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IOWA UTILITIES BOARD

**OFFICE OF CONSUMER ADVOCATE**

**DIRECT TESTIMONY**

**and**

**EXHIBITS**

**OF**

**BRIAN W. TURNER**

**In Re: Interstate Power and Light Company  
Docket No. EEP-08-1**

**August 29, 2008**

1 **Q: Please state your name and business address.**

2 A: Brian W. Turner, 310 Maple Street, Des Moines, Iowa 50319.

3 **Q: By whom are you employed and in what capacity?**

4 A: The Office of Consumer Advocate (OCA), a division of the Iowa  
5 Department of Justice, employs me as a utility analyst.

6 **Q: Please explain your educational background and your work  
7 experience.**

8 A: I received a Bachelor of Arts degree in December 1981 from the  
9 University of Northern Iowa majoring in Management with an emphasis  
10 in Finance. In July of 1982, I joined the staff of the Iowa State Commerce  
11 Commission (n. k. a. the Iowa Utilities Board or IUB). In June of 1989, I  
12 transferred from the IUB staff to my present position with the OCA.

13 Since 1982, I testified in many electric, gas, telephone,  
14 depreciation, fuel procurement, complaint, and energy efficiency cost  
15 recovery proceedings. I have also attended numerous programs and  
16 seminars including many programs and meetings sponsored by the  
17 National Association of Regulatory Utility Commissioners (NARUC). In  
18 1991, I completed two graduate level income tax courses offered by  
19 Drake University.

20 **Q: What is the purpose of your testimony?**

1 A: The purpose of my testimony is to examine the following components of  
2 IPL's filed energy efficiency plan and make recommendations to improve  
3 IPL's plan performance in regards to these components:

- 4 A. Residential and non-residential audits,
- 5 B. Rebates,
- 6 C. Low-income, and
- 7 D. Education.

8 **Q: Let's start by examining the Residential Audits Program (RAP) first.**  
9 **Briefly describe IPL's RAP as proposed to be effective over the next**  
10 **five years.**

11 A: IPL plans to offer residential customers a free energy audit that identifies  
12 energy efficiency opportunities in areas including building shells, heating  
13 and cooling systems, insulation levels, kitchen and laundry appliances,  
14 lighting, water heating equipment, and windows and doors.

15 IPL also offers an interactive website called My Home Comfort  
16 Check-Up in which customers may input data that is analyzed by the  
17 computer which provides feedback and suggestions.

18 **Q: Is the RAP a new program offered by IPL in this proceeding?**

19 A: No. IPL has offered the RAP both in the past and currently.

20 **Q: Does the RAP description suggest any new and innovative or**

1           **experimental concepts that are unique or original?**

2   A:   No, not really. However, IPL has expanded its offering of audits through  
3           its Targeted Residential Energy Efficiency Opportunity (TREEO)  
4           proposal which is a new program. I will later discuss the TREEO  
5           proposal more. Also, IPL personnel have expressed concerns regarding  
6           the necessary marketing, advertising and general education of the public  
7           in order to expand the RAP and other programs. I agree that marketing,  
8           advertising, and educational efforts should be improved, expanded and  
9           made as efficient as possible in order for the RAP results to improve.

10 **Q:   How do IPL's energy efficiency program's past results compare with**  
11 **the past results of the other two Iowa investor-owned utilities?**

12 A:   As shown on OCA Exhibit \_\_ (BWT-1), Schedule A, IPL's gas and electric  
13           benefit/cost ratios were 8.69 and 4.24 respectively, which is substantially  
14           higher than both MidAmerican Energy Company's (MEC) and Black  
15           Hills Energy (BHE).

16 **Q:   Does IPL's 2008 RAP proposal reveal any evidence that IPL plans to**  
17 **increase customer participation in these highly cost-effective**  
18 **programs?**

19 A:   IPL witness King uses the word "aggressive" in the context of focusing  
20           upon increasing customer involvement with the entire energy efficiency

1 plan. However, other than emphasizing IPL's intention to improve  
2 information dispensation, education opportunities, and training efforts,  
3 few other tangible details are provided or described to support her  
4 assertion of anticipated "aggressive" behavior. I agree that more  
5 aggressive marketing and promotion will likely improve participation and  
6 likely result in greater benefits, but the specific actions and results  
7 contemplated by the "aggressive" behavior to which IPL witness King  
8 refers are mostly undefined.

9 In addition, IPL assumes that each electric participant of its RAP  
10 will realize an energy savings of 1,242 kWh and each gas participant will  
11 realize an energy savings of 100 therms throughout the entire five-year  
12 plan (as shown on tables 4.5 and 4.6 of IPL's 2008 filed plan). Growth in  
13 the RAP program is only tied to increased participation suggesting little or  
14 no aggressive action by IPL towards increasing the depth of energy  
15 savings per customer.

16 **Q: Explain your confusion regarding IPL witness King's use of the word**  
17 **"aggressive".**

18 **A:** IPL witness King defines the adjective "aggressive" to describe IPL's  
19 efforts as "exhibiting determination, energy, and initiative", but she also  
20 suggests that the expected "aggressive" behavior by IPL is not materially

1 different than its current efforts. Still, she agrees that the “new” programs  
2 will require more aggressive marketing and promotional efforts in order to  
3 reach higher target levels set by IPL. Other than expressing a desire for a  
4 greater effort, I do not know what specific behaviors IPL intends or if IPL  
5 intends to be more aggressive at all concerning programs already in place.

6 Let me provide an example of a confusing reference to the result of  
7 “aggressive” behavior implied in IPL’s plan overview. On figures 2.4 and  
8 2.5 shown on pages 20 and 21 of chapter 2 “Overview of Plan Design” in  
9 IPL’s filing, IPL shows a steadily increasing target of actual savings for  
10 both the electric and natural gas plans. In both cases the actual savings  
11 targets seem to be “aggressively” increased over the levels set in the  
12 current plan. However, when the savings targets for the proposed plans  
13 are compared with the actual savings realized by IPL over the term of its  
14 current plan, no clear indication of any “aggressive” target *increases* are  
15 apparent. The future targets seem to merely extend the current increasing  
16 trend of realized savings to future years. I would not consider this an  
17 “aggressive” increase or a significant goal improvement. In fact,  
18 regarding the natural gas plan, the 2009 target level is lower than the 2007  
19 actual savings; hardly an “aggressive” target. The electric targets are  
20 substantially and even aggressively higher than the targets established in

1 the current plan, but again, these future targets represent only the natural  
2 extension of the actual realized savings from the current plan projected  
3 out at nearly the same rate of increase.

4 **Q: Do you have any concerns regarding IPL's RAP?**

5 A: I believe that IPL should carefully monitor and hold accountable, not only  
6 customers, but those that perform the RAP audits. For the program to  
7 show acceptable results customers must follow through with suggestions  
8 and auditors must be vigilant in finding energy efficiency improvement  
9 opportunities. Any "aggressive" action taken by IPL should improve  
10 participant savings over and above the participant's current levels.

11 **Q: What action by IPL do you suggest should be made in order to**  
12 **encourage customers and auditors to monitor efficient activities and**  
13 **be accountable to improve energy efficiency actions?**

14 A: IPL should respond to recommendations made by auditors in order to  
15 encourage customer follow-through, i.e., IPL should check with  
16 customers to monitor what actions have been taken regarding auditor  
17 suggestions. Auditors should fully report all customer findings so that  
18 IPL can properly follow-up on each or any customer audit. Auditors  
19 could be encouraged to do this follow-up too, but IPL should be  
20 responsible to know what is happening with every audit and potentially

1 analyze each and any improvement opportunity. Return visits or phone  
2 calls by auditors to monitor customer action from auditor  
3 recommendations are important to accurately and efficiently promote and  
4 achieve energy savings through the RAP.

5 As I mentioned earlier, IPL's projections regarding its RAP  
6 suggests little or no aggressive action to be taken in order to increase the  
7 depth of savings per customer over the five-year term of the plan. IPL  
8 should make a greater effort to increase the depth of savings per customer  
9 in addition to its effort to increase participation.

10 Furthermore, IPL should incorporate OCA witness Faesy's  
11 recommendation that utilities coordinate their efforts, not only within  
12 energy audit programs, but with "upstream" market actors who, provided  
13 with financial incentives, would automatically act to follow-up on audit  
14 findings. As discussed by OCA witness Faesy regarding the coordination  
15 agreement dated October 2007, *leveraging these synergies could reduce*  
16 *redundant costs and provide greater energy efficiency opportunities to*  
17 *Iowa utility customers.*

18 Finally, I suggest IPL adopt participation goals that are truly  
19 aggressive, i.e., goals that are substantially higher than the targets  
20 established in IPL's currently effective plan.

1 **Q: Do you have any comments or recommendations regarding IPL's**  
2 **Home Performance with Energy Star (HPwES) Program?**

3 A: Yes. IPL has added this program, a program that MEC and BHE have  
4 implemented. The HPwES program can potentially be developed into an  
5 effective program through aggressive action taken to promote and  
6 implement it. However, IPL seems less enthused and aggressive about  
7 doing so than both MEC and BHE. IPL does not expect any participants  
8 to the program until 2010 and expects only fifty by 2011 (only 20 percent  
9 of the 250 participants IPL expects over the entire five-year plan). IPL  
10 expects to encounter a steep learning curve, yet its expectations and  
11 enthusiasm for the HPwES lags behind the other investor-owned utilities.  
12 This is a program that is newly proposed by all three investor-owned  
13 utilities, and I recommend that IPL work aggressively to promote and  
14 implement this program while carefully coordinating with MEC and BHE  
15 in order to maximize all three utilities' knowledge, experience and cost-  
16 effectiveness.

17 **Q: Do you have any concerns regarding IPL's non-residential audit**  
18 **program?**

19 A: Generally the same concerns that I have with IPL's RAP, i.e., I believe  
20 that IPL should institute truly aggressive participation goals and carefully

1 monitor and hold accountable, not only customers, but the auditors of the  
2 non-residential audit program. For the program to show acceptable results  
3 customers should be encouraged to follow through with suggestions, and  
4 auditors must be vigilant in finding energy efficiency improvement  
5 opportunities. Any action by IPL should be designed to improve  
6 participant savings over and above the participant's current levels.

7 **Q: Let us move on. Please describe IPL's rebate programs.**

8 **A:** IPL offers residential prescriptive rebates and non-residential prescriptive  
9 and custom rebates. Rebates are also available through many additional  
10 programs and are intended to induce customer investments in energy  
11 efficient appliances and processes.

12 The residential prescriptive rebate program offers both cash rebates  
13 to residential customers and incentives to dealers in order to mitigate the  
14 potential effects of first costs as barriers to participation in IPL energy  
15 efficiency programs. Alternatively, IPL offers some low-interest  
16 financing as an incentive to energy efficiency program participation.

17 IPL's non-residential prescriptive rebate program offers a broad  
18 range of services including information, technical audits, appliance  
19 recycling and financial incentives in the form of rebates and financing  
20 options to encourage non-residential customers to adopt more energy

1 efficient measures and practices. The program's focus is to provide  
2 simple solutions for the non-managed, small business customer group.

3 IPL's non-residential custom rebate program provides incentives to  
4 non-residential customers whose projects do not qualify for prescriptive  
5 rebates due to size, scope, or unique characteristics of the equipment.  
6 Custom rebates are intended to promote energy efficient products and  
7 practices to encourage more efficient utilization of energy among larger  
8 commercial and industrial customers, thus reducing the unit costs of  
9 finished products.

10 **Q: Discuss the past results of IPL's rebate programs.**

11 **A:** I have attached OCA Exhibit\_\_(BWT-1), Schedule B which summarizes  
12 and compares IPL's 2007 electric and gas energy efficiency program  
13 results with its goals. IPL met all of its 2007 electric goals but fell short  
14 of its residential gas prescriptive rebate energy savings goal and its non-  
15 residential gas custom rebate participant goal.

16 All of the rebate programs' societal benefit/cost ratios were greater  
17 than 2.0 except for the gas residential prescriptive rebate, which was  
18 calculated to be 1.42 as shown on OCA Exhibit\_\_(BWT-1), Schedule C.  
19 It appears all rebate programs are providing benefits that outweigh their  
20 costs. Such a favorable benefit/cost ratio suggests that the rebate

1 programs produce benefits quite efficiently at a relatively low cost.

2 **Q: How do IPL's rebate programs compare with the other two Iowa**  
3 **investor-owned gas utilities?**

4 A: MEC also failed to reach its 2007 gas residential equipment energy  
5 savings goal and realized a lower benefit/cost ratio of 1.274 as shown on  
6 OCA Exhibit\_\_(BWT-1), Schedule D. BHE, as I mentioned in my  
7 testimony filed in Docket no. EEP-08-3, achieved its rebate goals in 2007.  
8 However, I was concerned with BHE's relatively low goals which offset  
9 its other goal successes.

10 IPL's results suggest that its goals are not out of line with its past  
11 performance. However, if IPL is truly committed to more aggressive  
12 energy efficiency program promotion, its gas residential results could  
13 potentially reap much greater therm savings.

14 **Q: What changes to or actions regarding IPL's proposed rebate**  
15 **programs do you recommend?**

16 A: IPL should take steps that will allow it to reach all of its proposed  
17 participation and energy savings goals. Specifically, IPL's gas residential  
18 prescriptive rebate energy savings level and its non-residential custom  
19 rebate participation level have been far below IPL's goals. IPL should  
20 improve its results to achieve its goals without decreasing (perhaps

1 increasing) its aggressive stance to its own goals. OCA witness Faesy's  
2 recommendation for increased and coordinated upstream incentives and  
3 outreach should assist IPL in meeting its gas goals.

4 Also, IPL does not include blower-door testing as a means for  
5 determining infiltration problems or insulation needs (in order to help  
6 determine insulation rebates). Blower-door testing is included in BHE's  
7 HPwES program in an aggressive effort to combat infiltration and reduce  
8 energy usage. IPL should evaluate the use of blower-door testing in its  
9 rebate programs to diagnose infiltration problems that could be eliminated  
10 through insulation rebates.

11 IPL could improve its gas residential prescriptive rebate results by  
12 eliminating or revising the prerequisites for its rebates for window  
13 purchases that IPL states are "not cost effective but remain popular with  
14 customers and include non-energy benefits such as enhanced comfort"  
15 (see page 61 of IPL's EEP filed in this docket). If the window rebate is  
16 not a cost-effective measure, its availability should be conditioned on a  
17 customer's adoption of cost-effective measures. Alternatively, IPL should  
18 consider eliminating this incentive and instead focus on aggressively  
19 promoting energy efficiency by encouraging more efficient equipment  
20 that does provide cost-effective energy savings.

1           As far as non-residential custom rebate participation goes, IPL  
2           should aggressively pursue increased participation in this program, a  
3           program that provides extremely high levels of savings (56 percent of  
4           electric non-residential savings and 57 percent of the natural gas non-  
5           residential savings as stated on page 102 of IPL's EEP filed in this  
6           docket). Although IPL fell short of reaching its non-residential gas  
7           custom rebate participation goal in 2007, IPL has not significantly  
8           lowered its participation goal over the period of the next plan. I agree  
9           with IPL's aggressive goal setting in this circumstance, but I recommend  
10          that IPL act even more aggressively to meet its non-residential gas custom  
11          rebate participation goals over the duration of the next plan. OCA witness  
12          Faesy's recommendations on increased and coordinated upstream  
13          incentives and outreach could facilitate IPL's attainment of aggressive  
14          goals.

15       **Q: Let's turn our attention towards Outreach, Education, and Training.**  
16       **Do you agree that it is important to utilize outreach, education and**  
17       **training programs?**

18       **A:** Yes because information, energy education and research are integral for  
19       IPL to keep customers informed regarding energy efficiency opportunities  
20       and efforts in order to continually improve and manage its energy

1 efficiency portfolio and market its program offerings. If for no other  
2 reason, promotion and information education are necessary to inform  
3 customers of options, incentives and actions that will lead to improved  
4 energy efficiency practices. However, it is important that money spent on  
5 outreach, education, and training effectively and efficiently promote a  
6 behavior that leads to energy savings.

7 **Q: Will IPL's proposed outreach, education, and training portfolio**  
8 **promote such a behavior that leads to energy savings?**

9 A: I presume it should, however it is difficult for anyone to accurately  
10 measure direct results from a program that promotes awareness and  
11 information. Outreach, education, and training may lead to behavior that  
12 causes a customer to take advantage of another program, *e.g.*, increased  
13 customer involvement in the RAP that would lead to energy savings, so it  
14 is difficult to determine which program's costs more directly match the  
15 savings generated. Nevertheless, it is important to create awareness and  
16 disseminate information, and the closer IPL comes to reaching each  
17 customer individually, the more effective IPL's energy efficiency program  
18 should be. On the other hand, expending greater resources to outreach,  
19 education, and training in order to reach individual customers leaves  
20 fewer resources available to apply towards program incentives that

1 directly effect energy efficiency savings.

2 **Q: Should IPL allocate more resources towards outreach, education, and**  
3 **training that indirectly increase energy savings or more towards**  
4 **other programs that directly pay for energy efficiency measures?**

5 A: I believe that allocating resources towards both directly and indirectly  
6 affecting energy savings is important. However, I believe that direct  
7 results are more tangible and efficient in deriving energy savings results.  
8 For instance, resources allocated to training builders to increase energy  
9 efficient projects will produce more results than a general promotional  
10 effort that invites people to be energy efficient. I think that speakers  
11 sponsored by IPL and paid for from an education program should  
12 emphasize actual opportunities and persuade customers to act rather than  
13 speak on general energy efficiency topics. Furthermore, other  
14 organizations, such as the Iowa Energy Center which is in part funded by  
15 IPL ratepayers, already do extensive research and development and  
16 education in the area of energy efficiency. Certainly, IPL should take  
17 advantage of (and not replicate) the excellent materials and resources  
18 available from the Iowa Energy Center such as the Iowa Energy Center's  
19 *The Home Series* which covers energy-smart choices and decisions.

20 The importance of education and training cannot be denied, but if

1 resources are allocated to education and training, then IPL should be  
2 accountable to make use of ideas that produce real and proportionate  
3 energy savings. Now that the legislature has exempted any education  
4 component of any energy efficiency plan from being cost-effective, it is  
5 essential that IPL ensure that "education" materials are truly educational  
6 and not used by the utility for self-promotion.

7 **Q: Provide a brief overview of IPL's Low Income programs.**

8 A: IPL coordinates most of its efforts to provide low-income energy  
9 assistance through the Iowa Utility Association (IUA). Coordinating  
10 through the IUA IPL has offered Weatherization, Multifamily and  
11 Institutional Improvements, and EnergyWise Energy Education. Through  
12 the Department of Human Resources IPL has contributed to fund the  
13 state's low income Weatherization Assistance Program which is delivered  
14 to households with incomes at or below 150 percent of the Federal  
15 Poverty Level. The Low Income Weatherization Program provides an  
16 energy audit and installation of cost-effective weatherization measures.  
17 IPL also helps fund the Multifamily and Institutional Efficiency  
18 Improvements Program that provides energy audits and incentives to  
19 owners of eligible multifamily properties and institutional facilities. IPL  
20 also provides energy education to increase energy awareness among low

1 income customers through its EnergyWise® Energy Education program.  
2 The program is available to households with incomes at or below 150  
3 percent of the federal poverty level.

4 IPL is offering a new low income program called TREEO.  
5 TREEO stands for Targeted Residential Energy Efficiency Opportunity  
6 and is an extension of IPL's current services to low income customers  
7 with incomes between 150 percent and 250 percent of the federal poverty  
8 level. In the past, the Department of Human Resources has struggled to  
9 make use of all of the funds allocated to the low-income programs by IPL.  
10 Therefore, IPL is proposing to expand the eligibility of the program in  
11 order to allow all allocated funds to be used. IPL is proposing to expand  
12 the eligibility to customers that fall between 150 percent and 250 percent  
13 of the federal poverty level.

14 **Q: Is the low income program a beneficial program?**

15 **A:** Yes. As shown on Tables 4.12 and 4.13 on pages 86 and 87 respectively  
16 of IPL's Energy Efficiency Plan filed on April 23, 2008, the Low Income  
17 program provides net benefits that are greater than net costs under each  
18 test except the Rate Impact Measure test. Notably, while all other  
19 residential programs also fail the Rate Impact Measure test, the low  
20 income program compares quite well to the other programs tested by the

1 Rate Impact Measure. Also, for natural gas operations, although the  
2 Utility Cost test shows that benefits are equal to costs, all other tests show  
3 that benefits are relatively high in comparison to costs for this program.  
4 In fact, the Participant test results show higher benefit to cost ratios than  
5 any other test and any other program (83.77 and 38.74 for electric and gas  
6 operations, respectively). I would interpret the results of the Participation  
7 test for the Low Income program to infer that program is hugely  
8 beneficial to low income customers.

9 **Q: How did IPL's low-income program Societal test results compare**  
10 **with the other Iowa investor-owned utilities in the past?**

11 A: As shown on OCA Exhibit\_\_ (BWT-1), Schedule A, IPL realized a  
12 Societal benefit/cost ratio of 2.585 (4.54 for electric and 1.5 for gas in  
13 2007). IPL's ratios are higher than MEC's Iowa Societal benefit/cost  
14 ratios for its Low Income program in 2007.

15 **Q: You state that the Low Income program provides net benefits. Are**  
16 **the costs to provide this program high?**

17 A: No, not in contrast to the investments made in the other residential energy  
18 efficiency programs. As shown on OCA Exhibit\_\_ (BWT-1), Schedule E,  
19 each cost category (i.e., societal, participant, utility, and rate impact  
20 measure costs) of the Low Income program is projected to be lower than

1 each cost of the Residential Rebate Program but somewhat higher than  
2 each category of cost (except for the participant costs) of the Audits  
3 Program. The New Home Construction program cost categories are all  
4 comparable to the cost categories for the Low Income program except for  
5 utility costs.

6 **Q: Are Low Income programs emphasized strongly enough?**

7 A: I believe that IPL is making a stronger commitment to Low Income  
8 programs. However, I believe that there is great potential to reap even  
9 greater benefits from the low income program without disproportionately  
10 increasing costs. Low income customers, due to extreme financial  
11 constraints, will probably be the last customers who are likely to take  
12 advantage of energy efficiency programs. I think that increasing an  
13 “aggressive” focus upon these customers will reap huge energy savings  
14 benefits.

15 **Q: IPL has stated that it has been difficult to disburse funds allocated to**  
16 **this program to the eligible customers. Does IPL’s reflection upon**  
17 **such a challenge contradict your perspective?**

18 A: No. I take IPL at its word when it expresses such a concern. However,  
19 difficulty in another agency’s ability to disburse funds to IPL’s customers  
20 does not relieve IPL from its responsibility to “aggressively” market

1 energy efficiency to all market segments. IPL suggests that it depends  
2 upon the Department of Human Rights (DHR) to allocate the dollars to  
3 low-income customers and claims that DHR has difficulty reaching  
4 enough IPL low-income customers. IPL seems to imply that due to  
5 DHR's difficulty, IPL's efforts and responsibility to invite and include  
6 low-income customers in energy efficiency efforts end. A more  
7 aggressive marketing of this plan by IPL may be necessary in order to  
8 increase low-income customer participation.

9 IPL has expanded this program to a larger population in somewhat  
10 of an improved financial situation through TREEO. This effort by IPL  
11 approaches a level that can be described as more "aggressive" and the  
12 positive net benefit is commendable. However, the legislature has  
13 mandated that low income customers be provided with the opportunity to  
14 fairly share resources that provide energy efficiency benefits.

15 Customers living at or below the federal poverty level are people  
16 often excluded from the opportunity to access resources that allow them to  
17 share in the responsibility and the benefits of living in a more energy  
18 efficient society. Without access to resources, the low-income market  
19 segment is excluded from the opportunity to share the benefits of reduced  
20 energy efficiency costs. Passive exclusion of low-income customers from

1 participating in energy efficiency efforts reflects upon the perpetual axiom  
2 that the rich get richer and the poor get poorer for no other reason than  
3 low-income customers lack market power that excludes them from  
4 sharing equal access to the energy efficiency market and the resources  
5 necessary to have access to the energy efficiency market.

6 I think it is patently unfair to ignore the low-income customers that  
7 DHR is unable to reach because the costs are high to the utility (even  
8 though the costs prove to generate net savings). If the potential to mine  
9 huge energy savings from the Low-income component exist, it makes  
10 little social or economic sense to arbitrarily limit the low-income market  
11 segment from sharing in the benefits. In a society that should not exclude  
12 anyone in order to benefit all (*i.e.*, mine the greatest savings at an efficient  
13 cost to provide energy savings that benefits all of society), it is  
14 unacceptable to attempt to justify the lack of customer participation on  
15 another over-burdened government agency's difficulty or on the potential  
16 participants themselves. IPL brags about being more aggressive in  
17 marketing its programs but seems to sacrifice "aggressive" marketing to  
18 low-income customers (as mandated by the Iowa Legislature) that DHR is  
19 unable to reach.

20 **Q: What is your recommendation regarding IPL's Low Income**

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**programs?**

A: IPL needs to be more consistent with its intentions to “aggressively” pursue energy efficiency opportunities within the state of Iowa and significantly raise the savings targets for the low-income programs. I do not characterize goals as aggressive if IPL walks away from the challenge of expanding low-income projects so quickly. I applaud their effort to expand the program to offer benefits to a larger group by essentially redefining “low income” since any and all savings are presumably beneficial savings. Nevertheless, I think that IPL should more aggressively target low income customers (defined as customers whose income level is less than the federal poverty level) as well as its proposed increased expansion to slightly more prosperous low-income individuals. The challenge to IPL will be to increase low-income customer participation without increasing indirect (non-incentive) expenditures too much. Some additional cost will be necessary, but I think a large sector of this market is being too easily ignored and excluded from the larger societal initiative.

Increasing funds allocated to low income programs to pay for a more aggressive marketing effort or greater administrative support (which would allow the program to expand its reach to more in need) could easily

1 be accomplished by applying a portion of the budget allocated to, but not  
2 used by, the Low Income programs. IPL states on page 82 of the study  
3 filed in this docket that:

4 IPL has supported the low income Weatherization  
5 program for many years. The delivery agencies for  
6 the program have consistently struggled to spend the  
7 dollars allocated to them for IPL customers and as a  
8 result have carried over funding from year to year.  
9 Data supplied by the Iowa's Department of Human  
10 Rights (DHR), indicate that IPL is the servicing  
11 utility for only 33 percent of these families, while  
12 their contribution to the weatherization program has  
13 been significantly more. IPL, at the request of the  
14 DHR in consultation with Aquila and MEC, plans to  
15 slightly reduce its funding of the weatherization  
16 program beginning with this Plan.

17 Additional funds could also be found from other programs, such as the  
18 rebate programs (the highest costing residential program). Although the  
19 rebate programs are extremely important, the benefits from the rebates  
20 favor customers of much greater means than low-income customers. In  
21 the interest of justness and fairness, more should be allocated towards  
22 including low-income customers in energy efficiency programs.

23 **Q: How much money do you suggest should be reallocated from**  
24 **programs such as the rebate program to the low-income program?**

25 **A:** Whatever amount it takes for IPL to make its marketing program for low-  
26 income customers "aggressive". IPL should be able to reach a target

1 participation for low-income programs that is slightly higher than the  
2 target for 2008 at a minimally additional cost.

3 **Q: Regarding all the programs you have examined (i.e., audits, rebates,  
4 education, and low-income) are there any over-arching comments or  
5 recommendations that you wish to share?**

6 A: Yes. As I mentioned earlier in reference to OCA witness Faesy's  
7 comments, *leveraging synergies could reduce redundant costs and*  
8 *provide greater efficiency opportunities to Iowa utility customers.*  
9 Coordinating utility efforts to promote audits, rebates, education, and low-  
10 income programs could reduce total costs and increase participation.  
11 OCA witness Faesy recommends that a Stakeholder Working Group be  
12 established in order to extend this greater coordination that we both  
13 discussed.

14 The cooperation within such a Stakeholder Working Group could  
15 lead to expanded and more efficiently realized benefits resulting from  
16 audits, including financial assistance and cost-sharing. The utilities could  
17 also realize savings by promoting a single statewide efficiency brand (or  
18 educational components) that could reduce administrative and educational  
19 costs and minimize customer confusion.

20 The Stakeholder Working Group could also serve to coordinate

1 low-income customers and their advocates throughout the state. The  
2 coordinating and cooperative effort could allow the utilities to provide  
3 more low-income customers energy efficient programs more beneficially  
4 at less cost.

5 **Q: Does this conclude your testimony?**

6 **A: Yes, it does.**

STATE OF IOWA )  
 )  
COUNTY OF POLK )

SS: AFFIDAVIT OF BRIAN W. TURNER

I, Brian W. Turner, being first duly sworn on oath, depose and state that I am the same Brian W. Turner identified in the foregoing Direct Testimony; that I have caused the foregoing Direct Testimony to be prepared and am familiar with the contents thereof, and that the foregoing Direct Testimony as identified therein is true and correct to the best of my knowledge, information and belief as of the date of this Affidavit.

  
\_\_\_\_\_  
Brian W. Turner

Subscribed and sworn to before me, A Notary Public, in and for said County and State, this 28 day of August, 2008.

  
\_\_\_\_\_  
Notary Public

My Commission expires: 6/14/11



**Interstate Power and Light Company  
 Comparison of Societal Benefit/Cost Ratios  
 EEP-08-1**

		Residential Audit Program 2007 (A)	Non-residential Audit Program 2007 (B)	Low Income 2007 (C)	Source
1	Aquila	na	na	na	2007 Aquila Annual Report
2	Electric	1.05	na	na	Energy Efficiency Status Report
3	Gas	1.05	na	na	Page 16
	Combined				
4	IPL	4.24	na	4.54	2007 IPL Annual Report
5	Electric	8.69	na	1.5	EEP-02-38
6	Gas	6.35	na	2.585	Table F-I, page 1 of 27
	Combined				
7	MEC	2.642	1.158	1.693	2007 MEC Annual Report
8	Electric	1.461	1.316	0.927	EEP-03-1
9	Gas	1.824	1.236	1.094	Exhibit E
	Combined				



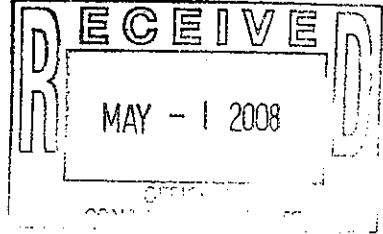


TABLE F-i. COST EFFECTIVENESS RESULTS--JAN TO DEC 2007

Program	ELECTRIC SUMMARY				Other B/C Ratios			
	Lifetime Benefits	Lifetime Costs	Societal Test Net Benefits	B/C Ratio	Part	RIM	UC	UC
<b>Societal Test Results:</b>								
Residential Prescriptive Rebate	\$36,677,052	\$15,417,260	\$21,259,792	2.38	2.50	0.73	3.85	
Residential Appliance Recycling	\$7,757,741	\$461,216	\$7,296,525	16.82	NA	0.65	7.96	
Residential Home Audits	\$4,404,374	\$1,037,915	\$3,366,459	4.24	11.01	0.62	3.88	
Residential New Construction	\$6,845,593	\$1,429,472	\$5,416,121	4.79	24.36	0.83	3.62	
Non-Residential Custom Rebates	\$45,217,619	\$21,407,592	\$23,810,027	2.11	2.04	0.80	6.32	
Non-Residential Performance Contracting	\$7,297,137	\$1,319,289	\$5,977,848	5.53	21.29	0.83	4.87	
Non-Residential Prescriptive Rebates	\$13,903,937	\$3,653,947	\$10,249,990	3.81	7.24	0.93	6.26	
Non-Residential New Construction	\$5,659,693	\$3,952,956	\$1,706,737	1.43	1.50	0.78	2.49	
Energy Solutions for Business (All Nonres)	\$72,078,386	\$30,333,784	\$41,744,602	2.38	NA	NA	NA	
Residential Load Management	\$28,437,368	\$4,369,056	\$24,068,312	6.51	NA	1.02	1.02	
Non-Residential Load Management	\$284,378,250	\$94,025,638	\$190,352,612	3.02	2.39	1.82	1.82	
Agriculture	\$6,444,317	\$3,318,753	\$3,125,564	1.94	4.84	0.58	7.97	
Low Income	\$3,727,469	\$821,856	\$2,905,614	4.54	15.46	0.66	3.65	
Trees	\$0	\$663,201	(\$663,201)	NA	NA	NA	NA	
Regulatory	\$0	\$1,595,350	(\$1,595,350)	NA	NA	NA	NA	
<b>TOTAL</b>	<b>\$450,750,550</b>	<b>\$153,473,501</b>	<b>\$297,277,049</b>	<b>2.94</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

Program	GAS SUMMARY				Other B/C Ratios			
	Lifetime Benefits	Lifetime Costs	Societal Test Net Benefits	B/C Ratio	Part	RIM	UC	UC
<b>Societal Test Results:</b>								
Residential Prescriptive Rebate	\$10,308,749	\$7,264,778	\$3,043,971	1.42	2.73	0.46	2.21	
Residential Home Audits	\$8,112,798	\$933,178	\$7,179,621	8.69	24.49	0.53	8.79	
Residential New Construction	\$2,088,050	\$1,013,523	\$1,074,527	2.06	10.53	0.31	1.93	
Non-Residential Custom Rebates	\$5,697,185	\$2,170,344	\$3,526,841	2.63	2.12	0.82	6.94	
Non-Residential Performance Contracting	\$1,730,739	\$1,180,336	\$550,404	1.47	1.18	0.75	3.90	
Non-Residential Prescriptive Rebates	\$2,992,155	\$1,462,760	\$1,529,395	2.05	1.98	0.82	3.20	
Non-Residential New Construction	\$855,819	\$348,350	\$507,468	2.46	3.15	0.72	3.22	
Energy Solutions for Business (All Nonres)	\$11,275,897	\$5,161,789	\$6,114,108	2.18	NA	NA	NA	
Low Income	\$2,231,241	\$1,483,695	\$747,547	1.50	NA	0.30	0.62	
Regulatory	\$0	\$504,211	(\$504,211)	NA	NA	NA	NA	
<b>TOTAL</b>	<b>\$34,016,737</b>	<b>\$16,361,174</b>	<b>\$17,655,563</b>	<b>2.08</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>ELECTRIC + GAS</b>	<b>\$484,767,287</b>	<b>\$169,834,675</b>	<b>\$314,932,612</b>	<b>2.85</b>				
<b>ELECTRIC + GAS LESS LOAD MANAGE.</b>	<b>\$171,951,669</b>	<b>\$71,439,980</b>	<b>\$100,511,689</b>	<b>2.41</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

COPY



	RESIDENTIAL						OTHER			TOTAL PLAN
	Res. Equipment	Res. Audit	Low Income	Res. New Construction	Res. Load Management	Trees	Assessments			
<b>SOCIETAL TEST</b>										
Total Benefits (\$)	6,327,548	6,261,553	1,314,071	12,107,677	0	0	0	33,216,125		
Total Costs (\$)	4,968,530	4,286,350	1,418,311	6,526,353	0	82,013	651,553	22,116,922		
Net Benefits (\$)	1,359,018	1,975,203	-104,240	5,581,324	0	-82,013	-651,553	11,099,203		
B/C Ratio	1.274	1.461	0.927	1.855	NA	0.000	0.000	1.502		
<b>PARTICIPANT TEST</b>										
Total Benefits (\$)	8,741,996	7,681,349	2,578,717	14,633,837	0	197,375	0	41,443,407		
Total Costs (\$)	4,342,764	3,600,170	1,000,723	5,913,058	0	0	0	18,410,275		
Net Benefits (\$)	4,399,232	4,081,179	1,577,994	8,720,779	0	197,375	0	23,033,132		
B/C Ratio	2.013	2.134	2.577	2.475	NA	INF	NA	2.251		
<b>UTILITY TEST</b>										
Total Benefits (\$)	4,878,459	4,386,091	949,021	8,886,920	0	0	0	24,567,226		
Total Costs (\$)	3,421,744	2,819,308	1,807,044	4,490,168	0	279,388	651,553	15,813,668		
Net Benefits (\$)	1,456,715	1,566,783	-858,023	4,396,752	0	-279,388	-651,553	8,753,558		
B/C Ratio	1.426	1.556	0.525	1.979	NA	0.000	0.000	1.554		
<b>RATEPAYER IMPACT MEASURE TEST</b>										
Total Benefits (\$)	4,878,459	4,386,091	949,021	8,886,920	0	0	0	24,567,226		
Total Costs (\$)	9,367,763	8,367,529	2,996,306	15,247,132	0	279,388	651,553	45,150,054		
Net Benefits (\$)	-4,489,304	-3,981,437	-2,047,285	-6,360,212	0	-279,388	-651,553	-20,582,827		
B/C Ratio	0.521	0.524	0.317	0.583	NA	0.000	0.000	0.544		
<b>TOTAL RESOURCE COST TEST</b>										
Total Benefits (\$)	4,878,459	4,386,091	949,021	8,886,920	0	0	0	24,567,226		
Total Costs (\$)	4,968,530	4,286,350	1,418,311	6,526,353	0	82,013	651,553	22,116,922		
Net Benefits (\$)	-90,071	99,741	-469,290	2,360,566	0	-82,013	-651,553	2,450,304		
B/C Ratio	0.982	1.023	0.669	1.362	NA	0.000	0.000	1.111		

**Interstate Power and Light Company  
 Comparison of Societal Benefit/Cost Ratios  
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	SOCIETAL		PARTICIPANT		UTILITY		RIM	
	B/C Ratio (A)	Cost (B)	B/C Ratio (C)	Cost (D)	B/C Ratio (E)	Cost (F)	B/C Ratio (G)	Cost (H)
<b>Low Income</b>								
1 e	3.56	\$3,377,337	83.77	\$79,195	2.90	\$3,124,485	0.83	\$10,945,488
2 g	1.28	\$13,202,211	38.74	\$286,962	1.00	\$12,249,312	0.47	\$25,951,853
3		\$16,579,548		\$366,157		\$15,373,797		\$36,897,341
<b>Residential Rebates</b>								
4 e	1.22	\$86,754,952	1.11	\$51,110,082	2.73	\$28,997,804	0.82	\$96,602,464
5 g	1.07	\$74,402,883	0.98	\$51,836,337	3.47	\$16,486,668	0.71	\$80,171,656
6		\$161,157,835		\$102,946,419		\$45,484,472		\$176,774,120
<b>Audits</b>								
7 e	3.01	\$2,817,924	6.41	\$708,926	3.26	\$1,938,233	0.86	\$7,350,716
8 g	1.35	\$8,678,863	2.50	\$3,001,502	1.65	\$5,112,460	0.58	\$14,481,021
9		\$11,496,787		\$3,710,428		\$7,050,693		\$21,831,737
<b>Appliance Recycle</b>								
10 all	12.68	\$2,727,566	---	\$0	7.21	\$3,849,258	1.11	\$24,920,580
11		\$2,727,566		\$0		\$3,849,258		\$24,920,580
<b>New Home Constr.</b>								
12 e	2.67	\$8,228,379	14.41	\$817,875	2.35	\$6,970,963	0.78	\$21,003,135
13 g	2.14	\$6,827,648	3.72	\$2,510,802	2.71	\$3,865,324	0.68	\$15,530,980
14		\$15,056,027		\$3,328,677		\$10,836,287		\$36,534,115
<b>Energy Star</b>								
15 e	0.49	\$1,609,939	2.54	\$52,174	0.40	\$1,446,862	0.36	\$1,608,550
16 g	0.51	\$2,321,192	1.77	\$407,159	0.48	\$1,727,208	0.31	\$2,647,104
17		\$3,931,131		\$459,333		\$3,174,070		\$4,255,654

Source: IPL EEP-08-1  
 Table 4.12, page 86  
 Table 4.13, page 87