

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: DISTRIBUTED GENERATION	DOCKET NO. NOI-2014-0001
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**ORDER OPENING INQUIRY ON DISTRIBUTED GENERATION
AND SOLICITING COMMENTS**

(Issued January 7, 2014)

I. INTRODUCTION

Energy efficiency plan proceedings were recently concluded by the Utilities Board (Board) with final orders issued for Interstate Power and Light Company (Docket No. EEP-2012-0001) and MidAmerican Energy Company (Docket No. EEP-2012-0002). In the energy efficiency plan orders, the Board recognized that the debate over whether rate-regulated utilities should have an incentive-based renewable energy program is part of a larger debate regarding distributed generation in general. The Board announced its intent to commence an inquiry into the broader subject of distributed generation to consider the policy and technical issues associated with its potential widespread use, including consumer protection, interconnection, and safety.

II. INITIATING INQUIRY

The Board is initiating this inquiry to gather information regarding distributed generation. The Board has not previously conducted an inquiry related to distributed generation policy. Information obtained in this inquiry will be useful to the Board and

other agencies involved in energy, environmental, and economic policy. The Board will commence the inquiry by inviting participants to comment on broad general questions related to the benefits and challenges of distributed generation, both for utilities and their ratepayers, on policies that should be examined with respect to distributed generation, and to identify the technical, financial, regulatory, and safety aspects of distributed generation that should be examined in this docket.

While the questions are broad, the Board also invites participants to comment on other issues that they believe are relevant to the discussion regarding distributed generation. Those issues could include, but are not limited to, the potential rate ramifications of distributed generation to participating and non-participating ratepayers, the impacts of distributed generation on the reliability of the electric transmission and distribution systems and the need for future transmission expansion (including any issues that may impact regional transmission system operations), the economic impacts of widespread distributed generation, and whether the existing consumer protection laws are adequate with respect to the sale and installation of distributed generation equipment.

Participants may also comment on whether there are any technical hurdles to the implementation of distributed generation (whether customer-owned or utility-owned), such as whether the current interconnection standards (199 IAC 45) are appropriate. In addition, participants may wish to comment on whether they believe widespread customer-owned distributed generation might be economic for

residential, commercial, and industrial customers.¹ Comments may include policy recommendations to the Board or other state agencies or suggested legislative changes that the participants believe are necessary or appropriate.

The Board invites state agencies, environmental groups, renewable energy trade associations, renewable energy groups, local government entities, industrials, and any others with an interest in these issues to participate in this inquiry. The Board asks that the investor-owned utilities, municipal utilities, and electric cooperatives participate, either individually or through their respective associations, or both. Participants with similar interests are encouraged to file joint comments.

Following receipt of the initial information and comments, the Board will determine what additional steps, if any, should be taken to continue or conclude this inquiry. The Board will review the comments to determine what topics warrant further discussion and may request that participants respond to more specific questions on some topics. As the inquiry progresses, the Board might schedule one or more workshops to address some of the issues.

Participants must submit their responses electronically through the Board's Electronic Filing System (EFS). Instructions for making an electronic filing can be found on the Board's EFS Web site at <https://efs.iowa.gov>.

The Board is appointing Brenda Biddle, Utility Specialist in the Board's Policy Section, as the Inquiry Manager for this docket. Questions regarding this docket

¹ The Board recognizes that legal issues associated with certain types of third-party financing for distributed generation are currently at issue before the Iowa Supreme Court in *S.Z. Enterprises, LLC v. Iowa Utilities Board*, No. 13-0642. Oral argument is scheduled for January 22, 2014.

should be addressed to Ms. Biddle, (515) 725-7305, or via e-mail at Brenda.Biddle@iub.iowa.gov.

III. INQUIRY QUESTIONS

Participants are invited to respond to some or all of the questions. Participants may also provide any additional comments or information that they believe are relevant to this inquiry.

The Board recognizes that the comments by various participants could be extensive. To facilitate review of the information, participants who file comments that exceed 20 pages are asked to include an executive summary that does not exceed two pages. Also, in order to frame the issues for further discussion, all participants who file comments are asked to list what they view as the most significant issues related to distributed generation. Participants are asked to keep this list to five issues or less.

Responses to the following questions and other comments from participants will assist the Board in determining the next steps for this inquiry:

1. What are the potential benefits and challenges of distributed generation for utilities and ratepayers? Are these different for utility-owned distributed generation versus customer-owned distributed generation?
2. Are there policies the Board, other state agencies, or the General Assembly should examine related to distributed generation?
3. What other topics (i.e., technological, financial, regulatory, safety, or others) should be examined in this docket?

IV. ORDERING CLAUSES

IT IS THEREFORE ORDERED:

1. A notice of inquiry is opened to address distributed generation. The inquiry is identified as Docket No. NOI-2014-0001. Participants are invited to provide the information identified in this order on or before February 25, 2014.

2. All filings in this docket shall be made using the Board's electronic filing system. The rules for filing are in 199 IAC 14.

UTILITIES BOARD

/s/ Elizabeth S. Jacobs

/s/ Nick Wagner

ATTEST:

/s/ Joan Conrad
Executive Secretary

/s/ Sheila K. Tipton

Dated at Des Moines, Iowa, this 7th day of January 2014.