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REDUCING
**ENVIRONMENTAL
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Davenport CSD Photovoltaic Project

Davenport Community School District

MidAmerican Energy Company

November 1, 2016



Discussion Points



- Project Background
 - New proposals, costs, similarities?
- Net Metering
- MidAmerican Rates
 - Current rates that apply to Davenport CSD
 - Net metering rates
 - Overall rates
- Takeaways

Project Background



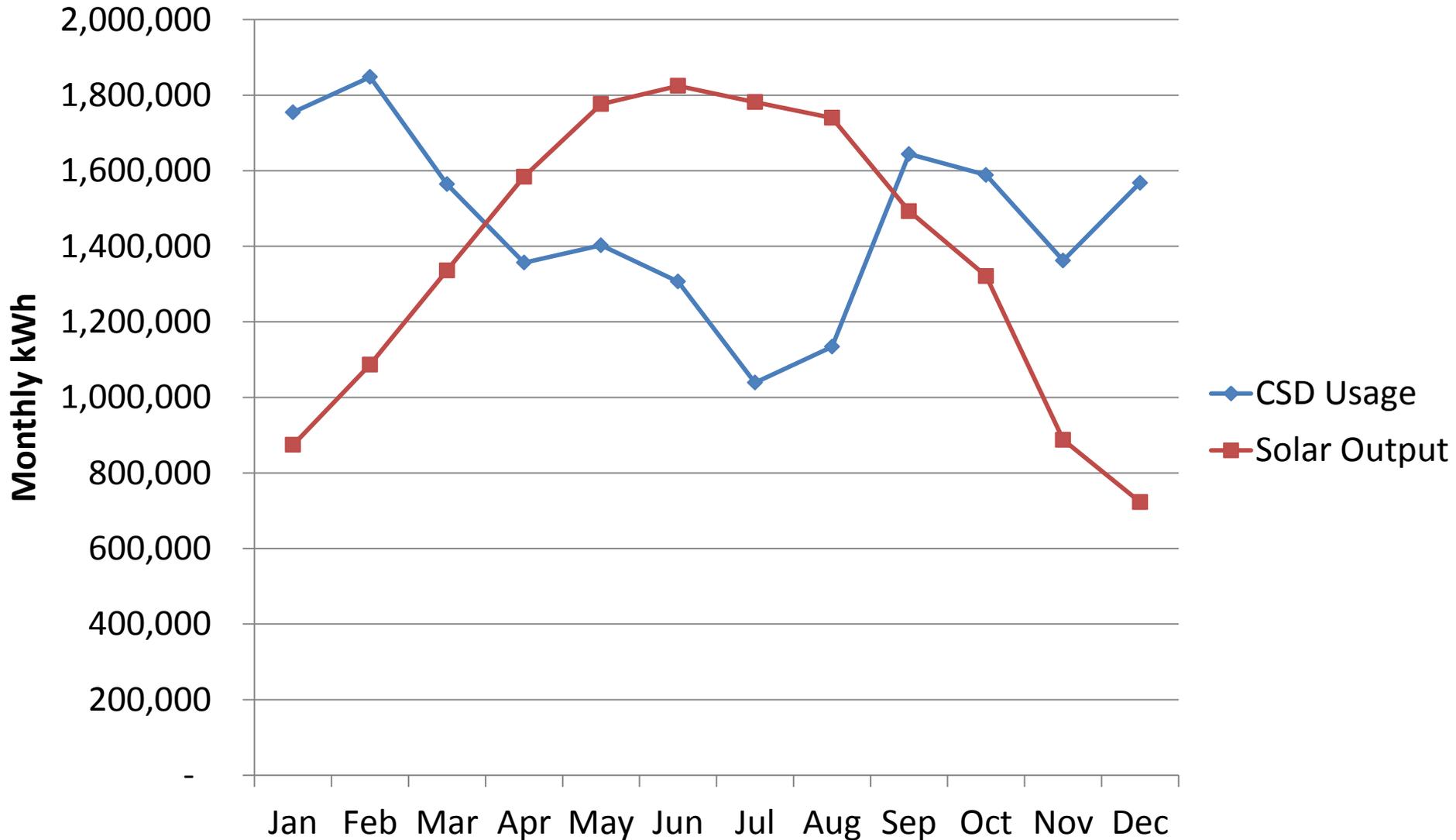
- Photovoltaic Solar Project before the Davenport CSD
 - 13.4 MW over 39 district sites
 - 37 sites are served by MidAmerican
- 20 or 25 year Purchase Power Agreement starting at 6.6 cents per kWh and increasing 2% per year
- Equipment lease option also available
- Can you explain how the proposal arrives at 6.6 cents per kWh?
 - In our experience with solar providers, this seems low.

Net Metering



- Solar generation can provide most or all of the CSD's energy needs on an annual basis
- Solar generation cannot provide most or all of the CSD's energy needs on a daily or monthly basis
 - Solar does not work during the evenings or at night
 - Under-production of solar relative to energy needs during the winter months
 - Over-production of solar relative to energy needs during the summer months
- Net metering allows the CSD to “bank” temporary over-production of solar energy and use it at other times of the month or year

Expected Monthly CSD Usage vs. Solar Output



How Net Metering Works



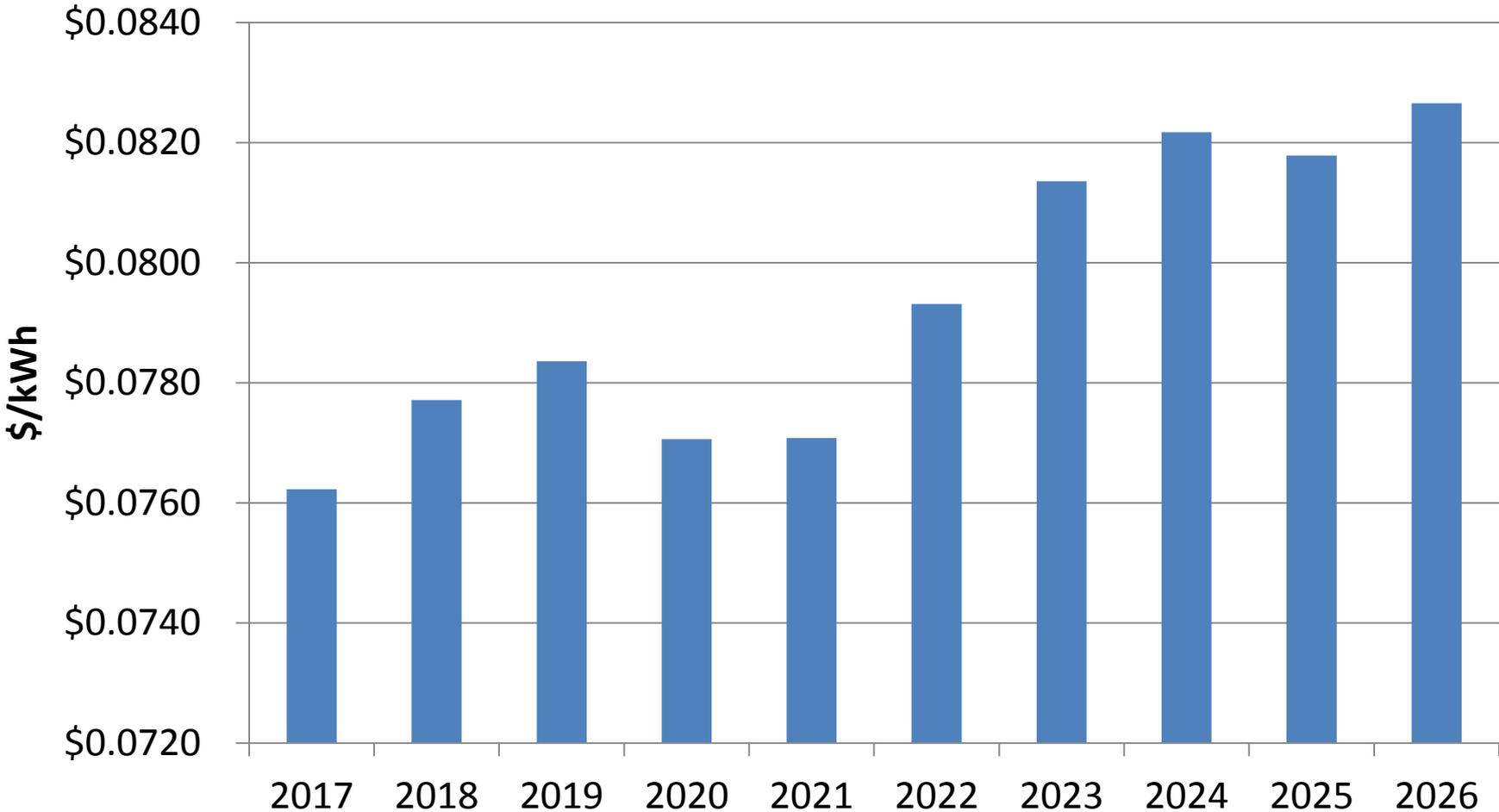
- Net metering is done on a location by location basis
- In months when solar DG produces more energy than a particular school or building needs:
 - the school gets billed for no energy from MidAmerican
 - the excess energy goes into the bank.
- In months when a particular school or building needs more energy than the solar can produce:
 - The school takes energy from the specific location's bank until it has enough energy to meet its monthly needs or until the bank is empty
 - If the bank is empty and the school still needs energy for the month, the energy is purchased from MidAmerican at tariffed rates
- At the end of the year, any energy remaining in the bank is cashed out at the avoided cost rate (currently \$0.0230) with 50% of the avoided cost going to the customer and 50% going to the ICARE program, and the new year starts with a fresh bank
- Net metering is capped at 1 MW per site
- Banked energy can not be shifted between sites.

MidAmerican Rates



- MidAmerican provides service to 37 of the 39 locations included in the CSD Photovoltaic proposal
 - Rate LS: 9 locations (large)
 - Rate GD: 5 locations (medium)
 - Rate GE: 23 locations (small)
- Rates contain a base component, plus trackers and clauses for:
 - EAC
 - TCA
 - EECR
 - Rate Equalization
- MidAmerican forecasts rates out for 10 years consistent with 10-year financial plan
- No change in base rates is expected over the 10 year plan horizon

MidAmerican Rate Forecast for Davenport CSD Full Service



Average Increase: 0.9% per year

Net Metering Rate



- Under net metering, energy purchased from MidAmerican to supplement solar is purchased at the same tariff rates as full service, but the average price will be lower
 - No purchases from MidAmerican in the summer months when rates are higher

Overall Rate for Energy Paid by the CSD



- In total, the overall rate paid by the CSD for energy under the Photovoltaic proposal will likely be less than the rate from MidAmerican for all-in service
 - No EECR is paid on energy purchased through the PPA
 - Lower net metering rate from MidAmerican
- Overall photovoltaic rate starts at a lower level than MidAmerican but increases at a faster pace

Takeaways



- Most of savings are recovered from not paying adjustment factors
 - EECR, TCA, EAC, Rate Equalization
 - Energy Efficiency projects would be reduced
 - Facilities on Rate LS would be less beneficial
- The IUB continues to review Net Metering Rates.
 - There is a potential for changes
- Please keep us in the loop with the timeframe of the approvals for this project
- We would like to review your latest proposals to ensure they include the whole picture.

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