

Exhibit No.:  
Issues: Schedule of DSM programs  
Witness: Adam Bickford  
Sponsoring Party: Missouri Department of  
Natural Resources –  
Division of Energy  
Type of Exhibit: Rebuttal Testimony  
Case No.: ER-2010-0355

**REBUTTAL TESTIMONY**  
**OF**  
**ADAM BICKFORD**  
**MISSOURI DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION OF ENERGY**

December 8, 2010

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

**KANSAS CITY POWER AND LIGHT (KCP&L)**

**RATE CASE**

**CASE NO. ER-2010-0355**

**\*\*DENOTES HIGHLY CONFIDENTIAL INFORMATION\*\***

Exhibit No. KCPL603  
Date 1/18/11 Reporter LMB  
File No. ER-2010-0355



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

2 A. My name is Adam Bickford. My business address is Missouri Department of  
3 Natural Resources, Division of Energy, 1011 Riverside Drive, P.O. Box 176,  
4 Jefferson City, Missouri 65102-0176.

5 **Q. Are you the same Adam Bickford who filed Direct Testimony on behalf of**  
6 **the Missouri Department of Natural Resource, Division of Energy**  
7 **previously in this case?**

8 A: Yes, I am.

9 **Q. On whose behalf are you testifying?**

10 A. I am testifying on behalf of the Missouri Department of Natural Resources  
11 ("MDNR"), an intervenor in these proceedings.

12 **Q. What is the purpose of your rebuttal testimony in these proceedings?**

13 A. The purpose of my rebuttal testimony is to comment on Tim Rush's description  
14 of KCP&L's DSM portfolio in his direct testimony in this case as that relates to  
15 MDNR's concerns that the Commission act to continue KCP&L's programs  
16 between the conclusion of the current rate case and KCP&L's submission of a  
17 Demand Side Investment Mechanism ("DSIM") as anticipated by the Missouri  
18 Energy Efficiency Investment Act ("MEEIA") rules.

19 **Q: How has Tim Rush described KCP&L's DSM Portfolio in this case?**

20 A.: In his direct testimony, Mr. Rush, described fourteen DSM programs  
21 authorized under KCP&L's 2005 Regulatory Plan<sup>1</sup>. He made the following

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<sup>1</sup> *In the Matter of a Proposed Experimental Regulatory Plan of Kansas City Power & Light Company*, Missouri Public Service Commission Case No. EO-2005-0329

1 comments about KCP&L's DSM programs in light of the completion of its  
2 regulatory plan:

3 ... the structure of the Regulatory Plan, and the fact that many of these  
4 programs were authorized using the supporting budget information from  
5 the Plan, some even including annual budget amounts within the tariffs,  
6 raise questions about the status of these programs once the five-year  
7 period for each or the Regulatory Plan expires, or when the budgeted  
8 amounts for the programs have been spent. It is the Company's hope that  
9 with the establishment of a rulemaking that adequately provides recovery,  
10 all of the programs currently in the portfolio will become permanent. (Page  
11 25, Lines 7-13)  
12

13 MDNR has reviewed the tariffs that authorize each of the DSM  
14 programs authorized by KCP&L's regulatory plan to understand the  
15 relationship of program expiration dates, as specified in the tariffs, and the  
16 regulatory plan (see Schedule AB2010-1R). These dates, along with Mr.  
17 Rush's comments above, raise concerns about whether KCP&L will continue  
18 its DSM programs after the conclusion of this rate case.

19 **Q: Please explain your concerns.**

20 A: In his direct testimony, Mr. Rush explained that KCP&L is waiting for the  
21 finalization of the MEEIA rules before proposing any changes to its current cost  
22 recovery structure (Rush: Page 26, Lines 12 to 22). As described in my direct  
23 testimony in this case, there is uncertainty as to date of issuance of the final  
24 rule and implementation date of the MEEIA rules

25 The completion of KCP&L's current rate case will mark the end of its  
26 regulatory plan, the agreement behind KCP&L's current DSM portfolio. This  
27 plan had an effective term of five years. Our review of the tariffs authorizing  
28 KCP&L's programs shows that half of these programs have a term of five or  
29 fewer years. For example, KCP&L's lighting program (called "Change a Light"

1 between 2005 and 2008 and "Lighting the Future" in 2009) is constructed as a  
2 set of single-year tariffs. Another example is the MPower program, which was  
3 approved in 2006, and has a term of five years, suggesting that this program  
4 could expire in 2011. KCP&L could easily file tariffs seeking to stop this  
5 program after the end of the regulatory plan.

6 The combination of the completion of KCP&L's regulatory plan, the  
7 potential expiration of particular programs, and the expected delay in the  
8 implementation of the MEEIA rules increases the likelihood that KCP&L  
9 customers will face a period with no energy efficiency programs available to  
10 them.

11 **Q: In his Direct Testimony, Mr. Rush mentions that the current state of cost**  
12 **recovery policies "raise questions about the status of these programs**  
13 **once the five-year period for each or the Regulatory Plan expires, or**  
14 **when the budgeted amounts for the programs have been spent." Do you**  
15 **have any concerns about the availability of program funds?**

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A: In my direct testimony I presented a summary of KCP&L DSM portfolio expenditures over the five year period of the regulatory plan presented at KCP&L's February 17, 2010 CPAG meeting. That summary showed that, for the portfolio as a whole, KCP&L has spent \*\* [REDACTED] \*\* of its budgeted funds.<sup>2</sup> This percentage varies by program. New construction programs have spent less of their budget than retrofit and lighting programs.

\*\* [REDACTED]

[REDACTED]

[REDACTED].\*\* These figures

indicate three points: first, KCP&L has not yet reached a point where its "budgeted amounts have been spent"; second, KCP&L has been proactive in adjusting its funding levels to meet customer demand for services; and third, although all funds will not be spent by the conclusion of KCP&L's regulatory plan, it is reasonable to anticipate that all budgeted funds will be exhausted in the next few years. This underscores the need to address KCP&L's continued implementation of its DSM portfolio during the anticipated gap between the end of the current rate case and the establishment of KCP&L's DSIM.

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<sup>2</sup> See Bickford Direct, Schedule AB2010-2. Case No. ER-2010-0355.

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2 **Q: Are any of KCP&L's DSM programs meeting or exceeding their five-year**  
3 **energy savings goals?**

4 A: As shown in schedule AB2010-2 of my direct testimony, many of KCP&L's  
5 DSM programs have met or are exceeding their five-year savings goals. As  
6 seen in Schedule AB2010-2R<sup>3</sup>, KCP&L's demand response programs  
7 (MPower and "Energy Optimizer") have met or exceeded their performance  
8 and participation goals, despite KCP&L's decision to limit subscription to its  
9 commercial curtailment program (MPower) in 2009.

10 At least three of KCP&L's energy efficiency programs have customer  
11 participation and savings levels that exceed the utility's expectations. The C&I  
12 Custom Rebate—Retrofit program has consistently saved more energy than  
13 expected. The Cool Homes program (which provides tune-ups to air  
14 conditioning units) has had more participants than expected every year but  
15 2008.

16 The Home Performance with Energy Star program is a unique case that  
17 illustrates KCP&L's work to find partners and modify the program design to  
18 build a successful residential program. This program was not part of the  
19 portfolio agreed to in the regulatory plan. Nevertheless, KCP&L has worked  
20 with trade allies and with Missouri Gas Energy to match appropriate levels of  
21 incentives with an effective program design to create a program that saw its

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<sup>3</sup> Schedule AB2010-2R combines information from a series of Strategic Infrastructure Investment Status Reports filed by KCP&L as part of EO-2005-0329, the original Appendix C of the stipulation and agreement to EO-2005-0329, and the materials from MDNR Data Request DNR001. The results of this compilation do not necessarily reflect the data summarized in Schedule AB2001-2, due to the different data sources used in each schedule.

1 participation increase from 27 homes in the second quarter of 2009 to 718  
2 homes by the end of the third quarter of 2010.

3 Schedule AB2010-2R shows a population of customers participating in,  
4 and realizing benefits from, KCP&L's DSM portfolio. All of the available  
5 evidence suggests that customer interest in these programs has increased  
6 since 2005, and there is no evidence to suggest that customers will become  
7 less interested in realizing the benefits that these programs offer. We believe  
8 that KCP&L's customers should continue to have the opportunity to benefit  
9 from these programs, regardless of any existing regulatory plan or state policy.

10

11 **Q: What steps can the Commission take to prevent this potential situation?**

12 A: MDNR believes that the Commission should direct KCP&L to follow the intent  
13 of the MEEIA legislation, "to implement commission-approved demand-side  
14 programs ... with a goal of achieving all cost-effective demand-side savings".<sup>4</sup>

15 This would entail expanding its existing portfolio of DSM programs to include  
16 and continue all cost-effective DSM programs until the MEEIA rules are  
17 implemented and KCP&L files and the commission approves its DSM plan and  
18 an accompanying DSIM. KCP&L should expand the funding available for DSM  
19 programs in order to serve the existing demand for energy efficiency.

20 **Q: Does this conclude your testimony?**

21 A.: Yes. Thank you.

22

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<sup>4</sup> Section 393.1124, RSMo, Paragraph 4.

**Schedule AB2010-1R: KCP&L DSM Tariffs filed to implement programs in EO-2005-0329**

Program Type	Customer Class	Year	Program	Filed	Approved	PSC Tariff Number	Version	Tariff Sheet	Authorized Length (Years)
Affordability	Residential	2005	Low Income Weatherization	11/1/2005	12/1/2005	7	Second	43H	Not Specified In Tariff
Demand Response	Residential	2005	Energy Optimizer	9/14/2005	10/14/2005	7	First	43F	3
Energy Efficiency	Residential	2005	Change a Light (2005)	9/1/2005	10/1/2005	7	First	43E	1
Energy Efficiency	Residential	2005	Home Energy Analyzer	11/21/2005	12/21/2005	7	Original	43J	Not Specified In Tariff
Demand Response	C&I	2006	Mpower	1/20/2006	3/8/2006	7	Fifth	21	5
Energy Efficiency	C&I	2006	Business Energy Analyzer	1/12/2006	2/12/2006	7	Original	43J	Not Specified In Tariff
Energy Efficiency	C&I	2006	C&I Audit Rebate	5/30/2006	7/10/2006	7	First	43L	5
Energy Efficiency	C&I	2006	C&I Custom Rebate – Retrofit and New Construction	5/30/2006	7/10/2006	7	First	43D	Not Specified In Tariff
Energy Efficiency	Residential	2006	Change a Light (2006)	9/1/2006	9/28/2006	7	Second	43E	1

Source: Kansas City Power & Light Company Strategic Infrastructure Investment Status Report, Third Quarter 2010 and Kansas City Power and Light tariff filings, 2005 to 2010.



Program Type	Customer Class	Year	Program	Filed	Approved	PSC Tariff Number	Version	Tariff Sheet	Authorized Length (Years)
Affordability	Residential	2007	Affordable New Homes	1/12/2007	2/6/2007	7	Original	43P	Not Specified In Tariff
Energy Efficiency	C&I	2007	Building Operator Certification	1/2/2007	2/2/2007	7	Original	43N	Not Specified In Tariff
Energy Efficiency	Residential	2007	Cool Homes	2/28/2007	3/30/2007	7	Original	43Q	5
Energy Efficiency	Residential	2007	Change a Light (2007)	8/30/2007	9/30/2007	7	Third	43E	1
Energy Efficiency	Residential	2008	Home Performance w/ENERGY STAR®	12/17/2007	1/23/2008	7	Original	43T	5
Energy Efficiency	Residential	2008	ENERGY STAR® New Homes	3/7/2008	4/6/2008	7	First	43X	5

**HC**

**Schedule AB2010-2R: Summary of participation and energy savings for select KCP&L DSM programs, 2006-2010**

**\*\*Highly Confidential in its entirety\*\***

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Application of Kansas City )  
Power and Light Company for Approval to Make )  
Certain Changes to its Charges for Electric )  
Service to Continue the Implementation of its )  
Regulatory Plan )

Case No. ER-2010-0355

**AFFIDAVIT OF ADAM BICKFORD**

**STATE OF MISSOURI** )

)SS


**CITY OF JEFFERSON** )

Adam Bickford, of lawful age, being duly sworn on her oath, deposes and states:

1. My name is Adam Bickford. I work in the City of Jefferson, Missouri, and I am employed by the Missouri Department of Natural Resources' Division of Energy as a Research Analyst.
2. Attached hereto and made a part hereof for all purposes are Highly Confidential and Public versions of my Rebuttal Testimony on behalf of the Missouri Department of Natural Resources' Division of Energy, consisting of six pages of testimony and five pages of schedules in the Highly Confidential version and six pages of testimony and three pages of schedules in the Public version, all of which have been prepared in written form for introduction into evidence in the above-referenced docket.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge.

  
Adam Bickford

Subscribed and sworn to before me this 24<sup>th</sup> day of December, 2010.

  
Notary Public

My commission expires: 3-7-2011

