



November 30, 2017

The Honorable Tim Walberg
Member of Congress
2436 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Walberg:

On behalf of the 1.4 million customers we are privileged to serve, I write in strong support of H.R. 4476 the PURPA Modernization Act of 2017. This timely legislation seeks to modernize the Public Utility Regulatory Policies Act of 1978 (PURPA) to ensure the efficient, market-based dispatch of large scale renewable energy across the country, and lower energy costs for all Americans.

As you are well aware, the operating environment in which Congress originally enacted PURPA in 1978 is vastly different from the ways in which energy is produced and used today. Improvements in technology have lowered the cost of installing wind and solar energy. Additionally, state-level policies such as Renewable Portfolio Standards, changing customer expectations, and societal demands have all helped create a new energy environment. As a result of these changes, generation from renewable energy resources, such as wind and solar, has increased substantially since PURPA was enacted, and that trend shows no sign of slowing. In 1978, robust energy markets like the Midcontinent Independent System Operator (MISO) did not exist. Now, about half of newly constructed renewable generation capacity in the United States participates in wholesale energy markets that provide clear and cost-competitive price signals.

Iowa is a national leader in wind energy deployment, deriving 36 percent of the state's electricity from wind, a statistic to which Alliant Energy is a proud contributor. Our commitment to deploying cost-effective renewable resources is strong: we currently contract for more than 1,000 MWs of wind capacity from existing wind farms via competitive purchase power agreements, and are in the midst of executing a plan to install up to an additional gigawatt of wind resources – an investment of approximately \$1.8 billion. By 2030, we intend to reduce our fossil-fueled generation carbon dioxide (CO₂) emissions by 40 percent from 2005 levels. Renewable energy investments will play a significant role in our generating fleet's transformation given the declining costs of renewable resources and preferences of our customers.

PURPA, as currently implemented, is an outdated law that has the potential to financially harm customers and impact the reliability of the grid. While states across the country – in organized and unorganized markets – are able to competitively solicit renewable energy, electric utilities are still subject to PURPA's outdated mandatory purchase obligation. The price paid for this energy is administratively determined, and project locations are chosen for the benefit of the

investor of the qualified facility (QF) not the customer. These QFs violate the intent of PURPA by structuring their projects into separate corporate entities to bypass the Federal Energy Regulatory Commission's (FERC) regulations imposing a 20 MW size cap in organized markets. This abuse has led to increased electricity costs for our Iowa customers.

H.R.4476 will help bring large scale renewable energy deployment into the 21st century by allowing energy companies to challenge abuses of FERC's one-mile rule. The burden imposed by FERC's one-mile rule makes it difficult for utilities to challenge QF developers' actions that disaggregate projects into individual, smaller entities in order to avoid participating in markets competitively. Utilities should be provided the opportunity to demonstrate that these types of QF projects should not qualify as small power production sites under PURPA. Reforming FERC's one-mile rule is a critical component in stopping abuse of PURPA regulations.

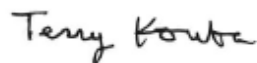
Your legislation will also take important steps reforming PURPA's mandatory purchase obligation if a state regulatory commission finds that (1) the utility's customers do not need the additional power to meet their customers' needs; or, (2) the utility employs integrated resource planning and conducts a competitive resource procurement process that provides an opportunity for QFs to participate in wholesale markets.

Both of the above-mentioned reforms will help reinforce the spirit and intent of the original 1978 law, while reducing costs to customers. Our customers are currently paying \$20 million in additional costs under PURPA. Without the reforms your legislation envisions, our customers could potentially pay up to a 50 percent price premium for future QF-generated wind energy in Iowa.

Reform is necessary to ensure customers do not pay more for cost-effective renewable energy. Your introduction of H.R. 4476 allows Congress to take meaningful steps to improve PURPA's implementation, mitigate negative impacts on customers and the grid, and better reflect current market conditions by modernizing the law.

Thank you for your leadership in advocating for this timely measure, and we stand ready to assist you in seeing that this legislation becomes law.

Sincerely,



Terry Kouba
Vice President Operations - Iowa
Alliant Energy

CC: Chairman Greg Walden
Energy Subcommittee Chairman Fred Upton