

**APPENDIX 1.C: DEMAND-SIDE MANAGEMENT/ENERGY
EFFICIENCY IMPLEMENTATION PLAN**

**APPENDIX 1.C.1: DSM/EE PROGRAM IMPLEMENTATION AND
MAJOR MILESTONES**

**APPENDIX 1.C.2: MARKETING AND COMMUNICATIONS
STRATEGY**

APPENDIX 1.C.1: DSM/EE PROGRAM IMPLEMENTATION AND MAJOR MILESTONES

It is important to note that the steps required to evaluate and develop DSM/EE programs have been essentially completed at the time of this IRP filing. Additional development may occur through the planned collaborative SRS process and subsequent discussion and input from regulatory parties and other stakeholders. The major milestones discussed in this IRP filing are primarily the next steps required for program approval and do not cover the milestones required to evaluate and develop specific programs.

The implementation plans shown here begin with an overview of the processes utilized to develop the set of programs evaluated during Integrated Analysis. The major milestones are then discussed to highlight the next steps prior to program and tariff approvals and program rollout.

Process Overview

End-use measures are first evaluated and candidate end-use applications are identified through a screening process, which includes development of avoided cost data, peak and energy impacts and various benefit-cost measures. Based on the screening results and benefit-cost evaluations, viable end-use measures are identified. Proposed programs, which may include several end-use measures under a single “program”, are then created. These draft programs are then reviewed internally and externally for approval of proposed program offerings. Evaluation, Measurement and Verification (EM&V) plans are created prior to program rollout. A final approval including regulatory approval of program tariffs and any associated accounting and rate treatment is obtained before program initiation.

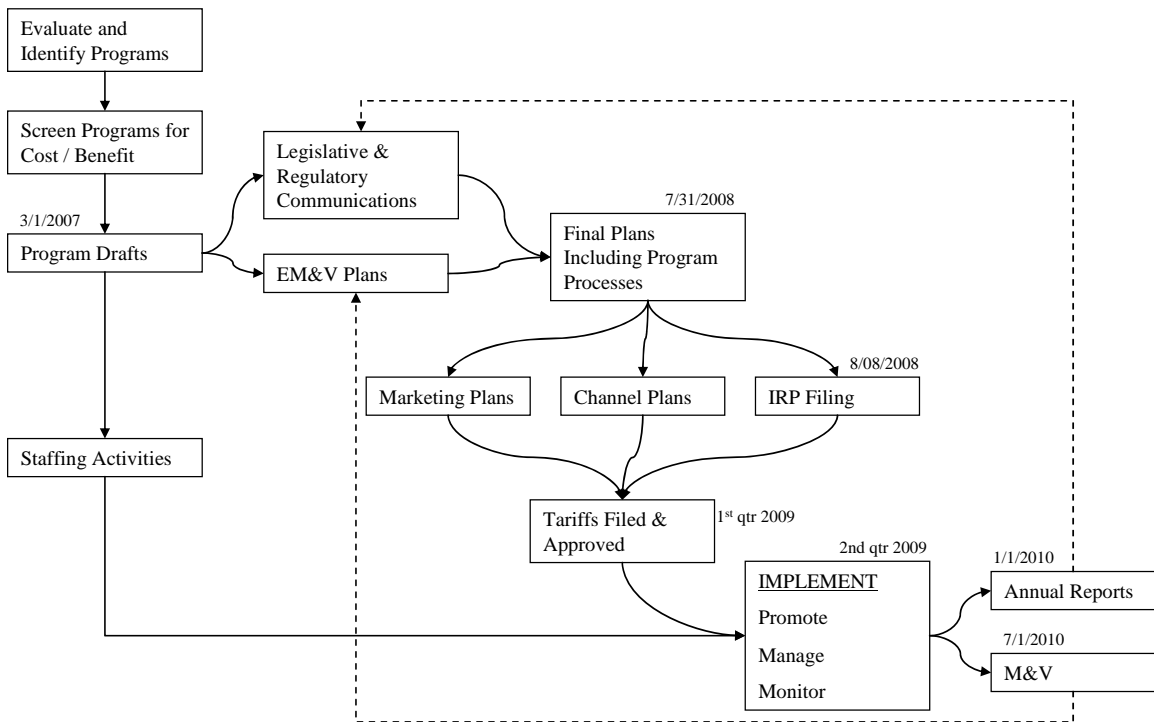
The program offerings resulting from the above process are included in the DSM/EE programs modeled as resource alternatives in the Integrated Resource Analysis and Risk Analysis and Strategy Selection included in this IRP filing.

Subsequent review is anticipated through the SRS collaborative process, as discussed in the Executive Summary. The collaborative process including regulatory approval of the programs will be required prior to program initiation and rollout.

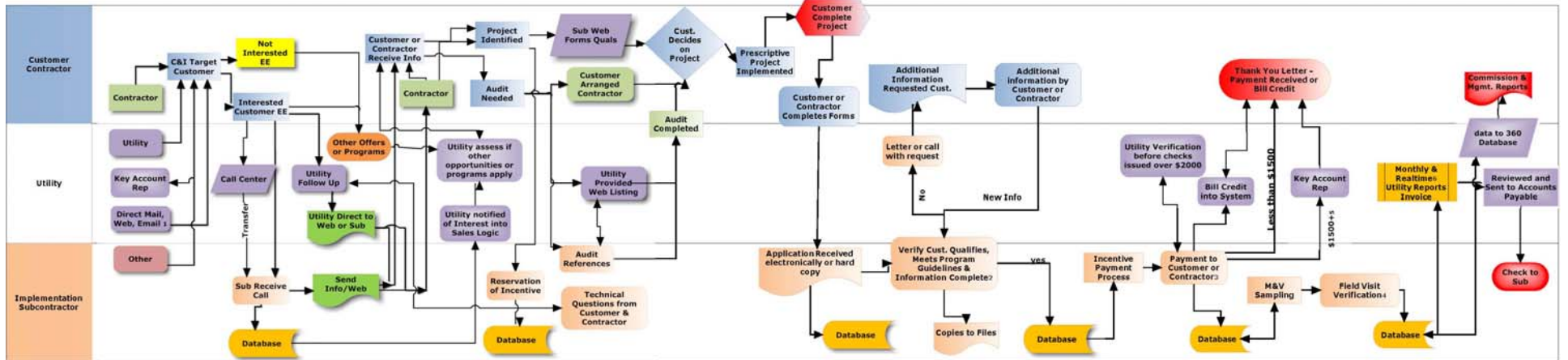
Following a successful IRP filing and subsequent modifications resulting from the SRS process, Program Tariffs will be collaboratively developed and filed. The approval of these tariffs is a key decision point for major spending on these programs. Implementation of the programs is anticipated to begin after completion of the processes discussed above. Promotional plans, marketing and communication strategies are discussed in Appendix 1.C.2. Evaluation, Measurement and Verification (EM&V) processes are discussed in Section 9 of Volume 5 (Demand-Side Resource Analysis) of this IRP filing.

A diagram of the overall DSM/EE planning process is shown below. This is followed by two flow charts, which further demonstrate the processes employed to develop and initiate DSM/EE programs.

DSM Planning Process



Prescriptive Programs Process Flowchart



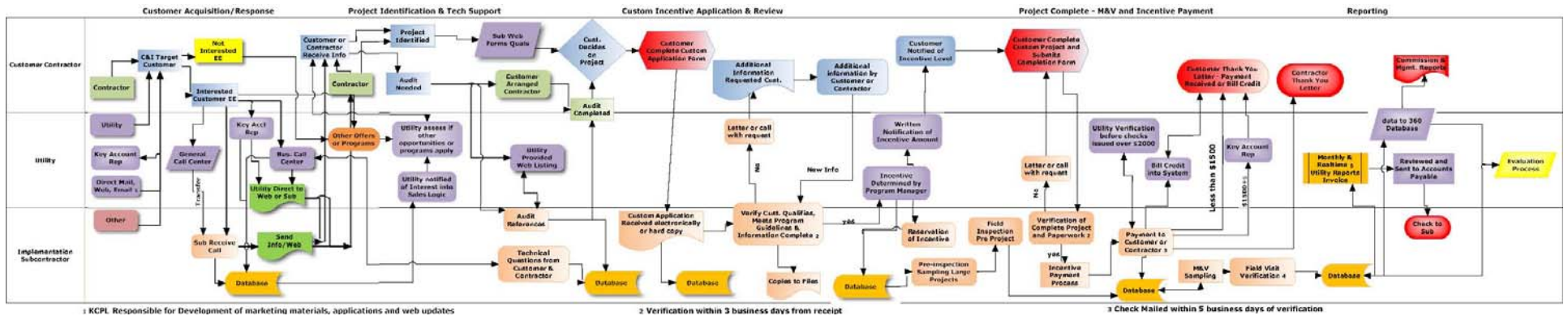
1 KCPL Responsible for Development of marketing materials, applications and web updates

2 Verification within 3 business days from receipt

3 Check Mailed within 5 business days of verification

4 5% Overall - 100% over \$10,000 and "Self Installs" over \$1000

Custom Programs Process Flowchart



1.1.1

Major Milestones

The schedule shown in Table 1 indicates the milestones and timelines utilized to develop the DSM/EE programs implemented through the original Comprehensive Energy Plan (CEP). KCP&L anticipates the rollout of any new or modified programs will require similar milestones and schedule timelines as the original CEP programs.

For new program implementations, the planning and develop processes are effectively complete, covering a major portion of the approximate 17-month period originally required to reach approval of a Stipulation and Agreement. The new step required for implementing additional programs is completion of the SRS collaborative process. It is anticipated that Tariff development will be included as part of the SRS discussions. Tariff approval is anticipated to coincide with completion of the SRS and to be included in any potential resulting Stipulation and Agreement. Program rollout would follow as soon as possible after tariff approvals. The SRS process is anticipated to be complete in mid-2009.

Table 1: CEP DSM/EE Program Milestones and Schedule

	CEP Program Planning Initiated	Stipulation and Agreement Approved	Program tariff filed	Program tariff approved	Program Implemented	Annual Reports	Evaluations Begun
Existing Programs							
• Affordability							
1. Low Income Affordable New Homes	3/1/2004	8/26/2005	1/12/2007 Revise Tariff	2/12/2007	2007		
2. Low Income Weatherization	3/1/2004	8/26/2005	11/22/2005 Substitute Tariff	12/1/2005	2005	2008	7/22/08
• Energy Efficiency – Residential							
3. Online Energy Information - Residential	3/1/2004	8/26/2005	11/21/2005 Revise Tariff	12/21/2005	2006		
4. Home Performance with Energy Star	3/1/2004	8/26/2005	12/17/2007 Revise Tariff	1/23/2008	2008		
5. Change a Light	3/1/2004	8/26/2005	8/31/2007 Revise Tariff	9/30/2007	2005	2007	4/10/05
6. Cool Homes	3/1/2004	8/26/2005	3/21/2007 Substitute Tariff	3/30/2007	2007		
7. Energy Star Homes – New Construction	3/1/2004	8/26/2005	3/7/2008 Revise Tariff	4/6/2008	2008		
• Energy Efficiency – Commercial & Industrial							
8. Online Energy Information – Business	3/1/2004	8/26/2005	1/10/2006 Revise Tariff		2006		
9. Energy Audit And Energy Saving Measures Program	3/1/2004	8/26/2005	6/5/2006 Substitute Tariff	7/10/2006	2006		
▪ C&I Audit							
▪ C&I Custom Rebate – Retrofit							
▪ C&I Custom Rebate – New Construction							
10. Building Operator Certification			1/2/2007 Revise Tariff	2/2/2007	2007		
• Demand Response							
11. Energy Optimizer	3/1/2004	8/26/2005	9/6/2007 Revise Tariff	0/6/2007	2005	2008	
12. MPower (The Alliance)	3/1/2004	8/26/2005	4/30/2008 Revise Tariff	5/30/2008	2006		4/11/08

APPENDIX 1.C.2: MARKETING AND COMMUNICATIONS STRATEGY

Residential

The Marketing Strategy supporting the current and proposed programs will be diverse in order to reach designated target markets in a cost effective manor. In order to capture consumer attention and build awareness of KCP&L programs, a mass-market approach is anticipated and will include various media channels to reach desired segments. Once awareness is heightened, specific promotions, seasonal campaigns, and tactics can be implemented for a more direct “call to action” by various targeted decision-makers.

Mass Market strategies may include campaigns in print, web, radio, television advertising, and bill inserts. These campaigns will be designed to peak interest in participation by identifying available incentives, demonstrating economic and energy savings potential and reducing negative environmental impacts through program participation. Advertising will provide customers with information necessary for participation and how to contact KCP&L for additional guidance. As the mass-market approach begins to take effect and build momentum; both a direct and a network marketing strategy will be deployed. Direct mail will be sent to specific market segments featuring the appropriate programs and steps required for program participation. A segmentation model will be created to match consumers with usage, demographics, attitudes, and behaviors. This methodology will overlay all marketing efforts to ensure high cost efficiency as well as to ensure the most relevant program offerings.

The direct marketing strategy will also include phone contact, email marketing to segments, and channel marketing efforts to reach customers with multiple messages.

Retail and manufacturer partnerships are also important to the marketing mix. These partnerships provide a delivery mechanism for rebates and incentives and

help to bundle opportunities, co-op advertising and build a stronger presence in the KCP&L service territory.

Consistent program measurement is critical to effectively manage marketing and implementation efforts. Each marketing tactic will be captured to monitor performance, optimize programs and continue to enhance customer segmentation. A detailed discussion of proposed Evaluation, Measurement and Verification (EM&V) processes is included in Section 9 of Volume 5 of this IRP.

Channel marketing is also an important component of the overall communication strategy. Channel marketing provides significant customer awareness through channel-partner communication efforts. Channel-partners could include HVAC contractors, thermostat strategic partners, builders, developers, architects, not-for-profits partners, and governmental organizations. Each channel-partner develops marketing programs to increase participation, which KCP&L oversees and approves to ensure consistency, measurement, and effectiveness. KCP&L will also conduct and or sponsor meaningful education and training programs to improve participation and market-wide awareness.

Finally, a strong presence in the community will help to demonstrate KCP&L's commitment to energy efficiency and the role of energy efficiency in providing for the long-term economic delivery of reliable energy services. KCP&L will formulate a communication strategy to reach community organizations, churches, trade organizations, and participation in local meetings and forums to continue to educate customers and build awareness.

Commercial and Industrial (C&I)

The marketing strategy for C&I will be stratified with segmentation and a more direct approach based on actual energy needs, usage trends, verticals (Explain???), LEED certification requirements, new and retrofit construction, and incentive requirements. Company account managers will work closely with facility managers to identify opportunities and engage appropriate third parties,

industry experts, etc to deliver energy saving solutions on an on-going basis. Marketing materials and presentations will be created to feature C&I products and services that can be distributed at trade shows, meetings, and presentations.

Customized newsletters will be created and sent to C&I partners and prospects to educate and inform them about KCP&L's product suite. Events will be sponsored to build relationships with partners and an Advisory Council may be created to solicit feedback from C&I partners on a quarterly basis. Partnerships will be created with key users to include actual energy savings programs as well as educational and community components to build KCP&L's awareness through its strategic partners.

Again, each program and sales contact will be monitored and evaluated to improve optimal performance. Messages will be created for segments that are based on data, behavior, and relevance. Continuous customer management is a critical function of the marketing strategy for C&I, which will be a key focus of future activities.