

**Response of
Interstate Power and Light Company
to
OFFICE OF CONSUMER ADVOCATE
Data Request No. 17**

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Response Due: May 28, 2008
Information Requested By: Jennifer Easler
Date Responded: May 28, 2008
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Subject: Renewable Portfolio
Reference: OCA Data Request No. 9

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Please describe how the net metering option has been factored in IPL's assessment of potential and cost-effectiveness of renewable resources and provide all supporting documentation. If not, please explain why.

Response

Net metering was considered in the assessment of total technical potential, as described in the Joint Utility Assessment (Appendix J, page 79, of IPL's proposed energy efficiency plan). The net metering limit of 500 kW was used as a maximum installed capacity for all clean generation units. This limit is also consistent with IPL's approved electric tariffs and prior Iowa Utilities Board decisions on this subject. For the industrial biomass and anaerobic digesters, the net metering limit was not considered as many of these installations would, by necessity, be larger. It is expected those installations will require grid interconnection.

Net metering was not considered as part of the cost effectiveness calculation. The cost-effectiveness calculation assumed that the power produced on-site is entirely used on-site. This has the effect to maximize the overall benefits from the participant perspective. If net metering were included, the benefit would decrease for that generation that exceeds the participant's usage and is delivered through the meter to the grid, as the benefit from the excess MWh produced would be calculated by multiplying by the avoided energy cost (~\$0.07/kWh), rather than the retail rate (~\$0.08/kWh for residential). For the utility and societal perspectives, there is no difference as the benefit from the electricity produced is based on the avoided costs regardless if net metering is considered.