

**Response of
Interstate Power and Light Company
to
OFFICE OF CONSUMER ADVOCATE
Data Request No. 5**

Docket Number: EEP-08-1
Date of Request: May 7, 2008
Response Due: May 14, 2008
Information Requested By: Ben Stead
Date Responded: May 14, 2008
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Author's Telephone No.: (319) 786-7649
Subject: Energy Efficiency Plan (EEP)
Reference:

Data Request No. 5

- A. Throughout your testimony you use the word “aggressive” many times, in particular, in reference to marketing and promotional efforts and in regards to goals and targets. Please define the word “aggressive” as you use it.
- B. Compare the use of the word “aggressive as applied to the recently filed plan in EEP-08-1 in contrast to the last plan currently effective, *i.e.*, how is it more aggressive, what actions will be taken that substantiate the claim to more aggressive behavior on behalf of IPL, what caused IPL to determine that current efforts lacked the appropriate level of aggressive action that currently is necessary?

Response

- A. I use the word “aggressive” as an adjective to describe the proposed plan and the marketing and promotional efforts that will be required to execute that plan. A reasonable definition that applies in this case is the third definition of the term “aggressive” from *Encarta Dictionary: English (North America)* available in Microsoft Office Word 2003: “3. **assertive** characterized by or exhibiting determination, energy, and initiative. An aggressive investment policy.”
- B. IPL objects to OCA Data Request No. 5.B. as it mischaracterizes IPL’s efforts in relation to its current or proposed energy efficiency plan; IPL also objects to OCA Data Request No. 5.B. because it assumes facts not in evidence, specifically “that current efforts lacked the appropriate level of aggressive action.” Notwithstanding said objection, IPL responds as follows:

I can speak to why we have characterized the proposed plan and its marketing and promotion as aggressive.

There are at least three actions that we have taken that I believe show that the proposed plan is aggressive compared to the current plan, as that term is defined in part A of this response:

- (1) The proposed plan's savings targets and budgets are set at significantly higher levels than their past performance for both electric and natural gas. Some pictures and numbers demonstrate this conclusion. See Figure 2.4, "Annual Electric Targets and Savings, 2004-2013," page 20, of IPL's Application filed April 23, 2008, for a picture of this relationship for electric energy savings. The 2009 electric savings are 71 percent over the 2008 savings target (my direct testimony, p. 3, lines 7-11). The average annual savings in the proposed plan of 167 GWh (836 GWh over five years, see Table 1.1, "Proposed Programs in the Plan," page 4, Application) is more than 57 percent greater than the average annual savings of 107 GWh in the current plan (426 GWh over four years of 2004-2007, page 1, Application). Data on the same pages show that the proposed natural gas annual savings targets are 32 percent over average savings in the current plan. The average annual electric and gas budget is \$82 million (\$410 million over five years, see Table 1.1, "Proposed Programs in the Plan," page 4, Application). The average annual electric and gas budget of the current plan is \$52 million (average of annual budgets of \$45 million, \$46 million, \$55 million, \$57 million and \$59 million for years 2004-2008 respectively, as approved June 3, 2003, November 30, 2005, and October 20, 2006, in Docket No. EEP-02-38). So the proposed average annual electric and gas budget is more than 57 percent over the current average annual electric and gas budget.
- (2) The proposed plan includes residential and nonresidential renewable programs, the first of their kind in Iowa and perhaps in the nation.
- (3) The proposed plan includes new energy efficiency programs such as the Targeted Residential Energy Efficiency Opportunity (TREEO) program targeted at limited income Iowans, a demographic group who finds it difficult to make energy efficiency investments but just fails to qualify for IPL's low income programs, and the Home Performance with ENERGY STAR[®], a more comprehensive whole facility approach.

To achieve these targets and develop these new programs will require marketing and promotional efforts that we believe can be characterized as more aggressive. Current marketing and promotional efforts are appropriately executed to at least achieve current targets while staying approximately within the plan's approved budget. The proposed plan, however, will require marketing and promotional efforts that use more tactics and are more frequent than what has been done in the past because the proposed plan's targets are more aggressive. The marketing and promotional efforts will include tactics such as face-to-face contact, sponsorships,

press releases, education, training and demonstrations, trade ally seminars, direct mail, bill inserts, telemarketing, door-to-door campaigning, posters, flyers, mass media, Internet, among others. The frequency will increase over a variety of dimensions, such as customer class, location, facility type and time. Exact details of these expanded tactics and frequency are being designed in the coming months or will be designed after broader program requirements such as incentives and qualifications are specified.