

# Interstate Power and Light Company

## ELECTRIC TARIFF

Filed with the I.U.B.

Sixth Revised Sheet No. 78

### ORIGINAL TARIFF NO. 1

Canceling Substitute Fifth Revised Sheet No. 78

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#### Rider CHR – Customer Hosted Renewables Pilot Program

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##### **Availability:**

This Rider is available to any Non-Residential General Service and Large General Service Customer that would like to host a Company-owned Customer Solution (defined for purposes of this pilot program as solar panels and/or a battery storage system, inverter(s), cabling, mounting, trackers – if applicable – and associated controls that may also include enhancement technologies that allow for grid stabilization) on the Customer's rooftop or ground mount site. The minimum nameplate capacity per installation is 200 kW (AC), and the maximum nameplate capacity per installation is 2.25 MW (AC). Availability of this pilot program is capped at a total of 35 MW (AC), with 10 MW (AC) reserved for non-profit organizations such as school districts and local governments.

This offering requires a lease agreement between the Company and the Customer hosting the Customer Solution. For purposes of this Rider, an eligible Customer is defined by tax ID for non-governmental entities or a single unit of government (e.g., municipality, county, school district, etc.) with multiple accounts. Such Customer may aggregate any of its eligible accounts under a single contract with the Company, up to a maximum number of accounts as determined by the Company on a case-by-case basis. The details regarding aggregation will be addressed in the lease agreement.

All energy generated from the Customer Solution will be delivered to the Company's distribution system.

##### **Rate:**

A customer participating in this pilot program will receive a monthly lease payment for hosting a Customer Solution. A customer entering into a lease agreement under this pilot program will be responsible for all rates, charges, adjustments, and credits specified in the customer's otherwise-applicable rate schedule(s).

##### **A. Rates for Customer Solutions Involving the Installation of Solar Panels**

The lease payment paid by the Company to the Customer for a Customer Solution involving the installation of solar panels, with or without the installation of a battery storage system, shall be the value of the Midcontinent Independent System Operator ("MISO") accredited capacity of the Customer Solution multiplied by the value of capacity, as defined below, up to the lesser of: (i) the customer's firm demand at the time the service agreement is entered into and (ii) five megawatts (5 MW). The lease payment shall be paid to the customer in monthly installments equal to one-twelfth (1/12th) of the annual amount.

The value of capacity for a Customer Solution will be determined by MISO's Business Practice Manual ("BPM") current at the time of execution of the lease agreement between the Company and the customer and will be fixed for the duration of the lease agreement. The value of capacity will be the MISO zone 3 cost of new entry ("CONE") for the MISO Resource Adequacy Planning Year in which the lease agreement is executed, and this value of capacity definition is subject to change.

Customers with multiple accounts, as identified by tax-ID or a single government entity, may host more than one Customer Solution and may aggregate their retail billed Customer Demands from eligible accounts up to 5 MW.

A participating Customer may, at its sole discretion, elect to receive any Renewable Energy Credits ("RECs") generated by a Customer Solution hosted by that customer. If the Customer elects to receive RECs, if any, the lease payments made to the customer by the Company will be reduced by the value of the RECs. Each month, the value of the RECs will be determined by multiplying the market price for RECs at the time the lease agreement is executed by the quantity of RECs generated by the Customer Solution(s) hosted by that customer in the prior month.

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**Rate (cont'd):**

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The value of RECs will not be adjusted during the term of the lease agreement. This election must be made at the time of execution of the lease agreement, and the participating Customer's election will be binding for the term of the lease agreement. If the participating Customer elects not to receive the RECs, all rights to RECs generated by the Customer Solution(s) hosted by that Customer will be retained by the Company.

**B. Rates for Customer Solutions that Do Not Involve the Installation of Solar Panels**

For a Customer Solution that is solely a battery storage system, the battery storage system area lease will be based on the capacity (expressed in MW) of the battery storage system. The capacity of a battery storage system is based on the MISO definition, in which the capacity (expressed in MW) is equal to the energy discharge over four hours:

$$\text{Battery Storage System Capacity (in MW)} = \frac{\text{MWh of discharge over 4 hours}}{4 \text{ hours}}$$

The annual lease rate will be an amount equal to the product of (i) the battery storage system capacity (in MW), multiplied by (ii) \$1,500. The monthly lease payment paid by the Company to the Customer will be an amount equal to one-twelfth (1/12th) of the annual lease rate.

**Other Terms and Provisions:**

N

1. Each lease agreement will address, among other things, the following:
  - a) Duration of the lease agreement;
  - b) Customer Solution(s) size and description;
  - c) Basis of lease payments;
  - d) Insurance requirements related to the Customer Solution(s);
  - e) Survival of the lease agreement, and all associated terms, if the property is sold or transferred during the term of the lease agreement;
  - f) Provisions addressing expiration or termination of the lease agreement, including, among other things, retirement and removal of the Customer Solution(s) and site restoration;
  - g) Ownership of the RECs, if any, generated by the hosted Customer Solution(s); and
  - h) The value of each REC, if any, generated during the term of the lease agreement, if the customer elects to own the RECs.
2. The Company will retain ownership of and be responsible for operations and maintenance of each Customer Solution subject to this pilot program.
3. Participation in this pilot program may be limited by the Company. For example, the Company reserves the right to limit customer participation in this pilot based on a customer's bill payment and collection history and the cost to interconnect the solar or storage resource to the distribution system. Further, participation shall be subject to an assessment of the solar or storage resource and structural, environmental, or engineering suitability of the identified rooftop or ground mount location.
4. All other terms and conditions of a customer's applicable rate schedule(s) shall apply. If there is a discrepancy between the base rate schedule and this tariff, this tariff shall govern.