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August 13, 2018

Mr. Daniel P. Wolf,
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101-2147

RE: Interstate Power and Light Company
Docket No. E001/RP-17-374
Notice of Changed Circumstances – 2017 Electric Integrated Resource Plan

Dear Mr. Wolf:

Pursuant to Minnesota Rule 7843, Subp. 5, Interstate Power and Light Company (IPL) provides this Notice of Changed Circumstances Affecting Resource Planning (Notice) to the Minnesota Public Utilities Commission (Commission). This rule requires IPL to inform the Commission and other parties to its last resource plan proceeding "of changed circumstances that may significantly influence the selection of resource plans."

NextEra Energy Resources, LLC (NEER) through its affiliates, including NextEra Energy Duane Arnold, LLC, and IPL have agreed to shorten the term of the existing power purchase agreement (PPA) for the output from the Duane Arnold Energy Center (DAEC) by five years in exchange for a buyout payment. The companies' new agreements also include new repowered wind PPAs. These transactions will save Alliant Energy's Iowa customers nearly \$300 million in energy costs, on a net present value basis, over 21 years. Assuming all requisite approvals are received, the DAEC is expected to cease commercial operations in late 2020.

IPL made the following assumptions, among others, in its 2017 Electric Integrated Resource Plan filed with the Commission on February 1, 2018 in the above referenced docket:

- Duane Arnold Energy Center ("DAEC") nuclear PPA would expire at the end of the current term on December 31, 2025; and
- ML Kapp Generating Station Unit 2 [TRADE SECRET DATA BEGINS [REDACTED] TRADE SECRET DATA ENDS]

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The following provides an update on those previous assumptions:

- Under the DAEC PPA amendment, the DAEC PPA would expire by the end of 2020, approximately five years earlier than its current expiration date;¹ and
- ML Kapp Generating Station Unit 2 was retired in June 2018.

Additionally,

- On April 17, 2018, IPL received approval from the Iowa Utilities Board (Board) for development of up to 500 MW of additional new wind (“New Wind II Project”) by 2020,² providing approximately 77.5 MW of capacity annually; and
- IPL has negotiated four new 20-year term wind PPAs, two commencing in 2020 and two in 2021, [TRADE SECRET DATA BEGINS providing approximately 52 MW of capacity annually TRADE SECRET DATA ENDS].³

These changes are not expected to significantly affect IPL’s 2017 IRP. As part of the 2017 IRP, IPL projected a 219.2 MW capacity deficit beginning in 2026. Since that time, IPL’s capacity position has changed slightly, due to the updated assumptions noted above. IPL now projects a capacity deficit just one year earlier, in 2025, in the amount of 157.7 MW, as shown in IPL’s Confidential Load & Capability Data, which were filed with the Board as exhibits in Docket No. SPU-2018-0008, and are attached to this filing. IPL has various options available to cost-effectively address this capacity shortfall. One option would be to [TRADE SECRET DATA BEGINS

¹ IPL filed an application with the Iowa Utilities Board (“IUB” or “Board”) on July 27, 2018 related to the DAEC PPA Amendment. (See IUB Docket No. SPU-2018-0008.) IPL has requested a decision from the Board by November 30, 2018 in order provide certainty in relationship to NEER investments related to the wind PPAs and to provide certainty to IPL relative to its resource planning. As IPL noted in its application to the IUB:

Due to energy market changes and pressures, as well as what IPL understands from NEDA to be a unique window of opportunity to terminate the PPA at the end of 2020, NEDA and IPL reached an agreement to amend the DAEC PPA to expire by the end of 2020, five years earlier than the current expiration date of December 31, 2025.

(IPL Application, IUB Docket No. SPU-2018-0008, at 2.)

² See Docket No. RPU-2017-0002. IPL noted in its 2017 IRP that it had filed seeking Board approval for up to 500 MW for the New Wind II project by 2020, but had not included the anticipated capacity in its Load and Capability position before resource additions, but did include the capacity for New Wind II in its Load and Capability position with resource additions.

³ In addition to the DAEC PPA Amendment, and as part of the overall package of energy savings IPL can secure for its customers, IPL has negotiated four new wind PPAs. As part of the overall transaction, IPL will enter into three competitively-priced PPAs with subsidiaries of NEER, affiliates of NEDA, for wind generation from existing Iowa facilities to be repowered with new technology. IPL has already entered into a fourth Repower PPA with a subsidiary of NEER, which will produce additional cost-effective renewable energy for IPL’s customers.

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TRADE SECRET DATA ENDS]. Another option is for IPL to rely on market purchases of capacity as necessary to meet any shortfall. IPL has not yet determined how it will address this one-year capacity shortfall but IPL will pursue reasonable options for its customers. IPL does not believe that these changes will have a significant impact on the resource acquisition plan or IPL's ability to serve the Southern Minnesota Electric Cooperative (SMEC) through the contract period.

Copies of this Notice have been served on the Minnesota Department of Commerce, Division of Energy Resources, the Minnesota Office of Attorney General – Antitrust and Utilities Division, and the attached service list.

Respectfully submitted,

/s/ Michael S. Greiveldinger

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MSG/tab
Enclosures

cc: Service List

STATE OF MINNESOTA

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

**Chair
Commissioner
Commissioner
Commissioner
Commissioner**

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

DOCKET NO. E001/RP-17-374

STATEMENT PROVIDING JUSTIFICATION FOR TRADE SECRET INFORMATION

Pursuant to the Minnesota Public Utilities Commission's (Commission) revised procedures for Handling Trade Secret and Privileged Data and Minn. Stat. §13.37 and Minn. Rule Pt. 7829.0500, Interstate Power and Light Company (IPL) has marked specific information contained within its Notice of Changed Circumstances (Notice) as Trade Secret.

IPL is providing a non-public version of its Notice that contains trade secret information, as defined by section 13.37, subd. 1(b) of the Minnesota Statutes, in that the information is the subject of efforts by IPL that are reasonable under the circumstances to maintain its secrecy, and that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use. IPL has marked the information pursuant to the Minnesota Public Utilities Commission's Revised Procedures for Handling Trade Secret and Privileged Data, Minn. Rule Pt. 7829.0500.

A small number of people currently have knowledge of this information, which is not available from public sources, and IPL makes consistent efforts to maintain the confidentiality of the information. The information has substantial value to IPL, and would be of substantial value to IPL's competitors for various purposes. Should the information fall into the hands of IPL's competitors, it could be used to create a competitive disadvantage for IPL, resulting in higher costs to IPL's customers.

Accordingly, IPL believes the above identified information contained in IPL's Notice meets the definition of trade secret under Minn. Stat. §13.37.

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	OFF_SL_17-374_RP-17-374
William A.	Blazar	bblazar@mncchamber.com	Minnesota Chamber Of Commerce	Suite 1500 400 Robert Street North St. Paul, MN 55101	Electronic Service	No	OFF_SL_17-374_RP-17-374
City	Clerk	dmaras@ci.albertlea.mn.us	City of Albert Lea	221 E Clark St Albert Lea, MN 56007	Electronic Service	No	OFF_SL_17-374_RP-17-374
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_17-374_RP-17-374
Daniel R	Culhane	DanielCulhane@alliantenergy.com	Alliant Energy Corporate Services, Inc.	4902 North Biltmore Ln Madison, WI 53718-2148	Electronic Service	No	OFF_SL_17-374_RP-17-374
Ian	Dobson	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_17-374_RP-17-374
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Annete	Henkel	mui@mnuutilityinvestors.org	Minnesota Utility Investors	413 Wacouta Street #230 St.Paul, MN 55101	Electronic Service	No	OFF_SL_17-374_RP-17-374

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Larry L.	Schedin	Larry@LLSResources.com	LLS Resources, LLC	332 Minnesota St, Ste W1390 St. Paul, MN 55101	Electronic Service	No	OFF_SL_17-374_RP-17-374

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Elizabeth	Wefel	eawefel@flaherty-hood.com	Missouri River Energy Services	3724 W Avera Drive PO Box 88920 Sioux Falls, SD 57109-8920	Electronic Service	No	OFF_SL_17-374_RP-17-374
Robyn	Woeste	robynwoeste@alliantenergy.com	Interstate Power and Light Company	200 First St SE Cedar Rapids, IA 52401	Electronic Service	No	OFF_SL_17-374_RP-17-374
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_17-374_RP-17-374