

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

In the Matter of Kansas City Power & Light)
Company's Filing for Approval of Demand-side)
Programs and for Authority to Establish a) File No. EO-2014-0095
Demand-Side Programs Investment Mechanism)

**KANSAS CITY POWER & LIGHT COMPANY'S APPLICATION FOR APPROVAL OF
MODIFICATIONS OF DEMAND-SIDE PROGRAMS**

COMES NOW Kansas City Power & Light Company ("KCP&L" or the "Company") and for this Application For Approval of Modifications of Demand-side Programs ("Application") pursuant to 4 CSR 240-20.094(4) respectfully states as follows:

1. On November 6, 2015, the report detailing the level of its MEEIA cycle 1 program expenditures through October 31, 2015 became available. This report, a summary of which is attached hereto as Appendix A, shows that KCP&L's MEEIA cycle 1 expenditures reached and exceeded 120% of KCP&L's MEEIA cycle 1 budget during the month of October 2015. A summary of the budget overage as of October 31, 2015, along with a brief explanation is attached hereto as Appendix A (HC). Pursuant to the provisions of 4 CSR 240-20.094(4), KCP&L therefore files this Application and requests that the Commission approve modifications to KCP&L's MEEIA cycle 1 programs as requested herein.

2. As its specific request for relief, KCP&L asks that the Commission take any action the Commission deems necessary to permit KCP&L's MEEIA cycle 1 programs to continue in effect until terminated in accordance with current plans in December of 2015. This result is just, reasonable, in the public interest and should be approved by the Commission because:

a. Continuation of KCP&L's MEEIA cycle 1 programs as currently planned is consistent with the expectations of KCP&L customers and trade allies to whom

KCP&L has communicated and reasonably made commitments in the course of administering its MEEIA cycle 1 programs. See, Appendix B. As in the case of KCP&L's business energy efficiency rebate program, applications for rebates have already been approved (but not yet completed by the customer) and need to be fully processed and honored by KCP&L. This program has up to a six month lead time between approval of customer application and project completion, and denying payment on an already approved project would be unreasonable. Terminating KCP&L's MEEIA cycle 1 programs before December 15, 2015 would lead to significant dissatisfaction on the part of KCP&L customers and trade allies and would, in KCP&L's view, impair the effectiveness of KCP&L's MEEIA cycle 2 programs.¹

- b. Terminating KCP&L's MEEIA cycle 1 programs sooner than currently planned would not result in significantly reduced expenditures for KCP&L's MEEIA cycle 1 programs. Appendix C (HC) sets forth KCP&L's best current estimate of total MEEIA cycle 1 costs assuming no early termination as well as KCP&L's best current estimate of the impact of early termination (with applications being accepted no later than December 10 for purposes of the analysis). Because of the long lead time in the Business Energy Efficiency Custom Rebates Program, estimates of the expenditures for this program are difficult and actual amounts spent may vary.

¹ One of the Office of the Public Counsel's ("OPC") alternative requests has been that the Commission order KCP&L to "stop MEEIA program activity once the company reaches 120% of the approved program budget." (OPC Request for Order, p. 3, filed October 16, 2015 in Case No. EO-2014-0095). Although it is not clear precisely what OPC means, if OPC is requesting that the Commission order KCP&L not to make payments on MEEIA cycle 1 commitments that have already been made, then this request is patently unreasonable and should be rejected out of hand. In addition to the customer disruption and dissatisfaction mentioned above, this approach could very well lead to the filing of lawsuits against KCP&L.

- c. As can be seen from a quick review of Appendix C (HC), early termination produces only a minimal reduction in overall MEEIA cycle 1 costs. This results from the facts that (1) the conclusion of the MEEIA cycle 1 program availability as currently planned (December 15, 2015) is already very near, (2) the Commission process that could lead to early termination could likely conclude no sooner than thirty days from the date of this filing under the provisions of 4 CSR 240-20.094(4) (or December 12, 2015 at the very earliest) and (3) many MEEIA cycle 1 commitments have already been made to KCP&L customers and trade allies. On balance, the disruption early termination would cause is not justified by the limited savings that may result.
- d. KCP&L's MEEIA cycle 1 programs have been determined to be cost-effective. As such, program expenditures – whether below, at, or above budgeted levels – will produce benefits in excess of costs. Budgets are simply estimates and although KCP&L is gratified that its MEEIA cycle 1 programs have proven so attractive that program expenditures have exceeded the budget, the mere fact that program expenditures have exceeded budget levels is no reasonable basis to terminate KCP&L's MEEIA cycle 1 programs earlier than currently planned.
- e. The Demand-side Management Advisory Group (“DSMAG”) for KCP&L – a collaborative group that includes a number parties including Staff, the Office of the Public Counsel, the Missouri Division of Energy and others – was apprised in May and June 2015 of KCP&L's intent to advise trade allies and customers that applications for MEEIA cycle 1 programs would only be accepted until December 15, 2015. Since no participant to KCP&L's DSMAG took issue with KCP&L's

expressed intent, KCP&L communicated to trade allies on July 16, 2015 that MEEIA cycle 1 program applications would be accepted through December 15, 2015. See, Appendix D. As shown in Appendix B, KCP&L also advised customers of the December 15, 2015 application deadline for MEEIA cycle 1 programs. Seeking early termination at this late date is not reasonable under the circumstances.

3. MEEIA is new to KCP&L, its customers and its trade allies in addition to being new to the Commission. All stakeholders are learning immensely from MEEIA cycle 1 and, as a result, MEEIA cycle 2 will be the better for it. But in order for the MEEIA process to be workable and credible, there must be a reasonable degree of continuity and follow-through. Terminating KCP&L's MEEIA cycle 1 programs early, especially when planned termination is so near, is not reasonable under current circumstances.

WHEREFORE, KCP&L respectfully requests that the Commission permit KCP&L's MEEIA cycle 1 programs to continue until their currently scheduled termination in December 2015 and take any other action deemed necessary to approve modifications to KCP&L's MEEIA cycle 1 programs.

Respectfully submitted,

/s/ Robert J. Hack

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand delivered, emailed or mailed, postage prepaid, this 13th day of November, 2015, to all parties of record.

/s/ Robert J. Hack _____

Robert. J. Hack

APPENDIX A

**THIS DOCUMENT CONTAINS
HIGHLY CONFIDENTIAL
INFORMATION NOT
AVAILABLE TO THE PUBLIC
ORIGINALS FILED UNDER SEAL**

Complete the Application

Complete sections 1-8 in full. All fields are required unless otherwise noted. Include all required documentation listed below.

Your business must be a current Missouri customer of Kansas City Power and Light to participate.

Incomplete applications, including missing supporting documentation will delay pre-approval.

Once you are Done

Submit your completed application(s) along with required documentation **before equipment is purchased or installed** one of three ways:

Email

businessrebates@kcpl.com

US Mail

KCP&L Business Rebates
PO Box 411008
Kansas City, MO 64141

Fax

877-491-2845

Need Help?

Call us at **800-585-4248** or email **businessrebates@kcpl.com**.

Please note the following key program date below.

- **December 15, 2015** - Last day to submit a pre-approval application. Projects have 6 month pre-approval time frame to complete installation and submit final application with all necessary, supporting documentation. (Note: Pre-approval applications received after this will be evaluated under rules of the 2016 program year and corresponding incentive rate.)

KCP&L offers program offerings and corresponding rebates for Missouri customers receiving service in both KCP&L-Missouri and Greater Missouri Operations Service Areas.

Eligibility is based upon the KCP&L service territory in which your facility resides and your rate schedule code. The rate code is a five digit, alpha-numeric code, on your KCP&L electric energy bill. Please note measure-specific eligibility per Service Area as indicated in Section 7 below.

- Rate schedule codes beginning with 1xxxx are eligible for KCP&L-MO rebates.
- Rate schedule codes beginning with MOxxx are eligible for Greater Missouri Operations (GMO) Rebates.

Pre-approval Process

Once a complete application with required documentation is received, the KCP&L pre-approval review process will begin. This may involve a site inspection at the facility by a KCP&L program engineer. The review should take approximately two to four weeks to complete, but this timeline may change depending on the specifics of your project. The engineer will be able to give you a more accurate estimate once the review begins.

Please note that data logging or other measurement and verification techniques may be required to verify the kWh savings calculated in the pre-approval application.

Upon completion of the review, the program will issue a formal pre-approval notice that details the estimated rebate and electric savings for your project. After receiving the pre-approval notice, you may begin moving forward with the project.

Work cannot begin on your project and equipment cannot be purchased prior to receiving a formal pre-approval notice from KCP&L. If you begin work or purchase any equipment prior to receiving the pre-approval notice, your application may be ineligible.

Required Documentation

- **Pre-approval application:** Verify that all fields on pages 2-4 are completed and that page 4 is signed by the KCP&L Customer.
- KCP&L electric bill: Submit a copy of the facility's most recent KCP&L electric bill.
- Cut sheet/manufacturer specification sheet: Include a cut sheet or manufacturer specification sheet for all equipment being installed as part of the project.
- Electric savings calculations: Using industry-accepted engineering algorithms or simulation models, calculate the annual electric savings by estimating the annual electric usage of both the existing and proposed equipment based on the current operation of the facility. Include appropriate documentation of sources and any assumptions used in the calculations.
- Project proposal: Provide your contractor's proposal for the project including total itemized installed cost per line item.
- **Custom Lighting Applications:** Complete Custom lighting inventory worksheet. Worksheet must be completed with details on existing and proposed equipment and accompany all Custom lighting rebate applications.
- All project documentation must match information on the KCP&L customers bill statement (for example: name, address, etc or may cause delay in processing).

Recommended Documentation

- Additional backup data: Provide any relevant energy data, drawings, trend logs or diagrams. Supplying this data with your application reduces review delays due to requests for additional documentation.

1 Building Type

This is a(n): Existing facility New construction

FACILITY TYPE			
<i>Check one</i>			
<input type="checkbox"/> College Common Area	<input type="checkbox"/> College Classroom	<input type="checkbox"/> Small Office (<25,000sq ft)	<input type="checkbox"/> Sit-Down Restaurant
<input type="checkbox"/> Manufacturing	<input type="checkbox"/> Lodging, Common	<input type="checkbox"/> Commercial	<input type="checkbox"/> Retail
<input type="checkbox"/> Grocery	<input type="checkbox"/> Hospital/Nursing	<input type="checkbox"/> Institutional	<input type="checkbox"/> Warehouse, Non-Refrigerated
<input type="checkbox"/> Multi-Family, Common	<input type="checkbox"/> Large Office (>25,000 sq ft)	<input type="checkbox"/> Education, K-12	<input type="checkbox"/> Industrial

2 Customer and Contact Information

ACCOUNT HOLDER			
KCP&L account number	Rate code	Business/Account holder name <i>(as it appears on electric energy bill)</i>	
Applicant type <input type="checkbox"/> Developer <input type="checkbox"/> Owner <input type="checkbox"/> Lessee <input type="checkbox"/> Other: _____			
Application contact name		Contact email address	
Contact phone number		Contact mobile number	
Contact mailing address	City	State	ZIP

3 Facility Information

LOCATION OF INSTALLATION			
Facility name		Facility square footage	
Installation address		City	State ZIP

Customers receiving the following tax credits for the installation location are not eligible for rebates.

- Low Income Housing Tax Credits pursuant to RSMo §§ 135.350 to 135.362
- Historic Tax Credits pursuant to RSMo §§ 253.545 to 253.561

4 Contractor Information

INSTALLING CONTRACTOR			
Contractor business name		Contractor contact name	
Contact phone number		Contact email address	
Contractor business address		City	State ZIP

5 Project Questionnaire

PROJECT DATES

Desired project start date (mm/yy)

Expected project completion date (mm/yy)

FACILITY DESCRIPTION

Describe the facility, such as typical uses, products manufactured, business hours, main uses of electricity, etc.

BASELINE SUMMARY

Describe the existing equipment or systems that the proposed project will impact.

Is the existing equipment operational? Yes No

If yes, what is its remaining useful life expectancy? _____ Years

PROJECT DESCRIPTION

Describe the proposed project and how it will provide electric efficiency gains beyond the baseline.

ELECTRIC SAVINGS CALCULATION METHODOLOGY

Provide an overview of calculations and methodology used to generate electric savings calculations. Submit actual calculations in electronic format with complete application. *Technical support with electric savings calculation is available upon request.* Please contact the program for assistance at 800-585-4248 or businessrebates@kcpl.com and find calculators on many technologies at www.kcpl.com/tradeally.

Is the Lighting Inventory Worksheet included? Yes No

ADDITIONAL PROJECT DETAILS

Will this project receive any other Grants or Loans? (Example: Energize Missouri or the Energy Efficiency and Conservation Block Grant Program)

Yes

Source and amount of the grant or loan funding and amount:

No

TECHNICAL CONTACT INFORMATION

Technical contact name

Technical contact email address

Technical contact phone number

Technical contact mobile number

6 Influence Questionnaire

REBATE INFLUENCE

Please select any of the following options that describe how the program and the requested rebate would provide assistance in regards to the project implementation.

Check all that apply

- Requested rebate would reduce project payback period to acceptable range
- The program and requested rebate will generate interest or support from company decision makers
- Requested rebate is a defining variable for project planning and inception
- The program review of energy savings calculations will create confidence in savings estimates
- The program will provide technical support with identifying opportunities and potential projects
- The program will provide administrative support with completing application
- The program would assist with coordination between project team members

THIS SECTION TO BE COMPLETED BY CUSTOMER

Please elaborate on why the project would not be able to be completed without the requested rebate from the program.
(i.e. payback period without the rebate is too high and project would not be approved)

7 Project Rebate Calculations

PROJECT PROPOSED

(1) Baseline usage		<i>kWh</i>	<p>Custom rebates are calculated as the lesser of:</p> <ul style="list-style-type: none"> A buydown to a two-year payback OR 50% of the incremental cost. <p>All project rebates will be capped at 50% of the total project costs (materials and labor) unless otherwise specified.</p> <p>Additional guidelines:</p> <ul style="list-style-type: none"> Customers may submit multiple rebate applications for different improvements or upgrades. Projects involving multiple facilities may participate by submitting a separate application for each facility. Projects that have started or been completed prior to pre-approval are not eligible for a rebate. <p>Maximum program rebates that a participant can receive during a calendar year is limited to \$250,000 per customer.*</p> <p>Final rebate amount determination will be based on actual installation as indicated by submitted project completion documents and invoices as required in the final application.</p> <p><i>*For KCP&L-MO, maximum rebates may also equate up to two-times the projected Demand Side Investment Mechanism (DSIM) charge of the customer if it is greater than \$125,000.</i></p>
(2) Proposed usage		<i>kWh</i>	
(1-2) Estimated annual electric savings	=	<i>kWh</i>	
<i>OR</i> Estimated annual electric cost savings	\$		
Estimated total proposed project cost (includes materials and installation labor)	\$		

8 KCP&L Customer Signature

I hereby certify that:

- The information contained in this application is accurate and complete;
- All rules of this rebate application have been followed;
- I have read and understand the stated KCP&L Business Energy Efficiency Rebates Program 2015 Custom Terms and Conditions of this document.

KCP&L Customer signature

Print KCP&L Customer name

Date

KCP&L Business Rebates Program

2015 Custom Terms and Conditions

Program Effective Dates

KCP&L energy efficiency incentives are offered until approved funds are exhausted or through December 31, 2015, whichever comes first. The effective dates of the program and application submittal requirements are as follows:

Decisions to acquire and install energy efficiency measures must be made after January 1, 2013 in order to be eligible. Any energy-efficient equipment or services purchased or installed, contracted for, or work conducted prior to January 1, 2013, are not eligible for an incentive.

Final date to submit new pre-approval applications for current program cycle is December 15, 2015. (Note: projects have 6 month pre-approval time frame to complete installation and submit final application with no extension allowed).

Program and Project Eligibility

All current KCP&L-MO and Greater Missouri Operations commercial rate classes are eligible for program offerings with the exception of the following:

- Opt-out/self-directed customers
- Any customer who has received either of the following state tax credits at the facility for which they seek a KCP&L energy efficiency rebate is ineligible to participate in KCP&L's Standard or Custom

Rebate Program:

- Low Income Housing Tax Credits pursuant to RSMo §§ 135.350 to 135.362
- Customers receiving Historic Tax Credits pursuant to RSMo §§ 253.545 to 253.561

Customers whose rate schedule codes are 1xxxx (1LGSE, 1MGSE, etc.) are eligible for the KCP&L-MO Rebates. This program, approved by the Missouri Energy Efficiency Investment Act (MEEIA) took effect on July 6, 2014 for customers in this service area. This new program expanded the list of standard rebates and raised the project customer rebate cap to \$250,000 for all service classes. This program is closely aligned with the current GMO Rebate program being offered in Greater Missouri Operations (GMO) service area.

Customers whose rate schedule code is MOxxx (MO720, MO940, etc.) are eligible for the Greater Missouri Operations (GMO) Rebates. This program is a continuation of the MEEIA program that began on January 27, 2013.

(In general, KCP&L-MO program customers are located in the greater Kansas City area and GMO program eligible customers are located in Liberty-north, Blue Springs, Lees Summit-east, Grandview, and Belton-south. Please note, these are general delineations and you should look at your KCP&L statement for rate schedule confirmation).

Incentive Payment Limits

Incentive payment amounts are based on the final project savings approved by the program review process, and according to the appropriate incentive rate (noted below). The total incentive paid cannot exceed 50 percent of the total project cost. Contractor labor costs can be considered in project cost, but internal customer labor costs cannot.

The program allows for a maximum rebate of \$250,000 each calendar year which is determined on a per customer and per jurisdiction basis – KCP&L-MO and GMO. For KCP&L-MO, the total amount of program (Business Energy Efficiency Rebate – Custom and Standard) rebates that a Participant can receive during a program year is limited to the greater of \$250,000 per customer or up to two-times the customer's projected annual Demand-Side Investment Mechanism (DSIM) charge. For customers or rebates applications amounting to greater than \$250,000, a case-by-case exception process will be undertaken by KCP&L.

Please note: For replacement measures, the incremental measure cost is defined as the cost to purchase and install the energy-efficient equipment minus the cost to purchase and install similar equipment that would meet federal and local energy standards (but not qualify for an incentive under this program). For retrofit measures, the incremental measure cost is simply the cost to purchase and install the qualifying measures.

Pre-Approval Application

Pre-approval of the project is required for incentive eligibility and must be obtained by the applicant within the program period (January 1, 2013 - December 31, 2015). Any action taken prior to receiving written notification of program pre-approval will void project incentive eligibility. The program reserves the right to request additional supporting documentation if necessary to ensure measure eligibility and verify existing system performance and baseline conditions. Pre-approval applications must be complete before program review and project evaluation will occur, and are reviewed in the order in which complete applications are received.

Customer-provided documentation included with the application forms the basis for estimating potential electric savings, measure eligibility and estimated rebate. Rebate funds are reserved when the program determines that a project meets the program eligibility requirements. Applicants will be notified of approval status, at which time the project can begin. The applicant will be informed of any deficiencies resulting in project ineligibility, and will be given the opportunity to correct deficiencies if appropriate.

Program pre-approval of a project does not guarantee program acceptance of the final project installation or incentive values included in the pre-approval application.

By submitting a Pre-Approval application customers will reserve available rebate funds and are reserved for 90 days from initial preapproval, when the Pre-Approval Notice is executed by the program. Rebates can be reserved past the 90 day period if project lead times extend past 90 days and the program determines reasonable progress is being made on the project.

Final Application

The final application must be submitted within 30 days of project completion and is the applicant's method of notifying the program of project completion.

Examples of required documentation include, but are not limited to: dated invoices/receipts for the purchase and installation of equipment, product specification sheets, proof that the equipment is operational, manufacturer specifications and warranty information. The location or business name on the invoice must match the application information. The project invoice should provide sufficient detail to separate the project cost from the cost of other services such as repairs and building code compliance. All questions regarding final application documentation requirements should be directed to the program implementer contact. The program reserves the right to request additional supporting documentation as deemed necessary, both prior to final project approval and after installation is completed, to ensure measure eligibility and verify that the expected energy savings will occur. All customer information will be held in confidence.

Pre-approval and post-approval inspections

Program requires program inspection of all projects to verify compliance with the program rules the accuracy of project documentation. This will include, but will not be limited to, pre-installation inspections prior to granting project pre-approval status, as well as post-installation inspections prior to final determination and payment of incentives. Site inspections may include metering, site or operational data collection, deployment of system monitoring equipment, photographic documentation of equipment, site occupant interviews and utility bill analysis. The customer must allow access to project documents and the facility where the measures were installed at all reasonable times and for a period of five years after receipt of incentive.

Requirements for Program Savings

Any customer receiving a program incentive may be contacted by a third-party evaluator to verify service/equipment installation or be asked to complete a participant survey. As a part of this process, program participants and trade allies agree to participate in required on-site verification and survey activities. The annual electric savings must be calculated for projects using industry-accepted engineering algorithms or simulation models, with appropriate documentation of sources included in the pre-approval and final applications. The applicant must estimate the annual electric usage of both the existing and proposed equipment based on the current operation of the facility. If the existing equipment is at the end of its useful life, the applicant must substitute equipment that would meet the applicable federal and local energy codes when calculating the baseline for determining annual energy savings. The applicant must be able to clearly describe the method used to calculate the savings. The applicant must provide all assumptions used in the calculations and document the source for these assumptions.

The method and assumptions used by the applicant to calculate the annual savings will be reviewed by the program, which is solely responsible for the final determination of the annual energy savings to be used in calculating the rebate amount. The program also reserves the right to require the applicant to conduct specific measurement and verification activities, including monitoring both before and after the retrofit, and to base the incentive payment on the results of these activities.

The applicant would be responsible for the costs of these activities. However, in certain cases, the program may provide an additional rebate of up to 10 percent of the final incentive amount to subsidize these costs.

Disclaimer

The program makes no representation or warranty, and assumes no liability with respect to quality, safety, performance, or other aspect of any design, system or appliance installed pursuant to the application, and expressly disclaims any such representation, warranty or liability. Participation in the program implies that the applicant and/or customer of KCP&L agrees to indemnify KCP&L, the program and its affiliates, subcontractors and employees against all loss, damage, expense, fees, costs and liability arising from any measures installed. The program does not guarantee the energy savings approved through the program and do not make any warranties associated with the measures eligible for incentives under this program. Neither program endorses or guarantees any claims, promises, work or equipment made, performed or furnished by any contractors or equipment vendors that sell or install any energy efficiency measures.

KCP&L Business Rebates Program

2015 Custom Terms and Conditions

1. Incentives

- a. Subject to these Terms and Conditions, Kansas City Power & Light Company ("KCP&L") or KCP&L Greater Missouri Operations Company ("GMOC") will pay incentives to eligible Customers (hereinafter "Customers") for the installation of electric savings measures identified as such in program materials issued by KCP&L or GMOC and other site-specific custom measures that are approved by KCP&L or GMOC.
- b. Custom rebates will be capped at 50% of project costs unless otherwise specified.
- c. Funds are limited and applications are processed on a first-come, first-served basis. Program is subject to change and may end without prior notice.

2. Customer eligibility

- a. All non-residential electric customers in the KCP&L service territory or the GMOC service territory are eligible to participate in the Business Rebates program available in their service territory.
- b. By participating in a Business Rebates program, customer agrees that KCP&L or GMOC obtains and/or retains ownership of all rights to existing and future emissions credits, renewable energy rights to existing and future emissions credits, renewable energy green tags, tradable renewable certificates and/or any and all other environmental benefits associated with the installation of the eligible equipment.

3. Pre-approval and Pre-Installation Inspection

KCP&L or GMOC is not bound to pay any incentives until it has performed a satisfactory pre-and post-installation verification of the installation unless KCP&L or GMOC has waived such post-installation verification requirement explicitly. If KCP&L or GMOC determines that the electric savings measures were not installed in a manner that is consistent with the purpose of achieving energy savings, or if the installation was not consistent with generally accepted good engineering practices, KCP&L or GMOC may require changes before making any payments. KCP&L or GMOC will not pay incentives until it has been verified that the Customer has received, as appropriate, final drawings, operation and maintenance manuals, and operator training.

4. Post-Installation Verification

KCP&L or GMOC is not bound to pay any incentives until it has performed a satisfactory post installation verification of the installation unless KCP&L or GMOC has waived such post-installation verification requirement explicitly. If KCP&L or GMOC determines that the electric savings measures were not installed in a manner that is consistent with the purpose of achieving energy savings, or if the installation was not consistent with generally accepted good engineering practices, KCP&L or GMOC may require changes before making any payments. KCP&L or GMOC will not pay incentives until it has been verified that the Customer has received, as appropriate, final drawings, operation and maintenance manuals, and operator training.

5. Customer Application and Analysis

- a. In addition to completing an application, the Customer may be required by KCP&L or GMOC to provide an analysis of the demand and energy reduction potential of the proposed electric savings measures. In some cases, the analysis must be prepared by a Professional Engineer licensed in the state where the Facility is located. Nameplate data may be required for electric savings measures having incentives based on peak demand.
- b. KCP&L or GMOC may independently review the Customer's application and analysis to determine the energy saving and demand reduction potential. KCP&L or GMOC reserves the right to reject or modify any calculations, based on KCP&L's or GMOC's own analysis. Failure to submit this information in the time requested may result in a denial of the project.
- c. KCP&L or GMOC will have final determination whether an application is eligible for Standard and/or Custom program incentives based on each program's eligibility guidelines and project specifics.

6. Site-Specific Custom Measures

KCP&L or GMOC will only approve of those site-specific Custom Measures that KCP&L or GMOC believes have cost-effective energy and/or demand reduction potential. In any case, KCP&L or GMOC reserves sole discretion to approve or disapprove of any such Measures proposed.

7. Incentive Amounts

- a. Before pre-approving any incentive amounts requested by the Customer, KCP&L or GMOC reserves the right to adjust and/or negotiate the incentive amount.
- b. Once an incentive amount is pre-approved, KCP&L or GMOC reserves the right to pay no more than the cost to the Customer of purchasing the electric savings measure, or the pre-approved incentive amount, whichever is less.
- c. KCP&L or GMOC reserves the right to lower the incentive amount if the quantity and/or cost of energy savings measures actually installed by the Customer differ from the pre-approved project. Notwithstanding any other provision of these Terms and Conditions, KCP&L or GMOC reserves the right to seek a refund for some or all of the incentives paid if the measures were not installed or do not remain installed for a period of five (5) years or the end of the product life, whichever is less.
- d. KCP&L or GMOC reserves the right to withhold payment or award the incentive in the form of a bill credit for customers in arrears.
- e. KCP&L or GMOC reserves the right to withhold incentive payments for any Energy Savings Measures that do not carry the Underwriter's Laboratory (UL) or, with the written consent of KCP&L or GMOC, an equivalent independent testing laboratory. Please consult with Underwriters Laboratory for your product classification into the appropriate UL category of the UL Listing Mark or the UL Classification Mark. In addition, prior to including a technology in the program, KCP&L or GMOC reserves the right to require that the customer undertake, at the customer's own

expense, further testing of such technology by Underwriters Laboratories (UL) or, with the written consent of KCP&L or GMOC, an equivalent independent testing laboratory. The UL classification of Energy Verification Services (EVS) is required. The purpose of the testing is to evaluate the technology's energy performance levels.

8. Cost of Equipment

At any time, upon KCP&L's or GMOC's request, Customer must provide copies of all invoices (including all material, labor, and equipment discounts) reflecting the costs of purchasing and installing the energy savings measures. The invoices shall include a breakdown of all energy savings measures purchased for installation under this Agreement. In addition KCP&L or GMOC may request any other reasonable documentation or verification of the cost to the Customer of purchasing the energy savings measure. KCP&L or GMOC reserves the right at any time to require invoices from the contractor to determine the price paid by the contractor (including any discounts or incentives) for the energy savings measures. KCP&L or GMOC reserves the right to use the contractor's reasonable costs in order to determine the correct incentive amount.

9. Date of Incentive Payments

KCP&L or GMOC expects to pay the Incentive within sixty (60) days after all of the following conditions are met: (1) construction/renovation of Customer's facility is completed; (2) Customer has received an occupancy permit; (3) KCP&L has received all required documentation; and (4) KCP&L or GMOC has verified installation costs and satisfactory installation of the energy savings measures, all in accordance with the specifications.

10. Installation Service Costs Recognized

KCP&L or GMOC will recognize installation costs only to the extent that they are reasonable and actually incurred by the Customer.

11. Installation Service Costs Recognized

Customers who install energy-efficient lighting energy savings measures are expected to replace any of the energy-efficient lights that burn out with lights of similar or superior energy savings efficiency at the Customer's expense.

12. Contractor Shared Savings Arrangements

If custom energy savings measures are being installed by a contractor under a "shared savings" contract, KCP&L or GMOC reserves the right to determine the cost of purchasing and installing the energy savings measures based on the reasonable retail costs in purchasing the equipment and installing the energy savings measures.

13. Monitoring and Evaluation Follow-up Visits

- a. KCP&L or GMOC reserves the right to make a reasonable number of follow-up visits to customer's Facility during the 24 months following the Actual Completion Date noted on this application. Such visit(s) will be at a time convenient to the Customer, made with advance notice given to the Customer by KCP&L or GMOC.
- b. The purpose of the follow-up visit(s) is to provide KCP&L or GMOC with an opportunity to review the operation of the energy savings measures for program evaluation purposes. The follow-up visit(s) will have no impact on the incentive paid to the Customer for installing the energy savings measures.

14. Limited Scope of Review

KCP&L or GMOC is under no obligation to: (1) make follow-up visits; (2) review the operation of the energy savings measures; or (3) make any suggestions of any kind to the Customer.

The scope of review by KCP&L or GMOC of the design and installation of the energy savings measures is limited solely to determining whether program conditions have been met. It does not include any kind of safety review.

15. Changes in the Program

KCP&L or GMOC may change the program and the Terms & Conditions at any time without notice. Pre-approved applications, however, will be processed to completion under the Terms & Conditions in effect at the time of the pre-approval by KCP&L or GMOC.

16. Publicity of Customer Participation

KCP&L or GMOC may wish to publicize the Customer's participation in the program, the results, the amount of incentives paid to the Customer, and any other information which reasonably relates to the Customer's participation. In such instances, KCP&L or GMOC will secure a release from the Customer authorizing to make such information public.

17. Application submittal time frame

All final applications and required supporting documentation must be submitted within 30 days of measure installation or by June 15, 2016, whichever comes first.

18. Installation requirements

- a. All measures must be installed and operational prior to submittal of a final application at the address noted on the application.
- b. All measures must be installed in a property owned by the applicant, or the applicant has received permission from the property owner to install the equipment.
- c. All measure installations must be completed prior to the program period expiration date: June 15, 2016.

19. Limitation of Liability and Indemnification

KCP&L's or GMOC's liability under this Agreement will be limited to paying the incentives specified in this Agreement. KCP&L or GMOC and any of its affiliates shall not be liable to the Customer for any consequential or incidental damages or for any damages in tort (including negligence) caused by any activities associated with this Agreement or in the program.

The Customer shall protect, indemnify, and hold harmless KCP&L or GMOC from and against all liabilities, losses, claims, damages, judgments, penalties, causes of action, costs and expenses (including, without limitation, attorney's fees and

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expenses) imposed upon or incurred by or assessed against KCP&L or GMOC resulting from, arising out of, or relating to the performance of this Agreement.

20. No Warranties

- a. KCP&L or GMOC does not endorse, guarantee, or warrant any particular manufacturer or product, and KCP&L or GMOC provides no warranties, expressed or implied, for any product or services. The Customer's reliance on warranties is limited to any warranties that may arise from, or be provided by contractors, vendors, etc.
- b. The Customer acknowledges that neither KCP&L or GMOC nor any of its consultants are responsible for assuring that the design, engineering and construction of the Facility or installation of the energy savings measures is proper or complies with any particular laws (including patent laws), codes, or industry standards. KCP&L or GMOC does not make any representations of any kind regarding the results to be achieved by the energy savings measures or the adequacy or safety of such measures.

21. Customer Must Pay All Taxes

The benefits conferred upon the Customer through participation in this program may be taxable by the federal, state, and local government. The Customer is responsible for declaring and paying all such taxes.

22. Pre-Approved Letter

KCP&L or GMOC reserves the right, for any reason, to stop approving energy savings measures at any time without notice for all or part of the program. In particular, KCP&L or GMOC is not obligated to approve any application for an incentive that may result in KCP&L or GMOC exceeding its program budget.

23. Limit of Incentive Payments

After an application is approved by KCP&L's or GMOC's authorized executive, the Customer will receive written notification of the pre-approved incentive amount and the date that the energy savings measures must be fully installed to qualify for incentive payments. Any energy savings measures installed prior to the issuance of KCP&L's or GMOC's written authorization of pre-approval will be deemed as an unauthorized installation and KCP&L or GMOC will have no obligation to pay incentives for those energy savings measures. Regardless of pre-approval from KCP&L or GMOC, projects may be denied or incentives reduced upon receipt of final project cost and scope of work documentation.

24. Pre-Approved Letter

After an application is approved by KCP&L's or GMOC's authorized executive, the Customer will receive written notification of the pre-approved incentive amount and the date that the energy savings measures must be fully installed to qualify for incentive payments. Any energy savings measures installed prior to the issuance of KCP&L's or GMOC's written authorization of pre-approval will be deemed as an unauthorized installation and KCP&L or GMOC will have no obligation to pay incentives for those energy savings measures. Regardless of pre-approval from KCP&L or GMOC, projects may be denied or incentives reduced upon receipt of final project cost and scope of work documentation.

25. Vendor Selection

KCP&L or GMOC acknowledges that the Customer may select any vendor or contractor to perform the work contemplated by this Application, even after the Application is submitted for pre-approval by KCP&L or GMOC. Notwithstanding the foregoing, the Customer acknowledges that KCP&L or GMOC has the right to prohibit specific vendors or contractors from program participation.

26. Removal of Equipment

The customer agrees, as a condition of participation in the program, to remove and dispose of the equipment being replaced by the energy savings measures and in accordance with all laws, rules, and regulations. The Customer agrees not to reinstall any of this equipment in the service territory of KCP&L or GMOC or its affiliates.

27. Review of Specifications, Submittals and Drawings

The Customer may be required to provide KCP&L or GMOC with a copy of the specifications for the construction or renovation of the Facility that will be provided to the construction contractors. Such specifications must include the energy savings measures that are the subject matter of the Customer's application to this program. KCP&L or GMOC may refuse to pay incentives if the specifications do not adequately provide for installation of the energy savings measures consistent with good engineering and energy-efficient design practices. Customer will, upon request by KCP&L or GMOC, provide a copy of the as-built drawings and equipment submittals for the facility. KCP&L or GMOC may refuse to pay incentives if the final submittals and drawings do not adequately reflect the installation of the energy savings measures consistent with the original design intent as identified on the Customer application and worksheets. All equipment eligible for a rebate must be new equipment and installed by licensed contractors when required by code and/or law.

28. Miscellaneous

- a. This Agreement is composed of the application and these Terms and Conditions. It is the entire agreement between the parties and supersedes all other communications and representations.
- b. Paragraph headings are for the convenience of the parties only and are not to be construed as part of this Agreement.
- c. The Customer acknowledges that the only individuals authorized to bind KCP&L or GMOC under this Agreement are the individual who signed this Agreement, or an officer of KCP&L or GMOC.
- d. If any provision of the Terms and Conditions is deemed invalid by any court or administrative body having jurisdiction, such ruling shall not invalidate any other provision, and the remaining Terms and Conditions shall remain in full force and effect in accordance with their terms.

APPENDIX C

**THIS DOCUMENT CONTAINS
HIGHLY CONFIDENTIAL
INFORMATION NOT
AVAILABLE TO THE PUBLIC
ORIGINALS FILED UNDER SEAL**

Business Energy Efficiency Program Trade Ally Forum

July 16, 2015

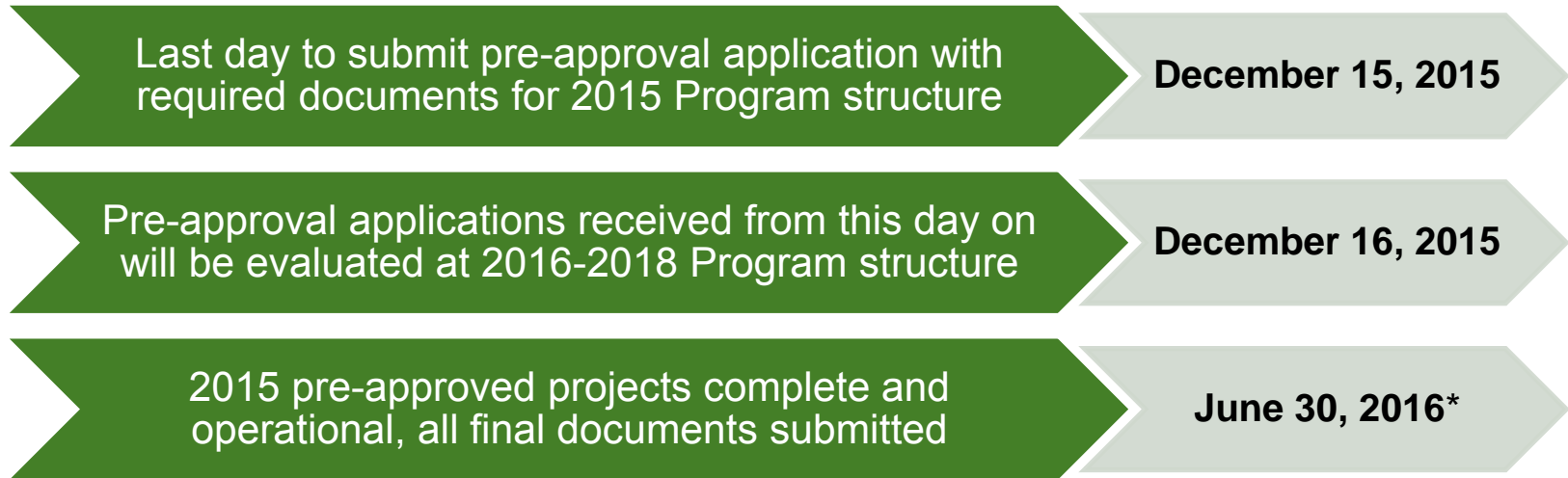


Agenda

- 2015 Program Closeout Key Dates
- Program Participation Best Practices
- 2016-2018 Program Preview
- Trade Ally Roundtable



Key Dates



*or 6 months from pre-approval date, whichever comes first