

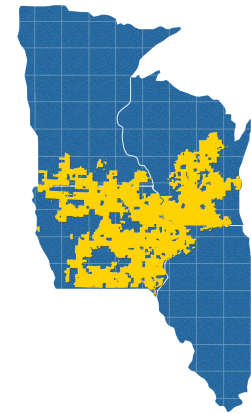


**Interstate Power & Light  
Premium-Efficiency Motors Study**

CEE's Summer Program Meeting  
Boston, MA  
June 14-15, 2006

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**Service Territory**



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## Alliant Energy – Background

- Alliant Energy is an investor-owned utility, formed in 1998 from the merger of three Midwestern utility companies.
- Interstate Power & Light (IPL) serves approximately 453,000 electric and 180,000 natural gas customers in Iowa, Illinois and Minnesota.
- Wisconsin Power and Light (WPL) serves approximately 442,000 electric and 173,000 natural gas customers in Wisconsin.



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## Interstate Power & Light (IPL)

- IPL administers the energy efficiency programs in Iowa and Minnesota, but the motors study was only conducted in Iowa.
- Iowa 2006 Energy Efficiency Goals:

	kW goal	kWh goal
Residential	6,696	15,169,600
Non-Residential	14,658	59,800,000
Agriculture	460	2,100,000
Low Income	212	972,000
<b>TOTAL</b>	<b>22,026</b>	<b>78,041,600</b>



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## Reaching the Efficiency Program Goals

### Four main energy efficiency programs available to commercial and industrial customers:

- 1) Standard (prescriptive) Rebates – Specific cash rebate amounts offered for the purchase and installation of specific high-efficiency equipment.
- 2) Custom Rebates – Cash rebates for energy efficient technologies outside of the prescriptive rebate program. The savings is calculated individually, per project.
- 3) Performance Contracting – A financing program enabling customers to pay for the project with the actual energy savings achieved.
- 4) New Construction – A program that incorporates energy efficiency into a new building with free energy design assistance, design team incentives, and construction incentives.



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## IPL Customer Service

- Account Managers personally serve customers with annual revenue of \$100,000 or greater.
- The Business Resource Center at 1-866-ALLIANT serves the customers with less than \$100,000 annual revenue.
- The role of each of these two groups is to provide top-notch customer service and to work as a partner in helping customers find ways to be more energy efficient.
- In addition to the programs on the previous slide, energy audits and feasibility studies are also available to customers.



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## Premium Efficiency Motor Study Goals

- Custom rebates for PEMs have been available to IPL customers for over 10 years, however IPL was not sure about PEM penetration levels or potential savings.
- Questions leading to the PEM study include:
  - How much savings was IPL leaving on the table?
  - Is promoting a motors program good use of marketing dollars?
  - Should we structure our programs differently?
  - How common is rewinding vs replacement?
  - IPL is always looking for new ways to increase savings
- Goal in general: To get a better understand the motor usage and purchasing practices of our customers

## Premium Efficiency Motor Study

- Alex
  - Details
  - Results
  - Conclusions

## Future IPL Program Plans

- Huge savings potential
  - Client's annual motor change-out rate is approximately 11%.
  - Even if IPL could only get 11% of the total motors in production that are replaced each year converted to PEMs, the findings indicate that incremental energy savings could be approximately 7 GWh annually.
- 2006 Initiatives:
  - IPL developed a prescriptive rebate program for motors 200 HP or less, understanding it would be a small piece of the puzzle.
  - Promoted the prescriptive rebate program to the IPL dealer network. For prescriptive rebates, IPL participating dealers receive 20% of the customer rebate as an incentive.

## Future IPL Program Plans cont...

- Future program plans include targeting the top barriers for purchasing PEMs as identified in the study:
  - Capitol cost
  - Turn-around time
- The major initiative involves education – help customers understand that motor decisions made in the short-term are costly in the long-run.
  - IPL is working with MidAmerican Energy and the Center for Industrial Research and Service (CIRAS) to develop a state-wide educational program
  - Motor management training is conducted in-house for Account Managers

## Future IPL Program Plans cont...

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- IPL is considering a financial incentive to distributors to address the customer concern of turn-around time.
  - need a better understanding of reasons for lack of PEM availability
  
- IPL Goal
  - move beyond traditional programs
  - influence repair vs replace decisions
  - capture savings
  
- Outstanding questions:
  - Do clients have a realistic opportunity to purchase PEMs? Or is there financial and physical difficulty in stocking them on-site?
  - Is there lack of stock at the distributor level?

## Feedback from group members:

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## Contact

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