

Schedule KHW -2

KCP&L MO MEEIA Filing

January 2014

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KCP&L-MO MEEIA

Portfolio Budget and Savings Targets by Program

Budget				
KCP&L-MO			2014	2015
Residential				
Air Conditioning Upgrade Rebate	**			**
Home Appliance Recycling Rebate	**			**
Home Energy Analyzer	**			**
Home Energy Improvements Rebate	**			**
Home Energy Report Pilot	**			**
Home Lighting Rebate	**			**
Income-Eligible Weatherization	**			**
Programmable Thermostat	**			**
	Sub-Total	**		**
Commercial & Industrial				
Building Operator Certification	**			**
Business Energy Analyzer	**			**
Business Energy Efficiency Rebates - Custom	**			**
Business Energy Efficiency Rebates - Standard	**			**
Demand Response Incentive	**			**
	Sub-Total	**		**
	Total	**		**

kWh Savings (at meter)				
KCP&L-MO			2014	2015
Residential				
	Air Conditioning Upgrade Rebate		2,044,674	1,992,012
	Home Appliance Recycling Rebate		409,839	743,606
	Home Energy Analyzer		-	-
	Home Energy Improvements Rebate		290,222	525,963
	Home Energy Report Pilot		21,928,861	27,411,076
	Home Lighting Rebate		14,816,440	15,999,922
	Income-Eligible Weatherization		354,744	580,631
	Programmable Thermostat		-	-
	Sub-Total		39,844,780	47,253,210
Commercial & Industrial				
	Building Operator Certification		759,251	1,518,500
	Business Energy Analyzer		-	-
	Business Energy Efficiency Rebates - Custom		16,286,471	16,271,118
	Business Energy Efficiency Rebates - Standard		16,995,544	16,668,880
	Demand Response Incentive		-	-
	Sub-Total		34,041,266	34,458,498
	Total		73,886,046	81,711,708

kW Savings (at meter)				
KCP&L-MO			2014	2015
Residential				
	Air Conditioning Upgrade Rebate		1,186	1,153
	Home Appliance Recycling Rebate		65	119
	Home Energy Analyzer		-	-
	Home Energy Improvements Rebate		73	132
	Home Energy Report Pilot		5,482	6,853
	Home Lighting Rebate		1,579	1,739
	Income-Eligible Weatherization		129	173
	Programmable Thermostat		20,019	19,931
	Sub-Total		28,533	30,100
Commercial & Industrial				
	Building Operator Certification		87	173
	Business Energy Analyzer		-	-
	Business Energy Efficiency Rebates - Custom		4,391	4,397
	Business Energy Efficiency Rebates - Standard		3,421	3,356
	Demand Response Incentive		39,065	39,065
	Sub-Total		46,964	46,991
	Total		75,497	77,091

KCP&L-MO MEEIA

Air Conditioning Upgrade Rebate Program Description

The following information regarding KCP&L-MO (Company) proposed Air Conditioning Upgrade Rebate Program (Program) is provided in compliance with 4 CSR 240-3.164(2)(C).

1. Program Description

The Program is a residential central air-conditioning rebate program designed to help reduce excess energy usage during the peak summer months and cut carbon dioxide emissions through the maintenance and early retirement of inefficient central air conditioning equipment.

Prospective customer participants will be identified in three ways:

- Customer electric usage data will be evaluated to identify customers with a high probability of operating less efficient central air conditioning equipment.
- Participating HVAC (heating, ventilating, and air conditioning) Contractors may identify existing customers within the Company service territory.
- Customers interested in the Program, but not identified through the above means may contact a participating HVAC Contractor or the Company directly. A listing of HVAC Contractors will be posted on the Company website.

The following general process will be followed to serve customers in the Program:

- The Program Administrator will assign participating customers to an HVAC Contractor for service.
- The HVAC Contractor will evaluate the Customer's cooling system using CheckME!TM.
- Customers with working equipment that can be re-commissioned to operate above an Energy Efficiency Ratio (EER) rating of 8.0 will be offered an opportunity to return the equipment as close as possible to manufacturer specifications at no cost to the customer. Re-commissioning efforts will be limited to refrigerant charge, non-ductwork air flow system adjustments, and basic filters.
- All participating customers will receive a cost estimate for replacement of their system with a higher efficiency system. The customer will be responsible for the cost of the replacement equipment. (Estimates for higher efficiency systems will include the applicable incentives.)
- The customer may choose not to re-commission or replace their equipment.
- Six compact fluorescent lights (CFL) will be given to all customers completing the initial CheckME!TM process regardless of their equipment choices.
- Where work is performed, a second CheckME!TM evaluation will be completed to verify the re-commissioning modifications or ensure the quality installation of new equipment.
- Incentives are provided to customers through the HVAC Contractors to help offset equipment costs and provide for quality installation practices.

2. Air Conditioning Upgrade Rebate Measures List and Incentive Levels

Incentive amounts of \$650 per unit for installation of replacement Seasonal Energy Efficiency Ratio (SEER) 14.0 or SEER 15.0 rated systems and \$850 per unit for installation of SEER 16.0 or above rated systems will be paid to the Program HVAC Contractor. The HVAC Contractor will

pass the replacement equipment incentive to the customer. If recommissioning is feasible, the cost will be paid by the Company to the HVAC Contractor.

KCP&L-MO reserves the option to offer additional measures and alter incentive levels that are approved and pass the Total Resource Cost (TRC) test listed in Schedule KHW-4. For customer communication, eligible incentives directly paid to customer and measures will be found at www.kcpl.com.

3. Program Goals

Expected energy and demand savings – time horizon

The expected annual, cumulative gross and net energy and demand savings at the generator bus for the Program over the estimated life is shown below. This Program will operate with a net to gross ratio of 1.0.

Year	Program Energy (kWh) Incremental	Program Energy (kWh) Cumulative	Program Demand (kW) Incremental	Program Demand (kW) Cumulative
2014	2,178,804	2,178,804	1,264	1,264
2015	4,301,493	6,480,297	2,493	3,757
2016	4,301,493	10,781,790	2,493	6,250
2017	4,301,493	15,083,282	2,493	8,742
2018	4,301,493	19,384,775	2,493	11,235
2019	3,270,905	22,655,679	2,053	13,288
2020	1,379,386	24,035,066	967	14,255
2021	520,705	24,555,771	321	14,577
2022	520,705	25,076,476	321	14,898
2023	520,705	25,597,182	321	15,219
2024	520,705	26,117,887	321	15,541
2025	520,705	26,638,593	321	15,862
2026	520,705	27,159,298	321	16,184
2027	520,705	27,680,004	321	16,505
2028	520,705	28,200,709	321	16,826
2029	520,705	28,721,415	321	17,148
2030	520,705	29,242,120	321	17,469
2031	520,705	29,762,825	321	17,790
2032	233,420	29,996,245	144	17,935

The projected annual incremental savings targets during the plan period (at the meter) are listed below.

Year	Program Energy Savings (kWh)	Program Demand Savings (kW)
2014	2,044,674	1,186
2015	1,992,012	1,153

4. Program Framework/Strategy

Relationship to other programs

The Program is designed for residential customers; therefore, the Program has a strong relationship through promotion with the Company's other residential demand-side management (DSM) programs, such as the Home Energy Improvements Program, Income-Eligible Weatherization Program, Programmable Thermostat, Home Lighting Program, Home Energy Report Pilot, and Home Energy Analyzer.

Marketing strategy

The target market for the Program is KCP&L-MO residential customers who have improperly operating, inefficient, A/C systems.

The proposed marketing strategy includes:

- Building a strong, consistent message informing customers that the Air Conditioning Upgrade Rebate early replacements and retro-commissions will result in annual cost savings with energy efficient appliances.
- KCP&L-MO's marketing strategy will be based on the integration of marketing, customer call center and program management functions.

Key Messages:

- Maintain the operating efficiency of your central A/C systems and offset the cost of upgrading to a new high efficiency system by utilizing the Program at: www.kcpl.com.
- Schedule an Air Conditioning Upgrade Rebate assessment with a CheckME!™ certified technician.
- Qualify for an instant rebate up to \$850 towards a new energy efficient A/C or heat pump.

Program delivery

The Program will be implemented by KCP&L-MO with necessary resources to administer the Program.

KCP&L-MO will utilize an internal program manager to conduct its own administration of the Program. KCP&L-MO's Program Manager will maintain oversight of the Program. This is an existing program currently in place that will be implemented as the new MEEIA program on the specified effective date.

Partners

Partners include CheckME!™ HVAC vendor affiliates and a third party vendor to conduct project analysis, post QA/QC evaluation.

5. Program Beneficiaries

Expected number of participants by customer class or subclass

The number of expected program end use measures expected to be under taken by KCP&L-MO residential customers over the two-year period is shown below. The expected market potential and penetration rate used to estimate participants was derived from Navigant's Potential Study as seen in Schedule KHW-5.

	KCP&L-MO Annual End Use Measures (Projected)
Year 1	3,920
Year 2	3,890
Total	7,810

6. **Program Benefit-Cost Analysis**

All five benefit-cost tests are shown below for the Program. The dollar values below are on a present value basis with the assumption that all future cash flows start at the beginning of each annual period, discounted at the appropriate discount rate.

Test Name	Market Based Test Results	Cost Based Test Results
Utility Test	1.61	1.74
TRC Test	1.14	1.23
RIM Test	0.62	0.66
RIM (Net Fuel)	0.70	0.75
Societal Test	1.29	1.40
Participant Test	2.06	2.06

Assumptions	
Utility Discount Rate (%)	6.961%
Participant Discount Rate (%)	10.00%
Electric Losses (%)	6.56%
Societal Discount Rate1 (%)	3.00%

Avoided Costs	
Avoided T&D (\$ / kW)	** [REDACTED] **
Cost-Based Proxy for Avoided Capacity (\$ / kW Annualized)	** [REDACTED] **

Emissions Costs	\$ / kWh
SOx	\$0.000001
NOx	\$0.000032
CO2	\$0.002670
Total	\$0.0027

Cost Based Avoided Electric Production	**		**
Avoided Electric Capacity	**		**
Avoided T&D Electric	**		**
Total Cost Based Avoided Costs	**		**

Market Based Avoided Electric Production Costs	**		**
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Program Costs			
Administration Costs	**		**
Implementation / Participation Costs	**		**
Other / Miscellaneous Costs	**		**
Incentives	**		**
Total	**		**

Participant Cost (Gross)	**		**
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Other Environmental Benefits, NOx SOx	**		**
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Lost Revenue			
Gross Lost Revenue, Electric	**		**
Net Fuel Lost Revenue, Electric	**		**

7. Program Evaluation, Measurement and Verification Plan

Program evaluation, measurement and verification (EM&V) are key elements of DSM programs. EM&V is used to document and measure the effects of a program and determine whether the program met its goal with respect to being a reliable energy resource. EM&V is also used to help understand why certain effects occurred and identify ways to improve current programs and to select future programs.

The two types of evaluation which will be utilized by KCP&L-MO are:

Process evaluation: Process evaluation assesses program delivery, from design to implementation, in order to identify bottlenecks, efficiencies, what did and did not work; constraints and potential improvements. Evaluation plans will be developed by the selected evaluation contractor(s) and will describe all necessary data collection, process evaluation tasks and impact evaluation tasks by program.

Evaluation plans include the following information:

- Study Methodology by Program;
- Data Collection Strategies;
- Data Requests by Program; and
- Detailed Work Plan and Schedule.

Impact evaluation: Impact evaluation determines the impacts (energy and demand savings) and co-benefits (avoided emissions, energy security, transmission/distribution benefits) that directly result from a program. Impact evaluations also support cost-effectiveness analyses aimed at identifying relative program costs and benefits. The Monitoring and Verification process acts as a quality control and quality assurance process for the savings, tracking and accounting for the program.

Monitoring: This is the monitoring of installations when needed to determine or verify savings from a measure that is applied in a unique way, is significant in savings, or is new to the market. Working with the evaluation contractor, guidelines are developed to determine which projects should be monitored.

Verification: During the processing of an application for customer incentives (rebates), KCP&L-MO reviews the equipment specifications by model number to determine if that measure qualifies. This “paper” verification occurs on all applications. Additionally, there are random field visits to assure the correct number and types of measures were installed at the customer’s facility.

Market Transformation: This is the strategic process of intervening in a market to create lasting change in market behavior by removing identified barriers or using opportunities to accelerate the adoption of all cost-effective energy efficiency as a matter of standard practice.

KCP&L-MO will retain one or more EM&V contractors to perform process and impact evaluations for its programs and assess progress of market transformation in order to avoid conflicts of interest and to insure credibility of the evaluation results, as well as comply with Commission requirements. KCP&L-MO expects to conduct EM&V of the Program at the end of the plan period.

8. Program Budget (Two-Year)

The expected budget for the Program over the two-year period is shown below.

		Admin	Incentives	Implementation	Other Including EM&V	Total
Year 1	**					**
Year 2	**					**
Total	**					**

9. Strategies to Minimize Free Riders and Maximize Spillover

The development of this Program incorporated available information from market studies, consultant studies and the California Database for Energy Efficient Resources (DEER) on program

impacts of free ridership and spillover in the initial program design. At the end of the plan period, KCP&L-MO will perform an EM&V study and these results will be incorporated into the Program design. This process provides the input necessary to minimize free-ridership and maximize spillover.

KCP&L-MO MEEIA

Home Appliance Recycling Rebate Program Description

The following information regarding KCP&L-MO (Company) proposed Home Appliance Recycling Rebate Program (Program) is provided in compliance with 4 CSR 240-3.164(2) (C).

1. Program Description

The primary objective of the Program is to incent residential customers to remove inefficient, operating, secondary appliances. The secondary purpose is to raise awareness of the energy benefits of ENERGY STAR® appliances.

Older vintage refrigerators and freezers can be some of the least efficient electrical appliances in the home. Often these old units are used when they are not functioning properly and as a result use electricity very inefficiently. To encourage customers to dispose of their old appliances and purchase efficient ENERGY STAR® models, KCP&L-MO proposes a home appliance recycling rebate program. The Program will target residential customers who are currently operating secondary refrigerators, freezer as well as dehumidifiers.

2. Home Appliance Recycling Measure List

With the Program, KCP&L-MO will target specific measures to achieve energy/demand reduction. These include, but are not limited to, the following measures:

Inefficient refrigerators or freezers:

Measure	Unit	Year 1 Incentive
Freezer – Standard Freezer - Recycle	per unit	\$75.00
Refrigerator- Standard Refrigerator- Recycle	per unit	\$75.00

KCP&L-MO reserves the option to offer additional measures and alter incentive levels that are approved and pass the Total Resource Cost (TRC) test listed in Schedule KHW-4. For customer communication, eligible incentives directly paid to customer and measures will be found at www.kcpl.com.

3. Program Goal

Expected energy and demand savings – time horizon

The expected annual, cumulative gross energy and demand savings at the generator bus for the Program over the estimated life is shown below. Program targets, market potential and penetration rates were defined using the potential study as a source for savings targets.

Year	Program Energy (kWh) Incremental	Program Energy (kWh) Cumulative	Program Demand (kW) Incremental	Program Demand (kW) Cumulative
2014	839,855	839,855	134	134
2015	2,363,674	3,203,529	377	511
2016	2,363,674	5,567,204	377	887
2017	2,363,674	7,930,878	377	1,264
2018	2,363,674	10,294,552	377	1,641
2019	2,363,674	12,658,227	377	2,018
2020	2,363,674	15,021,901	377	2,394
2021	2,363,674	17,385,576	377	2,771
2022	1,523,820	18,909,395	243	3,014

The expected annual, cumulative net energy and demand savings at the generator bus for the Program over the estimated life of the Program is shown below. An estimated net to gross ratio of 0.52 is applied. Program targets, market potential and penetration rates were defined using the potential study as a source for savings targets.

Year	Net Program Energy (kWh) Incremental	Net Program Energy (kWh) Cumulative	Net Program Demand (kW) Incremental	Net Program Demand (kW) Cumulative
2014	436,724	436,724	70	70
2015	1,229,111	1,665,835	196	266
2016	1,229,111	2,894,946	196	461
2017	1,229,111	4,124,057	196	657
2018	1,229,111	5,353,167	196	853
2019	1,229,111	6,582,278	196	1,049
2020	1,229,111	7,811,389	196	1,245
2021	1,229,111	9,040,499	196	1,441
2022	792,386	9,832,885	126	1,567

The projected annual incremental savings targets during the plan period (at the meter) applying a net to gross ratio of 0.52 are listed below.

Year	Program Energy Savings (kWh)	Program Demand Savings (kW)
2014	409,839	65
2015	743,606	119

4. Program Framework/Strategy
Relationship to other programs

The Program is designed for residential customers; therefore, the Program has a strong relationship through promotion with the Company's other residential demand-side management (DSM) programs such as the Home Appliance Rebate program, Home Energy Improvements program, Air Conditioning Upgrade Rebate program, Income-Eligible

Weatherization, Programmable Thermostat, Home Lighting program, Home Energy Report Pilot, and Home Energy Analyzer.

Marketing Strategy

The target market for the Program is KCP&L-MO residential customers who have improperly operating, inefficient, or secondary appliances.

The proposed marketing strategy includes:

- Building a strong, consistent message informing customers that the Program will result in annual cost savings with energy efficient appliances.
- Strengthen KCP&L-MO's relationship with ENERGY STAR® appliance retailers, manufacturers and distributors.
 - KCP&L-MO's marketing strategy will be based on the integration of marketing, customer call center and program management functions.

The Program includes customer educational and promotional pieces designed to assist residential customers with the information necessary to improve the energy efficiency of their entire home. The Program also includes customer and trade ally education to assist with understanding the technologies and applications that are being promoted, the incentives that are offered, and how the Program functions.

Customer Marketing Tactics

The following customer marketing activities are anticipated:

- Promote program on www.kcpl.com, within site and in account payment portal (AccountLink).
- Provide promotional information embedded in the Energy Analyzer.
- Direct mail campaigns.
- Conduct telemarketing in conjunction with other campaigns.
- Bill inserts and Html email campaigns.
- Print advertising in local newspapers and magazines.
- Participation in Earth Day, Home Shows, and large customer employee fairs by providing brochures featuring the benefits and process to participate.

Retailer Marketing Tactics

KCP&L-MO will increase its efforts with retailers with the following:

- Schedule retailer meetings.
- Provide updates on KCP&L-MO energy efficiency applications, program updates, budgets/goals, etc.
- Provide information and documentation on KCP&L-MO's programs, procedures, policies and contacts.
- Provide reporting and marketing tools.
- Provide marketing support to drive product participation.

For the Program, KCP&L-MO has identified the following internal and external print communications as possible marketing channels:

Externally Published Communications:

- The Kansas City Star.
- Greenability magazine or other sustainability publications.

Internally Published Communications:

- The Wire. (Commercial version). This is a quarterly newsletter from KCP&L-MO that is included with a customer's bill.
- Bill messaging.
- On line promotion with KCP&L-MO's other e-Services products.

Other marketing activities may include:

- Online advertising will be used with Google AdWords.
- Attend and present at conferences and public events, such as Chamber of Commerce meetings, to increase general awareness of the Program and distribute Program promotional materials.
- Sponsor spots on public radio.

Program delivery

The Program will be implemented by KCP&L-MO with necessary resources to administer the Program. A Program Administrator will be responsible for items such as incentive processing, rebate processing, communication with the customer to resolve application issues, and status reporting associated with the Program as KCP&L-MO directs.

KCP&L-MO will utilize an internal program manager to conduct its own administration of the Program. KCP&L-MO's Program Manager will maintain oversight of the Program.

Partners

Partners include KCP&L-MO internal staff, various retailers, local Chamber of Commerce organizations, and others as needed to promote and encourage customer participation in the Program.

5. Program Beneficiaries

Expected number of participants by customer class or subclass

The number of expected Program end use measures (net-free) expected to be undertaken by KCP&L-MO residential customers over the two-year period is shown below.

	KCP&L-MO Annual End Use Program Measures (Projected)
2014	723
2015	1,311
Total	2,034

KCP&L-MO annual end use Program measures (net-free)

The Net to Gross Factor for all measures is 0.52.

6. Program Benefit-Cost Analysis

All five benefit-cost tests are shown below for the Program. The dollar values below are on a present value basis with the assumption that all future cash flows start at the beginning of each annual period, discounted at the appropriate discount rate.

Test Name	Market Based Test Results	Cost Based Test Results
Utility Test	0.62	0.67
TRC Test	1.03	1.11
RIM Test	0.30	0.32
RIM (Net Fuel)	0.34	0.36
Societal Test	1.21	1.30
Participant Test	N/A	N/A

Assumptions	
Utility Discount Rate (%)	6.961%
Participant Discount Rate (%)	10.00%
Electric Losses (%)	6.56%
Societal Discount Rate1 (%)	3.00%

Avoided Costs			
Avoided T&D (\$ / kW)	**		**
Cost-Based Proxy for Avoided Capacity (\$ / kW Annualized)	**		**

Emissions Costs	\$ / kWh
SOx	\$0.000001
NOx	\$0.000032
CO2	\$0.002670
Total	\$0.0027

Cost Based Avoided Electric Production	**		**
Avoided Electric Capacity	**		**
Avoided T&D Electric	**		**

Total Cost Based Avoided Costs	**		**
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Market Based Avoided Electric Production Costs	**		**
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Program Costs			
Administration Costs	**		**
Implementation / Participation Costs	**		**
Other / Miscellaneous Costs	**		**
Incentives	**		**
Total	**		**

Participant Cost (Gross)	-0-
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Other Environmental Benefits, NOx SOx	**		**
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Lost Revenue			
Gross Lost Revenue, Electric	**		**
Net Fuel Lost Revenue, Electric	**		**

7. Program Evaluation, Measurement and Verification Plan

KCP&L-MO will conduct program evaluation, measurement and verification (EM&V) pursuant to 4 CSR 240-3.163(7) and 4 CSR 240-20.093(7).

EM&V is used to document and measure the effects of a program and determine whether the program met its goal with respect to being a reliable energy resource. EM&V is also used to help understand why certain effects occurred and identify ways to improve current programs and to select future programs.

The two types of evaluation utilized by KCP&L-MO are:

Process evaluation: Process evaluation assesses program delivery, from design to implementation, in order to identify bottlenecks, efficiencies, what did and did not work, constraints and potential improvements. Evaluation plans are developed by KCP&L-MO's evaluation contractor(s) and describe all necessary data collection, process evaluation tasks and impact evaluation tasks by program.

Evaluation plans include the following information:

- Study Methodology by Program;

- Data Collection Strategies;
- Data Requests by Program; and
- Detailed Work Plan and Schedule.

Impact evaluation: Impact evaluation determines the impacts (energy and demand savings) and co-benefits (avoided emissions, energy security, transmission/distribution benefits) that directly result from a program. Impact evaluations also support cost-effectiveness analyses aimed at identifying relative program costs and benefits. The Monitoring and Verification process acts as a quality control and quality assurance process for the savings, tracking and accounting for the program.

Monitoring: This is the monitoring of installations when needed to determine or verify savings from a measure that is applied in a unique way, is significant in savings, or is new to the market. Working with the evaluation contractor, guidelines are developed to determine which projects should be monitored.

Verification: During the processing of an application for customer incentives (rebates), KCP&L reviews the equipment specifications by model number to determine if that measure qualifies. This “paper” verification occurs on all applications. Additionally, there are random field visits to assure the correct number and types of measures were installed at the customer’s facility.

KCP&L-MO will retain one or more EM&V contractors to perform process and impact evaluations for its programs and assess progress of market transformation in order to avoid conflicts of interest and to insure credibility of the evaluation results, as well as comply with Commission requirements. KCP&L-MO expects to conduct EM&V of the Program at the end of the plan period.

8. Program Budget (Two-Year)

The expected budget for the Program over the two-year period is shown below:

		Admin	Implementation	Incentives	Other Including EM&V	Total	
Year 1	**						**
Year 2	**						**
Total	**						**

9. Strategies to Minimize Free Riders and Maximize Spillover

The development of this Program incorporated available information from market studies, consultant studies and the California Database for Energy Efficient Resources (DEER) on program impacts of free ridership and spillover in the initial program design. At the end of the plan period, KCP&L-MO will perform an EM&V study and these results will be incorporated into the Program design. This process provides the input necessary to minimize free-ridership and maximize spillover.

KCP&L-MO MEEIA

Home Energy Analyzer Program Description

The following information regarding KCP&L-MO's (Company) proposed Home Energy Analyzer Program (Program) is provided in compliance with 4 CSR 240-3.164(2)(C).

1. Program Description

This Program allows all residential customers with access to the Internet to retrieve their billing information, make comparisons of electric usage on a monthly or yearly basis, analyze electric usage on an end use basis, and research energy savings by end use through a searchable resource center. Customers can also compare their bills to analyze changes from one month to another. Residential customers can also compare their home to a similar home in terms of average energy usage using the Energy Guide label concept.

2. Measures List and Incentive Levels

N/A

3. Program Goals

N/A (educational program)

4. Program Framework/Strategy

Relationship to other programs

The Program is designed for residential customers; therefore, the Program has a strong relationship through promotion with the Company's other residential programs, such as the Home Energy Improvements program, Home Lighting Rebate program, Air Conditioning Upgrade Rebate program, Income-Eligible Weatherization program, Home Energy Report Pilot, and Programmable Thermostat program.

Marketing strategy

The target market for the Program is KCP&L-MO residential customers with homes within the service territory.

The proposed marketing strategy includes:

- Building a strong, consistent message informing customers that the Program provides customers with the analysis tools to compare their bills, usage and utilize the resource center to identify energy solutions for their home.
- KCP&L-MO's marketing strategy will be based on the integration of marketing, bill inserts, direct mail, and energy resource fairs.

Key Messages:

- Completing a home profile is the first step towards managing your energy usage and costs. Find out more on your homes energy usage at www.kcpl.com.
- Take a few minutes to save energy and money in your home.

Program delivery

The Program will be implemented by KCP&L-MO with necessary resources to administer the Program. KCP&L-MO will utilize an internal program manager to conduct its own administration of the Program. KCP&L-MO’s program manager will maintain oversight of the Program.

5. Program Beneficiaries

Expected number of participants by customer class or subclass

The number of expected program end use measures (net-free) expected to be under taken by KCP&L- MO residential customers over the two-year period is shown below:

	KCP&L-MO Annual Participants (Projected)
Year 1	1,600
Year 2	1,700

6. Program Benefit Cost Analysis

N/A

7. Program Evaluation, Measurement and Verification Plan

KCP&L-MO will conduct program evaluation, measurement and verification (EM&V) pursuant to 4 CSR 240-3.163(7) and 4 CSR 240-20.093(7). EM&V is used to document and measure the effects of a program and determine whether the program met its goal with respect to being a reliable energy resource. EM&V is also used to help understand why certain effects occurred and identify ways to improve current programs and to select future programs.

The two types of evaluation utilized by KCP&L-MO are:

Process evaluation: Process evaluation assesses program delivery, from design to implementation, in order to identify bottlenecks, efficiencies, what did and did not work, constraints and potential improvements. Evaluation plans are developed by KCP&L-MO’s evaluation contractor(s) and describe all necessary data collection, process evaluation tasks and impact evaluation tasks by program.

Evaluation plans include the following information:

- Study Methodology by Program;
- Data Collection Strategies;
- Data Requests by Program; and
- Detailed Work Plan and Schedule.

Impact evaluation: Impact evaluation determines the impacts (energy and demand savings) and co-benefits (avoided emissions, energy security, transmission/distribution benefits) that directly result from a program. Impact evaluations also support cost-effectiveness analyses aimed at identifying relative program costs and benefits. The Monitoring and Verification process acts as a quality control and quality assurance process for the savings, tracking and accounting for the program.

Monitoring: This is the monitoring of installations when needed to determine or verify savings from a measure that is applied in a unique way, is significant in savings, or is new to the market. Working

with the evaluation contractor, guidelines are developed to determine which projects should be monitored.

Verification: During the processing of an application for customer incentives (rebates), KCP&L-MO reviews the equipment specifications by model number to determine if that measure qualifies. This “paper” verification occurs on all applications. Additionally, there are random field visits to assure the correct number and types of measures were installed at the customer’s facility.

KCP&L-MO will retain one or more EM&V contractors to perform process and impact evaluations for its programs and assess progress of market transformation in order to avoid conflicts of interest and to insure credibility of the evaluation results, as well as comply with Commission requirements. KCP&L-MO expects to conduct EM&V of the Program at the end of the plan period.

8. Program Budget (Two-Year)

The expected budget for the Program over the two-year period is shown below.

		Admin	Incentives	Implementation	Other Including M&V	Total
Year 1	**					**
Year 2	**					**
Total	**					**

9. Strategies to Minimize Free Riders and Maximize Spillover

The development of this Program incorporated available information from market studies, consultant studies and the California Database for Energy Efficient Resources (DEER) on program impacts of free ridership and spillover in the initial program design. At the end of the plan period, KCP&L-MO will perform an EM&V study and these results will be incorporated into the Program design. This process provides the input necessary to minimize free-ridership and maximize spillover.

KCP&L-MO MEEIA

Home Energy Improvements Program Description

The following information regarding KCP&L-MO's (Company) proposed Home Energy Improvements Program (Program) is provided in compliance with 4 CSR 240-3.164(2)(C).

1. Program Description

The primary goal of the Program is to help residential customers understand their energy use and identify opportunities for improving the efficiency of their homes through a walk through home audit. Additionally the Program offers rebates and installation of energy-saving measures during the audit.

Customers who participate in the Program will receive an Energy Audit from an approved Contractor/Consultant. This process may be facilitated and quality controlled by a third party Program Administrator on behalf of the Company in accordance with established Program guidelines.

Customers will pay a low cost fee for the Audit. The Contractor will install energy-saving measures worth up to \$200 during the audit at no additional cost to the customer. KCP&L-MO may incent additional measures up to \$600 paid to the customer. Rebates may also be available to the customer through Missouri Gas Energy (MGE).

Contractors will be required to install a certain number of measures in order to be eligible for reimbursement. Contractors may be required to capture home energy equipment information and identify possible savings equipment upgrades.

2. Measures List and Incentive Levels

Incentive Strategy

Incentive rebate will be paid to the Contractor. The incentive will be passed on to the customer through the reduced cost of the Audit and the energy-savings measures that the Contractor will install in their home at no additional cost to the customer.

Customer will receive an audit to identify energy saving opportunities. KCP&L-MO will provide a list of eligible energy-saving measures that may be installed at the customer's home. A list of items will also be available for customers who also have an electric water heater for additional energy-saving items. Eligible measures are provided for in Schedule KHW -4. Depending on the measures, KCP&L-MO may pay the Contractor to install applicable items on the list. At the end of the audit the Contractor may also provide the customer with the following information:

- Describe the benefits of the energy-saving improvements that were installed.
- Suggest other no-cost actions that can be made to reduce energy usage.
- List low-cost, high-impact changes that can be made to further increase energy savings.
- Provide information relating to larger-scale improvements that can be implemented to maximize energy savings. Some of those improvements may be eligible for additional KCP&L-MO rebates.

3. Program Goals

Expected energy and demand savings – time horizon

The expected cumulative annual gross and net energy and demand savings at the generator bus for the Program over the estimated life of the Program follow. The size of the market and assumptions around market penetration were derived from the Navigant Potential Study in Schedule KHW-5.

Year	Program Energy (kWh) Incremental	Program Energy (kWh) Cumulative	Program Demand (kW) Incremental	Program Demand (kW) Cumulative
2014	309,260	309,260	78	78
2015	869,726	1,178,986	218	296
2016	869,726	2,048,712	218	514
2017	869,726	2,918,439	218	732
2018	869,726	3,788,165	218	950
2019	717,053	4,505,218	172	1,123
2020	440,250	4,945,468	89	1,212
2021	440,250	5,385,718	89	1,301
2022	440,250	5,825,968	89	1,390
2023	418,490	6,244,458	86	1,475
2024	359,527	6,603,986	78	1,553
2025	324,043	6,928,029	75	1,628
2026	321,559	7,249,587	72	1,700
2027	317,211	7,566,798	68	1,768
2028	317,211	7,884,009	68	1,836
2029	218,362	8,102,372	49	1,885
2030	38,296	8,140,668	13	1,898
2031	38,296	8,178,964	13	1,912
2032	38,296	8,217,260	13	1,925
2033	38,296	8,255,556	13	1,939
2034	38,296	8,293,852	13	1,952
2035	38,296	8,332,148	13	1,965
2036	38,296	8,370,444	13	1,979
2037	38,296	8,408,740	13	1,992
2038	38,296	8,447,037	13	2,006
2039	38,296	8,485,333	13	2,019

The projected annual incremental savings targets during the plan period (at the meter) are listed below.

Year	Program Energy Savings (kWh)	Program Demand Savings (kW)
2014	290,222	73
2015	525,963	132

Net to gross factors

The Net to Gross Factor for all measures is 1.0.

4. Program Framework/Strategy

Relationship to other programs

The Program is designed for residential customers; therefore, the Program has a strong relationship through promotion with the Company's other residential programs, such as the Home Energy Analyzer program, Air Conditioning Upgrade Rebate program, Home Lighting Rebate program, Income-Eligible Weatherization program, Home Energy Reports Pilot, and Programmable Thermostat program.

Marketing strategy

Residential customers in single-family homes and duplexes will be the target market. The Program primarily targets promotion to customers with consumption and mean household income that are both above average to maximize savings impacts and the percentage of customers who implement improvements. However, the Program will be designed to be broad enough to encompass customers with other levels of consumption and household income with the exception of those who would qualify for KCP&L-MO's Income-Eligible Weatherization Program.

Prospective customer participants will be identified in two primary ways:

- Participating contractors may identify existing customers within the Company service area that are suitable for the program.
- Customers interested in the Program, but not identified through the above means may contact a participating contractor or the Company directly. A listing of eligible contractors will be posted on www.kcpl.com.

The Program includes customer educational and promotional pieces designed to assist residential customers with the information necessary to improve the energy efficiency of their entire home. The Program also includes customer and trade ally education to assist with understanding the technologies and applications promoted, the incentives offered, and how the Program functions.

Customer Marketing Tactics

The following customer marketing activities are anticipated:

- Promote Program on www.kcpl.com Home Page, within site and in account payment portal (AccountLink).
- Provide promotional info embedded in the Program.
- Direct mail campaigns.
- Bill inserts and html email campaigns.
- Print advertising in local newspapers and magazines.

- Participation in Earth Day, Home Shows, and large customer employee fairs by providing brochures featuring the benefits and process to participate.

Contractor Marketing Tactics

The Company will increase its efforts with HVAC contractors with the following:

- Provide marketing support to drive program participation.
- Provide reporting and marketing tools.
- Provide information and documentation on the KCP&L-MO's programs, procedures, policies and contacts.
- Schedule contractor meetings at least once a year.
- Provide updates on KCP&L-MO energy efficiency applications, program updates, budgets/goals, etc.
- Facilitate networking.
- Determine content for partner-only web portal.

For the Program, KCP&L-MO has identified the following internal and external print communications as possible marketing channels.

Externally Published Communications:

- The Kansas City Star.
- Greenability magazine or other sustainability publications.

Internally Published Communications:

- Newsletters.
- Bill messaging.
- On line promotion with KCP&L-MO's other e-Services products.

Other marketing activities may include:

- Online advertising with Google AdWords.
- Attend and present at conferences and public events, such as Chamber of Commerce meetings, to increase general awareness of the Program and distribute Program promotional materials.
- Sponsor spots on public radio.

Program Delivery

The Program will be implemented by KCP&L-MO with necessary resources to administer the Program. An implementation contractor may be responsible for items such as rebate processing, contractor training and communications and status reporting associated with the Program, as directed by KCP&L-MO. KCP&L-MO will utilize an internal program manager to conduct its own administration of the Program. KCP&L-MO's Program Manager will maintain oversight of the Program.

- **Program Partners/Collaborative Resources**

Partners could include the Metropolitan Energy Center, Missouri Gas Energy, BPI certified program auditors and others as needed to promote and encourage customer and contractor participation in the program.

- **Proposed Implementation Schedule**

This program is expected to be implemented based on vendor selection and ramp period in mid-2014 or associated with approval of MEEIA programs.

5. Program Beneficiaries

Expected number of participants by customer class or subclass

The number of expected program end use measures expected to be undertaken by KCPL-MO residential customers over the two-year period is shown below.

Year	KCPL-MO Annual End Use Program Measures (Projected)
2014	1,509
2015	2,712
Total	4,221

Other beneficiaries

No other beneficiaries have been observed.

6. Program Benefit Cost Analysis

All five benefit-cost tests are shown below for the Program. The dollar values below are on a present value basis with the assumption that all future cash flows start at the beginning of each annual period, discounted at the appropriate discount rate.

Home Energy Improvements Program		
Test Name	Market Based Test Results	Cost Based Test Results
Utility Test	2.57	2.83
TRC Test	1.50	1.65
RIM Test	0.59	0.65
RIM (Net Fuel)	0.71	0.78
Societal Test	1.85	2.04
Participant Test	2.53	2.53

Assumptions	
Utility Discount Rate (%)	6.961%
Participant Discount Rate (%)	10.00%
Electric Losses (%)	6.56%
Societal Discount Rate1 (%)	3.00%

Avoided Costs

Avoided T&D (\$ / kW)	**	\$25.00	**
Cost-Based Proxy for Avoided Capacity (\$ / kW Annualized)	**	\$20.00	**
CO2 emissions (kG/kWh)			

Emissions Costs	\$ / kWh		
SOx		\$0.000001	
NOx		\$0.000032	
CO2		\$0.002670	
Total		\$0.0027	

Cost Based Avoided Electric Production	**		**
Avoided Electric Capacity	**		**
Avoided T&D Electric	**		**
Total Cost Based Avoided Costs	**		**

Market Based Avoided Electric Production Costs	**		**
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Program Costs			
Administration Costs	**		**
Implementation / Participation Costs	**		**
Other / Miscellaneous Costs	**		**
Incentives	**		**
Total	**		**

Participant Cost (Gross)	**		**
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Other Environmental Benefits, NOx SOx	**		**
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Lost Revenue			
Gross Lost Revenue, Electric	**		**
Net Fuel Lost Revenue, Electric	**		**

7. Program Evaluation, Measurement and Verification Plan

KCP&L-MO will conduct program evaluation, measurement and verification (EM&V) pursuant to 4 CSR 240-3.163(7) and 4 CSR 240-20.093(7).

EM&V is used to document and measure the effects of a program and determine whether the program met its goal with respect to being a reliable energy resource. EM&V is also used to help

understand why certain effects occurred and identify ways to improve current programs and to select future programs.

The two types of evaluation utilized by KCP&L-MO are:

Process evaluation: Process evaluation assesses program delivery, from design to implementation, in order to identify bottlenecks, efficiencies, what did and did not work, constraints and potential improvements. Evaluation plans are developed by KCP&L-MO's evaluation contractor(s) and describe all necessary data collection, process evaluation tasks and impact evaluation tasks by program.

Evaluation Plans include the following information:

- Study Methodology by Program;
- Data Collection Strategies;
- Data Requests by Program; and
- Detailed Work Plan and Schedule.

Impact evaluation: Impact evaluation determines the impacts (energy and demand savings) and co-benefits (avoided emissions, energy security, transmission/distribution benefits) that directly result from a program. Impact evaluations also support cost-effectiveness analyses aimed at identifying relative program costs and benefits. The Monitoring and Verification process acts as a quality control and quality assurance process for the savings, tracking and accounting for the program.

Monitoring: This is the monitoring of installations when needed to determine or verify savings from a measure that is applied in a unique way, is significant in savings, or is new to the market. Working with the evaluation contractor, guidelines are developed to determine which projects should be monitored.

Verification: During the processing of an application for customer incentives (rebates), KCP&L-MO reviews the equipment specifications by model number to determine if that measure qualifies. This "paper" verification occurs on all applications. Additionally, there are random field visits to assure the correct number and types of measures were installed at the customer's facility.

KCP&L-MO will retain one or more EM&V contractors to perform process and impact evaluations for its programs and assess progress of market transformation in order to avoid conflicts of interest and to insure credibility of the evaluation results, as well as comply with Commission requirements. KCP&L-MO expects to conduct EM&V of the Program at the end of the plan period.

8. Program Budget (Two-Year)

The expected budget for the Program over the two-year period is shown below.

		Admin	Implementation	Incentives	Other Including EM&V	Total	
Year 1	**						**
Year 2	**						**
TOTAL	**						**

9. Strategies to Minimize Free Riders and Maximize Spillover

The development of this Program incorporated available information from market studies, consultant studies and the California Database for Energy Efficient Resources (DEER) on program impacts of free ridership and spillover in the initial program design. At the end of the plan period, KCP&L-MO will perform an EM&V study and these results will be incorporated into the Program design. This process provides the input necessary to minimize free-ridership and maximize spillover.

KCP&L-MO MEEIA

Home Energy Reports Pilot Program Description

The following information regarding KCP&L-MO's (Company) proposed Home Energy Reports Pilot Program (Program) is provided in compliance with 4 CSR 240-3.164(2)(C).

1. Program Description

The Program provides residential customers with an Energy Report that provides a comparison of the household energy usage information with similar type customers or "neighbors." The intention of the Energy Report is to provide information that will influence customers' behavior in such a way that they lower their energy usage.

This is a behavioral modification program. This program element will operate as an opt-out only program, which means KCP&L-MO will select customers for participation in the Program. Program participants will be mailed an energy usage report on how energy is used by their households on a bi-monthly basis. The customer's home energy usage is compared to the average usage of households that are geographically located in close approximation of one another and have similar characteristics such as dwelling size and heating type.

The report displays a monthly neighbor comparison, a 12-month neighbor comparison, a personal comparison of this year's usage versus last year and specific energy tips that are based on the characteristics and usage of the household.

2. Home Energy Reports Measures List and Incentive Levels

N/A

3. Program Goal

Proposed annual and demand savings targets – time horizon

The proposed annual energy and demand savings at the generator bus targets and cumulative energy and demand savings targets for the Program over the estimated life of the program is shown below. (Program savings and estimated useful life time of one year.)

Year	Incremental Energy Savings, kWh (1 Yr Program Life)	Incremental Demand Savings, kW (1 Yr Program Life)
2014	23,367,394	5,842
2015	29,209,243	7,302

The projected annual incremental savings targets during the plan period (at the meter) are listed below.

Year	Program Energy Savings (kWh)	Program Demand Savings (kW)
2014	21,928,861	5,482
2015	27,411,076	6,853

The expected savings for this Program are based on 1.0 ratio of Net to Gross.

4. Program Framework/Strategy

Relationship to other programs

The Program is designed for residential customers; therefore, the Program has a strong relationship through promotion with the Company's other residential demand-side management (DSM) programs, such as the Air Conditioning Upgrade program, Home Appliance Rebate program, Home Energy Improvements program, Home Appliance Recycling program, Home Lighting Rebate program, Income-Eligible Weatherization program, and Programmable Thermostat program.

Marketing strategy

The target market for the Program is KCP&L-MO residential single-family and multifamily customers. Behavioral marketing is defined as using human biases that are important for making decisions and incorporating those biases into marketing campaigns to make them more effective. The Program will use behavioral marketing by focusing on social norms.

The overall marketing strategy will largely operate as a continued education and awareness of energy efficiency because this Program is conducted on an opt-out basis. Marketing will primarily occur through customized messages on participants' reports. Program participants will also be reached via e-channels and through additional targeted mailings based on energy reduction needs. In addition, the Company intends to partner with retailers to offer coded and measurable discounts and coupons that offer a call to action on energy reduction.

Key Messages:

- Reduce your energy usage – check out more energy saving opportunities at www.kcpl.com.
- Become a more informed user of energy and see how easily you can save money on your monthly expenses.
- Being more energy efficient is as simple as slightly changing an existing habit or pattern.

Program delivery

The Home Energy Reports will be implemented by KCP&L-MO with necessary resources to administer the Program including a third party implementer who will be responsible for the actual report creation.

The Program Administrator will utilize KCP&L-MO's customer database to create customized energy usage reports. KCP&L-MO will utilize an internal program manager to conduct its own administration of the Program. KCP&L-MO's Program Manager will maintain oversight of the Program. As the Program expands, additional call center personnel will be trained to field customer questions and manage program opt-out requests. The implementation of this Program is dependent on large data transfer mechanism set-up and is expected to be available in June 2014.

5. Program Beneficiaries

Expected number of participants by customer class or subclass

The number of expected Program end use measures (net-free) expected to be undertaken by KCP&L-MO residential customers over the two-year period is shown below. The same customers will participate in the Program in Years 1 and 2.

	KCP&L-MO Annual Participants (Projected)
Year 1	120,000
Year 2	120,000

6. Program Benefit-Cost Analysis

All five benefit-cost tests are shown below for the Program. The dollar values below are on a present value basis with the assumption that all future cash flows start at the beginning of each annual period, discounted at the appropriate discount rate.

Test Name	Market Based Test Results	Cost Based Test Results
Utility Test	1.42	1.61
TRC Test	1.42	1.61
RIM Test	0.38	0.43
RIM (Net Fuel)	0.43	0.49
Societal Test	1.49	1.68
Participant Test	N/A	N/A

Assumptions	
Utility Discount Rate (%)	6.961%
Participant Discount Rate (%)	10.00%
Electric Losses (%)	6.56%
Societal Discount Rate1 (%)	3.00%

Avoided Costs			
Avoided T&D (\$ / kW)	**		**
Cost-Based Proxy for Avoided Capacity (\$ / kW Annualized)	**		**

Emissions Costs	\$ / kWh
SOx	\$0.000001
NOx	\$0.000032
CO2	\$0.002670
Total	\$0.0027

Cost Based Avoided Electric Production	**		**
Avoided Electric Capacity	**		**
Avoided T&D Electric	**		**
Total Cost Based Avoided Costs	**		**

Market Based Avoided Electric Production Costs	**		**
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Program Costs			
Administration Costs	**		**
Implementation / Participation Costs	**		**
Other / Miscellaneous Costs	**		**
Incentives	**		**
Total	**		**

Participant Cost (Gross)	**		**
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Other Environmental Benefits, NOx SOx	**		**
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Lost Revenue			
Gross Lost Revenue, Electric	**		**
Net Fuel Lost Revenue, Electric	**		**

7. Program Evaluation, Measurement and Verification Plan

KCP&L-MO will conduct program evaluation, measurement and verification (EM&V) pursuant to 4 CSR 240-3.163(7) and 4 CSR 240-20.093(7).

EM&V is used to document and measure the effects of a program and determine whether the program met its goal with respect to being a reliable energy resource. EM&V is also used to help understand why certain effects occurred and identify ways to improve current programs and to select future programs.

The two types of evaluation utilized by KCP&L-MO are:

Process evaluation: Process evaluation assesses program delivery, from design to implementation, in order to identify bottlenecks, efficiencies, what did and did not work, constraints and potential improvements. Evaluation plans are developed by KCP&L-MO's evaluation contractor(s) and

describe all necessary data collection, process evaluation tasks and impact evaluation tasks by program.

Evaluation plans include the following information:

- Study Methodology by Program;
- Data Collection Strategies;
- Data Requests by Program; and
- Detailed Work Plan and Schedule.

Impact evaluation: Impact evaluation determines the impacts (energy and demand savings) and co-benefits (avoided emissions, energy security, transmission/distribution benefits) that directly result from a program. Impact evaluations also support cost-effectiveness analyses aimed at identifying relative program costs and benefits. The Monitoring and Verification process acts as a quality control and quality assurance process for the savings, tracking and accounting for the program.

Monitoring: This is the monitoring of installations when needed to determine or verify savings from a measure that is applied in a unique way, is significant in savings, or is new to the market. Working with the evaluation contractor, guidelines are developed to determine which projects should be monitored.

Verification: With no measures being installed tied to a rebate, verification is not needed for this program.

KCP&L-MO will retain one or more EM&V contractors to perform process and impact evaluations for its programs and assess progress of market transformation in order to avoid conflicts of interest and to insure credibility of the evaluation results, as well as comply with Commission requirements. KCP&L-MO expects to conduct EM&V of the Program at the end of the plan period.

8. Program Budget (Two-Year)

The expected budget for the Program over the two-year period is shown below.

		Admin	Program Delivery	Implementation	Other Including EM&V	Total
Year 1	**					**
Year 2	**					**
Total	**					**

9. Strategies to Minimize Free Riders and Maximize Spillover

The development of this Program incorporated available information from market studies, consultant studies and the California Database for Energy Efficient Resources (DEER) on program impacts of free ridership and spillover in the initial program design. At the end of the plan period, KCP&L-MO will perform an EM&V study and these results will be incorporated into the Program design. This process provides the input necessary to minimize free-ridership and maximize spillover.

KCP&L-MO MEEIA

Home Lighting Rebate Program Description

The following information regarding KCP&L-MO's (Company) proposed Home Lighting Rebate Program (Program) is provided in compliance with 4 CSR 240-3.164(2)(C).

1. **Program Description**

The Program promotes energy efficient lighting. The Program uses a two-pronged approach: (1) increasing supply of qualifying products through partnerships with retailers, manufacturers and distributors, and (2) creating demand through consumer awareness and understanding of the ENERGY STAR label and the benefits of energy efficiency.

KCP&L-MO will also promote energy efficient lighting, such as solid-state lighting and light emitting diode technologies.

2. **Home Lighting Rebate Measures List and Incentive Levels**

With the Program, KCP&L-MO will target specific measures to achieve energy/demand reduction. These include, but are not limited to, the following measures:

Measure	Unit	Year 1 Incentive
Occupancy Sensors	per connected W	\$0.10
Res Screw In -2x Incandescent Lamps	per lamp	\$1.00
CFLs	per lamp	\$1.00
LEDs	per lamp	\$7.50

KCP&L-MO reserves the option to offer additional measures and alter incentive levels that are approved and pass the TRC test listed in Schedule KHW-4. For customer communication, eligible incentives directly paid to customer and measures will be found at www.kcpl.com.

3. **Program Goal and Budget**

The projected participation and savings targets presented are based on the market potential identified within the potential study: Schedule KHW-3: Demand Side Resource Potential Study, 2014-2033 by Navigant Energy.

The Program is a new program in KCP&L-MO's portfolio and will require an implementation start date post approval of the MEEIA effective date. The timing will be solidified once an implementation contractor has been selected and the final scope of the program design is established.

Expected energy and demand savings – time horizon

The expected annual, cumulative gross energy and demand savings for the Program over the estimated life of the Program is shown below. Program targets, market potential and penetration rates were defined using the potential study as a source for savings targets.

The proposed incremental annual energy and demand savings targets and cumulative annual energy and demand savings targets at the generator bus for the Program over the estimated life of the program is shown below. Program targets, market potential and penetration rates were defined using the potential study as a source for savings targets.

Year	Program Energy (kWh) Incremental	Program Energy (kWh) Cumulative	Program Demand (kW) Incremental	Program Demand (kW) Cumulative
2014	15,788,398	15,788,398	1,683	1,683
2015	32,837,916	48,626,314	3,536	5,219
2016	32,748,529	81,374,843	3,520	8,739
2017	32,266,013	113,640,856	3,425	12,164
2018	32,266,013	145,906,869	3,425	15,589
2019	16,567,945	162,474,814	1,758	17,346
2020	3,700	162,478,514	0	17,347
2021	3,700	162,482,213	0	17,347
2022	3,700	162,485,913	0	17,348
2023	3,700	162,489,613	0	17,348
2024	3,700	162,493,313	0	17,348
2025	3,700	162,497,013	0	17,349
2026	3,700	162,500,712	0	17,349
2027	3,700	162,504,412	0	17,350
2028	3,700	162,508,112	0	17,350
2029	3,700	162,511,812	0	17,350
2030	3,700	162,515,511	0	17,351
2031	3,700	162,519,211	0	17,351
2032	3,700	162,522,911	0	17,352
2033	3,700	162,526,611	0	17,352
2034	3,700	162,530,311	0	17,352
2035	3,700	162,534,010	0	17,353
2036	3,700	162,537,710	0	17,353
2037	3,700	162,541,410	0	17,354
2038	3,700	162,545,110	0	17,354
2039	3,700	162,548,809	0	17,354

The projected annual incremental savings targets during the plan period (at the meter) are listed below.

Year	Program Energy Savings (kWh)	Program Demand Savings (kW)
2014	14,816,440	1,579
2015	15,999,922	1,739

4. Program Framework/Strategy

Relationship to other programs

The Program is designed for residential customers; therefore, the Program has a strong relationship through promotion with the Company's other residential demand side management (DSM) programs, such as the Air Conditioning Upgrade Rebate, Home Energy Improvement Program, Income-Eligible Weatherization, Programmable Thermostat Program, Home Energy Reports Pilot, Home Lighting Program, and Home Energy Analyzer.

Marketing Strategy

The proposed marketing strategy includes:

- Building a strong, consistent message informing customers that the Program will result in annual cost savings by purchasing and installing energy efficient lighting and;
- Strengthening KCP&L-MO's relationship with ENERGY STAR retailers.

The Program includes customer educational and promotional pieces designed to assist residential customers with the information necessary to improve the energy efficiency of their entire home. The Program also includes customer and trade ally education to assist with understanding the technologies and applications promoted, the incentives offered, and how the Program functions.

Customer Marketing Tactics

The following customer marketing activities are anticipated:

- Promote Program on www.kcpl.com Home Page, within site and in account payment portal (AccountLink).
- Provide promotional information embedded in the Home Energy Analyzer Program.
- Direct mail campaigns.
- Conduct telemarketing in conjunction with other campaigns.
- Bill inserts and html email campaigns.
- Print advertising in local newspapers and magazines.
- Participation in Earth Day, Home Shows, and large customer employee fairs by providing brochures featuring the benefits and process to participate.

Retailer Marketing Tactics

KCP&L-MO will increase its efforts with retailers with the following:

- Schedule retailer meetings at least once a year.
- Provide updates on KCPL-MO energy efficiency applications, program updates, budgets/goals, etc.
- Facilitate networking.
- Provide marketing tools.

- Provide marketing support to drive program participation.

For the Program, KCP&L-MO has identified the following internal and external print communications as possible marketing channels:

Externally Published Communications:

- The Kansas City Star.
- Greenability magazine or other sustainability publications.

Internally Published Communications:

- Newsletters.
- Bill messaging.
- On line promotion with the KCP&L-MO's other e-Services products.

Other marketing activities may include:

- Online advertising will be used with Google AdWords.
- Attend and present at conferences and public events, such as Chamber of Commerce meetings, to increase general awareness of the program and distribute program promotional materials.
- Sponsor spots on public radio.

Program Delivery

KCP&L-MO will primarily offer instant discounts at participating retailers through a buy down program through which the incentive is given to the distributor or manufacturer prior to being available at the retailer store. A mail-in rebate may also be considered as an alternative if KCP&L-MO determines it will be beneficial to customer participation. The Program will be implemented by KCP&L-MO with necessary resources to administer the Program. An implementation contractor may be responsible for items such as managing the buy down program with retailers, rebate processing, communication with the customer to resolve application issues, and status reporting associated with the Program, as directed by the KCP&L-MO.

KCP&L-MO will utilize an internal program manager to conduct its own administration of the program. The Program Manager will maintain oversight of the Program.

Partners

Partners include KCP&L-MO internal staff, various manufacturers, product distributors, retailers, local Chamber of Commerce organizations, and others as needed to promote and encourage customer participation in the program.

5. Program Beneficiaries

Expected number of participants by customer class or subclass

The number of expected Program end use measures (net-free) expected to be undertaken by KCP&L-MO residential customers over the two-year period is shown below.

	KCP&L-MO Annual End Use Program Measures (Projected)
2014	40,221
2015	52,251
Total	92,472

6. Program Benefit-Cost Analysis

All five benefit-cost tests are shown below for the Program. The dollar values below are on a present value basis with the assumption that all future cash flows start at the beginning of each annual period, discounted at the appropriate discount rate.

Test Name	Market Based Test Results	Cost Based Test Results
Utility Test	2.60	2.81
TRC Test	1.67	1.80
RIM Test	0.41	0.44
RIM (Net Fuel)	0.51	0.55
Societal Test	1.89	2.04
Participant Test	5.17	5.17

Assumptions	
Utility Discount Rate (%)	6.961%
Participant Discount Rate (%)	10.00%
Electric Losses (%)	6.56%
Societal Discount Rate1 (%)	3.00%

Avoided Costs			
Avoided T&D (\$ / kW)	**		**
Cost-Based Proxy for Avoided Capacity (\$ / kW Annualized)	**		**

Emissions Costs	\$ / kWh
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SOx	\$0.000001
NOx	\$0.000032
CO2	\$0.002670
Total	\$0.0027

Cost Based Avoided Electric Production	**		**
Avoided Electric Capacity	**		**
Avoided T&D Electric	**		**
Total Cost Based Avoided Costs	**		**

Market Based Avoided Electric Production Costs	**		**
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Program Costs			
Administration Costs	**		**
Implementation / Participation Costs	**		**
Other / Miscellaneous Costs	**		**
Incentives	**		**
Total	**		**

Participant Cost (Gross)	**		**
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Other Environmental Benefits, NOx SOx	**		**
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Lost Revenue			
Gross Lost Revenue, Electric	**		**
Net Fuel Lost Revenue, Electric	**		**

7. Program Evaluation, Measurement and Verification Plan

KCP&L-MO will conduct program evaluation, measurement and verification (EM&V) pursuant to 4 CSR 240-3.163(7) and 4 CSR 240-20.093(7).

EM&V is used to document and measure the effects of a program and determine whether the program met its goal with respect to being a reliable energy resource. EM&V is also used to help understand why certain effects occurred and identify ways to improve current programs and to select future programs.

The two types of evaluation utilized by KCP&L-MO are:

Process evaluation: Process evaluation assesses program delivery, from design to implementation, in order to identify bottlenecks, efficiencies, what did and did not work, constraints and potential improvements. Evaluation plans are developed by KCP&L-MO's evaluation contractor(s) and describe all necessary data collection, process evaluation tasks and impact evaluation tasks by program.

Evaluation plans include the following information:

- Study Methodology by Program;
- Data Collection Strategies;
- Data Requests by Program; and
- Detailed Work Plan and Schedule.

Impact evaluation: Impact evaluation determines the impacts (energy and demand savings) and co-benefits (avoided emissions, energy security, transmission/distribution benefits) that directly result from a program. Impact evaluations also support cost-effectiveness analyses aimed at identifying relative program costs and benefits. The Monitoring and Verification process acts as a quality control and quality assurance process for the savings, tracking and accounting for the program.

Monitoring: This is the monitoring of installations when needed to determine or verify savings from a measure that is applied in a unique way, is significant in savings, or is new to the market. Working with the evaluation contractor, guidelines are developed to determine which projects should be monitored.

Verification: During the processing of an application for customer incentives (rebates), KCP&L-MO reviews the equipment specifications by model number to determine if that measure qualifies. This "paper" verification occurs on all applications. Additionally, there are random field visits to assure the correct number and types of measures were installed at the customer's facility.

KCP&L-MO will retain one or more EM&V contractors to perform process and impact evaluations for its programs and assess progress of market transformation in order to avoid conflicts of interest and to insure credibility of the evaluation results, as well as comply with Commission requirements. KCP&L-MO expects to conduct EM&V of the Program at the end of the plan period.

8. Budget

The following budget has been used for planning purposes. However, KCPL-MO may adjust program budgets as necessary in accordance with current market conditions, EM&V results, and program implementation experience.

		Admin	Implementation	Incentives	Other Including M&V	Total	
Year 1	**						**
Year 2	**						**
Total	**						**

9. Strategies to Minimize Free Riders and Maximize Spillover

The development of this Program incorporated available information from market studies, consultant studies and the California Database for Energy Efficient Resources (DEER) on program impacts of free ridership and spillover in the initial program design. At the end of the plan period, KCP&L-MO will perform an EM&V study and these results will be incorporated into the Program design. This process provides the input necessary to minimize free-ridership and maximize spillover.

KCP&L-MO MEEIA

Income-Eligible Weatherization Program Description

The following information regarding KCP&L-MO's (Company) proposed Income-Eligible Weatherization Program (Program) is provided in compliance with 4 CSR 240-3.164(2)(C).

1. Program Description

This voluntary Program is intended to assist residential customers in reducing their energy usage by weatherizing the homes of qualified customers.

This Program is available to KCP&L-MO customers currently receiving service under any generally available residential rate schedule for a minimum of one year prior to completion of an application for weatherization assistance and who also meets the additional customer eligibility requirements defined in the agreement between KCP&L-MO and the Social Service Agency. Customer participation is limited to fund availability and KCP&L-MO reserves the right to modify or terminate this Program at any time, subject to Commission approval.

2. Income-Eligible Weatherization Measures List and Incentive Levels

Weatherization expenditures up to \$6,500 per home.

Examples of weatherization measures include: Air sealing, Ceiling Insulation, Wall Insulation, and Window Replacement.

3. Program Goals

Expected energy and demand savings-time horizon

The expected annual, cumulative gross and net energy and demand savings at the generator bus for the Program over the estimated life of the Program is shown below.

Year	Program Energy (kWh) Incremental	Program Energy (kWh) Cumulative	Program Demand (kW) Incremental	Program Demand (kW) Cumulative
2014	378,015	378,015	138	138
2015	996,735	1,374,751	323	460
2016	995,299	2,370,049	322	782
2017	984,832	3,354,881	320	1,103
2018	984,832	4,339,713	320	1,423
2019	760,189	5,099,902	296	1,719
2020	366,842	5,466,744	255	1,974
2021	366,842	5,833,586	255	2,229
2022	366,842	6,200,428	255	2,483
2023	364,625	6,565,053	254	2,738
2024	356,112	6,921,165	253	2,991
2025	348,261	7,269,427	253	3,244
2026	258,563	7,527,989	158	3,402
2027	156,168	7,684,157	51	3,452

2028	156,168	7,840,325	51	3,503
2029	137,436	7,977,760	47	3,550
2030	103,528	8,081,288	40	3,590
2031	103,528	8,184,816	40	3,631
2032	103,528	8,288,343	40	3,671
2033	103,528	8,391,871	40	3,711
2034	103,528	8,495,399	40	3,752
2035	103,528	8,598,926	40	3,792
2036	103,528	8,702,454	40	3,833
2037	103,528	8,805,982	40	3,873
2038	103,528	8,909,509	40	3,913
2039	66,688	8,976,197	26	3,939

The projected annual incremental savings targets during the plan period (at the meter) are listed below.

Year	Program Energy Savings (kWh)	Program Demand Savings (kW)
2014	354,744	129
2015	580,631	173

4. Program Framework/Strategy

Relationship to other programs

The Program is designed for residential customers; therefore, the Program has a strong relationship through promotion with the Company's other residential demand-side management (DSM) programs, such as the Home Energy Improvements program, Air Conditioning Upgrade Rebate program, Home Lighting Rebate program, Home Energy Reports Pilot, Home Energy Analyzer, and Programmable Thermostat.

Marketing strategy

The target market for the Program is residential customers with homes within the KCP&L-MO service territory.

The proposed marketing strategy includes:

- Building a strong, consistent message informing customers that the Program provides assistance to eligible customers for home weatherization improvements.
- KCP&L-MO's marketing strategy will be based on the integration of marketing, bill inserts, direct mail, and energy resource fairs.

Key Messages:

- The Program enables low income families to permanently reduce their energy bills by making their homes more energy efficient. For more information visit; www.kcpl.com.
- Typical services include installing insulation, caulking windows, and conducting repairs to heating and central cooling systems.

Program delivery

The Program will be implemented by KCP&L-MO with necessary resources to administer the Program. Agencies throughout KCP&L-MO service area will be charged with providing services to the customers and partnering with customers.

KCP&L-MO will utilize an internal program manager to conduct its own administration of the Program. KCP&L-MO's Program Manager will maintain oversight of the Program. This is an existing Program currently in place that will be implemented as the new MEEIA program on the specified effective date.

5. Program Beneficiaries

Expected number of participants by customer class or subclass as identified by the market potential study is shown below. The number of expected program end use measures (net-free) expected to be undertaken by KCP&L-MO residential customers over the two-year period is shown below.

	KCP&L-MO Annual Participants (Projected)
Year 1	1,130
Year 2	2,055
Total	3,185

6. Program Benefit-Cost Analysis

All five benefit-cost tests are shown below for the roll-up of the Program. The dollar values below are on a present value basis with the assumption that all future cash flows start at the beginning of each annual period, discounted at the appropriate discount rate.

Test Name	Market Based Test Results	Cost Based Test Results
Utility Test	0.6	0.7
TRC Test	0.6	0.7
RIM Test	0.4	0.4
RIM (Net Fuel)	0.4	0.4
Societal Test	0.8	0.8
Participant Test	1.8	1.8

Assumptions	
Utility Discount Rate (%)	6.961%
Participant Discount Rate (%)	10.00%
Electric Losses (%)	6.56%

Societal Discount Rate1 (%)	3.00%
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Avoided Costs			
Avoided T&D (\$ / kW)	**		**
Cost-Based Proxy for Avoided Capacity (\$ / kW Annualized)	**		**

Emissions Costs	\$ / kWh
SOx	\$0.000001
NOx	\$0.000032
CO2	\$0.002670
Total	\$0.0027

Cost Based Avoided Electric Production	**		**
Avoided Electric Capacity	**		**
Avoided T&D Electric	**		**
Total Cost Based Avoided Costs	**		**

Market Based Avoided Electric Production Costs	**		**
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Program Costs			
Administration Costs	**		**
Implementation / Participation Costs	**		**
Other / Miscellaneous Costs	**		**
Incentives	**		**
Total	**		**

Participant Cost (Gross)	**		**
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Other Environmental Benefits, NOx SOx	**		**
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Lost Revenue			
Gross Lost Revenue, Electric	**		**
Net Fuel Lost Revenue, Electric	**		**

7. Program Evaluation, Measurement and Verification Plan

KCP&L-MO will conduct program evaluation, measurement and verification (EM&V) pursuant to 4 CSR 240-3.163(7) and 4 CSR 240-20.093(7).

EM&V is used to document and measure the effects of a program and determine whether the program met its goal with respect to being a reliable energy resource. EM&V is also used to help understand why certain effects occurred and identify ways to improve current programs and to select future programs.

The two types of evaluation utilized by KCP&L-MO are:

Process evaluation: Process evaluation assesses program delivery, from design to implementation, in order to identify bottlenecks, efficiencies, what did and did not work, constraints and potential improvements.

Evaluation plans are developed by KCP&L-MO's evaluation contractor(s) and describe all necessary data collection, process evaluation tasks and impact evaluation tasks by program.

Evaluation plans include the following information:

- Study Methodology by Program;
- Data Collection Strategies;
- Data Requests by Program; and
- Detailed Work Plan and Schedule.

Impact evaluation: Impact evaluation determines the impacts (energy and demand savings) and co-benefits (avoided emissions, energy security, transmission/distribution benefits) that directly result from a program. Impact evaluations also support cost-effectiveness analyses aimed at identifying relative program costs and benefits. The Monitoring and Verification process acts as a quality control and quality assurance process for the savings, tracking and accounting for the program.

Monitoring: This is the monitoring of installations when needed to determine or verify savings from a measure that is applied in a unique way, is significant in savings, or is new to the market. Working with the evaluation contractor, guidelines are developed to determine which projects should be monitored.

Verification: During the processing of an application for customer incentives (rebates), KCP&L-MO reviews the equipment specifications by model number to determine if that measure qualifies. This "paper" verification occurs on all applications. Additionally, there are random field visits to assure the correct number and types of measures were installed at the customer's facility.

KCP&L-MO will retain one or more EM&V contractors to perform process and impact evaluations for its programs and assess progress of market transformation in order to avoid conflicts of interest and to insure credibility of the evaluation results, as well as comply with Commission requirements. KCP&L-MO expects to conduct EM&V of the Program at the end of the plan period.

8. Program Budget (Two-Year)

The expected budget for the Program over the two-year period is shown below.

		Admin	Implementation	Incentives	Other Including EM&V	Total	
Year 1	**						**
Year 2	**						**
Total	**						**

9. Strategies to Minimize Free Riders and Maximize Spillover

The development of this Program incorporated available information from market studies, consultant studies and the California Database for Energy Efficient Resources (DEER) on program impacts of free ridership and spillover in the initial program design. At the end of the plan period, KCP&L-MO will perform an EM&V study and these results will be incorporated into the Program design. This process provides the input necessary to minimize free-ridership and maximize spillover.

KCP&L-MO MEEIA

Programmable Thermostat Program Description

The following information regarding KCP&L-MO's (Company) proposed Programmable Thermostat Program (Program) is provided in compliance with 4 CSR 240-3.164(2)(C).

1. Program Description

KCP&L-MO's Program addresses the opportunity for load reduction on the Company's system on peak summer days. This demand response program focuses on residential and small to mid-tier commercial customers with peak demand less than 200 kW.

Customers who partner with KCP&L-MO in this Program will receive a free programmable thermostat that they can use to control their energy use throughout the year. Programmable thermostats can help reduce heating and cooling costs by automatically adjusting temperature settings throughout the day to match homeowners' schedules. The thermostat is maintained for free and can be accessed via the Internet as long as a participant remains in the Program.

The Company achieves load reduction with the Program by sending a signal to the customer's thermostat. The signal contains instructions that are used by the thermostat to enact one of several possible load reduction strategies:

- The thermostat can cycle the outdoor compressor on and off at a level set by KCP&L-MO;
- The thermostat can adjust the temperature by immediately raising the temperature several degrees at the beginning of an event;
- The thermostat can raise the temperature one degree per hour for a few hours; or
- A one hour pre-cooling option is available whereby the temperature of a building is lowered by a few degrees before the start of a cycling event.

The demand response season for the Program is designed to run from June 1 to September 30 each year. Curtailments can be called on weekdays only, with no limit on the total number of curtailments or number of consecutive days curtailed. Curtailment length is limited to a maximum of four hours per day per participant. The overall curtailment period can be lengthened by strategically and sequentially curtailing load across the service territory (although this will reduce the maximum load reduction available for any one event). Program participants are permitted to override the system once per month and must communicate their override request by phone.

With new programmable thermostat technology emerging and gaining penetration KCP&L-MO will take the opportunity to evaluate the potential of new thermostat technologies in conjunction with EPRI's smart thermostat research project. The primary purpose of this evaluation will be to determine the achievable energy efficiency and demand response impacts for this Program. Secondary to that, the research project will evaluate the technology specifications of various smart thermostats on the market such as their different architectures for providing utility demand response.

2. Program Goals

Proposed incremental and cumulative annual energy and demand savings targets.

The proposed incremental annual energy and demand savings targets and cumulative annual energy and demand savings at the generator bus for the Program over the Program life follow.

Year	Program Energy (kWh) Incremental	Program Energy (kWh) Cumulative	Program Demand (kW) Incremental	Program Demand (kW) Cumulative
2014	0	0	21,332	21,332
2015	0	0	23,827	45,159
2016	0	0	5,474	50,633
2017	0	0	5,474	56,106
2018	0	0	5,474	61,580
2019	0	0	5,474	67,053
2020	0	0	5,474	72,527
2021	0	0	5,474	78,001
2022	0	0	5,474	83,474
2023	0	0	5,474	88,948
2024	0	0	5,474	94,421

The projected annual incremental savings targets during the plan period (at the meter) are listed below.

Year	Program Energy Savings (kWh)	Program Demand Savings (kW)
2014	-	20,019
2015	-	19,931

The Net To Gross Factor for all measures is 1.0.

3. Program Framework/Strategy

Relationship to other programs

The Program has significant awareness throughout the KCP&L –MO service territory. This awareness serves as a natural conduit to promote other demand-side management (DSM) programs and energy efficiency in general.

Marketing strategy

The following communications channels are examples of the channels used to reach customers with the Programmable Thermostat marketing message:

- Direct Mail.
- Promote Program on www.kcpl.com home page, within www.kcpl.com, and on the AccountLink and Home Energy Analyzer portals.
- Bill messages and bill inserts.

- Html email.
- The Wire residential newsletter.
- Homeowner association newsletters.
- Participation in community events such as Earth Day, Home Shows, and employee fairs held by KCP&L-MO commercial customers for their employees.
- Participation in Chamber of Commerce meetings to increase general awareness of the Program and distribute Program promotional materials.

Web Presence:

The Programmable Thermostat website will serve as an information source to existing and new participants, promoting an understanding of program benefits, and providing a dedicated phone number for customer service.

Current website capabilities include online enrollment and a thermostat control center.

Sales Approach

The Programmable Thermostat is sold to the residential market primarily through direct marketing. There is some face-to-face selling that occurs at home shows and community events, but its impact is minimal. Direct marketing will be used with the commercial market as well, but it will be heavily supplemented by the direct sales efforts of KCP&L-MO's account management group.

Program delivery

This Program will be implemented by a third party to provide turn-key services including, but not limited to hardware and software solution platform/s as well as services for customer recruitment, appointment setting, installation, program maintenance activities, and a dedicated customer call center.

KCP&L-MO will utilize an internal program manager to conduct its own administration of the program. The Program Manager will maintain oversight of the Program.

4. Program Beneficiaries

Expected number of participants by customer class or subclass

The number of expected program end use measures expected to be undertaken by KCP&L-MO residential customers over the two-year period is shown below.

	KCP&L-MO Annual End Use Program Measures (Projected)
2014	25,189
2015	2,893
Total	28,802

B. Other beneficiaries

No other beneficiaries have been observed.

5. **Program Benefit-Cost Analysis**

All five benefit-cost tests are listed for the roll-up of the Program. The dollar values are on a present value basis with the assumption that all future cash flows start at the beginning of each annual period, discounted at the appropriate discount rate over the measure life.

Test Name	Market Based Test Results	Cost Based Test Results
Utility Test	2.62	2.62
TRC Test	2.96	2.96
RIM Test	2.62	2.62
RIM (Net Fuel)	2.62	2.62
Societal Test	3.05	3.05
Participant Test	N/A	N/A

Assumptions	
Utility Discount Rate (%)	6.961%
Participant Discount Rate (%)	10.00%
Electric Losses (%)	6.56%
Societal Discount Rate1 (%)	3.00%

Avoided Costs			
Avoided T&D (\$ / kW)	**		**
Cost-Based Proxy for Avoided Capacity (\$ / kW Annualized)	**		**

Emissions Costs	\$ / kWh
SOx	\$0.000001
NOx	\$0.000032
CO2	\$0.002670
Total	\$0.0027

Cost Based Avoided Electric Production		-0-	
Avoided Electric Capacity	**		**
Avoided T&D Electric	**		**

Total Cost Based Avoided Costs	**		**
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Market Based Avoided Electric Production Costs		-0-	
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Program Costs			
Administration Costs	**		**
Implementation / Participation Costs	**		**
Other / Miscellaneous Costs	**		**
Incentives	**		**
Total	**		**

Participant Cost (Gross)	**		**
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Other Environmental Benefits, NOx SOx	**		**
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Lost Revenue			
Gross Lost Revenue, Electric	**		**
Net Fuel Lost Revenue, Electric	**		**

6. Program Evaluation, Measurement and Verification Plan

KCP&L-MO will conduct program evaluation, measurement and verification (EM&V) pursuant to 4 CSR 240-3.163(7) and 4 CSR 240-20.093(7).

EM&V is used to document and measure the effects of a program and determine whether the program met its goal with respect to being a reliable energy resource. EM&V is also used to help understand why certain effects occurred and identify ways to improve current programs and to select future programs.

The two types of evaluation utilized by KCP&L-MO are:

Process evaluation: Process evaluation assesses program delivery, from design to implementation, in order to identify bottlenecks, efficiencies, what did and did not work, constraints and potential improvements.

Evaluation plans are developed by KCP&L's evaluation contractor(s) and describe all necessary data collection, process evaluation tasks and impact evaluation tasks by program.

Evaluation plans include the following information:

- Study Methodology by Program;
- Data Collection Strategies;

- Data Requests by Program; and
- Detailed Work Plan and Schedule.

Impact evaluation: Impact evaluation determines the impacts (energy and demand savings) and co-benefits (avoided emissions, energy security, transmission/distribution benefits) that directly result from a program. Impact evaluations also support cost-effectiveness analyses aimed at identifying relative program costs and benefits. The Monitoring and Verification process acts as a quality control and quality assurance process for the savings, tracking and accounting for the program.

Monitoring: This is the monitoring of installations when needed to determine or verify savings from a measure that is applied in a unique way, is significant in savings, or is new to the market. Working with the evaluation contractor, guidelines are developed to determine which projects should be monitored.

Verification: During the processing of an application for customer incentives (rebates), KCP&L-MO reviews the equipment specifications by model number to determine if that measure qualifies. This “paper” verification occurs on all applications. Additionally, there are random field visits to assure the correct number and types of measures were installed at the customer’s facility.

KCP&L-MO will retain one or more EM&V contractors to perform process and impact evaluations for its programs and assess progress of market transformation in order to avoid conflicts of interest and to insure credibility of the evaluation results, as well as comply with Commission requirements. KCP&L-MO expects to conduct EM&V of the Program at the end of the plan period.

7. Program Budget (Two-Year)

The following budget has been used for planning purposes. However, the KCP&L-MO may adjust program budgets as necessary in accordance with current market conditions, EM&V results, and program implementation experience.

		Admin	Implementation	Incentives	Other Including EM&V	Total
Year 1	**					**
Year 2	**					**
Total	**					**

8. Strategies to Minimize Free Riders and Maximize Spillover

Customers would not be expected to curtail load if they were a non-participant.

KCP&L-MO MEEIA

Building Operator Certification Program Description

The following information regarding KCP&L-MO (Company) proposed Building Operator Certification Program (Program) is provided in compliance with 4 CSR 240-3.164(2)(C).

1. Program Description

The Program is a competency-based training and certification program for building operators offering improved job skills and more comfortable, efficient facilities. Operators earn certification by attending training and completing project assignments in their facilities. The partners for the Program include the Missouri Department of Economic Development (MO DED), Midwest Energy Efficiency Alliance (MEEA), and Northwest Energy Efficiency Coalition (NEEC).

KCP&L-MO will:

- Reimburse the annual cost to license the Level 1 and Level 2 curriculums for KCP&L-MO service territory.
- Reimburse 50 percent of the tuition costs upon course curriculum completion for Building Operators associated with properties in KCP&L-MO service area that successfully complete the certifications.

2. Building Operator Certification Measures List and Incentive Levels

Current reimbursement for class offering is \$575 per participant.

3. Program Goals

Expected energy and demand savings – time horizon

The expected annual, cumulative gross and net energy and demand savings at the generator bus for the Program over the estimated life of the program is shown below:

Year	Program Energy (kWh) Incremental	Program Energy (kWh) Cumulative	Program Demand (kW) Incremental	Program Demand (kW) Cumulative
2014	809,057	809,057	92	92
2015	2,427,171	3,236,229	277	369
2016	2,427,171	5,663,400	277	647
2017	2,427,171	8,090,571	277	924
2018	2,427,171	10,517,742	277	1,201
2019	1,618,114	12,135,856	185	1,385

The projected annual incremental savings targets during the plan period (at the meter) are listed below.

Year	Program Energy Savings (kWh)	Program Demand Savings (kW)
2014	759,251	87
2015	1,518,500	173

4. Program Framework/Strategy

Relationship to other programs

The Program is designed for commercial and industrial (C&I) customers; therefore, the Program has a strong relationship through promotion with the Company's other C&I demand-side management (DSM) programs, such as the Business Energy Efficiency Rebates, Custom and Standard Rebate Programs, Demand Response Incentive Program, Programmable Thermostat Program (for small general service customers), and Business Energy Analyzer.

Marketing strategy

The target market for the Program is KCP&L-MO commercial building operators and facility personnel. The overall marketing strategy will largely operate as a continued education and awareness of energy efficiency within customer commercial facilities. Marketing will primarily occur through target marketing of customers with dedicated facility operations personnel. Program participants will also be reached via e-channels and through additional targeted mailings.

Key Messages:

- Improve your building's efficiency – Learn the latest information and technology and network with peers through this comprehensive 7 part training series at the Company's website.
- Become a more informed user of energy and see how easily you can save money on your monthly expenses.
- Identify ways to reduce unscheduled maintenance and increase Operations & Maintenance staff capabilities.

Program delivery

The Program will be implemented by KCP&L-MO with necessary resources to administer the Program. KCP&L-MO will utilize an internal program manager to conduct its own administration of the program in coordination with MEEA and MO DED program managers. KCP&L-MO's Program Manager will maintain oversight of the Program. As the Program expands, additional call center personnel will be trained to field customer questions and manage Program opt-out requests. This Program is expected to be implemented as soon as approval for KCPL-MO MEEIA has been obtained since it is an existing program.

5. Program Beneficiaries

Expected number of participants by customer class or subclass

The number of expected program end use measures (net-free) expected to be undertaken by KCP&L-MO commercial customers over the two-year period are shown below:

	KCP&L-MO Annual Participants (Projected)
2014	5
2015	10
Total	15

6. **Program Benefit-Cost Analysis**

All five benefit-cost tests are shown below for the roll-up of the Program. The dollar values below are on a present value basis with the assumption that all future cash flows start at the beginning of each annual period, discounted at the appropriate discount rate.

Test Name	Market Based Test Results	Cost Based Test Results
Utility Test	8.03	8.76
TRC Test	8.36	9.12
RIM Test	0.91	0.99
RIM (Net Fuel)	1.52	1.66
Societal Test	9.48	10.30
Participant Test	28.12	28.12

Assumptions	
Utility Discount Rate (%)	6.961%
Participant Discount Rate (%)	10.00%
Electric Losses (%)	6.56%
Societal Discount Rate1 (%)	3.00%

Avoided Costs	
Avoided T&D (\$ / kW)	** [REDACTED] **
Cost-Based Proxy for Avoided Capacity (\$ / kW Annualized)	** [REDACTED] **

Emissions Costs	\$ / kWh
SOx	\$0.000001
NOx	\$0.000032
CO2	\$0.002670
Total	\$0.0027

Cost Based Avoided Electric Production	** [REDACTED] **
Avoided Electric Capacity	** [REDACTED] **
Avoided T&D Electric	** [REDACTED] **
Total Cost Based Avoided Costs	** [REDACTED] **

Market Based Avoided Electric Production Costs	
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Program Costs			
Administration Costs	**		**
Implementation / Participation Costs	**		**
Other / Miscellaneous Costs	**		**
Incentives	**		**
Total	**		**
Participant Cost (Gross)			
	**		**
Other Environmental Benefits, NOx SOx			
	**		**
Lost Revenue			
Gross Lost Revenue, Electric	**		**
Net Fuel Lost Revenue, Electric	**		**

7. Program Evaluation, Measurement and Verification Plan

Program evaluation, measurement and verification (EM&V) are key elements of DSM programs. EM&V is used to document and measure the effects of a program and determine whether the program met its goal with respect to being a reliable energy resource. EM&V is also used to help understand why certain effects occurred and identify ways to improve current programs and to select future programs.

The two types of evaluation which will be utilized by KCP&L-MO are:

Process evaluation: Process evaluation assesses program delivery, from design to implementation, in order to identify bottlenecks, efficiencies, what did and did not work; constraints and potential improvements. Evaluation plans will be developed by the selected evaluation contractor(s) and will describe all necessary data collection, process evaluation tasks and impact evaluation tasks by program.

Evaluation plans include the following information:

- Study Methodology by Program;
- Data Collection Strategies;
- Data Requests by Program; and
- Detailed Work Plan and Schedule.

Impact evaluation: Impact evaluation determines the impacts (energy and demand savings) and co-benefits (avoided emissions, energy security, transmission/distribution benefits) that directly result from a program. Impact evaluations also support cost-effectiveness analyses aimed at identifying relative program costs and benefits. The Monitoring and Verification process acts as a quality control and quality assurance process for the savings, tracking and accounting for the program.

Monitoring: This is the monitoring of installations when needed to determine or verify savings from a measure that is applied in a unique way, is significant in savings, or is new to the

market. Working with the evaluation contractor, guidelines are developed to determine which projects should be monitored.

Verification: During the processing of an application for customer incentives (rebates), KCP&L-MO reviews the equipment specifications by model number to determine if that measure qualifies. This “paper” verification occurs on all applications. Additionally, there are random field visits to assure the correct number and types of measures were installed at the customer’s facility.

Market Transformation: This is the strategic process of intervening in a market to create lasting change in market behavior by removing identified barriers or using opportunities to accelerate the adoption of all cost-effective energy efficiency as a matter of standard practice.

KCP&L-MO will retain one or more EM&V contractors to perform process and impact evaluations for its programs and assess progress of market transformation in order to avoid conflicts of interest and to insure credibility of the evaluation results, as well as comply with Commission requirements. KCP&L-MO expects to conduct EM&V of the Program at the end of the plan period.

8. Program Budget (Two-Year)

The expected budget for the Program over the two-year period is shown below.

		Admin	Incentives	Implementation	Other Including EM&V	Total
Year 1	**					**
Year 2	**					**
Total	**					**

9. Strategies to minimize free riders and maximize spillover

The development of this Program incorporated available information from market studies, consultant studies and the California Database for Energy Efficient Resources (DEER) on program impacts of free ridership and spillover in the initial program design. At the end of the plan period, KCP&L-MO will perform an EM&V study and these results will be incorporated into the Program design. This process provides the input necessary to minimize free-ridership and maximize spillover.

KCP&L-MO MEEIA

Business Energy Analyzer Program Description

The following information regarding KCP&L-MO (Company) proposed Business Energy Analyzer Program (Program) is provided in compliance with 4 CSR 240-3.164(2)(C).

1. Program Description

This Program allows customers served with respect to this tariff to retrieve their billing information, make comparisons of electric usage on a monthly or yearly basis, and analyze electric usage on an end use basis, and research energy savings by heating, cooling, lighting and other electrical equipment through a searchable resource center. Customers can also compare their bills to analyze changes from one month to another. They may also compare their business to similar facilities in terms of average energy consumption.

2. Measures List and Incentive Levels

N/A

3. Program Goals

N/A (Educational program)

4. Program Framework/Strategy

Relationship to other programs

The Program is designed for commercial and industrial (C&I) customers; therefore, the Program has a strong relationship through promotion with the Company's other C&I demand-side management (DSM) programs, such as the Business Energy Efficiency Rebates, Custom and Standard Rebate Programs, Demand Response Incentive Program, Programmable Thermostat Program (for small general service customers), and Building Operator Certification Program.

Marketing strategy

The target market for the Program is KCP&L-MO commercial building operators and facility personnel.

The overall marketing strategy will largely operate as a general education and awareness of energy efficiency within customer commercial facilities. Marketing will primarily occur through direct bill inserts and target marketing of commercial customer facilities within the KCP&L-MO service territory. Program participants will also be reached via e-channels and through additional targeted mailings.

Key Messages:

- Improve your buildings efficiency – See where your energy dollars go and find ways to lower your energy costs for your business at www.kcpl.com.
- See how your energy costs stack up against similar businesses.
- Benchmark your energy costs across your locations.

Program delivery

The Program will be implemented by KCP&L-MO with necessary resources to administer the Program. KCP&L-MO will utilize an internal Program Manager to conduct its own administration of the Program. KCP&L-MO's Program Manager will maintain oversight of the Program.

5. Program Beneficiaries

Expected number of participants by customer class or subclass

The number of expected program end use measures (net-free) expected to be undertaken by KCP&L-MO commercial customers over the two-year period is shown below:

	KCP&L-MO Annual Participants (Projected)
Year 1	100
Year 2	200

6. Program Benefit Cost Analysis

N/A

7. Program Evaluation, Measurement and Verification Plan

KCP&L-MO will conduct program evaluation, measurement and verification (EM&V) pursuant to 4 CSR 240-3.163(7) and 4 CSR 240-20.093(7). EM&V is used to document and measure the effects of a program and determine whether the program met its goal with respect to being a reliable energy resource. EM&V is also used to help understand why certain effects occurred and identify ways to improve current programs and to select future programs.

The two types of evaluation utilized by KCP&L-MO are:

Process evaluation: Process evaluation assesses program delivery, from design to implementation, in order to identify bottlenecks, efficiencies, what did and did not work, constraints and potential improvements. Evaluation plans are developed by KCP&L-MO's evaluation contractor(s) and describe all necessary data collection, process evaluation tasks and impact evaluation tasks by program.

Evaluation plans include the following information:

- Study Methodology by Program;
- Data Collection Strategies;
- Data Requests by Program; and
- Detailed Work Plan and Schedule.

Impact evaluation: Impact evaluation determines the impacts (energy and demand savings) and co-benefits (avoided emissions, energy security, transmission/distribution benefits) that directly result from a program. Impact evaluations also support cost-effectiveness analyses aimed at identifying relative program costs and benefits. The Monitoring and Verification process acts as a quality control and quality assurance process for the savings, tracking and accounting for the program.

Monitoring: This is the monitoring of installations when needed to determine or verify savings from a measure that is applied in a unique way, is significant in savings, or is new to the market.

Working with the evaluation contractor, guidelines are developed to determine which projects should be monitored.

Verification: During the processing of an application for customer incentives (rebates), KCP&L-MO reviews the equipment specifications by model number to determine if that measure qualifies. This "paper" verification occurs on all applications. Additionally, there are random field visits to assure the correct number and types of measures were installed at the customer's facility.

KCP&L-MO retains one or more EM&V contractors to perform process and impact evaluations for its programs in order to avoid conflicts of interest and to insure credibility of the evaluation results. M&V is conducted by the implementation team with advice of the EM&V contractor. KCP&L-MO expects to conduct EM&V of the Program at the end of the plan period.

8. Program Budget (Two-Year)

The expected budget for the Program over the two-year period is shown below:

		Admin	Incentives	Implementation	Other Including EM&V	Total
Year 1	**					**
Year 2	**					**
Total	**					**

9. Strategies to minimize free riders and maximize spillover

The development of this Program incorporated available information from market studies, consultant studies and the California Database for Energy Efficient Resources (DEER) on program impacts of free ridership and spillover in the initial program design. At the end of the plan period, KCP&L-MO will perform an EM&V study and these results will be incorporated into the Program design. This process provides the input necessary to minimize free-ridership and maximize spillover.

KCP&L-MO MEEIA

Business Energy Efficiency Rebate - Custom Program Description

The following information regarding KCP&L-MO (Company) proposed Business Energy Efficiency Rebate - Custom Program (Program) is provided in compliance with 4 CSR 240-3.164(2)(C).

1. Program Description

The Program is designed to encourage more effective utilization of electric energy through energy efficiency improvements in the building shell, installation of efficient electrical equipment in new construction, or the replacement of inefficient electrical equipment with efficient electrical equipment in existing facilities. The Program provides rebates for energy saving improvements not specifically covered under the KCP&L-MO Standard program.

The Program provides a rebate for installing qualifying high efficiency equipment or systems, or replacing or retrofitting HVAC systems, motors, lighting, pumps or other qualifying equipment or systems with higher energy efficiency equipment or systems. Both new construction projects and retrofit projects are eligible to apply. To become a Participant in the Program customers must request a rebate for an energy saving measures project by submitting an application through the Company's website or on paper. Projects must be pre-approved by the Company before the project start date to be eligible for a rebate. Rebates can be for either new construction or retrofit projects.

The total amount of Program (Business Energy Efficiency Rebate – Custom & Standard) rebates that a Participant can receive during a Program year is limited to \$250,000 per customer or up to two-times the projected Demand Side Investment Mechanism (DSIM) charge of the customer if it is greater than \$125,000. Rebate applications for different energy saving measures at the same facility may be submitted. An entity with multiple facilities may participate for each facility by submitting an application for each facility. The maximum amount of each rebate will be calculated as the lesser of the buy down to a two-year payback or 50% of the incremental cost of the higher efficiency equipment, system, or energy saving measure.

The rebate for the measure and improvement will be issued upon completion of the project. After the Company reviews projects approved and/or paid during the first six months of a Program year, the Company may approve application for additional rebates if the Program funds are available.

2. Business Energy Efficiency Custom Rebate Measures List and Incentive Levels

N/A

3. Program Goals

Expected energy and demand savings – time horizon

The expected annual, cumulative gross and net energy and demand savings at the generator bus for the Program over the estimated life of the program is shown below. Program targets, market potential and penetration rates were defined using the potential study as a source for savings targets.

Year	Program Energy (kWh) Incremental	Program Energy (kWh) Cumulative	Program Demand (kW) Incremental	Program Demand (kW) Cumulative
2014	17,354,864	17,354,864	4,679	4,679
2015	34,065,185	51,420,048	8,948	13,627
2016	33,437,002	84,857,051	8,531	22,158
2017	33,437,002	118,294,053	8,531	30,688
2018	32,660,174	150,954,227	8,442	39,130
2019	31,773,954	182,728,180	8,341	47,471
2020	31,219,855	213,948,035	8,237	55,709
2021	29,514,057	243,462,092	6,870	62,579
2022	28,115,956	271,578,048	5,577	68,156
2023	27,978,944	299,556,992	5,544	73,700
2024	23,310,650	322,867,642	4,673	78,374
2025	18,646,616	341,514,258	3,804	82,177
2026	18,646,616	360,160,873	3,804	85,981
2027	18,605,023	378,765,897	3,801	89,782
2028	17,623,494	396,389,391	3,740	93,522
2029	10,956,902	407,346,293	2,510	96,032
2030	5,198,868	412,545,162	1,334	97,366
2031	5,163,771	417,708,933	1,330	98,695
2032	4,889,324	422,598,257	1,311	100,006
2033	4,614,879	427,213,136	1,293	101,299
2034	2,772,104	429,985,240	697	101,996
2035	944,143	430,929,382	108	102,103
2036	944,143	431,873,525	108	102,211
2037	944,143	432,817,668	108	102,319
2038	944,143	433,761,811	108	102,427
2039	944,143	433,761,811	108	102,427

The projected annual incremental savings targets during the plan period (at the meter) are listed below.

Year	Program Energy Savings (kWh)	Program Demand Savings (kW)
2014	16,286,471	4,391
2015	16,271,118	4,397

4. Program Framework/Strategy

Relationship to other programs

The Program is designed for commercial and industrial (C&I) customers; therefore, the Program has a strong relationship through promotion with the Company's other C&I demand-side management (DSM) programs, such as the Business Energy Efficiency Rebate Standard Program, Building Operator Certification (BOC) program, Demand Response Incentive Program,

Programmable Thermostat Program (for small general service customers), and Business Energy Analyzer.

Marketing strategy

The target market for the Program is KCP&L-MO C&I customers whose operations could most benefit from a custom approach to installing measures not covered by the Standard program. Marketing will primarily occur through direct bill inserts and target marketing of high-potential C&I customer facilities within the KCP&L-MO service territory. Program participants will also be reached via e-channels and through additional targeted mailings, trade allies and KCP&L Account Managers.

Key Messages:

- Improve your buildings efficiency – Identify eligible equipment for retrofit or new construction projects for your facilities.
- Reduce operating costs and increase business efficiency by focusing on comprehensive, “whole building” energy savings.
- Lower the upfront costs by leveraging the rebate program to make high efficiency improvements to your facilities.

Program delivery

The Program will be implemented by KCP&L-MO with necessary resources to administer the Program. KCP&L-MO will utilize an internal program manager to conduct its own administration of the program. KCP&L-MO’s program manager will maintain oversight of the Program.

Partners

Partners include KCP&L-MO internal staff, various vendor affiliates, ESCO’s, independent affiliates, and a third party vendor to conduct project analysis, application processing and evaluation.

5. Program Beneficiaries

Expected number of participants by customer class or subclass

The number of expected Program end use measures (gross) expected to be undertaken by Missouri commercial customers over the two-year period is shown below:

	KCP&L-MO Annual End Use Measures (Projected)
2014	4,987
2015	4,970
Total	9,957

6. Program Benefit-Cost Analysis

All five benefit-cost tests are shown below for the Program. The dollar values below are on a present value basis with the assumption that all future cash flows start at the beginning of each annual period, discounted at the appropriate discount rate.

Test Name	Market Based Test Results	Cost Based Test Results
Utility Test	3.52	3.80
TRC Test	1.96	2.12
RIM Test	1.10	1.19
RIM (Net Fuel)	1.69	1.83
Societal Test	2.48	2.69
Participant Test	1.80	1.80

Assumptions	
Utility Discount Rate (%)	6.961%
Participant Discount Rate (%)	10.00%
Electric Losses (%)	6.56%
Societal Discount Rate1 (%)	3.00%

Avoided Costs			
Avoided T&D (\$ / kW)	**		**
Cost-Based Proxy for Avoided Capacity (\$ / kW Annualized)	**		**

Emissions Costs	\$ / kWh
SOx	\$0.000001
NOx	\$0.000032
CO2	\$0.002670
Total	\$0.0027

Cost Based Avoided Electric Production	**		**
Avoided Electric Capacity	**		**
Avoided T&D Electric	**		**
Total Cost Based Avoided Costs	**		**

Market Based Avoided Electric Production Costs	**		**
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Program Costs			
Administration Costs	**		**
Implementation / Participation Costs	**		**
Other / Miscellaneous Costs	**		**
Incentives	**		**
Total	**		**

Participant Cost (Gross)	**		**
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Other Environmental Benefits, NOx SOx	**		**
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Lost Revenue			
Gross Lost Revenue, Electric	**		**
Net Fuel Lost Revenue, Electric	**		**

7. Program Evaluation, Measurement and Verification Plan

Program evaluation, measurement and verification (EM&V) are key elements of DSM programs. EM&V is used to document and measure the effects of a program and determine whether the program met its goal with respect to being a reliable energy resource. EM&V is also used to help understand why certain effects occurred and identify ways to improve current programs and to select future programs.

The two types of evaluation which will be utilized by KCP&L-MO are:

Process evaluation: Process evaluation assesses program delivery, from design to implementation, in order to identify bottlenecks, efficiencies, what did and did not work constraints and potential improvements. Evaluation plans will be developed by the selected evaluation contractor(s) and will describe all necessary data collection, process evaluation tasks and impact evaluation tasks by program.

Evaluation plans include the following information:

- Study Methodology by Program;
- Data Collection Strategies;
- Data Requests by Program; and
- Detailed Work Plan and Schedule.

Impact evaluation: Impact evaluation determines the impacts (energy and demand savings) and co-benefits (avoided emissions, energy security, transmission/distribution benefits) that directly result from a program. Impact evaluations also support cost-effectiveness analyses aimed at identifying relative program costs and benefits. The Monitoring and Verification process acts as

a quality control and quality assurance process for the savings, tracking and accounting for the program.

Monitoring: This is the monitoring of installations when needed to determine or verify savings from a measure that is applied in a unique way, is significant in savings, or is new to the market. Working with the evaluation contractor, guidelines are developed to determine which projects should be monitored.

Verification: During the processing of an application for customer incentives (rebates), KCP&L-MO reviews the equipment specifications by model number to determine if that measure qualifies. This “paper” verification occurs on all applications.

Additionally, there are random field visits to assure the correct number and types of measures were installed at the customer’s facility.

Market Transformation: This is the strategic process of intervening in a market to create lasting change in market behavior by removing identified barriers or using opportunities to accelerate the adoption of all cost-effective energy efficiency as a matter of standard practice.

KCP&L-MO will retain one or more EM&V contractors to perform process and impact evaluations for its programs and assess progress of market transformation in order to avoid conflicts of interest and to insure credibility of the evaluation results, as well as comply with Commission requirements. KCP&L-MO expects to conduct EM&V of the Program at the end of the plan period.

8. Program Budget (Two-Year)

The expected budget for the Program over the two-year period is shown below:

		Admin	Implementation	Incentives	Other Including EM&V	Total	
Year 1	**						**
Year 2	**						**
Total	**						**

9. Strategies to Minimize Free Riders and Maximize Spillover

The development of this Program incorporated available information from market studies, consultant studies and the California Database for Energy Efficient Resources (DEER) on program impacts of free ridership and spillover in the initial program design. At the end of the plan period, KCP&L-MO will perform an EM&V study and these results will be incorporated into the Program design. This process provides the input necessary to minimize free-ridership and maximize spillover.

KCP&L-MO MEEIA

Business Energy Efficiency Rebate – Standard Program Description

The following information regarding KCP&L-MO (Company) proposed Business Energy Efficiency Rebate - Standard Program (Program) is provided in compliance with 4 CSR 240-3.164(2)(C).

1. Program Description

The primary goal of the Program is to encourage KCP&L-MO's commercial and industrial (C&I) customers to install energy efficient measures in existing facilities. More specifically, the Program is designed to:

- (1) Provide incentives to facility owners and operators for the installation of high efficiency equipment and controls.
- (2) Provide a marketing mechanism for electrical contractors, mechanical contractors, and their distributors to promote energy efficient equipment to end users.

Prescriptive Energy Efficiency Measures

KCP&L-MO's Program rebates provide prescriptive incentives to C&I and multifamily customers for the installation of energy efficient equipment for numerous end use applications. Rebates will be fixed per eligible energy efficiency measure. As measure technology and pricing change the Company reserves the right to modify rebate levels to reflect current market conditions and savings potential.

The Company will maintain and make available a list of cost-effective energy efficient Standard Measures on its website. The Standard Measure list, rebate amounts, and minimum efficiency criteria will be updated as market or industry conditions change. Measure category headings may include, but are not limited to:

- Lighting and Controls;
- Motors, Pumps, and Variable Frequency Drives;
- HVAC;
- Process;
- ENERGY STAR® Equipment;
- Business Computing; and
- Food Service and Refrigeration.

Incentives for each technology will vary based on cost effectiveness and market response. The Program strives to cover up to 50% of the incremental cost of the measure to stimulate the market if it is cost effective. Additional guidelines may be established such as total incentives available per customer per year to assure that funds are allocated across all customer opportunities. Rebates utilizing a T-12 baseline will expire after December 31, 2014.

The total amount of Program (Business Energy Efficiency Rebate – Custom & Standard) rebates that a Participant can receive during a Program year is limited to \$250,000 per customer or up to two-times the projected Demand Side Investment Mechanism (DSIM) charge of the customer if it is greater than \$125,000.

2. Business Energy Efficiency Measures List

With the Program, KCP&L-MO will target specific measures to achieve energy/demand reduction. These include, but are not limited to the following measures:

Measure Description	Incentive	Unit
C&I_Controls - No Occ Sensors_Controls - Occupancy Sensors	\$0.11	per connected watt
C&I_Hardwired - Incandescent_Hardwired - CFLs	\$22.00	per fixture
C&I_Hardwired - Incandescent_Hardwired - LEDs	\$24.00	per fixture
C&I_Linear Fluorescent - T12_Linear Fluorescent - Standard T8 (8ft 1 lamp)	\$25.00	per fixture
C&I_Linear Fluorescent - T12_Linear Fluorescent - Standard T8 (8ft 2 lamp)	\$27.00	per fixture
C&I_Linear Fluorescent - T12_Linear Fluorescent - Standard T8 (4ft 4 lamp)	\$28.50	per fixture
C&I_Linear Fluorescent - T12_Linear Fluorescent - Standard T8 (4ft 3 lamp)	\$27.00	per fixture
C&I_Linear Fluorescent - T12_Linear Fluorescent - Standard T8 (4ft 2 lamp)	\$18.00	per fixture
C&I_Linear Fluorescent - T12_Linear Fluorescent - Standard T8 (4ft 1 lamp)	\$16.50	per fixture
C&I_Linear Fluorescent - T12_Linear Fluorescent - Standard T8 (3 ft 4 lamp)	\$28.50	per fixture
C&I_Linear Fluorescent - T12_Linear Fluorescent - Standard T8 (3 ft 3 lamp)	\$27.00	per fixture
C&I_Linear Fluorescent - T12_Linear Fluorescent - Standard T8 (3 ft 2 lamp)	\$18.00	per fixture
C&I_Linear Fluorescent - T12_Linear Fluorescent - Standard T8 (3 ft 1 lamp)	\$16.50	per fixture
C&I_Linear Fluorescent - T12_Linear Fluorescent - Standard T8 (2ft 4 lamp)	\$28.50	per fixture
C&I_Linear Fluorescent - T12_Linear Fluorescent - Standard T8 (2ft 3 lamp)	\$27.00	per fixture
C&I_Linear Fluorescent - T12_Linear Fluorescent - Standard T8 (2ft 2 lamp)	\$18.00	per fixture
C&I_Linear Fluorescent - T12_Linear Fluorescent - Standard T8 (2ft 1 lamp)	\$16.50	per fixture
C&I_Linear Fluorescent - T12_Linear Fluorescent - Standard T8 (HO 8 ft 1 lamp)	\$33.00	per fixture
C&I_Linear Fluorescent - T12_Linear Fluorescent - Standard T8 (HO 8 ft 2 lamp)	\$36.00	per fixture
C&I_Linear Fluorescent - T12_Linear Fluorescent - T5 (1 lamp)	\$30.00	per fixture

C&I_Linear Fluorescent - T12_Linear Fluorescent - T5 (2 lamp)	\$37.00	per fixture
C&I_Linear Fluorescent - T12_Linear Fluorescent - T5 (3 lamp)	\$40.00	per fixture
C&I_Linear Fluorescent - T12_Linear Fluorescent - T5 (4 lamp)	\$44.00	per fixture
C&I_Linear Fluorescent - T12_Linear Fluorescent - T5 (HO 1 lamp)	\$60.00	per fixture
C&I_Linear Fluorescent - T12_Linear Fluorescent - T5 (HO 2 lamp)	\$70.00	per fixture
C&I_Linear Fluorescent - T12_Linear Fluorescent - T5 (HO 3 lamp)	\$88.00	per fixture
C&I_Linear Fluorescent - T12_Linear Fluorescent - T5 (HO 4 lamp)	\$112.00	per fixture
C&I_Shell - Standard Duct Leakage_Shell - Duct Sealing/Repair	\$53.00	per ton
_Base Refrigeration - Standard_Humidistat (Anti-Sweat) Controls	\$40.00	per control
_Base Refrigeration - Standard_Strip Curtains	\$9.80	per sq ft of door
_Controls - Standard Tstat_Controls - Programmable Tstat	\$35.00	Per unit
_Copier - Standard_Power Management Enabling - Networked	\$34.00	per unit
_Desktop PC - Standard_Power Management Enabling - Networked	\$15.00	per unit
_High Intensity Discharge - HPS_Hardwired - Ceramic Metal Halide	\$45.00	per fixture
_High Intensity Discharge - HPS_High Bay - T5 (HO HB 3L)	\$90.00	per lamp
_High Intensity Discharge - HPS_High Bay - T5 (HO HB 4L)	\$96.00	per lamp
_High Intensity Discharge - HPS_High Bay - T5 (HO HB 6L)	\$175.00	per lamp
_High Intensity Discharge - HPS_High Bay - T5 (2 fixtures - HO HB 6 lamp replacing 1,000W HID-2 for one replacement)	\$300.00	per lamp
_High Intensity Discharge - HPS_High Bay - T8 (HB 4 ft 4L)	\$60.00	per lamp
_High Intensity Discharge - HPS_High Bay - T8 (HB 4 ft 6L)	\$80.00	per lamp
_High Intensity Discharge - HPS_High Bay - T8 (HB 4 ft 8L)	\$100.00	per lamp
_High Intensity Discharge - HPS_High Bay - T8 (HB 4ft 8 Lamp replacing 1,000W HID-2 for one replacement)	\$200.00	per lamp
_High Intensity Discharge - MH_Hardwired - Ceramic Metal Halide	\$45.00	per fixture
_Hot Water Heater - Standard_Pipe Wrap/Insulation	\$16.00	per unit

_Hot Water Heater - Standard_Tank Blanket	\$20.00	per unit
_Linear Fluorescent - T12_Linear Fluorescent - Standard T8 with Reflector/Delamping	\$10.00	per lamp
_Linear Fluorescent - T8_Linear Fluorescent - T8 with Reflector/Delamping	\$10.00	per lamp
_Shell - No Duct Insulation_Shell - Duct Insulation	\$30.00	per ton
_Shell - No Window Film_Shell - Window Film	\$1.00	per sq ft (window area)
_Shell - No/Low Ceiling Insulation_Shell - Increase Ceiling Insulation	\$0.27	per sq ft (ceiling area)
C&I_Hot Water Heater - Standard_Hot Water Heater - Efficient (>.94 Efficient)	\$48.00	per unit
C&I_Hot Water Heater - Standard_Hot Water Heater - Heat Pump (500 gal/day)	\$3,500.00	per unit
C&I_Hot Water Heater - Standard_Hot Water Heater - Heat Pump (1000 gal/day)	\$5,000.00	per unit
C&I_Hot Water Heater - Standard_Hot Water Heater - Heat Pump (1500 gal/day)	\$7,500.00	per unit
C&I_Hot Water Heater - Standard_Hot Water Heater -Tankless	\$250.00	per unit
C&I_Pool Pump - Standard_Pool Pump - High Efficiency	\$92.00	per hp
C&I_Pool Pump - Standard_Pool Pump - VSD	\$150.00	per hp
_Base Drive - Standard Motor_Drives - EE motor	\$4.70	per HP
_Beverage Machines - Standard_Beverage Machines - ENERGY STAR	\$140.00	per unit
_Beverage Machines - Standard_Beverage Machines - Vending Miser	\$50.00	per sensor
_Chiller - Water Cooled - Standard_Chiller - Water Cooled - Efficient (< 75 Tons - FL: 0.702 kW/T ILPV: 0.540 kW/T)	\$25.00	per ton
_Chiller - Water Cooled - Standard_Chiller - Water Cooled - Efficient (> 75 and < 150 T - FL: 0.698 kW/T ILPV: 0.527 kW/T)	\$25.00	per ton
_Chiller - Water Cooled - Standard_Chiller - Water Cooled - Efficient (150-300 tons - FL: 0.612 kW/T ILPV: 0.486 kW/T)	\$40.00	per ton
_Chiller - Water Cooled - Standard_Chiller - Water Cooled - Efficient (> 300 tons - FL: 0.588 kW/T ILPV: 0.441 kW/T)	\$40.00	per ton
_Comp Air - Standard Efficiency_Comp Air - Replace 1-5 HP motor	\$10.00	per HP
_Hot Food Holding Cabinet - Standard_Hot Food Holding Cabinet - ENERGY STAR	\$640.00	per unit
_Linear Fluorescent - T8_Linear Fluorescent - Standard T8	\$0.50	per lamp
_Packaged AC - Air Sourced - Standard_Packaged AC - Air Sourced - All Sizes	\$40.00	per ton

_Packaged HP - Air Sourced - Standard_Packaged HP - Air Sourced - Efficient	\$77.00	per ton
_Packaged HP - Air Sourced - Standard_Packaged HP - Water Sourced - Efficient	\$40.00	per ton
_Packaged Terminal AC/HP - Standard_Packaged Terminal AC/HP - High Efficiency	\$60.00	per system
_Pumps/Fans - No VSD_Pumps/Fans - VSD (1.5 HP)	\$868.50	per system
_Pumps/Fans - No VSD_Pumps/Fans - VSD (2 HP)	\$893.00	per system
_Pumps/Fans - No VSD_Pumps/Fans - VSD (3 HP)	\$922.50	per system
_Pumps/Fans - No VSD_Pumps/Fans - VSD (5 HP)	\$1,035.00	per system
_Pumps/Fans - No VSD_Pumps/Fans - VSD (7.5 HP)	\$1,430.00	per system
_Pumps/Fans - No VSD_Pumps/Fans - VSD (10 HP)	\$1,430.00	per system
_Pumps/Fans - No VSD_Pumps/Fans - VSD (15 HP)	\$1,632.50	per system
_Pumps/Fans - No VSD_Pumps/Fans - VSD (20 HP)	\$2,257.50	per system
_Pumps/Fans - No VSD_Pumps/Fans - VSD (25 HP)	\$2,560.00	per system
_Pumps/Fans - No VSD_Pumps/Fans - VSD (30 HP)	\$2,885.00	per system
_Pumps/Fans - No VSD_Pumps/Fans - VSD (40 HP)	\$4,047.50	per system
_Pumps/Fans - No VSD_Pumps/Fans - VSD (50 HP)	\$4,475.00	per system
_Reach In Refrigerator - Standard_Reach In Refrigerator - High Efficiency (Less than 20 ft3)	\$125.00	per unit
_Reach In Refrigerator - Standard_Reach In Refrigerator - High Efficiency (20-40 ft3)	\$250.00	per unit
_Reach In Refrigerator - Standard_Reach In Refrigerator - High Efficiency (More than 48 ft3)	\$450.00	per unit
_Reach In Freezer - Standard_Reach In Freezer - High Efficiency (Less than 20 ft3)	\$75.00	per unit
_Reach In Freezer - Standard_Reach In Freezer - High Efficiency (20-40 ft3)	\$200.00	per unit
_Reach In Freezer - Standard_Reach In Freezer - High Efficiency (More than 48 ft3)	\$350.00	per unit
_Standard Efficiency_Fans - Replace 1-5 HP motor	\$5.50	per HP
_Walk In Refrigerator/Freezer - Standard_Walk In Refrigerator/Freezer - High Efficiency	\$1,000.00	per unit

KCP&L-MO reserves the option to offer additional measures and alter incentive levels that are approved and pass the Total Resource Cost (TRC) test listed in Schedule KHW-4. For customer communication, eligible incentives directly paid to customer and measures will be found at www.kcpl.com

3. Program Goals

Expected energy and demand savings – time horizon

The expected annual, cumulative gross and net energy and demand savings at the generator bus for the Program over the estimated life is shown below. Program targets, market potential and penetration rates were defined using the potential study as a source for savings targets.

Year	Program Energy (kWh) Incremental	Program Energy (kWh) Cumulative	Program Demand (kW) Incremental	Program Demand (kW) Cumulative
2014	18,110,452	18,110,452	3,645	3,645
2015	35,853,252	53,963,704	7,218	10,863
2016	35,853,252	89,816,956	7,218	18,081
2017	35,853,252	125,670,207	7,218	25,298
2018	35,839,086	161,509,293	7,216	32,514
2019	31,860,839	193,370,133	6,538	39,052
2020	29,835,018	223,205,150	5,805	44,857
2021	29,350,457	252,555,607	5,302	50,159
2022	29,102,807	281,658,414	5,293	55,452
2023	28,796,488	310,454,902	5,179	60,631
2024	28,679,804	339,134,707	5,074	65,705
2025	28,637,136	367,771,843	5,069	70,773
2026	26,854,194	394,626,037	4,909	75,682
2027	18,778,344	413,404,381	3,713	79,395
2028	12,550,071	425,954,453	2,722	82,117
2029	10,359,423	436,313,876	2,314	84,430
2030	7,172,740	443,486,616	1,830	86,261
2031	6,885,432	450,372,048	1,786	88,047
2032	5,567,151	455,939,198	1,440	89,487
2033	2,889,781	458,828,980	738	90,225
2034	1,624,297	460,453,277	412	90,637

The projected annual incremental savings targets during the plan period (at the meter) are listed below.

Year	Program Energy Savings (kWh)	Program Demand Savings (kW)
2014	16,995,544	3,421
2015	16,668,880	3,356

4. Program Framework/Strategy

Relationship to other programs

The Program is designed for C&I customers; therefore, the program has a strong relationship through promotion with the Company's other C&I demand-side management (DSM) programs, such as the Business Energy Efficient Rebate Program-Custom, Building Operator Certification (BOC) program, Demand Response Incentive, Programmable Thermostat (for small general service customers), and Business Energy Analyzer.

Marketing strategy

All KCP&L-MO C&I customers are eligible for these rebate programs. Customers may apply for individual or multiple efficiency measures within the same facility under any of these programs. The Company will apply a two-pronged approach to build awareness with end use customers (downstream) along with distributors and manufacturers (midstream). In order to promote the various Standard Energy Efficiency Measures, targeted messaging will be done to reach specific industries.

Business Energy Efficiency Measures Industries and Entities

Prescriptive Motors, Pumps & VFDs Motor manufacturers and distributors;
Food Service & Refrigeration;
Restaurant associations, equipment manufacturers and distributors, grocery stores, convenience stores, gas stations;
HVAC dealers, manufacturers and distributors;
Lighting manufacturers and distributors;
Process Air compressors, injection molding manufacturers;
ENERGY STAR Commercial Appliances;
Manufacturers and distributors of refrigerators, freezers, ice machines, clothes washers; and
Office Computing Data centers, facility managers, schools, office managers, hospitals.

KCP&L-MO will use Energy Consultants to help promote the Program.

Marketing Tactics

For the Program, KCP&L-MO will continue to develop and foster relationships with commercial professional/trade associations. Listed below are the associations that KCP&L-MO believes will be instrumental in the continued success of this Program.

Commercial Professional / Trade Organizations Acronym

Air Conditioning Contractors of America ACCA
American Council of Engineering Companies ACEC-KS
American Institute of Architects of KCMO AIA
American Institute of Architects of Mid-America AIA – Mid Am
American Society of Heating Refrigeration Air Conditioning Engineers
ASHRAE
Association of Energy Engineers AEE
Business Owners and Managers Association BOMA
Design-Build Institute of America Mid-America Region DBIA-MAR
Electric League of Missouri & Kansas EL -- KS
Illuminating Engineering Society – KC Section IES -- KC
International Facilities Management Association IFMA
Mechanical Contractors Association of KC MCA

National Electrical Contractors Association NECA
The Builders Association BA
U.S. Green Building Council USGBC

For the Program, KCP&L-MO has identified the following internal and external print communications as possible marketing channels:

Externally Published Communications:

- HVAC/Lighting contractor newsletters/magazines.
- Kansas City Business Journal (Book of Lists).
- Builder/Architect magazine.

Internally Published Communications:

- Energy Talk. This is a monthly newsletter e-mailed to Tier 1 customers from KCP&L-MO's Energy Consultants.
- The Wire. (Commercial version). This is a quarterly newsletter from KCP&L-MO that is included with a customer's bill.
- Bill messaging.

Other marketing activities may include:

- Online advertising will be used with Google AdWords.
- Placement of information on trade ally Web sites.
- Attend and present at conferences and public events, such as Chamber of Commerce meetings, to increase general awareness of the Program and distribute Program promotional materials.
- Hold seminars with targeted messages to different industry classifications.
- Hold seminars with architects and engineers, trade allies, and trade organizations.

Program delivery

The Program will be implemented by KCP&L-MO with necessary resources to administer the Program. A third party Program Administrator will be responsible for items such as incentive processing, rebate processing, communication with the customer to resolve application issues, and status reporting associated with the Program as KCP&L-MO directs.

KCP&L-MO will utilize an internal program manager to conduct its own administration of the Program. KCP&L-MO's Program Manager will maintain oversight of the Program.

KCP&L-MO will continue to market the Program and utilize their sales teams to work with specific customers, such as Tier 1 or Tier 2/3 customers.

Partners

Partners include KCP&L-MO internal staff, various trade associations, local Chamber of Commerce organizations, and others as needed to promote and encourage customer participation in the Program.

5. Program Beneficiaries

Expected number of participants by customer class or subclass

The number of expected program end use measures (net-free) expected to be undertaken by KCP&L-MO C&I customers over the two-year period is shown below.

	KCP&L-MO Annual End Use Program Measures
2014	7,704
2015	7,587
Total	15,291

Other beneficiaries

No other beneficiaries have been observed.

6. Program Benefit-Cost Analysis

All five benefit-cost tests are shown below for the roll-up of the Program. The dollar values below are on a present value basis with the assumption that all future cash flows start at the beginning of each annual period, discounted at the appropriate discount rate.

Test Name	Market Based Test Results	Cost Based Test Results
Utility Test	4.37	4.76
TRC Test	2.16	2.35
RIM Test	0.84	0.92
RIM (Net Fuel)	1.15	1.26
Societal Test	2.75	3.01
Participant Test	2.59	2.59

Assumptions	
Utility Discount Rate (%)	6.961%
Participant Discount Rate (%)	10.00%
Electric Losses (%)	6.56%
Societal Discount Rate1 (%)	3.00%

Avoided Costs	
Avoided T&D (\$ / kW)	** [REDACTED] **
Cost-Based Proxy for Avoided Capacity (\$ / kW Annualized)	** [REDACTED] **

Emissions Costs	\$ / kWh
SOx	\$0.000001

NOx	\$0.000032
CO2	\$0.002670
Total	\$0.0027

Cost Based Avoided Electric Production	**		**
Avoided Electric Capacity	**		**
Avoided T&D Electric	**		**
Total Cost Based Avoided Costs	**		**

Market Based Avoided Electric Production Costs	**		**
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Program Costs			
Administration Costs	**		**
Implementation / Participation Costs	**		**
Other / Miscellaneous Costs	**		**
Incentives	**		**
Total	**		**

Participant Cost (Gross)	**		**
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Other Environmental Benefits, NOx SOx	**		**
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Lost Revenue			
Gross Lost Revenue, Electric	**		**
Net Fuel Lost Revenue, Electric	**		**

7. Program Evaluation, Measurement and Verification Plan

Program evaluation, measurement and verification (EM&V) are key elements of DSM programs. EM&V is used to document and measure the effects of a program and determine whether the program met its goal with respect to being a reliable energy resource. EM&V is also used to help understand why certain effects occurred and identify ways to improve current programs and to select future programs.

The two types of evaluation which will be utilized by KCP&L-MO are:

Process evaluation: Process evaluation assesses program delivery, from design to implementation, in order to identify bottlenecks, efficiencies, what did and did not work, constraints and potential improvements. Evaluation plans will be developed by the selected evaluation contractor(s) and will describe all necessary data collection, process evaluation tasks and impact evaluation tasks by program.

Evaluation plans include the following information:

- Study Methodology by Program;
- Data Collection Strategies;
- Data Requests by Program; and
- Detailed Work Plan and Schedule.

Impact evaluation: Impact evaluation determines the impacts (energy and demand savings) and co-benefits (avoided emissions, energy security, transmission/distribution benefits) that directly result from a program. Impact evaluations also support cost-effectiveness analyses aimed at identifying relative program costs and benefits. The Monitoring and Verification process acts as a quality control and quality assurance process for the savings, tracking and accounting for the program.

Monitoring: This is the monitoring of installations when needed to determine or verify savings from a measure that is applied in a unique way, is significant in savings, or is new to the market. Working with the evaluation contractor, guidelines are developed to determine which projects should be monitored.

Verification: During the processing of an application for customer incentives (rebates), KCP&L-MO reviews the equipment specifications by model number to determine if that measure qualifies. This "paper" verification occurs on all applications. Additionally, there are random field visits to assure the correct number and types of measures were installed at the customer's facility.

Market Transformation: This is the strategic process of intervening in a market to create lasting change in market behavior by removing identified barriers or using opportunities to accelerate the adoption of all cost-effective energy efficiency as a matter of standard practice.

KCP&L-MO will retain one or more EM&V contractors to perform process and impact evaluations for its programs and assess progress of market transformation in order to avoid conflicts of interest and to insure credibility of the evaluation results, as well as comply with Commission requirements. KCP&L-MO expects to conduct EM&V of the Program at the end of the plan period.

8. Program Budget (Two-Year)

Although the Program is a new facet to KCP&L-MO's already established C&I Rebate Programs, KCP&L-MO does not have any start-up costs. The expected budget for the Program over the two-year period is shown below.

		Admin	Implementation	Incentives	Other Including EM&V	Total
Year 1	**					**
Year 2	**					**
Total	**					**

9. **Strategies to Minimize Free Riders and Maximize Spillover**

The development of this Program incorporated available information from market studies, consultant studies and the California Database for Energy Efficient Resources (DEER) on program impacts of free ridership and spillover in the initial program design. At the end of the plan period, KCP&L-MO will perform an EM&V study and these results will be incorporated into the Program design. This process provides the input necessary to minimize free-ridership and maximize spillover.

KCPL-MO MEEIA

Demand Response Incentive Program Description

The following information regarding KCP&L-MO (Company) proposed Demand Response Incentive Program (Program) is provided in compliance with 4 CSR 240-3.164(2)(C).

1. Program Description

The Program is a commercial and industrial (C&I) customer peak electric load reduction program. KCP&L-MO collaborates with customers to curtail (or reduce) their energy use during times of peak electric demand during the months of June through September. The customer can accomplish the required curtailment by reducing lighting and HVAC load, shutting down equipment, or switching facility load to a generator. The Program provides two forms of payment to participating customers. Participants receive a monthly "participation payment" for signing up for the Program and being "on call" to reduce power consumption at KCPL-MO's request. Participating customers also receive an additional "event payment" for successfully reducing demand each time they are called upon to do so.

2. Program Goal

The projected annual incremental savings targets during the plan period (at the meter) are listed below. Program targets, market potential and penetration rates were defined using the potential study as a source for savings targets.

<u>Year</u>	<u>Program Energy Savings (kWh)</u>	<u>Program Demand Savings (kW)</u>
2014	-	39,065
2015	-	39,065

3. Program Framework/Strategy

Relationship to other programs

The Program is a demand response program for commercial customers who are able to curtail a minimum of 25kW. It is designed to reduce system load during times of peak demand. It is one of two programs in KCP&L-MO's demand response portfolio with the other being the Programmable Thermostat program which is designed for residential and small commercial customers.

Marketing Strategy

KCP&L-MO will market the Program through KCP&L-MO's team of Energy Consultants (EC). With the kW targets outlined above similar to current KCP&L-MO participation, the intent is to maintain existing participants without targeting new participants unless current participants don't extend contracts. EC's meet with existing Demand Response Incentive participants to inform them about the features and benefits of the Program, and to assist them in continuing to identify specific load and load reduction strategies for Demand Response Incentive participation.

KCP&L-MO has identified the following internal print communications as possible marketing channels:

Internally Published Communications:

- Energy Talk. This is a monthly newsletter e-mailed to Tier 1 customers from KCP&L-MO's Energy Consultants.
- The Wire. (Commercial version). This is a quarterly newsletter from KCP&L-MO that is included with a customer's bill.
- Bill messaging.
- On line promotion with KCP&L-MO's other e-Services products.

Other marketing activities may include:

- Placement of information on trade ally Web sites;
- Attend and present at conferences and public events, such as Chamber of Commerce meetings, to increase general awareness of the Program and distribute Program promotional materials;
- Hold seminars with targeted messages to different industry classifications; or
- Hold seminars with architects and engineers, trade allies, and trade organizations.

Program Delivery

The Program is managed by an internal KCP&L-MO product manager. Back-office systems and support are handled by a third party vendor, currently Ziphany.

The product manager is responsible for educating and training account managers, analyzing customer loads and curtailment capabilities, processing contracts, setting customers up in the Demand Response Incentive database, conducting market analyses, forecasting, developing marketing strategies and materials, processing payments and penalties and conducting annual baseline reviews for each account. The product manager also executes curtailments at the direction of KCP&L-MO's power supply group. Ziphany, the back-office support vendor, manages the customer database, produces reports, provides event notification services, analyzes event meter data and supplies the product manager with monthly customer credit and penalty tables, which the product manager then reviews and submits to KCP&L-MO's billing and accounting departments for the application of monthly credits and penalties to customer bills.

Partners

KCP&L-MO partners with Ziphany for back-office support and meter data management services. It also relies on various meter manufacturers for support in providing necessary data to customers and the Company.

4. Strategies to Minimize Free Riders and Maximize Spillover

Customers would not be expected to curtail load if they were a non-participant.

5. Program Beneficiaries

Year	Number of Participants	Curtailable Load @ Gen Bus kW
2014	97	39,458
2015	97	39,458

Other beneficiaries

Demand response programs such as this Program are designed to postpone the need for new peaking power plants – plants that provide energy only during peak demand periods. While the direct financial beneficiaries of the Program are the customers who participate in the Program, to the extent that construction of new peaking power plants is postponed, all KCP&L-MO customers will benefit.

6. Program Benefit-Cost Analysis

All five benefit-cost tests are shown below for the roll-up of the Demand Response Incentive program. The dollar values below are on a present value basis with the assumption that all future cash flows start at the beginning of each annual period, discounted at the appropriate discount rate.

Test Name	Market Based Test Results	Cost Based Test Results
Utility Test	0.761	0.761
TRC Test	5.076	5.076
RIM	0.761	0.761
Societal Test	5.077	5.077
Participant Test	N/A	N/A

Assumptions	
Utility Discount Rate (%)	6.961%
Participant Discount Rate (%)	10.00%
Electric Losses (%)	6.56%
Societal Discount Rate1 (%)	3.00%

Avoided Costs			
Avoided T&D (\$ / kW)	**		**
Cost-Based Proxy for Avoided Capacity (\$ / kW Annualized)	**		**

Emissions Costs	\$ / kWh
SOx	\$0.000001
NOx	\$0.000032
CO2	\$0.002670
Total	\$0.0027

Cost Based Avoided Electric Production	-\$0-
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Avoided Electric Capacity	**		**
Avoided T&D Electric	**		**
Total Cost Based Avoided Costs	**		**

Market Based Avoided Electric Production Costs	**		**
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Program Costs			
Administration Costs	**		**
Implementation / Participation Costs	**		**
Incentives	**		**
Other / Miscellaneous Costs	**		**
Total	**		**

Participant Cost (Gross)		- \$0-	
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Other Environmental Benefits, NOx SOx	**		**
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7. Program Evaluation, Measurement and Verification Plan

KCP&L-MO will conduct program evaluation, measurement and verification (EM&V) pursuant to 4 CSR 240-3.163(7) and 4 CSR 240-20.093(7),

EM&V is used to document and measure the effects of a program and determine whether the program met its goal with respect to being a reliable energy resource. EM&V is also used to help understand why certain effects occurred and identify ways to improve current programs and to select future programs.

The two types of evaluation utilized by KCP&L-MO are:

Process evaluation: Process evaluation assesses program delivery, from design to implementation, in order to identify bottlenecks, efficiencies, what did and did not work, constraints and potential improvements.

Evaluation plans are developed by KCP&L-MO's evaluation contractor(s) and describe all necessary data collection, process evaluation tasks and impact evaluation tasks by program.

Evaluation plans include the following information:

- Study Methodology by Program;
- Data Collection Strategies;
- Data Requests by Program; and
- Detailed Work Plan and Schedule.

Impact evaluation: Impact evaluation determines the impacts (energy and demand savings) and co-benefits (avoided emissions, energy security, transmission/distribution benefits) that directly result from a program. Impact evaluations also support cost-effectiveness analyses aimed at identifying relative program costs and benefits. The Monitoring and Verification process acts as a quality control and quality assurance process for the savings, tracking and accounting for the program.

Monitoring: This is the monitoring of installations when needed to determine or verify savings from a measure that is applied in a unique way, is significant in savings, or is new to the market. Working with the evaluation contractor, guidelines are developed to determine which projects should be monitored.

Verification: During the processing of an application for customer incentives (rebates), KCP&L-MO reviews the equipment specifications by model number to determine if that measure qualifies. This "paper" verification occurs on all applications. Additionally, there are random field visits to assure the correct number and types of measures were installed at the customer's facility.

KCP&L-MO retains one or more EM&V contractors to perform process and impact evaluations for its programs in order to avoid conflicts of interest and to insure credibility of the evaluation results. M&V is conducted by the implementation team with advice of the EM&V contractor.

KCP&L-MO expects to conduct EM&V of the Program at the end of the plan period.

8. Program Budget (Two-Year)

The expected budget for the Program over the two-year period is shown below.

	Admin	Implementation	Incentives	Other Including EM&V	Total
Year 1	**				**
Year 2	**				**
Total	**				**

The following budget has been used for planning purposes. However, KCP&L-MO may adjust program budgets as necessary in accordance with current market conditions, EM&V results, and program implementation experience.

9. Strategies to Minimize Free Riders and Maximize Spillover

Customers would not be expected to curtail load if they were a non-participant.

KCP&L-MO MEEIA Program Implementation Schedule		
	Commission Approval Date	
Program	(Expected May 2014)	June 2014
Air Conditioning Upgrade Rebate	x	
Building Operator Certification	x	
Business Energy Analyzer	x	
Business Energy Efficiency Rebates - Custom	x	
Business Energy Efficiency Rebates - Standard	x	
Demand Response Incentive	x	
Home Appliance Recycling Rebate	x	
Home Energy Analyzer	x	
Home Energy Improvements Rebate	x	
Home Energy Report Pilot		x
Home Lighting Rebate	x	
Income-Eligible Weatherization	x	
Programmable Thermostat	x	