

Interstate Power and Light Company

ELECTRIC TARIFF

Filed with the I.U.B.

Substitute Second Revised Sheet No. 91

ORIGINAL TARIFF NO. 1

Cancelling First Revised Sheet No. 91

Rider RER – Renewable Energy Rider

Applicable:

To all kWh sales under retail electric rate schedules.

Projects Eligible for RER treatment: Company may recover its prudently incurred annualized net investment and return on each alternate energy production facility (AEP) facility, as defined under Iowa Code section 476.42, that is subject to advance ratemaking principles approved by the I.U.B. under Iowa Code 476.53 (hereinafter, an ARP Renewable Project). Each ARP Renewable Project may comprise one or more AEP facilities limited to the facilities constructed or being constructed as part of New Wind I¹ and New Wind II² in addition to facilities needed to interconnect each new AEP facility with the regional transmission system.

Costs and Benefits Included in RER: For each AEP facility included within an ARP Renewable Project, after an AEP facility is placed in service the RER will recover: the applicable pre-tax return on the investment in plant, accumulated depreciation, and normal plant balanced related to accumulated deferred income tax (ADIT); applicable pre-tax return on the ADIT asset balance related to federal Production Tax Credit (PTC) carryforward; income tax flow through benefits or costs applicable to the AEP facility; prudently incurred annualized depreciation expenses; financing costs, property and miscellaneous taxes (including any energy or investment-related tax credits and credit carryforwards such as the realized amount (net of the costs of transferring PTCs or other tax credits pursuant to the provisions of applicable tax law) of federal PTCs); and any Midcontinent Independent System Operator (MISO) capacity market revenue or bilateral capacity sales revenue for the AEP facility. Retail energy market benefits associated with the AEP facility will continue to flow through Rider EAC - Energy Adjustment Clause.

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Application of RER factor: The RER factor is applied on a monthly basis to base kilowatt-hours (energy) for all Customer classes for the purpose of billing. The applicable RER adjustment factor shall be determined annually as described below, effective January 1.

Annual Reconciliation of RER: Company will file revised RER factors in the month of October each year (the annual true-up filing). The revised rates would go into effect January 1 of the following calendar year. The new January 1 RER factors will reflect both changes in underlying costs as described above (costs and benefits) for recovery through rates and the reconciliation balance of various expense items. The RER recovery period is based on the calendar year in which the revised are proposed to become effective. In the annual true-up filing, for the period of October 1 through the following September 30, Company will reconcile the actual costs and benefits for each AEP facility with the forecasted costs and benefits for that time period. This reconciliation will include:

- Annual revenue requirement of Company's investment in the new AEP facilities for the annual period effective when these facilities initially go into service as described above;
- Amortization of the actual credit carryforwards;
- Credit adjustments for actual PTCs or other energy-related tax credits based on the historic generation output of the AEP facilities and any other generation-related tax credits (e.g., the investment tax credit for qualifying renewable energy projects); and
- Credit adjustments for capacity sales of accredited excess capacity of the AEP facilities.

¹ Docket No. RPU-2016-0005

² Docket No. RPU-2017-0002

Interstate Power and Light Company

ELECTRIC TARIFF

Filed with the I.U.B.

ORIGINAL TARIFF NO. 1

First Revised Sheet No. 92
Cancelling Original Sheet No. 92

Rider RER – Renewable Energy Rider

Addition of AEP facilities: Company will update the RER rates through a revised tariff to include any new AEP facilities associated with Wind I and II as those facilities are placed in service. The tariff filing shall include the following estimated information to reflect the additional AEP facility(ies):

- a revenue requirement summary;
- cost of service supporting detail;
- rate base supporting detail;
- depreciation detail;
- energy-related tax credit (e.g. federal PTCs) supporting detail;
- PTC carryforward detail;
- MISO capacity sales benefits details;
- projected Iowa retail sales; and
- calculations in support of the RER factors.

Determination of RER Adjustment Factor:

The RER adjustment factor shall be the average retail cost per kWh determined by the forecasted Renewable Energy Costs plus the balance of the RER Tracker Account divided by forecasted retail sales for the calendar year. The RER shall be rounded to the nearest \$0.00001 per kWh and a single volumetric factor will be computed for all applicable customer classes. The RER factor shall appear as a separate line item on each Customer's bill, with the exception of the Standby customer class in which case it will be included as part of the energy charges.

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Renewable Energy Attributes:

Treatment of any renewable energy attributes, including Renewable Energy Certificates (RECs) associated with the ARP Projects, will be verified by the Iowa Utilities Board through a filing pursuant to 199 IAC 30.2. Upon the written election by any Electing Customer, IPL shall retire, or retire on behalf of the Electing Customer (so long as retirement on behalf of such Customer does not jeopardize IPL's ability to comply with environment regulations or constitute transfer of the environmental and compliance benefits), through the Midwest Renewable Energy Tracking System ("M-RETS") or other comparable process acceptable to the Electing Customer, such Electing Customer's pro rata share of the environmental and compliance benefits of New Wind I and II that are not needed by IPL for environmental compliance. Electing Customer is any Customer taking service under the Large General Service ("LGS") rate, Large General Service Supplementary Service ("LGS-Supplementary") rate or the High Load Factor/Large Volume ("HLF/LV") rate.

Interstate Power and Light Company

ELECTRIC TARIFF

Filed with the I.U.B.

Sixth Revised Sheet No. 93

ORIGINAL TARIFF NO. 1

Cancelling Substitute Fifth Revised Sheet No. 93

Rider RER – Renewable Energy Rider

RER factors to be applied to all uses for all bills rendered on and after January 1, 2024:

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The jurisdictional allocation of the RER costs shall be based on the Company's retail portion of total kilowatt hour sales.

<u>Class</u>	<u>Price Codes</u>	<u>RER \$/kWh</u>	
Residential Service	400, 407, 507	\$0.00045	R
Non-Residential General Service	600, 607, 707	\$0.00045	R
Large General Service	440, 447, 480, 487	\$0.00045	R
Large General Service - Supplementary Power	800, 807, 810, 817	\$0.00045	R
Large General Service - High Load Factor / Large Volume	760	\$0.00045	R
Area and Street Lighting Service	620, 630, 640	\$0.00045	R
Standby Power Service	790, 840	\$0.00045	R