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Iowa Utilities Board modernizes net metering opportunities; encourages renewable energy development

(Des Moines) -- After an extensive review, including multiple opportunities for public and stakeholder input, the Iowa Utilities Board has issued [an order](#) directing Iowa's two largest investor-owned utilities to file new net metering (distributed generation) tariffs that will help the Board establish policies to expand renewable energy opportunities in Iowa, while balancing the best interests of customers and the utilities.

Today's Board order states the proposed tariffs, which are to be filed on or before August 15, 2016, by MidAmerican Energy Company (MEC) and Interstate Power and Light Company (IPL), will implement temporary, yet specific changes, and become effective for a three-year period once they are approved by the Board. These new tariffs will:

1. Increase the net metering cap from 500 kilowatts (kW) to 1 megawatt (MW) up to 100 percent of a customer's load.
2. Allow all customer classes to net meter, but specify that each customer's generation will only offset the energy (kilowatt hour-kWh) charges and will not offset the customer charge or demand charge.
3. Provide an annual cash-out of excess credits at the utility's tariffed avoided cost rate. Annual cash-out to take place during the first billing cycle of the calendar year. Funds from the cash-out will be divided evenly between the customer and the utilities' with the funds to provide assistance to customers in need. Customers will have the option of directing up to 100 percent of the cash-out to go to the utility's customer assistance fund.

The Board noted the tariff changes are consistent with Iowa Code (section 476.41) by encouraging renewable energy development, and that the Board believes the impacts of the changes will assist in determining whether current interconnection rules are sufficient to ensure reliability of each utility's system with the cap increase to 1 MW.

In addition, the Board encourages continued collaboration by MEC and IPL with participants on the Preliminary Implementation Plans for proposed pilot projects to gain valuable information and experience to develop policies to address distributed generation issues.

(MORE)

The order states these tariffs:

- Will be effective for all customers who file interconnection applications after the Board approves the tariffs
- Allow customers on current net metering tariffs the option to take service under the new tariff and participate in the study. If an existing customer chooses to take service under new net metering tariffs, the customer cannot return to the existing tariff. Customers who do not participate in the study will remain on their current net metering tariff
- Will include a sunset provision and expire three years from date of Board approval
- Prior to end of the sunset period, the Board will determine if changes are needed on a permanent basis along with revisions to the current net metering rule -- 199 IAC 15.11(5)
- If the Board determines these tariff changes should not be made permanent, customers who participated in the study will be allowed to remain on that tariff for the life of their interconnection equipment
- IPL and MEC are to provide distributed generation and net metering data to the Board prior to implementation of the tariffs to establish a baseline and also provide annual data so the Board can monitor impacts of specific tariff changes
- Data reported will be outlined in a subsequent Board order that approves the new tariffs

Under current procedures, net metering is a single meter monitoring only the net amount of electricity sold or purchased between a utility and a customer where the customer draws electricity from the utility and provides electricity back to the utility. The customer's generation offsets the customer's energy purchases from the utility. The customer may carry forward any electricity generated that exceeds the customer's usage indefinitely. The net excess generation (or excess credit) is available for the customer to use in future months when the customer's usage exceeds the customer's generation.

Background and consumer resources:

- In January 2014 the Board initiated a notice of inquiry [Docket No. NOI-2014-0001](#), to consider technical and policy issues associated with potential widespread use of distributed generation. In May 2014 the Board narrowed the focus of inquiry to net metering, interconnection, and customer awareness and protection
- On January 20, 2015, the Board issued an [Order Incorporating Final Changes to Informational Guide for On-Site Generation](#) as part of its inquiry into distributed generation. For more information, download a copy of the [Consumer Informational Guide for On-Site Generation](#).

The Board's [rules for net metering](#) are found in 199 IAC 15.11(5) and the [rules for Electric Interconnection of Distributed Generation facilities](#) are found in 199 IAC chapter 45.

Currently, the Board's interconnection rules are going through the rule making process, and the information regarding rule making procedures can be found in [199 Iowa Administrative Code, Utilities Division, chapter 3](#).

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The Iowa Utilities Board regulates utilities to ensure that reasonably priced, reliable, environmentally responsible, and safe utility services are available to all Iowans.

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