

Oppose HF 669 and SF 583 – MidAmerican’s Sunshine Tax

Iowa Utilities Want to Monopolize the Sun

- Iowa’s utilities are already monopolies. They do not compete and customers do not have a choice of providers.
- MidAmerican already makes hefty profits from Iowa ratepayers, with net revenues of \$605 million in 2018 alone.
- MidAmerican has only about 750 customers with distributed generation or 0.1% of their total customers. The 13 MW of distributed generation capacity in MidAmerican’s territory is about equivalent to 6 commercial-scale wind turbines and produces about 22 GWh of electricity. According to Berkshire Hathaway, MidAmerican’s recent annual sales were 32,400 GWh. Customer-owned generation, then, is about 0.07% of MidAmerican’s total sales.

The Senate Amendment Makes the Bill Even More Unfair

- The amendment adopted by the Senate Commerce Committee exempts the largest renewable energy generators from the new charges and rates while continuing to harm customer-owned solar. This is not fair to Iowa businesses, agriculture producers, communities, and individuals that want to invest in their own solar.

MidAmerican’s Math is Not Fair

- Customers with their own generation pay up front for the costs of interconnecting to the grid along with any necessary upgrades to infrastructure that are needed. ***This can amount to thousands of dollars of investment by the customer.***
- Customers pay a monthly fixed service charge regardless of generation.
- Customer-owned generators keep costs low when energy is most expensive.
 - Customers who invest their own money in a generator reduce the cost of building expensive peak generation that is paid for by all ratepayers **with a 9-11% profit added on top for the utility.**
 - Customers with solar are producing power at peak times when **energy is valued at around \$0.21 per kWh and getting credit for that power at \$0.105 cents per kWh** when demand and strain on the system is lower. The utilities sell that excess at retail rates to other customers and **earn a profit on it.**
 - Distributed generation also provides for values like improved power quality and voltage regulation that benefit neighbors.

MidAmerican's Math is Not Fair (Cont.)

- Net metering has been considered a fair way to roughly account for the balance of costs and benefits. It is **not fair** to insist that customers with distributed generation pay for “grid costs” while **ignoring the gap** between the value of the energy provided by the customer and the value they are getting back for it. Policy must account for both.
- Customers with their own generation are already paying for grid costs with the value they are providing. **MidAmerican wants them to pay twice**, adding a **minimum Sunshine Tax of \$328 per year** on these customers. This would increase the payback on a typical solar system by more than a decade, well out of the range of what makes sense for Iowa homeowners and businesses, and kill the solar industry as we know it in Iowa.
- This bill would also impact Alliant Energy Customers and Alliant has offered no estimate of what the impact on their customers. Given Alliant's higher rates, they could attempt to justify even higher charges on solar customers.
- 86% of solar jobs nationally are for residential and business-based solar with only 14% in utility-scale solar. The sunshine tax puts at risk the 800+ solar jobs at small businesses throughout the state.

MidAmerican is Going Around Regulators to Eliminate Customer Choice

- Oversight of monopolies is absolutely critical to make sure customers are not getting ripped off. It is never a good idea to take the utility's word that they need a tighter grip on their customers or the ability to collect even more money. This anti-competitive behavior is why we have utility regulators like the Iowa Utilities Board (IUB).
- MidAmerican and Alliant are almost 2 years into a 3-year net metering pilot designed to provide information about whether changes to net metering policies in Iowa make sense. These pilots were launched because the IUB ruled it did not have enough information to determine whether changes were necessary.