

**Response of
Interstate Power and Light Company
to
OFFICE OF CONSUMER ADVOCATE
Data Request No. 70**

Docket Number: EEP-08-1
Date of Request: July 3, 2008
Response Due: July 11, 2008
Information Requested By: Jennifer Easler
Date Responded: July 15, 2008
Author: Gilbert Nunez
Author's Title: Product Manager
Author's Telephone No.: (319) 786-7237
Subject: Custom Rebates – Program Operation

Data Request No. 70

IPL will provide a custom rebate for a variety of projects that are not suitable for prescriptive rebates. "The incentive equals 150 percent of the cost of one year's worth of energy savings that results from installing the energy-efficient equipment, when a minimum two-year payback period is met."

- A. Is the incentive a fixed amount (\$/KWh) for all customers, regardless of customer economics, outside of the "minimum two year payback?"
- B. What is the rationale for linking the incentive to savings as opposed to customer economics?
- C. Please provide the project screening tool that will be used to screen the cost-effectiveness of customer projects.

Response

- A. No, the incentive depends on the type of service provided to the customer and customer's applicable tariff. The incentive equals 150 percent of the bill savings of one year's worth of energy savings resulting from installing the energy-efficient equipment.
- B. IPL objects to OCA data request number 70, part B as it assumes facts not in evidence. Without waiving its objection, IPL states the following:

The incentive is linked to both the savings and customer economics. The incentive is linked to the customer's pay-back period for the proposed energy efficiency measure. Pay-back period is one metric of customer economics. It is probably the most commonly understood and most easily understood measure of customer economics. If the project has a payback of more than two-years, then the customer is eligible to receive the incentive that is equal to 150 percent of the bill savings of one year's worth of energy savings. If the project does not meet the minimum two-year payback requirement, then the customer is not be eligible for a Custom Rebate incentive. IPL bases the rationale for the incentive on savings since the amount of energy used by each customer for the equipment will vary. This variation in customer energy use prohibits the use of economics up front. Until the customer's energy use is known, the economics cannot be determined.

- C. Please see the attached CD-ROM containing the Project Screening Tool.xls.