



IOWA
ASSOCIATION OF MUNICIPAL
UTILITIES

Energy Efficiency Reporting

Background

Municipal utilities have been required to file a biennial energy efficiency plan report with the Iowa Utilities Board since 1992. In 2009, in response to state legislation passed in 2008, municipal utilities conducted an energy efficiency assessment of potential and set energy efficiency goals for 2010, 2011, 2012, and 2013. IAMU worked with utilities to set these goals and report them to the Iowa Utilities Board (IUB).

2014 Non Rate-Regulated Utility Energy Efficiency Plan

Municipal utilities are now working to achieve their annual energy efficiency goals, and must file biennial reports on their energy efficiency programs (Iowa Code 476.6, subsection 16, paragraph “c”). The next report is due to the IUB by January 1, 2014. Municipal utilities are required to report the results of their 2011 and 2012 energy efficiency programs as well as update the energy efficiency goals with a goals for 2014 and 2015. IAMU is assisting municipal electric and gas utilities with completing and submitting the 2014 Non Rate-Regulated Utility Energy Efficiency Plan as a joint municipal utility report.

Reporting of Past Results

IAMU has sent a data request to each utility to collect basic information about their 2011 and 2012 energy efficiency programs. Using this information, IAMU will calculate energy savings resulting from the programs and the “levelized cost” of the programs. The IUB is requiring municipal utilities to report the levelized cost of their programs as a measure of the cost effectiveness of the programs.

Goal Setting for 2014 and 2015

The energy efficiency goals are typically stated as a percentage savings of annual retail sales. Most electric utilities have a 2012 efficiency goal of 1.1% savings compared to retail sales, and most gas utilities have a 2012 efficiency goal of 0.74% compared to retail sales. Utilities can chose to keep their goals at the same level or change to a lower or higher level. After calculating the savings from past years, IAMU will assist the utility in setting appropriate goals for 2014 and 2015. Based on the utility’s goal preference, IAMU will calculate the new 2013 kWh (electric) or Therm (gas) savings goals and estimated budget. IAMU will also provide a breakdown of how the goal can be met using a portfolio of energy efficiency measures.

Joint Report

After calculating each utility’s 2011 and 2012 program savings and the 2014 and 2015 energy efficiency goals, IAMU will send a draft report to the utility for review. If the utility has comments or corrections they can notify IAMU. If the utility does not contact IAMU will comments or corrections, IAMU will submit the information to the IUB by January 1, 2014.

Iowa Code §476.6, Subsection 16, Paragraph c

c. (1) Gas and electric utilities that are not required to be rate-regulated under this chapter shall assess maximum potential energy and capacity savings available from actual and projected customer usage through cost-effective energy efficiency measures and programs, taking into consideration the utility service area's historic energy load, projected demand, customer base, and other relevant factors. Each utility shall establish an energy efficiency goal based upon this assessment of potential and shall establish cost-effective energy efficiency programs designed to meet the energy efficiency goal. Separate goals may be established for various customer groupings.

(2) Energy efficiency programs shall include efficiency improvements to a utility infrastructure and system and activities conducted by a utility intended to enable or encourage customers to increase the amount of heat, light, cooling, motive power, or other forms of work performed per unit of energy used. In the case of a municipal utility, for purposes of this paragraph, other utilities and departments of the municipal utility shall be considered customers to the same extent that such utilities and departments would be considered customers if served by an electric or gas utility that is not a municipal utility. Energy efficiency programs include activities which lessen the amount of heating, cooling, or other forms of work which must be performed, including but not limited to energy studies or audits, general information, financial assistance, direct rebates to customers or vendors of energy-efficient products, research projects, direct installation by the utility of energy-efficient equipment, direct and indirect load control, time-of-use rates, tree planting programs, educational programs, and hot water insulation distribution programs.

(3) Each utility shall commence the process of determining its cost-effective energy efficiency goal on or before July 1, 2008, shall provide a progress report to the board on or before January 1, 2009, and complete the process and submit a final report to the board on or before January 1, 2010. The report shall include the utility's cost-effective energy efficiency goal, and for each measure utilized by the utility in meeting the goal, the measure's description, projected costs, and the analysis of its cost-effectiveness. Each utility or group of utilities shall evaluate cost-effectiveness using the cost-effectiveness tests in accordance with subsection 14 of this section. Individual utilities or groups of utilities may collaborate in conducting the studies required hereunder and may file a joint report or reports with the board. However, the board may require individual information from any utility, even if it participates in a joint report.

(4) On January 1 of each even-numbered year, commencing January 1, 2012, gas and electric utilities that are not required to be rate-regulated shall file a report with the board identifying their progress in meeting the energy efficiency goal and any updates or amendments to their energy efficiency plans and goals. Filings made pursuant to this paragraph "c" shall be deemed to meet the filing requirements of section 476.1A, subsection 1, paragraph "g", and section 476.1B, subsection 1, paragraph "l".

d. (1) The board shall evaluate the reports required to be filed pursuant to paragraph "b" by gas and electric utilities required to be rate-regulated, and shall submit a report summarizing the evaluation to the general assembly on or before January 1, 2009.

(2) The board shall evaluate the reports required to be filed pursuant to paragraph "c" by gas and electric utilities that are not required to be rate-regulated, and shall submit a report summarizing the evaluation to the general assembly on or before January 1, 2011.

(3) The reports submitted by the board to the general assembly pursuant to this paragraph "d" shall include the goals established by each of the utilities. The reports shall also include the projected costs of achieving the goals, potential rate impacts, and a description of the programs offered and proposed by each utility or group of utilities, and may take into account differences in system characteristics, including but not limited to sales to various customer classes, age of facilities of new large customers, and heating fuel type. The reports may contain recommendations concerning the achievability of certain intermediate and long-term energy efficiency goals based upon the results of the assessments submitted by the utilities.