



May 5, 2005

Mr. Jonathan Passe
ENERGY STAR® Homes Program
US Environmental Protection Program
1200 Pennsylvania Avenue NW
6202J
Washington, DC 20460

Interstate Power and Light Co.
An Alliant Energy Company

Corporate Headquarters
Alliant Tower
200 First Street SE
P.O. Box 351
Cedar Rapids, IA 52406-0351

Office: 1.800.822.4348
www.alliantenergy.com

Dear Mr. Passe:

Alliant Energy-Interstate Power and Co. (IP&L) thanks the Environmental Protection Agency (EPA) for the opportunity to comment on the proposed new guidelines for ENERGY STAR Qualified Homes in 2006. IP&L applauds the EPA's efforts to increase the efficiency of new homes and respectfully offers several comments that we believe will improve program participation in Iowa if addressed.

Background

IP&L is an investor-owned utility company headquartered in Cedar Rapids, Iowa, providing electricity and natural gas to approximately 282,000 customers throughout Iowa. From 2000-2004, IP&L rewarded 4,184 customers \$6,510,000 for building energy efficiency into their new homes, saving 8,434,000 kWh and 718,000 therms. In 2004, IP&L changed its New Home Construction program to incorporate the ENERGY STAR specifications. Since the beginning of 2005, 327 homes have been certified as ENERGY STAR homes, paying out \$613,000 and saving 1,127,000 kWh and 46,000 therms.

Comments

Barriers to Program Participation

1. The "right-sized" HVAC equipment requirement will be met with resistance from participants. Although there are some dealers who routinely use proper sizing methods such as Manual S, D and J, there are other smaller-sized dealers who use other methods or software to determine proper sizing. How and who will be responsible for enforcing this requirement? Will the EPA require that a printout of the Manual S, D and J results accompany IP&L's rebate claim form or will the dealer's signature acknowledging that the proper sizing methods were utilized suffice?
2. The Thermal Bypass Inspection Checklist will be another barrier to program participation and increase program administration costs. Currently, builders do not contact IP&L until the home is ready for final inspection, implying that all energy-efficiency measures have been installed. As such, for the Thermal Bypass Inspection Checklist to be completed,

builders must contact us prior to installing sheetrock, showers, fireplaces, etc. so that the insulation inspection can be completed. This will create a burdensome situation for the builder. In addition, adding the checklist will require a minimum of two site visits to each home to meet program compliance. This will double the cost for the verification of the home and create scheduling issues for both the builder/homeowner and verifier.

Energy-Efficiency Minimums are too Low

1. The 13 SEER minimum is set too low. If the industry standard is changing to 13 SEER January 1, 2006, why should IP&L reward customers for installing the industry standard? IP&L would like to see this set at 14 SEER.
2. Many of the HVAC minimums (ENERGY STAR qualified) that the EPA is proposing for the new program are lower than what IP&L currently requires for its existing program. Examples include specifications for gas furnaces, ground source heat pumps, boilers and water heaters. So as not to lose momentum and create marketplace confusion, IP&L does not want to revert back to less efficient and different standards than what we are currently requiring.

Recommendations

IP&L would like to work with ENERGY STAR and the two other investor-owned utilities in Iowa, MidAmerican Energy and Aquila, to model an approach that is specific to the needs of the Iowa marketplace and meets ENERGY STAR's energy-saving goals.

A critical success factor related to program participation is builder acceptance. Speaking from recent experience, builders are experiencing frustration with the program changes we implemented just last year when IP&L adopted ENERGY STAR standards. We anticipate that the new program will be met with much resistance because of the short time frame, questionable changes and lack of detail. IP&L works with builders on a daily basis and the program must be outlined in a format that is straightforward and specific. As the program is presented today, there remain many questions.

IP&L values ENERGY STAR, its brand recognition with customers and its efforts to heighten energy awareness among customers. However, if changes are not made to address the concerns and issues briefly outlined above, IP&L will seriously re-evaluate continuing to offer the ENERGY STAR program and consider reverting back to our own program.

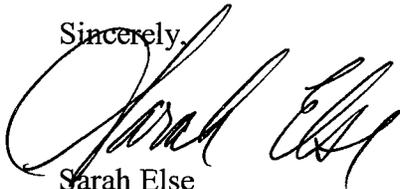
IP&L supports taking the next steps of working with the EPA to address these questions and to offer a consistent and cost-effective ENERGY STAR New Home Construction Program among the Iowa utilities.

The changes made should be well defined and streamlined; implemented in a time frame that allows builders, dealers, homeowners and IP&L adequate time to incorporate applicable

changes; and flexible, where appropriate, to accommodate situational differences without sacrificing targeted energy savings and cost effectiveness.

To discuss further, please feel free to contact Kim King at (319) 786-7649 or me directly. I look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read "Sarah Else". The signature is fluid and cursive, with the first name "Sarah" being larger and more prominent than the last name "Else".

Sarah Else

Director-Energy Efficiency Programs & New Product Development
(319) 786-7722
sarahelse@alliantenergy.com

SE/kgk

cc: Gordon Dunn, Iowa Utilities Board
Jennifer Easler, Office of Consumer Advocate
Chris Cloutier, D&R International
Rick Leuthauser, MidAmerican Energy
Matt Daunis, Aquila