

## UTILITIES COMMISSION[199]

### Notice of Intended Action

#### **Proposing rulemaking related to rate-regulated electric utilities, third-party aggregators of retail customers, and retail customers and providing an opportunity for public comment**

The Utilities Commission (Commission) hereby proposes to amend Chapter 20, “Service Supplied by Rate-Regulated Electric Utilities,” Iowa Administrative Code.

#### *Legal Authority for Rulemaking*

This rulemaking is proposed under the authority provided in Iowa Code sections 17A.4, 474.5, 476.1 and 476.2.

#### *State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code sections 476.1, 476.1A, 476.25 and 476.53.

#### *Purpose and Summary*

On October 17, 2008, the Federal Energy Regulatory Commission (FERC) issued Order No. 719, which, among other things, required all regional transmission organizations and independent system operators (RTOs/ISOs) to allow third-party aggregators of retail customers (ARCs) to bid demand response (DR) on behalf of retail customers into RTO/ISO markets. However, FERC Order No. 719 also allowed relevant electric retail regulatory authorities (RERRAs) to prohibit ARCs from operating DR programs within their jurisdiction.

On March 29, 2010, the Commission, as a RERRA acting pursuant to FERC Order No. 719, issued an order temporarily prohibiting ARCs from operating DR programs, and on June 25, 2013, the Commission issued a subsequent order continuing the prohibition indefinitely.

On March 21, 2025, the Commission initiated a docket inquiring into the prudence of continuing the prohibition against ARCs.

On September 4, 2025, the Commission issued an order initiating a rulemaking proceeding to establish rules governing the relationship between rate-regulated electric utilities, ARCs, and retail customers.

Written comments and Commission orders regarding this matter are available on the Commission’s electronic filing system, [efs.iowa.gov](https://efs.iowa.gov), under Docket No. RMU-2025-0020.

#### *Regulatory Analysis*

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on October 1, 2025. A public hearing was held on the following date(s):

- November 18, 2025

#### *Fiscal Impact*

This rulemaking has no fiscal impact to the State of Iowa.

#### *Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

#### *Waivers*

No waiver provision is included in the proposed amendments because the Commission has a general waiver provision in rule 199—1.3(17A,474,476) that provides procedures for requesting a waiver.

### *Public Comment*

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Commission no later than 4:30 p.m. on April 21, 2026. Comments should be directed to:

IT Support  
Iowa Utilities Board  
Phone: 515.725.7300  
Email: [ITSupport@iub.iowa.gov](mailto:ITSupport@iub.iowa.gov)

### *Public Hearing*

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)“b,” an oral presentation regarding this rulemaking may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

### *Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Adopt the following **new** definitions of “Aggregate load,” “ARC,” “Double-counting,” “Interruptible service tariff” and “Wholesale electricity market” in subrule **20.1(3)**:

“*Aggregate load*” means the sum of all demand across all service locations or meters under common ownership or control within a utility’s service area.

“*ARC*” means aggregator of retail customers as defined in Federal Energy Regulatory Commission (FERC) Order No. 2222, *Participation of Distributed Energy Resource Aggregations in Markets Operated by Regional Transmission Organizations and Independent System Operators*, Docket No. RM18-9-000; issued September 17, 2020.

“*Double-counting*” means the error of simultaneously crediting the same resource in multiple programs, resulting in an overestimation in available capacity or an underestimation of load.

“*Interruptible service tariff*” means any tariff that offers differential rates or other monetary rewards for retail customers that agree to curtail, or have been curtailed by their rate-regulated electric utility, the customer’s electric load during a specified period of time.

“*Wholesale electricity market*” means a wholesale electricity market operated by an independent system operator, as defined in FERC Order No. 889, issued April 24, 1996, or by a regional transmission organization, as defined by FERC Order No. 2000, issued December 20, 1999.

ITEM 2. Adopt the following **new** rule 199—20.22(476):

**199—20.22(476) Customer participation in wholesale markets through demand response activities.**

**20.22(1) Temporary participation limit.** Retail electricity customers of a rate-regulated electric utility with an aggregate load of 100 kilowatts or more with that utility may participate individually or through an ARC in wholesale electricity demand response programs operating in conjunction with wholesale electricity markets.

**20.22(2) Date certain for full participation.** Beginning on January 1, 2028, retail electricity customers of rate-regulated electric utilities, regardless of aggregate load size, may participate individually or through an ARC in wholesale electricity demand response programs operating in conjunction with wholesale electricity markets.

**20.22(3)** *Electronic data interchange tariff.* On or before August 1, 2026, each rate-regulated electric utility shall file a proposed tariff with the commission specifying standards for the electronic interchange of customer data in order to effectuate customer participation in wholesale electricity demand response programs operating in conjunction with wholesale electricity markets. This tariff shall provide for the adoption of a nationally recognized data exchange protocol to streamline data portability.

**20.22(4)** *Limitation on dual participation.* When necessary to avoid improper double-counting, a rate-regulated utility may limit participation in a utility's demand response programs to customers not participating individually or through an ARC in wholesale electricity demand response programs. Upon customer complaint filed pursuant to 199—Chapter 6, the utility shall have the burden of proving the necessity of the participation limitation.

**20.22(5)** *Costs tracked.* The rate-regulated utility's costs associated with facilitating customer participation individually or through an ARC in wholesale electricity demand response programs operating in conjunction with wholesale electricity markets shall be tracked separately.

**20.22(6)** *Responsibility for fraud.* A rate-regulated utility shall not be held liable, in any manner, for the actions of an ARC or a customer participating individually in demand response programs operating in conjunction with wholesale electricity markets.

**20.22(7)** *Recovery of costs incurred due to fraud.* Any reimbursement of costs incurred by customers, local balancing authorities, or other utilities due to fraudulent activities; improper excess market payments; or other unjustified expenses arising from participation of an ARC or individual customer in demand response programs operating in conjunction with wholesale electricity markets shall be sought from the operator of the wholesale electricity market. Complaints or concerns relating to such costs should be directed to the market operator and not to any electric utility serving such participating customers.