

Responder Name: John Palmolea
Job Title: Senior Analyst
Phone: 515-281-2716

- 1-3. Regarding the production costing model PROMOD IV:
- a) Is the use of PROMOD IV mandated by any jurisdiction? If so, provide which jurisdiction.
 - b) If PROMOD IV is not mandated, explain the attributes of the model that make it ideal for MidAmerican to use PROMOD IV and explain why MidAmerican chooses this model over other models. Compare and contrast to other models such as PLEXOS for Power Systems and Strategist.
 - c) For what uses other than the QF avoided costs rates does MidAmerican utilize PROMOD IV?

Response:

- a) No.
- b) PROMOD IV is an hourly production cost modeling tool which projects energy resource production against load or market price inputs. This production cost tool is effective at providing dispatchable generation needs against either a market price or load and has the flexibility to report large quantities of hourly revenue, cost and operating statistic data in annual or monthly summaries in an Excel or Access format. MidAmerican Energy Company has purchased the licenses for a suite of products from Ventyx to provide resource optimization, market price projections, fuel and energy forecasting and project economic analysis. These tools each meet specific energy company needs and the cost of these software licenses is substantial. In order to efficiently administer and control costs the licenses are restricted and the products are competitively bid on a periodic basis. The PROMOD IV software product is the Ventyx product that most effectively calculates avoided energy costs.
- c) The primary uses of the PROMOD IV software involve generating unit economic cost analyses, fuel consumption projections, energy resource projections, emission consumption projections generating unit revenue and cost projections, fuel and energy budgets and avoided energy cost projections.