness of the pilot. The utility's threshold of cost-effectiveness for its plan as a whole shall be a benefit/cost ratio of 1.0 or greater.

The informational filing should contain sufficient information to inform readers about changes in the energy efficiency plan. To accomplish this, the descriptions in the plan should include the following additions:

35.8(2)(b) Descriptions of each program. If a proposed program is identical to an existing program, the utility may reference the program description currently in effect. If a program makes changes from an existing program, the plan should include a description of the changes from the existing programs design. A description of each proposed program shall include:

- (1) The name of each program;
- (2) The customers each program targets;

- (3) The energy efficiency measures promoted by each program;
- (4) The proposed utility promotional techniques, including the rebates or incentives offered through each program; and
- (5) ~~The proposed rates of program projected number of participants participation or implementation of measures, including both eligible and estimated actual participants.~~
- (6) How the program has incorporated recommendations from previous evaluation, measurement, and verification reports

The rules should also be clear that both annual and lifetime savings should be used in the plans and plan reporting for costs and savings at the portfolio, program, and measure levels. The following change will help accomplish this, although it is possible additional changes may be needed elsewhere in the rules:

35.8(2)(c). The estimated annual and lifetime energy and demand savings for the plan and each program for each year the measures promoted by the plan and program will produce benefits.

199 IAC 35.9

Utility forecasts should appropriately account for all factors outside its system. While the language “including, but not limited to” provides the flexibility to accomplish this, the increase in customer sited renewable generation in recent years merits specific mention in the planning process going forward. We have added language to reflect this:

35.9(5) *Capacity outside the utility’s system.* Information about capacity outside of the utility’s system that could meet its future needs including, but not limited to, cogeneration, customer sited renewables, and independent power producers, expected to be available to the utility during each of the 20 years in the planning horizon. The utility shall include in its filing a copy of its most recent Load and Capability Report submitted to the Midwest Reliability Organization (MRO) or the SERC Reliability Corporation (SERC) ~~Mid-continent Area Power Pool (MAPP)~~.

199 IAC 35.12

No comment.

199 IAC 35.13

No comment.

199 IAC 35.14

No comment.

199 IAC 35.15

The Board asked about the necessity of the requirement for an annual progress report regarding the conversion to high-pressure sodium lighting or other lighting with equivalent or better energy efficiency in 199 IAC 35.15(2). We support the continued use of this reporting requirement and encourage the Board to maintain this language. We have used the reported information and particularly the summary spreadsheets posted on the Board's website² to identify the total number of security and street lights by utility, the breakdown of lighting technology in use in a given year, and the changes in lighting technology over time. This information has helped us evaluate proposed tariffs for LED street lights. Both IPL and MidAmerican have implemented programs to phase in LED street lighting. We have been engaged in those efforts, including in tariff filings and rate cases, and recognize they have both happened outside of the energy efficiency plans that is the focus of Chapter 35. We anticipate that the transition to LED lights will last until 2021 for street lights, although the transition to all decorative and security lights could last longer. Once the LED street lighting transition is complete, this requirement should be reevaluated, including whether new lighting technologies are on the market or emerging.

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² <https://iub.iowa.gov/utility-annual-report-info>

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