BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Kansas City Power & Light Company's Notice of Intent to File an Application for Authority to Establish a Demand-Side Programs Investment Mechanism	))))	File No. EO-2019-0132
In the Matter of KCP&L Greater Missouri Operations Company's Notice of Intent to File an Application for Authority to Establish a Demand-Side Programs Investment Mechanism	))))	File No. EO-2019-0133

POSITION STATEMENT OF KANSAS CITY POWER AND LIGHT COMPANY AND KCP&L GREATER MISSOURI OPERATIONS COMPANY

COMES NOW Kansas City Power & Light Company ("KCP&L") and KCP&L Greater Missouri Operations Company ("GMO") (collectively, the "Company"), and hereby submits it Position Statement for the issues contained in the List of Issues filed on September 17, 2019:

INTRODUCTION

The Company has presented a MEEIA Cycle 3 portfolio that is very similar to successful programs in the previous two MEEIA cycles. In presenting our MEEIA Cycle 3 portfolio, we sought continuity for customers—putting forward similar programs and a similar overall budget. We took into account direct feedback from our customers and our experience from the previous two MEEIA cycles, what worked well and what needed modification. We also sought input from Staff and stakeholders at every single step of preparing our MEEIA Cycle 3 portfolio. The operating environment and capacity positions of the Company are largely unchanged from previous cycles. Once we made our filing, Staff applied the MEEIA statute language, rules and prior Commission orders differently in its review of the Company's proposed MEEIA Cycle 3 portfolio. Staff's application presents a significant departure from the successful past of MEEIA programs in the state. Staff argues that the Company's MEEIA Cycle 3 application should not be

approved because 1) the programs do not provide benefits to all customers in the customer class, regardless of participation; and 2) the programs do not value demand-side investments equal to traditional investments in supply and delivery infrastructure in delivering cost-effective demand-side programs.

For all the reasons stated herein and in the Company's testimony and reports, the Commission should reject this short-sighted position. Staff's position does not represent tweaks to their previous positions in MEEIA Cycle 1 and MEEIA Cycle 2. Staff's position is a complete and total departure from what made the first two MEEIA cycles successful, and a dramatic re-interpretation of the MEEIA statute, Commission rules and prior Commission orders. It threatens to destroy the hard-won benefits, vendor network and installed capacity that the Company has developed throughout our Missouri service territories over the last seven years. Instead, the Commission should approve the Company's MEEIA 3 programs as filed.

Staff's positions are inconsistent with the MEEIA statute, how the Commission's IRP and MEEIA rules have been previously applied, are at odds with one another, and with previous Commission orders regarding MEEIA. Staff's position will effectively prevent the Company from implementing several of the least cost options from our IRP; Commission adoption of these Staff positions would thwart the use of demand-side programs that would otherwise lower the overall cost of providing retail electric service in the State of Missouri, leaving the Company no choice but to rely exclusively on supply-side resources to meet the long-term electricity needs of its Missouri customers. Staff is advocating for a less environmentally friendly and more costly approach to providing Missouri customers with electricity. Such a result would be inconsistent with the objectives policymakers in the legislative and executive branches sought to obtain through MEEIA. It is inconsistent with the cost-effective success these programs have previously provided

and it would start moving demand-side management in Missouri on a regressive path back to where it started prior to MEEIA.

LIST OF ISSUES

1. Should the Commission approve, reject, or modify the Company's MEEIA Cycle 3 Plan ("MEEIA 3"), along with the waivers in the Company's application intended to enable its implementation?

Company Position: The Commission should approve the Company's MEEIA 3 along with the waivers in the Company's application. The Company has demonstrated through the IRP analysis that demand-side management investments consistently lower the net present value of revenue requirements and the Company's proposed portfolio as filed is TRC cost effective as a whole. KCP&L has over a 10-year history in developing, implementing and providing successful demand-side management (DSM) programs to its customers. During this time, the Company has demonstrated continued success with its customers, and also developing innovative programs that are leading in the industry. As explained by Company Witness Brian File, with each successive portfolio filing, based on customer research and confirmed by evaluation, measurement and verification (EMV) results, KCP&L has evolved its programs such that all customers may save money and energy. Programs are designed such that all customers can participate in some manner – whether they are low income, single family home owners, multi-family dwellers, elderly or small or large businesses. While Staff is arguing that every individual customer should benefit from DSM programs under MEEIA, the Company cautions that imposition of this interpretation of the MEEIA statute by Staff may lead to a significant detriment to customers as a whole by effectively precluding the ability to approve and implement any meaningful DSM programs under MEEIA. Further, even if it were possible to show that programs benefit

customers at the individual level, it would create such burdensome and costly regulatory requirements that KCP&L would spend more time trying to comply with the imposition of numerous new measures and requirements and less time developing, marketing and administering successful programs. Staff does not argue that previous programs were not successful nor that they did not benefit participating and non-participating customers. Rather, Staff has supported this finding for the past seven years for the very programs they now call suspect. Finally, we are not aware of one regulatory framework in Missouri that has the requirement to show that every customer or citizen of the state must benefit at an individual level in order to approve a program or regulatory rule.

For all of the stated reasons, the Commission should approve the Company's MEEIA Cycle 3 along with its requested waivers.

a. If MEEIA 3 should be modified, how should the plans be modified?

Throughout its Surrebuttal Report, the Company has identified numerous modifications suggested by Staff and other parties that would be acceptable to the Company for a voluntary MEEIA portfolio. As examples (although not all-inclusive), the Company has mentioned the following modifications and other concessions:

(1) Company is willing to work with Staff to reflect Staff's recommendation on the allocation of costs from the BDR program in the final tariffs (p. 46);

(2) Company is prepared to work with Staff to modify tariffs to incorporate Staff's recommended use of the 0.85 NTG factor (p. 47);

(3) Company commits to work with Staff to modify the Cycle 2 tariff sheets for both utilities until they are no longer necessary (p. 47);

(4) Company commits to work with Staff to modify the tariff sheets for KCP&L

and GMO to incorporate any remaining balances from Cycle 1 as recommended by Staff (p. 47);

(5) Company commits to work with Staff to modify the final tariffs to ensure that the same margin rates that took effect December 6, 2018 are used for the initial Cycle 3 period, subject to update in future general rate cases (p. 47);

(6) Company commits to work with Staff to modify the tariffs to ensure that long-lead projects associated with MEEIA Cycle 2 will be addressed pursuant to the Stipulations and Agreements filed in Case Nos. EO-2015-0240 and EO-2015-0241 (p. 48);

(7) Company is willing to work with its current DSM potential study consultant, or other sources, to obtain hourly saving load shape data for use in its future general rate cases (p. 49);

(8) Company is willing to add detail clarifying customers EPA compliance requirements to the BDR tariff (p. 60);

(9) Company would be receptive to targeting underserved customers through the Business Custom and Standard programs utilizing tools and mapping data to geotarget eligible businesses with a specific budget if the Commission desires (p. 63);

(10) To create more awareness of CHP incentives the Company is willing to work specifically with the Division of Energy and/or other interested parties on opportunities to educate customers and market actors around CHP benefits (p. 63);

(11) Company has worked with the implementation partner, Oracle, to provide for a redesign to the Home Energy Report program for Cycle 3 to rely more on digital communications than the legacy program design and has negotiated better pricing for the services (p. 64);

(12) Company has and will continue to explore opportunities to leverage DSM program synergies with the Low-Income Weatherization program, which is offered outside of MEEIA (p. 68);

(13) Company is willing to discuss with other utilities a strategy for addressing real estate education of heating, cooling and weatherization with a more holistic path to entry (p. 73);

(14) Company is open to working with Staff to further clarify the language that would be used in the Commission approved tariffs to best represent the program attributes while allowing for program flexibility. For example, the Company has attached tariff sheet updates to Sheets 1.73 and 1.74 as Exhibit C to the Surrebuttal Report, for both residential and businesses that provides for additional clarifications on definitions and customer eligibility (p. 75);

(15) The Company agrees to work with Staff to make changes to the TRM to add the additional details suggested by Staff (p. 75);

(16) The Company requests that the updated pricing received for its Home Energy Report since the time of the filed application is reflected and accepted in the updated program budget now showing a TRC of greater than 1.0 (p.64).

2. When it developed the MEEIA 3, did the Company value demand-side investments equal to traditional investments in supply and delivery infrastructure?

Company Position: Yes. Valuing supply-side and demand-side investments equally culminates in the Integrated Resource Planning process where the MEEIA portfolio is analyzed alongside supply-side resources.

Staff has taken the position that, for purposes of assessing the cost-effectiveness of demand-side programs, avoided capacity costs should be valued at $0 in circumstances until the subject utility has identified a future need for additional supply-side capacity. Staff's use of $0 for avoided capacity costs to value DSM, for cost-effectiveness at a program level, is at odds with MEEIA. Section 393.1075.3 provides in relevant part that "[I]t shall be the policy of the state to value demand-side investments equal to traditional investments in supply and delivery infrastructure...." Utilizing a value of $0 for avoided capacity cost when assessing the cost-effectiveness of demand-side programs producing capacity savings virtually guarantees that demand-side programs will not be cost-effective compared to supply side investments. This is because all demand-side programs producing capacity savings will have costs greater than $0. Staff may argue that its position recognizes avoided capacity costs at a value greater than $0 for a utility that is short of capacity, but this position places too much emphasis on whether a utility is short or long of capacity in the relative near-term. When a resource reduces the present value of long-run utility costs, the benefits of choosing that resource are independent of whether the utility is long or short of capacity. It should also be noted that the Company's current capacity position is similar to the previous two cycles in that the KCP&L/GMO system is long capacity. The Company's programs in these previous cycles were supported by Staff and approved by the Commission. In addition, as

pointed out in the Company's Application, there are potential scenarios where capacity will be needed sooner than what is in the preferred resource plan which would benefit from having demand-side management implemented now.

Staff asserts that the avoided cost should be zero for all years except for 2032. Staff's use of a value of $0 for avoided capacity costs virtually guarantees that no demand-side measure targeting demand savings will pass the cost-effectiveness test. And Staff's requirement that all non-participants must benefit in the short run from a program for it to be approved under MEEIA virtually guarantees that demand-side programs targeting energy savings cannot be approved.

With this argument Staff falls into the trap dubbed the "Cycle of Denial" by Tim Woolf of Synapse. The Cycle of Denial illustrates how Staff's way of thinking will prevent energy efficiency programs from ever happening. The Cycle of Denial works like this: 1) the Company is not currently short capacity and will not need new capacity for several years, therefore DSM programs are not needed; 2) sometime in the future a capacity need will arise; 3) at this point it is too late to implement new demand-side programs in time to meet the capacity need; 4) thus a new supply-side resource is constructed to meet the capacity need; 5) after the supply-side resource is constructed, there is no longer a capacity need and demand-side programs are again not needed.

As background, the avoided cost of capacity is normally represented by a price in dollars per kW-year ($/kW-yr) which is a levelized fixed charge cost of capacity for one unit of capacity (one kW) for a single year over the life of the resource. Using one single year's price is not equivalent to a supply-side resource because the supply-side resource does not have a one-year life.

Staff's position that the Company should have assumed a single year's value for avoided capacity cost violates MEEIA (Section 393.1075.3), which requires valuing demand-side investments equal to supply-side investments. The Company cannot build a supply-side resource such as a CT, operate it for one year, and then unbuild the CT and get a refund. A single year's value of avoided capacity cost is not equivalent to investing in supply-side infrastructure because physical infrastructure cannot be used in that way.

While Staff expresses concern over the Company's use of the levelized cost of a CT for avoided capacity costs, it is important to remember that the primary test of DSM cost-effectiveness is based on the impact on long-term revenue requirements. See 20 CSR 240-22.010(2)(B).

As part of the 2018 IRP integrated analysis, the Company evaluated several alternative resource plans ("ARPs") that varied the amount of DSM to be implemented. ARPs included the maximum achievable potential ("MAP"), realistic achievable potential ("RAP"), a reduced RAP level, and no additional DSM beyond completing MEEIA Cycle 2. Results demonstrated that plans at the reduced RAP level, which is consistent with the Company's MEEIA Cycle 3 filing, resulted in the lowest 20-year net present value of revenue requirements ("NPVRR").

If DSM programs are to be viewed on an equivalent basis as generation, a long-term perspective is warranted. At a minimum, the avoided cost value should reflect the market for capacity. This is acknowledged by the Commission's IRP rules. See 20 CSR 4240-22.050(5)(A)1.[1] In late 2017, GMO issued a Request for Proposal ("RFP") for generating

[1] 4240-22.0150(5)(A)(1) states: "The utility avoided demand costs shall include the capacity cost of generation, transmission, and distribution facilities. . . or the corresponding market-based equivalent of those costs." (emphasis added)

capacity. The responses to this RFP provide an indication of short-term capacity values in the area. It is important to understand that capacity market values vary based on factors such as the capacity contract term (i.e., length of time) and any associated energy pricing. In general, the longer the contract term and the lower any associated energy pricing, the higher the capacity price.

Given the Company's intended long-term commitment to DSM programs, when looking at a market-based approach to valuing capacity, it is appropriate to look at longer-term offers. GMO received seven offers to supply capacity with terms ranging from 4 to 10 years. The average monthly capacity cost over the contract terms varied from ** **/kW-month to ** **/kW-month with an overall average of ** **/kW-month (equal to ** **/kW-year). But these supply offers, with a maximum term of 10 years, are short by comparison to physical generation assets that can have lives of 30+ years, which is why the Company appropriately uses the value of a Combustion Turbine ("CT") for screening purposes in its application.

While the Company used the value of a CT in its initial filing, if the Commission preferred the market-based approach to determining avoided capacity cost values, using the ** ** value to screen the Company's proposed MEEIA programs would still result in all but one of the programs being cost effective

The Staff positions on the calculation of avoided costs, if adopted by the Commission, will preclude approval of demand-side programs whether they target either demand or energy savings. The Commission should therefore reject the Staff's approach. Instead, the Commission should take a longer-term perspective, and find that the Company

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appropriately valued demand-side investments equal to traditional investments in supply and delivery infrastructure.

3. Is the proposed MEEIA 3, as designed by the Company, expected to provide benefits to all customers in the customer class in which the programs are proposed, regardless of whether the programs are utilized by all customers?

Company Position: Yes. Consistent with how supply-side resources are evaluated, the Company's MEEIA 3 portfolio benefits the customers by reducing the revenue requirement. A third-party evaluator has evaluated MEEIA programs that have been verified by a Commission Staff auditor for 6 years detailing the benefits to all customers. An additional way to ensure that a MEEIA portfolio is beneficial to all customers is to have programs that everyone can participate. Company Witness Brian File describes how the Company has carefully designed a suite of programs to provide options for different types of customers to participate. In contrast, OPC is suggesting a very limited portfolio of programs be approved, which would significantly limit the ability for all customers to participate.

Secondly, customers as a whole benefit is because the MEEIA programs will avoid costs by reducing the long-term revenue requirement of the utility whether or not supply-side resources are avoided. The IRP analysis has continually shown that demand-side management investment is best for customers by having lower long-term revenue requirements.

In addition to customers benefiting from lower long-term revenue requirements, participating customers will enjoy the benefit in the form of near term reductions to their electric bill. Despite this, Staff now raises concerns with this filing regarding customer average rate impacts given Staff's new interpretation DSM programs cannot be approved under the MEEIA statute unless "beneficial to all customers in a class, whether or not they

participate." Effectively, Staff's interpretation requires that every individual customer must benefit.

However, as Company Witness Darrin Ives describes, this is not a new issue with this MEEIA Cycle 3 filing, but is simply a function of the current retail rate structure and is not a reasonable basis to reject the Company's MEEIA Cycle 3 filing. It is a fact that the reduction of energy usage will lead to the recovery of fixed costs over fewer sold kWhs, and thus create higher rates for all customers. This reduction in energy usage and kWh billing determinants occurs regardless of the avoided capacity cost used to screen the DSM programs. A resulting fact is that average customer bills go down even though average rates may go up. It has always been this way with energy efficiency programs and this scenario has existed in previous cycles approved by the Commission as well. The only way that non-participating customers may receive net benefits (and participating customers continue to benefit) would be in the long term from programs that produce demand reduction on a sustained basis. If the Commission were to adopt Staff's interpretation that any increase in rates for an individual customer that does not directly participate precludes a MEEIA program from meeting the requirement that customers benefit, no MEEIA program could ever be approved under the existing rate structures in place in Missouri. As previously mentioned, this is why the Company has proposed a comprehensive portfolio of programs that provide multiple opportunities for all customers to participate.

It should be understood that energy price benefits will also flow through the FAC to all customers. Since the Company participates in the SPP markets, all energy used to serve its retail customers is purchased through the SPP energy market. Energy market purchase prices are generally positively correlated with the load in the SPP market. In other words, as

the demand for energy increases, so do the energy market prices. Conversely, as demand for energy falls, so do energy market prices.

Additionally, one of the many benefits of energy efficiency is the environmental benefits. That benefit is available to all those that live in the region whether or not they created the energy reduction. The energy reduction achieved from the Cycle 3 programs will cause generating units in the region to run less and emit fewer pollutants. The energy savings (343,716 MWh) from the Cycle 3 programs will lead to an estimated annual reduction of 502 Million lbs. of CO_2, 303 Thousand lbs. of NO_x and 324 Thousand lbs. of SO_2. There will also be a reduction in the SPP-related fees which is an additional benefit to all customers as part of MEEIA implementation and generally reflected in base rates.

In addition, the reduction in the SPP-related fees such as Schedule 11, Schedule 12 and SPP administrative fees as a result of reductions in energy and demand is an additional benefit to all customers as part of MEEIA implementation and generally reflected in base rates.

In summary, the Company's MEEIA 3 is expected to be beneficial to all customers in the customer class in which the programs are proposed, regardless of whether the programs are utilized by all customers. As explained herein, there are other environmental benefits and other benefits to non-participating customers.

4. If the Commission approves MEEIA 3, what should be in the DSIM to align recovery with the MEEIA statute?

Company Position: The Company believes it should be permitted to include the same elements in the DSIM as in previous MEEIA 2 programs: Program Costs, Throughput Disincentive ("TD"), and an Earnings Opportunity ("EO").

Staff addresses several concerns related to the mechanism of the DSIM charge and tariff sheets for KCP&L and GMO. Company Witness Mark Foltz addresses these various suggestions.

Staff also suggests that the Commission not approve an Earnings Opportunity ("EO") for the company because the Company is not avoiding investment with its MEEIA programs. The statute says that the earnings opportunity is to be "associated with cost-effective measurable and verifiable efficiency savings" and not "deferred" or "avoided" supply-side resources. As Company Witness Darrin Ives explains, having an appropriate construct around cost recovery, throughput disincentive, and earnings opportunity is critical for any utility promoting energy efficiency and demand response programs. The Company has proposed an EO that is consistent with prior MEEIA Earnings Opportunities approved by the Commission for the Company and Ameren. While there may be some differences in program levels and design from utility to utility to serve the needs of each utility's respective customers, this three-part recovery mechanism should be applied consistently across the state for similar utilities competing for similar capital from similar investors. It would not make sense for a company to implement a voluntary MEEIA program with Staff's proposal on cost recovery and EO where it is disadvantaged in such a way. And yet again, it is at odds with MEEIA. Section 393.1075.3 provides in relevant part that "[I]t shall be the policy of the state to value demand-side investments equal to traditional investments in supply and delivery infrastructure . . .." If Staff reduces the EO from previous cycles, then it will be signaling to KCP&L and every other utility in Missouri that it prioritizes incremental investment in supply over demand-side investments.

As provided for in the Company's direct filing, Section 8.11 "Earnings Opportunity Valuation", there are multiple ways to calculate acceptable earnings opportunities. The level of earnings that the Company is requesting is consistent with prior Commission earnings opportunity for both the Company and Ameren. For example, Ameren's recently approved EO at target of $30M equates to 15% as a percent of program budget. This is consistent with the Company's approved Cycle 2 EO target of 14.7% for KCP&L and 19.7% for GMO as a percent of Cycle 2 program budget, as well as the Company's Cycle 3 EO target request of 18% for KCP&L and 19.2% for GMO as a percent of program budget. It should be noted that the Company's EO matrix is an additional metric based component to ensure that customers are receiving savings before shareholders earn.

Staff is measuring KCP&L's programs with a different measuring stick than Ameren. The Company has identified several inconsistencies, including:

- Ameren did not identify any specific investments that would be avoided through implementation of its MEEIA Cycle 3 programs but Staff faults the Company for not doing so.
- Staff supports Ameren offering a Home Energy Report (HER) that has similar characteristics as the Company's but admonishes the Company for offering a HER due to lack of persistence and naturally occurring energy savings.
- Staff recommends as a condition for approval by the Commission that the Commission only allow for recovery of program costs, TD, and EO from programs that are ultimately verified as cost effective based on EM&V. Staff did not require the same of Ameren in its support of Ameren's programs.
- Staff recommends a very different level of earnings for the Company

compared to what it supported for Ameren. Staff is recommending zero earnings for KCP&L; whereas the Company is requesting an EO that is consistent with prior Commission orders for both the Company and Ameren.

- Staff is recommending that the Company utilize a zero-avoided capacity cost for Evaluation of its proposed MEEIA programs because the need for capacity for the Company only potentially exists in 2032. However, Staff takes a very different position with Ameren and supports avoided capacity costs for Ameren for the period 2019-2037. As stated in Staff's rebuttal testimony in the Ameren case, "Ameren Missouri has no current capacity needs for either and will not need capacity for 16 years."[2]
- Staff recommends that the Commission only allow the Company an opportunity to earn on Cycle 3 demand response that exceeds the incremental peak demand savings achieved in Cycle 2. The Company objects to this recommendation. Staff bases their recommendation on the false premise that the Business Demand Response (BDR) demand savings achieved in Cycle 3 are not incremental savings and that these savings are just a continuation of Cycle 2 savings. This is incorrect. Without Cycle 3, there are no BDR demand savings. All Cycle 3 BDR demand savings are therefore incremental savings.
- Staff claims that the Company should not be allowed to receive an Earnings Opportunity if at any time a program is not deemed 100% cost-effective. This would not meet MEEIA's stated policy of ensuring that utility financial

[2] Caisley Surrebuttal, p. 14, fn. 5; Staff Rebuttal Report, Case No. EO-2018-0211, p. 23, lines 13-14.

incentives are aligned with helping customers use energy more efficiently. Even if all programs were ultimately verified as cost-effective, current accounting rules would prevent the Company from recognizing part or all of the revenues associated with program cost and throughput disincentive recoveries which are subject to refund until the evaluation, measurement and verification (EM&V) report verifying cost-effectiveness was complete and approved by the Commission almost a year after such costs were incurred. This would cause a negative impact on Company earnings and value.

On page 34, lines 11-13, of his testimony, OPC Witness Dr. Marke recommends that the Company's Earnings Opportunity be awarded at the end of the three-year EM&V verification of performance against targets rather than on an annual basis. The Company continues to believe that an annual award of Earnings Opportunity based on the cumulative annual achievement of EO targets determined based on annual EM&V results is an appropriate means of awarding and recovering the allowed earnings opportunity. It spreads the cost more evenly across the program years and avoids some of the variability in DSIM recoveries resulting from recovering the three-year EO award over a shorter period after the completion of the cycle.

5. Should Opt-Out Customers be eligible to participate in Business Demand Response ("BDR") programs?

Company Position: Yes. The Company believes that opt-out customers should continue to be allowed to participate in in BDR programs consistent with past Commission approval for MEEIA cycle 2 and 3. Staff recommends that if the Commission approves the BDR program, only those customers who have not opted out of MEEIA programs should be eligible to receive the incentives pursuant to Section 393.1075.10 RSMo. Staff believes that

opt-out customers can utilize the Company's Curtailable Demand Rider as it is a curtailable or interruptible tariff outside of MEEIA.

Staff's recommendation is not consistent with its position in MEEIA Cycle 1 or MEEIA Cycle 2. Staff witness John Rogers recommends that GMO allow customers who opt-out of participating in the Company's DSM programs to participate in interruptible or curtailable rate schedules or tariffs offered by GMO, including GMO's Energy Optimizer and MPower programs. Under the settlement agreement in the GMO MEEIA Cycle 1 case (EO-2012-0009), customers who opt-out of the demand-side programs were permitted to participate in the Energy Optimizer or MPower programs, which were GMO curtailable or interruptible MEEIA programs.

There are 7 opt-out customers currently participating in these programs or in the successor demand response programs (Demand Response Incentive (Cycle 2)). Opt-out customers make up a significant portion of kW demand enrolled (over 35%) and have participated strongly in the Company's demand response programs, in some cases more than 30 percent better than contracted. Now Staff is backtracking from its position in the last two MEEIA cycles and requiring that these opt-out customers not be allowed to participate in MEEIA programs.

The Company believes that since opt-out customers have been allowed to participate in demand response MEEIA programs in past MEEIA cycles, comprise a significant portion of kW demand enrolled, and have participated strongly, they should be allowed to continue to participate in the current cycle as well. Staff interpreted MPower as a curtailable or interruptible program in GMO Cycle 1 and the proposed Business Demand Response program in Cycle 3 is fundamentally the same program concept. Therefore, the Company

believes the program is an interruptible or curtailable rate and should allow Opt-out customers to participate in Business Demand Response.

a. MECG sub issue: "Should GMO be required to publish in its tariff the participation payment to customers that participate in the Business Demand Response programs?"

With regard to MECG's sub-issue, the Company does not believe it is appropriate to publish in its tariff the participation payment to customers that participate in the Business Demand Response programs. The Company does not publish participation or incentive payments in any of its program tariffs. Nor, did the Commission approve Ameren's business demand response tariff with a stated participation or incentive payment.[3] The Company's incentive range is published in the Company's Measure Incentive Ranges[4] and the customer agreement form and payment structure details are on kcpl.com[5]. The Company has proposed an 11-step change process (similar as Cycles 1 and 2) that allows the Company to alter each program including incentive levels within the approved range, but the 11-step process does not allow any changes to the ranges of incentive amounts.

WHEREFORE, KCP&L and GMO request that the Commission will accept this Position Statement, approve the Company's MEEIA 3 Cycle Plan, including its requested waivers of the PSC rules, and grant such other and further relief as the Commission considers just in the circumstances.

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[3] Ameren Missouri, Demand Response MEEIA 2019-21 tariff, Sheet No. 247-247.3
[4] Application Appendix 8.6
[5] https://www.kcpl.com/save-energy-and-money/business/incentives/demand-response

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 18th day of September 2019, to all counsel of record.

/s/ Roger W. Steiner
Roger W. Steiner