

STATE OF IOWA  
BEFORE THE IOWA UTILITIES BOARD

<b>IN RE:</b>  <b>INTERSTATE POWER AND LIGHT COMPANY</b>	<b>DOCKET NO. EEP-2012-0001</b>
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**DIRECT TESTIMONY OF JEANINE A. PENTICOFF**

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

2 A. My name is Jeanine A. Penticoff. My business address is 200 First Street  
3 SE, Cedar Rapids, Iowa 52401.

4 **Q. By whom are you currently employed and in what capacity?**

5 A. I am employed by Alliant Energy Corporate Services, Inc. (AECS), a  
6 service company subsidiary of Alliant Energy Corporation (Alliant Energy).  
7 My job title is Director - Energy Efficiency, Account Management, and  
8 Economic Development. In this position, most of my time is spent working  
9 for Alliant Energy's wholly-owned utility subsidiaries, Interstate Power and  
10 Light Company (IPL), and Wisconsin Power and Light Company (WPL). In  
11 this proceeding, I am testifying on IPL's behalf.

12 **Q. What is your educational background?**

13 A. My educational background includes a Bachelor of Science degree in  
14 Communications from Iowa State University.

15 **Q. Please describe your professional experience.**

1 A. From 1985 to 1999, I was employed by and held management roles in  
2 companies, with responsibilities that included marketing and  
3 communications functions as well as community and public relations. I  
4 joined Alliant Energy in March 1999, and held various management  
5 positions, including: Corporate Communications Account Manager;  
6 Manager of Marketing in Alliant Energy's non-regulated energy services  
7 business; Manager of Customer Communications, which included the  
8 marketing functions for IPL's energy-efficiency programs; and Director -  
9 Energy Efficiency, Account Management, and Economic Development. I  
10 have held my current position since September 2010. I am responsible for  
11 development and management of energy-efficiency, demand-response,  
12 and small renewables programs for all customer classes in Iowa,  
13 Minnesota, and Wisconsin. I also manage the economic development,  
14 account management and community relations teams supporting all  
15 communities and business, agriculture, commercial, and industrial  
16 customers in IPL's and WPL's service territories.

17 **Q. What is the purpose of your testimony in this proceeding?**

18 A. The purpose of my testimony is to sponsor IPL's 2014-2018 Energy  
19 Efficiency Plan (Plan), submitted in this proceeding.

20 **Q. How is your testimony organized?**

21 A. My testimony is presented in the three parts. I begin with an overview of  
22 the Plan, its general features, targets, and elements. I then describe the  
23 Plan's main components in greater detail. I conclude my testimony with an

1 overview of IPL's quality assurance and evaluation, measurement and  
2 verification (EM&V) plan. My testimony contains the following sections:

- 3 • General Features and Elements of the Plan;
- 4 • Organization and Components; and
- 5 • Implementation, Activity Tracking, Quality Assurance, and  
6 EM&V.

7 **GENERAL FEATURES AND ELEMENTS OF THE PLAN**

8 **Q. How would you characterize IPL's Plan?**

9 A. IPL prepared this plan in compliance with requirements set forth in  
10 Chapter 35 of 199 Iowa Administrative Code (199 IAC Chapter 35). The  
11 Plan results from IPL's endeavor to develop a comprehensive, cost-  
12 effective, and balanced plan, offering a suite of electric and natural gas  
13 energy-efficiency products and services to all customer segments. The  
14 Plan addresses 25 electric and natural gas energy-efficiency and electric  
15 demand response programs for IPL's business, agriculture, and residential  
16 customers, including low-income households. The Plan's energy-efficiency  
17 programs have been designed to encourage IPL customers to adopt  
18 energy-efficient measures, practices, and behaviors by providing  
19 education, technical assistance, training, and financial incentives. The  
20 Plan's two demand response programs offer financial incentives to IPL  
21 residential and business customers willing to curtail their electric use  
22 during IPL's peak demand periods. The Plan also includes research and  
23 development to assess new, energy-efficient technologies, and to explore

1 additional opportunities and programmatic options. Finally, the Plan details  
2 IPL's commitment to funding legislatively ordered projects, EM&V, and  
3 efforts to prepare the 2019–2023 energy efficiency plan.

4 **Q. How do the Plan and its components compare with IPL's current**  
5 **energy-efficiency activities?**

6 A. Energy efficiency has been integral to IPL's commitment to provide its  
7 customers with high-quality, low-cost energy services for more than 20  
8 years. During this time, IPL has designed and deployed a broad range of  
9 energy efficiency management programs, which have resulted in  
10 substantial benefits to its customers. The 2009-2013 Energy Efficiency  
11 Plan (2009-2013 EEP) extends these efforts, and draws upon the many  
12 lessons IPL has learned from implementing them.

13 IPL's Plan builds upon the 2009-2013 EEP, enhancing it in several  
14 respects. To address changes in the marketplace, IPL's Plan seeks to  
15 draw upon new sources of energy savings and opportunities to serve its  
16 customers with a diverse set of energy-saving opportunities. As in past  
17 energy efficiency plans, IPL's Plan includes a comprehensive portfolio of  
18 energy-efficiency programs, designed to offer a full range of energy-  
19 savings opportunities to its customers, while allowing IPL the flexibility to  
20 adjust to market conditions as they evolve, through changes in  
21 technology, energy costs, and customer preferences.

22 The result is a robust plan of electric and natural gas programs that  
23 seek to: capture new savings sources from hard-to-reach customer

1 sectors; streamline programs for increased operational efficiency; and  
2 expand efforts to identify the next generation of economic energy-savings  
3 potential from new savings sources.

4 **Q. What are the new programs included in the Plan?**

5 A. The Plan incorporates three new programs, designed to: serve new  
6 markets; provide additional services to markets already being served; or  
7 focus on new technologies. The new programs include:

- 8 1. A stand-alone Multifamily Program, designed to capture electric and  
9 natural gas efficiency potential available in the hard-to-reach  
10 multifamily housing sector;<sup>1</sup>
- 11 2. The Business Assessment Program, which includes three types of  
12 business assessments for a range of facility types and sizes, with a  
13 comprehensive lighting direct-install package, and technical support for  
14 the small business sector; and
- 15 3. A stand-alone Change-a-Light Program, which expands IPL's  
16 upstream lighting campaign to a year-round program, with a new focus  
17 on light-emitting diode (LED) lighting products.

18 **Q. What are the programs in the 2009-2013 EEP that will be excluded**  
19 **from the Plan?**

20 A. IPL's Plan eliminates two programs from its 2009-2013 EEP: Home  
21 Performance with ENERGY STAR® and Performance Contracting.

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<sup>1</sup> In addition to market barriers, such as first cost, which tends to affect participation in most energy-efficiency programs, so-called "split-incentives" represent a particular challenge to promoting energy efficiency in the multifamily rental market.

1           Additionally, IPL eliminated three Tree Planting Program outreach  
2           activities: Hometown Celebrations, Growing Kids...Growing Trees, and  
3           Industrial Parks.

4   **Q.   Why did IPL eliminate these programs from the Plan?**

5   A.   IPL made the decision to eliminate these programs for the following  
6       reasons:

- 7           • The programs demonstrated low cost-effectiveness;
- 8           • Customers demonstrated a lack of interest;
- 9           • IPL had limited external delivery support; and
- 10          • Elimination of these programs streamlined operations of the Plan  
11           as a whole.

12 **Q.   Is IPL continuing with its Renewables pilot program in the Plan?**

13 A.   Based on pilot program results, IPL will discontinue its renewable  
14       generation pilot (Renewables). IPL will continue to support customer  
15       installation of renewable technologies through: its tariff options,  
16       interconnection and power purchase agreements; and IPL's Business  
17       Resource Center (BRC). The BRC is an extension of IPL's Customer  
18       Service organization, which is responsible for all aspects of renewable  
19       generation projects, including:

- 20          • Pricing;
- 21          • Related costs;
- 22          • Regulatory compliance; and
- 23          • Technical and safety issues.

1           In addition, IPL will continue to educate customers on renewable  
2 generation through its website, customer newsletter *Alliant Energy™*  
3 *News*, and financial support of the Iowa Energy Center (IEC). The IEC is  
4 responsible for advancing Iowa's renewable energy use through  
5 transformative research, education, and demonstrations. IPL also will  
6 continue to offer a voluntary green-pricing program, Second Nature™,  
7 which allows residential and business electric customers to voluntarily  
8 support electricity generated from renewable resources. The program is  
9 Green-e® Energy-certified, with more than 15,700 customers contributing  
10 to purchases of renewable energy.

11 **Q. Does IPL intend to make revisions or introduce enhancements to its**  
12 **existing programs?**

13 A. In addition to the program changes described previously, IPL has made  
14 the following enhancements to several of its existing programs:

- 15 • Adding a comprehensive path in the Residential Home Energy  
16 Assessments Program. This provides a similar level of diagnostic  
17 testing and customized electric and natural gas efficiency  
18 recommendations previously available through the Home Performance  
19 with ENERGY STAR Program;
- 20 • Expanding and emphasizing available heating, ventilation and air  
21 conditioning (HVAC) system tune-ups through IPL's prescriptive  
22 programs;

- 1 • Adding new prescriptive measures to its residential, nonresidential,  
2 and agriculture sector programs; and
- 3 • Eliminating prescriptive incentives with historically low participation  
4 rates that do not achieve IPL's cost-effectiveness threshold, or that no  
5 longer offer sufficient incremental costs or economic potential to justify  
6 IPL's investment.

7 **Q. Please summarize the Plan's costs and saving targets.**

8 A. This Plan continues IPL's pursuit of effective electric and natural gas  
9 energy-efficiency programs in Iowa. IPL's Plan calls for a total investment  
10 of \$399 million overall, comprising energy efficiency (\$235 million), and  
11 demand response (\$135 million), and \$3 million for EM&V. More than  
12 \$335 million (84 percent)<sup>2</sup> of these investments will go toward direct  
13 customer incentives. Education, training, marketing, and ongoing  
14 operations account for the remainder of IPL's investment.

15 Plan investments are projected to produce cumulative electricity  
16 savings of 815 gigaWatt-hours (GWh) over the five-year horizon, or 163  
17 GWh per year, on average. These savings represent 5.57 percent of IPL's  
18 electric load forecast in 2018, or 1.13 percent per year, on average.  
19 Projected annual percent savings are slightly lower than the 2009-2013  
20 EEP's average annual savings target of 1.05 percent.

21 Plan implementation will result in 436 megaWatts (MW) of demand  
22 reduction, including 314 MW of annual peak-load reduction capability

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<sup>2</sup> IPL includes in its incentive calculations the costs of equipment and installation of free direct install measures provided to its customers.

1 through the Residential Direct Load Control (44.2 MW) and Nonresidential  
2 Interruptible programs (270 MW).

3 The Plan's natural gas energy-efficiency programs target nearly 12  
4 million therms of cumulative savings over five years, or about  
5 2.4 million therms per year. Expected natural gas savings represent  
6 approximately 4.4 percent of forecast natural gas sales in 2018, or  
7 0.88 percent of annual sales, on average. The projected annual natural  
8 gas savings relative to annual sales are slightly lower than the 2009-2013  
9 EEP's 1.1 percent targets.

10 **Q. What are the Plan's cost, societal benefits and potential economy-**  
11 **wide impacts?**

12 A. The Plan is expected to produce \$1.4 billion<sup>3</sup> in discounted cumulative  
13 societal benefits at a total discounted societal cost of \$423 million over the  
14 five-year planning horizon. A comparison of discounted life-cycle societal  
15 benefits and Plan costs indicates the Plan is cost-effective from a societal  
16 perspective, with a societal benefit-to-cost ratio of 2.5 to 1 (as shown in  
17 Table 1 below).

18 The Plan's demand response portfolio is projected to yield \$388  
19 million in societal benefits, at a discounted societal cost of \$123 million,  
20 resulting in a 3.1 to 1 benefit-to-cost ratio.

21 The Plan, once implemented, is expected to generate \$768 million  
22 in discounted direct benefits to participants in the form of lower energy

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<sup>3</sup> This figure is inclusive of avoided generation, transmission, and distribution costs and externality factors (10 percent for electricity savings, and 7.5 percent for natural gas savings, as prescribed in 199 IAC 35)

1 bills. These savings, coupled with direct expenditures, are expected to  
 2 generate significant statewide economic benefits once the Plan’s indirect  
 3 and induced economic impacts have been taken into account.

4 **Table 1. The Economic Performance of IPL’s Propose 2014–2018 EEP**

IPL Plan Investment (\$1,000)*	\$399,300
Cumulative Energy Savings	
Electricity Energy (MWh)**	814,750
Electric Demand (MW)	440
Natural Gas (1,000 therms)	11, 921
Discounted Cumulative (NPV) Societal Benefits (\$1,000)*	\$1,426,403
Discounted Cumulative (NPV) Societal Costs (\$1,000)*	\$572,560
Societal Benefit-to-Cost Ratio	2.49
Discounted Cumulative Benefits to Participants (\$1000)	\$767,876
* Includes \$3 million for EM&V.	
** Includes demand response.	

5

6 **Q. How do the Plan’s targets compare with the results of the 2014–2023**  
 7 **Assessment of Energy and Capacity Savings in Iowa (the**  
 8 **Assessment)?**

9 A. For electric service, the Assessment identified 3,295 GWh of economic  
 10 electric energy-efficiency potential over the Assessment’s 10-year  
 11 planning horizon, from 2014 to 2023, representing 21 percent of IPL’s  
 12 forecast load in 2023. The Assessment further found 85 percent of this  
 13 potential (18 percent of the 2023 forecast load) might be achievable under  
 14 an aggressive acquisition scenario, assuming utility incentives equivalent  
 15 to 100 percent of incremental measure costs, and participant’s access  
 16 to financing.

1           In September 2012, IPL asked The Cadmus Group, Inc., to conduct  
2 additional analysis of economic electric potential, using IPL’s lower electric  
3 avoided costs, filed on August 23, 2012, in Docket No. IAC-2012-1503.  
4 This analysis resulted in slightly lower electric economic savings potential  
5 of 3,100 GWh, equivalent to 20 percent of IPL’s forecast electric load in  
6 2023, compared with the 21 percent resulting from the initial study.<sup>4</sup>

7           Assuming the same aggressive scenario with an achievable  
8 potential proportion of 85 percent, results of the revised Assessment  
9 indicate a maximum achievable economic potential equal to 17 percent of  
10 IPL’s 2023 forecast load, translating into 1.7 percent per year. The Plan’s  
11 average electric saving target of 1.1 percent thus represents nearly 65  
12 percent of the maximum achievable potential identified in the Assessment.

13           The Assessment also identified nearly 62 million therms of  
14 economic natural gas potential, 65 percent (40.3 million therms) of which  
15 was projected achievable under an aggressive market scenario. The  
16 expected maximum achievable natural gas potential of 40.3 million therms  
17 represents 15 percent of IPL’s forecast 2023 load. Assuming an even  
18 annual acquisition rate, the identified economic potential translates to 1.5  
19 percent per year on average. The Plan’s average annual natural gas  
20 saving target of 0.9 percent thus represents 60 percent of the maximum  
21 achievable potential identified in the Assessment.

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<sup>4</sup> The revised analysis, however, resulted in a number of electric-efficiency measures failing the cost-effectiveness test from the societal perspective.

1 **Q. Are there circumstances that could potentially challenge IPL’s ability**  
2 **to realize the targets established in the Plan?**

3 A. Yes. The Plan’s electric and natural gas saving targets represent IPL’s  
4 best assessment of what is reasonably achievable, based on: Assessment  
5 results; IPL’s experience implementing the 2009-2013 EEP; and results  
6 achieved by successful energy-efficiency programs offered by other  
7 utilities.

8 The Plan’s projected electricity and natural gas savings represent  
9 aggressive targets, especially given a number of factors that may  
10 constrain energy-efficiency market potential. Among these factors are  
11 lower electric and natural gas avoided costs—driven by recent, dramatic  
12 decreases in natural gas prices—which will further reduce economic  
13 potential. IPL’s recent analysis of economic potential, using its avoided  
14 electric costs filed August 23, 2012, indicated a modest decline in overall  
15 electric economic potential. However, the analysis also found lower  
16 avoided costs have the effect of eliminating a number of marginally cost-  
17 effective measures in the residential and commercial sectors.

18 Regarding the natural gas component, further price declines will not  
19 only diminish economic potential, but will lead to lower fuel rates, which  
20 may result in a lack of interest in energy-efficiency among natural gas  
21 users.

22 Changes in equipment energy-efficiency standards are particularly  
23 affected by provisions of the 2007 Energy Independence and Security Act

1 (EISA), and by statewide adoption of more strict building energy codes (for  
2 example, the anticipated adoption of the 2012 International Energy  
3 Conservation Code [IECC] over the current IECC 2009 standards). These  
4 changes in standards will result in many measures failing the cost-  
5 effectiveness criteria provided in 199 IAC Chapter 35.

6 EISA's residential lighting provisions and uncertainties regarding  
7 EISA-compliant lighting technologies also pose significant uncertainties  
8 regarding the future potential for popular measures such as compact  
9 fluorescent lamps (CFLs), which have provided a significant source of  
10 electric savings in many utilities' energy-efficiency portfolios.

11 Finally, the success of any utility-sponsored, energy-efficiency  
12 program largely depends on consumers' willingness and ability to  
13 participate in the programs, which are, in turn, determined by a number of  
14 factors, such as awareness, information, and up-front costs. IPL's Plan  
15 incorporates many elements, such as education and, critically, financial  
16 incentives, designed to mitigate some barriers that may impede  
17 consumers' ability to adopt energy-efficient measures and behaviors.  
18 However, these measures cannot mitigate all barriers affecting a  
19 consumer's decision to participate in an energy-efficiency program.

## 20 ORGANIZATION AND COMPONENTS

21 **Q. How is the Plan organized?**

22 A. The Plan is organized into six chapters, plus a set of appendices.

23 The Chapters are as follows:

- 1                   1.   Executive Summary ;
- 2                   2.   Overview of the Plan;
- 3                   3.   Energy Efficiency Portfolio (Residential and
- 4                         Nonresidential);
- 5                   4.   Outreach, Education and Training Portfolio;
- 6                   5.   Demand Response Portfolio; and
- 7                   6.   Other Funding Initiatives (Legislative Assessment, EM&V,
- 8                         and Next Plan).

9                   The Appendices are as follows:

- 10                  A.   Customer Rate and Bill Impacts;
- 11                  B.   Collaborative Efforts;
- 12                  C.   Electric and Natural Gas Load Forecasts;
- 13                  D.   Electric Customer Class Load Profiles;
- 14                  E.   Electric Avoided Costs;
- 15                  F.   Natural Gas Avoided Costs;
- 16                  G.   IPL Technical and Economic Potential;
- 17                  H.   Volume 1: Assessment of Energy and Capacity Savings
- 18                         Potential in Iowa; and
- 19                  I.   Volume 2: Assessment of Energy and Capacity Savings
- 20                         Potential in Iowa.

21   **Q.   Please describe the Residential Energy Efficiency Portfolio.**

- 22   A.   Through its Plan, IPL will continue to offer its existing residential-sector
- 23         energy-efficiency programs, namely Residential Prescriptive Rebates,

1 Home Energy Assessments, Appliance Recycling, and New Home  
2 Construction. The residential portfolio also provides a broad range of  
3 services, tailored to the needs of IPL's low-income customers; these  
4 services include: Weatherization; Multifamily and Institutional Efficiency  
5 Improvements; EnergyWise Education<sup>®</sup>; and Home Energy Savers.

6 IPL promoted these residential programs during its 2009–2013  
7 EEP, and they contributed to IPL's energy savings. From 2009 to 2011,  
8 programs in the residential portfolio generated over 194,500 MWh of  
9 electric and more than 6 million therms of natural gas savings. Electric  
10 energy savings achieved during the 2009–2013 EEP's first three years  
11 represent, on average, annual reductions of 12 MW of peak capacity. IPL  
12 plans to continue marketing these residential programs to meet its savings  
13 targets in the 2009-2013 EEP.

14 IPL proposes to expand its existing residential portfolio by offering  
15 two new programs: the Change-a-Light Program; and the Multifamily  
16 Program. Change-a-Light expands, formalizes, and emphasizes IPL's  
17 successful upstream lighting program, historically offered as a seasonal  
18 component in its Residential Prescriptive Rebates Program. The program  
19 will offer standard and specialty ENERGY STAR CFL and LED lighting  
20 products, using a simple, upstream incentive mechanism.

21 Additionally, IPL plans to offer a program to address the unique  
22 needs of multifamily property owners, property managers, and landlords.  
23 This new Multifamily Program seeks to address barriers associated with

1 this difficult-to-reach market by offering a comprehensive suite of energy-  
2 efficiency services for existing multifamily properties and construction of  
3 new multifamily buildings.

4 **Q. Please describe the Nonresidential Energy Efficiency Portfolio.**

5 A. Five main programs compose the nonresidential portfolio, offered to IPL's  
6 business customers: Nonresidential Prescriptive Rebates; Custom  
7 Rebates; Commercial New Construction; Business Assessments; and  
8 Agricultural Sector programs. A host of ancillary services support these  
9 programs, focusing on information, education, and technical resources,  
10 such as: facility energy assessments; web-based calculators; and trade  
11 ally education. IPL also offers customer assistance through its Business  
12 Resource Center (BRC).

13 IPL promoted these nonresidential programs during its 2009–2013  
14 EEP and they contributed to IPL's energy savings. From 2009 to 2011,  
15 programs in the nonresidential portfolio have generated: over 325,000  
16 MWh of electric savings; and more than 5.5 million therms of natural gas  
17 savings. Electric energy savings achieved during the 2009–2013 EEP's  
18 first four years represent, on average, annual reductions of 19 MW of peak  
19 capacity.

20 IPL will continue to offer these programs to meet its savings target  
21 in the Plan. IPL estimates higher saving targets may be achieved through  
22 strategies integrating several tactics, including: more targeted marketing;  
23 expanding the Energy Efficiency Dealer Network; revised incentives;

1 focusing on the most cost-effective measures that indicate significant  
2 economic potential; and adding the new, stand-alone Business  
3 Assessments Program. Additionally, IPL expects to enhance savings  
4 opportunities from individual projects by streamlining its portfolio through  
5 consolidating similar services and by continuing to promote a system-  
6 based rather than a technology-based approach to delivering energy-  
7 efficiency measures, in both the commercial and industrial sectors.

8 **Q. Please describe the Demand Response Portfolio.**

9 A. IPL's Demand Response Portfolio serves two important objectives:

- 10 1. Provides IPL with a flexible means of managing its peak load; and
- 11 2. Affords IPL's customers an opportunity to reduce their energy bills  
12 by responding to critical peak load conditions or periods of high  
13 energy prices.

14 IPL currently offers a Residential Direct Load Control Program  
15 (appliance cycling) and a Nonresidential Interruptible Program. The  
16 Nonresidential Interruptible Program is offered to commercial and  
17 industrial customers able to curtail a minimum of 200 kilowatts (kW) of  
18 load. By the end of 2011, IPL had approximately 300 MW of peak demand  
19 load control available between the two programs. IPL intends to continue  
20 operating these mature programs, and to maintain enrollment levels.

21 **Q. Please describe the Outreach, Education and Training (OET)**  
22 **Portfolio.**

1 A. Information, energy education, training and outreach to customers, trade  
2 allies, and communities are integral to IPL's continuous improvement  
3 process for managing its energy-efficiency portfolio and marketing its  
4 program offerings. The Plan incorporates a wide-range of non-program-  
5 specific initiatives, seeking to raise general public awareness about  
6 energy efficiency, along with targeted education and training,  
7 complementing the incentive programs. Dissemination of information,  
8 customer education, and training provide effective means of promoting  
9 energy efficiency through behavior modification, which can lead to  
10 appreciable market transformation.

11 **IMPLEMENTATION, ACTIVITY TRACKING,**  
12 **QUALITY ASSURANCE, AND EM&V**

13 **Q. When does IPL propose to implement this Plan?**

14 A. IPL proposes implementing this Plan on January 1, 2014, a schedule  
15 predicated on a Board decision being issued in this proceeding by early in  
16 the fourth quarter of 2013.

17 **Q. What measures will IPL implement to ensure proper tracking and**  
18 **quality assurance?**

19 A. IPL will continue to utilize the Tool for Reporting Energy Efficiency  
20 Services (TREES), its energy-efficiency tracking system, for monitoring  
21 and reporting activities under the Plan. TREES will provide the  
22 infrastructure for: ongoing quality assurance; documenting program  
23 activities and accomplishments; and preparing required quarterly and  
24 annual reports.

1 **Q. What are IPL's plans for evaluating the programs included in the**  
2 **Plan?**

3 A. IPL will develop EM&V plans for each program, upon approval of the Plan.  
4 Evaluation plans will assess effectiveness of program implementation  
5 processes (process evaluation) and verification of savings (impact  
6 evaluation).

7 EM&V plans will be conducted by an independent third-party  
8 evaluator, who will be selected through a competitive bidding process. IPL  
9 will work closely with the other investor-owned utilities (IOUs) and non-  
10 utility stakeholders, particularly the Office of Consumer Advocate, to  
11 explore opportunities for joint evaluations, or other special studies that  
12 may benefit all three IOUs' portfolios. Such joint evaluations could  
13 potentially create consistency, facilitate comparison of results, and  
14 produce cost savings.

15 **Q. Please describe how the costs of implementing the Plan will be**  
16 **recovered and its impact on rates.**

17 A. IPL will recover approved contemporaneous expenditures of its Plan  
18 through an automatic adjustment mechanism per 199 IAC 35.12. Energy  
19 Efficiency Cost Recovery (EECR) factors are reconciled annually for each  
20 customer class. The EECR tariff is filed annually and reflects changes in  
21 the factors. Costs are reconciled on a calendar year basis with new factors  
22 going into effect after Board approval to commence billing the new factors,

1 coinciding with the start of the second quarter. The factors are included  
2 with the energy charge rate on customer bills.

3 **Q. Does this conclude your prepared direct testimony?**

4 A. Yes.

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<b>IN RE:</b>  <b>INTERSTATE POWER AND LIGHT COMPANY</b>	<b>DOCKET NO. EEP-2012-0001</b>
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AFFIDAVIT OF  
JEANINE A. PENTICOFF

STATE OF IOWA                    )  
  ) ss.  
COUNTY OF LINN                )

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

/s/ Jeanine A. Penticoff  
Jeanine A. Penticoff

Subscribed and sworn to before me,  
a Notary Public in and for said County  
and State, this 15<sup>th</sup> day of November, 2012.

/s/ Kathleen J. Faine  
Kathleen J. Faine  
Notary Public  
My commission expires on February 20, 2015