STATE OF MINNESOTA

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Nancy Lange Chair
Dan Lipschultz Commissioner
Matt Schuerger Commissioner
Katie Sieben Commissioner
John A. Tuma Commissioner

IN THE MATTER OF INTERSTATE POWER AND LIGHT COMPANY'S 2017 INTEGRATED RESOURCE PLAN

DOCKET NO. E001/RP-17-374

INTERSTATE POWER AND LIGHT COMPANY'S REPLY COMMENTS

COMES NOW, Interstate Power and Light Company (IPL), and respectfully submits to the Minnesota Public Utilities Commission (Commission) its Reply Comments in response to the Comments filed on May 24, 2018, by the Minnesota Department of Commerce, Division of Energy Resources (Department), in the above-referenced docket.

I. INTRODUCTION

On February 1, 2018, IPL filed its 2017 Integrated Resource Plan (IRP) covering the period from 2017 to 2037.

On May 24, 2018, the Department filed Comments recommending that the Commission approve IPL's IRP, and requesting that IPL discuss the impact on IPL's resource acquisition plan of changes to lowa's energy efficiency program resulting from the enactment of lowa Senate File (SF) 2311. (See Dep't Comments at 4.)

IPL provides the following Reply Comments in response to the Comments filed by the Department.

II. IPL REPLY COMMENTS

A. <u>lowa Senate File 2311</u>

SF 2311 was signed into law on May 4, 2018. The bill included several energy-related provisions, including modification of lowa Code Section 476.6, subsections 13 and 15, related to energy efficiency plans. The Department has requested that IPL comment on the effect of these changes on IPL's resource planning.

IPL has a long history of offering beneficial energy efficiency programs for customers while seeking to maximize customer benefits. IPL regularly updates its energy efficiency programs to reflect changes taking place in the energy market and with customers.

SF 2311 updated energy efficiency programs for both electric and natural gas utilities.

With regards to electric energy efficiency programs, SF 2311 proscribes the lowa Utilities Board (Board) from requiring an electric utility to adopt an energy efficiency plan that results in projected cumulative average annual costs that exceed 2% of the electric utility's expected annual lowa retail rate revenue. SF 2311 similarly proscribes the Board from requiring an electric utility to adopt a demand response plan that results in projected cumulative average annual costs that exceed 2% of the electric utility's expected annual lowa retail rate revenue.

SF 2311 also allows a customer to request an exemption from participating in a utility's electric energy efficiency plan if the benefits of the plan do not exceed the costs under the ratepayer impact test (RIM).

IPL filed its energy efficiency plan for 2019-2023 with the Board on February 1, 2018.¹ In that plan, IPL proposed annual electricity savings targets ranging from 0.79% to 0.89% of its electric retail sales forecast.² IPL's proposed plan had an electric RIM test result of 1.03, indicating that the benefits exceed the costs.³

IPL withdrew the plan on May 21, 2018, in order to reflect the changes set forth in Senate File 2311. IPL filed a revised plan on July 5, 2018, with proposed annual electricity savings targets ranging from 0.73% to 0.82% of the electric retail sales forecast.⁴ The plan continues to have a positive electric RIM test result of 1.10. The Board issued an order on June 8, 2018 setting a hearing on IPL's energy efficiency plan for December 12, 2018.

While any impact of SF 2311 on IPL's energy efficiency plan cannot be fully determined until conclusion of the open proceeding, given the relatively small variations in IPL's proposed electric energy efficiency plan, IPL does not believe that implementation of SF 2311 will have a significant impact on the resource acquisition plan given IPL's projected capacity length through the contract period with the Southern Minnesota Electric Cooperative (SMEC), including before generic expansion additions.

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¹ Board Docket No. EEP-2017-0002.

² IPL anticipates that its revised plan will maintain a similar range of 'percentage of retail sales' targets.

³ IPL anticipates that its revised plan will continue to be cost-effective from the RIM test perspective.

⁴ Board Docket No. EEP-2018-0003.

B. Future IPL Resource Plans

The Department concludes in its Comments that the primary concern of this IRP docket is to assess whether IPL has sufficient resources to ensure a reliable operating system while serving SMEC. (Dep't Comment at 5.) With this conclusion and in an effort to streamline regulatory activity for all involved parties, IPL believes it prudent to provide the Executive Secretary the authority to delay IPL's next IRP filing if agreed to by the Department and IPL. Such authority would be comparable to the Commission's July 7, 2017 Order, which granted an extension for IPL's instant IRP filing and delegated authority to the Executive Secretary to further delay IPL's IRP if agreed to by the parties.

WHEREFORE, IPL respectfully requests the Commission give IPL's Reply Comments due consideration.

DATED this 18th day of July, 2018.

Respectfully submitted,

INTERSTATE POWER AND LIGHT COMPANY

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AFFIDAVIT OF SERVICE

STATE OF IOWA)
) ss.
COUNTY OF LINN)

Tonya A. Bender, being first duly sworn on oath, deposes and states:

That on the 18th day of July, 2018, copies of the foregoing Affidavit of Service, together with Interstate Power and Light Company's Reply Comments, were served upon the parties on the attached service list, by e-filing, overnight delivery, electronic mail, and/or first-class mail, proper postage prepaid from Cedar Rapids, Iowa.

/s/ Tonya A. Bender Tonya A. Bender

Subscribed and Sworn to Before Me This 18th day of July, 2018.

/s/ Beverly A. Petska

Beverly A. Petska Notary Public My Commission expires November 12, 2020

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