

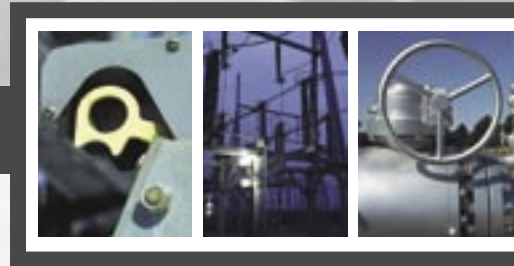
2005

Efficiency

for

Tailored

Custom Rebates



We're on for you.™

At Alliant Energy-Interstate Power and Light Co. (Alliant Energy-IP&L), we are committed to helping our customers manage their energy needs by reducing usage and increasing efficiency. Through our Custom Rebates program, we offer **cash incentives** to customers who invest in high-efficiency products and equipment. Let us ensure that your next project is Tailored for Efficiency.



Customer eligibility

Custom rebates are available to retail electric and/or natural gas commercial, industrial and agricultural customers of Alliant Energy-IP&L in Iowa. To qualify, energy-efficiency projects must be located within the Alliant Energy-IP&L Iowa service territory (see map).

Eligible projects

Custom rebates are generally offered for **retrofit** and **replacement** projects.

Energy-efficient equipment installed as part of a **new construction** project may still qualify for the Custom Rebates program. However, for new construction projects we encourage you to consider our Commercial New Construction program, which provides free energy design assistance and cash incentives to owners and developers who build energy efficiency into their projects—before construction begins.

Service territory



To verify that your project is located in the Alliant Energy-IP&L service territory, please contact your account manager or call 1-866-ALLIANT.

Establishing a project's baseline and calculating a rebate are not always simple tasks. In addition, not all projects qualify for an incentive, and the Custom Rebates program is subject to change without notice. Before making a commitment to proceed with a project, pre-approval must be obtained from your Alliant Energy-IP&L representative.

Eligible equipment

Custom rebates are offered on a variety of high-efficiency measures including:

- Compressed air systems
- Energy management control systems
- Heating and cooling systems
- Lighting fixtures and controls
- Pipe insulation
- Processing equipment
- Refrigeration systems
- Variable frequency drives
- Ventilation systems
- Waste heat recovery systems
- Other equipment that uses electricity or natural gas supplied by Alliant Energy-IP&L

Only new equipment and used equipment under warranty will be considered for the program.

Benefits

In addition to the financial advantages of our Custom Rebates program, customers may also benefit from the following services:

- An on-site assessment by your Alliant Energy-IP&L representative and/or technical consultant
- Recommendations for energy improvements
- Equipment installation review

Incentive calculation

Before installing a project, please consult with your Alliant Energy-IP&L representative who will establish baseline information and calculate your estimated incentive.

Incentives are paid after the project is completed, and in most cases, are equal to 150 percent of the annual energy dollar savings. However, for some customers, the incentive is capped at 6 cents per kilowatt-hour (kWh) for the electrical portion of the incentive.*

The program requires a minimum two-year payback after incentive. This is referred to as “Net Payback” in the following formula:

$$\frac{\text{PROJECT COST} - \text{INCENTIVE}}{\text{ANNUAL ENERGY DOLLAR SAVINGS}} = \text{NET PAYBACK}$$

In other words, to earn an incentive, the net payback for the project must be two years or longer.

Annual energy dollar savings are equal to the estimated savings you will see on your utility bill. If additional energy-consuming equipment is installed in the facility, the savings from any given project may not be apparent on your utility bill.

Baseline guidelines

For a **retrofit or replacement** project, the baseline used to calculate a custom rebate is generally the energy usage for the equipment being replaced. Energy dollar savings for retrofit and replacement projects are actual savings as calculated within the following guidelines:

- New equipment must meet minimum efficiency levels and **be pre-approved by Alliant Energy-IP&L.**
- Savings resulting directly from reduced production or shutdown are not eligible.
- The baseline for replacing inoperable or worn equipment is the energy consumption of the equipment in its original condition.
- Projects must demonstrate permanency or sustainability of savings.
- Savings when production levels change shall be calculated based on a per-unit energy consumption before and after implementation.

The baseline for a **new construction** custom rebate project varies by equipment type. Your Alliant Energy-IP&L representative can assist you in determining your project’s eligibility.

* The incentive for custom rebates is capped at 6 cents per kilowatt-hour (kWh) for customers on a demand tariff. To determine if you are on a demand tariff, please contact your Alliant Energy-IP&L representative.

Ineligible projects

Equipment powered by **renewable energy sources**, such as wind and biomass, is not eligible for the Custom Rebates program.

Energy savings associated with **fuel switching** are also ineligible for the Performance Contracting program. Fuel switching is defined as changing the power source for an existing function or process, such as switching from a gas-powered furnace to an electric-powered geothermal system.

Questions

Our Custom Rebates program could be your first step to developing a successful energy management strategy for your business. Participation is simple. Contact your Alliant Energy-IP&L representative to determine which technology or equipment can most improve your business.

Let us ensure that your next project is Tailored for Efficiency. To learn more, contact your account manager, agribusiness representative or the Business Resource Center at **1-866-ALLIANT (1-866-255-4268)**. For more information, you can also visit www.alliantenergy.com/customrebates.

Alliant Energy-IP&L does not guarantee that the installation of high-efficiency equipment will result in reduced usage or demand or in cost savings. The manner in which a customer uses and maintains energy-efficient equipment affects potential cost savings. Alliant Energy-IP&L makes no warranties, expressed or implied, with respect to any equipment purchased and/or installed, including, but not limited to, any warranty of merchantability or fitness for a particular purpose. In no event shall Alliant Energy-IP&L be liable for any incidental or consequential damage.

Products and services from Alliant Energy-IP&L detailed here are offered to retail customers of Alliant Energy-IP&L in Iowa. Alliant Energy-IP&L reserves the right to cancel or change programs at any time.



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