ARC 0455D

UTILITIES COMMISSION[199]

Adopted and Filed

Rulemaking related to rate-regulated electric utilities, third-party aggregators of retail customers, and retail customers

The Utilities Commission (Commission) hereby amends Chapter 20, "Service Supplied by Rate-Regulated Electric Utilities," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted 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 an 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, under Docket No. RMU-2025-0020.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on April 1, 2026, as **ARC 0173D**. Written comments were filed in the Commission's electronic filing system.

Advanced Energy United generally supports the rulemaking, while identifying certain provisions that could be improved. Advanced Energy United opposes the temporary 100 kW minimum demand requirement for participation. Advanced Energy United also opposes allowing utilities to potentially develop separate data-sharing standards. Advanced Energy United suggests a revision to the definition of "double counting" to clarify that double counting only applies to resources offering the same service in multiple programs.

The Environmental Law and Policy Center and Iowa Environmental Council support the rulemaking.

Iowa Association of Electric Cooperatives states the rulemaking properly includes language limiting its applicability to electric customers of rate-regulated utilities.

The Iowa Distributed Energy Coalition supports the rulemaking.

The Iowa Economic Alliance supports the rulemaking.

The Office of Consumer Advocate, a division of the Iowa Department of Justice, supports the rulemaking.

Interstate Power and Light (IPL) Company suggests that the due date for utilities to file required tariffs be changed from August 1, 2026, to 180 days from the effective date of the rulemaking. IPL also suggests that the rules allow utilities to limit participation if a customer does not have metering equipment to support the collection of necessary data.

The Sierra Club, Vote Solar, and the Midwest Renewable Energy Association generally support the rulemaking. However, these commenters contend that the Commission lacks the authority to temporarily prohibit customers with a load less than 100 kW from participating.

MidAmerican Energy Company takes issue with the underlying policy of allowing ARCs to operate in Iowa. MidAmerican proposes a revision to the term "aggregate load" to clarify what load characteristics make a customer eligible for immediate participation. MidAmerican suggests that more specificity be provided with respect to the data-sharing tariffs that utilities are required to file. MidAmerican recommends that full participation begin May 1, 2028, rather than January 1, 2028. MidAmerican suggests that the burden of proving/disproving incompatibility of dual participation with utility demand response programs should be on the customer, not the utility. MidAmerican suggests revisions to the catchwords of subrules 20.22(6) and 20.22(7) to address improper actions that may fall short of fraud.

Utility API suggests the term "electronic data interchange" be revised. Utility API also suggests more specificity be provided with respect to the data-sharing tariffs that utilities are required to file.

Mission:data suggests the tariff requirements be revised to address user experience and data ownership.

The Commission has made the following changes from the Notice:

- In response to Advanced Energy United's suggestion, revised the definition of "double counting."
- In response to Interstate Power and Light Company's suggestion, changed the due date for filing the data-sharing tariff.
- In response to MidAmerican Energy Company's comments, revised the definition of "aggregate load," specified the minimum requirements for data-sharing tariffs, and revised the titles to subrules 20.22(6) and 20.22(7).
- In response to Utility API's comments, replaced the term "electronic data interchange" with "data-sharing" within the rulemaking and specified the minimum requirements for data-sharing tariffs.

Adoption of Rulemaking

This rulemaking was adopted by the Commission on June 29, 2026.

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

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Commission for a waiver of the discretionary provisions, if any, pursuant to 7—Chapter 2504.

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).

Effective Date

This rulemaking will become effective on August 26, 2026.

The following rulemaking action is adopted:

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 the common ownership or control of a single entity or person within a single 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. RM1809-000; issued September 17, 2020.

"Double-counting" means the error of simultaneously crediting the same service provided by a 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—20.21(476):

199—20.21(476) Customer participation in wholesale markets through demand response activities.

20.21(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.

20.21(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.

20.21(3) *Data sharing tariff.*

a. Within 180 days of August 26, 2026, each rate-regulated electric utility shall file a proposed tariff with the commission specifying standards for the sharing of customer data in order to effectuate customer participation in wholesale electricity demand response programs operating in conjunction with wholesale electricity markets.

b. In furtherance of effectuating customer participation in wholesale electricity demand response programs operating in conjunction with wholesale electricity markets, the data sharing tariff shall, at a minimum, provide for the following:

(1) Adoption of a nationally recognized data exchange protocol to streamline data portability.

(2) Establishment of a process by which customers securely give permission for their data to be shared with an ARC.

20.21(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.

20.21(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.

20.21(6) *Limitation of utility liability.* 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.

20.21(7) *Recovery of costs incurred due to fraud, mismanagement, or other misconduct.* 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.

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 7/22/26.