

Exhibit No.:  
Issues: Demand-Side Programs  
Witness: John A. Rogers  
Sponsoring Party: MO PSC Staff  
Type of Exhibit: Surrebuttal Testimony  
Case Nos.: EO-2015-0240 and  
EO-2015-0241  
Date Testimony Prepared: December 31, 2015

**MISSOURI PUBLIC SERVICE COMMISSION**

**COMMISSION STAFF DIVISION**

**JOHN A. ROGERS**

**SURREBUTTAL TESTIMONY**

**KANSAS CITY POWER & LIGHT COMPANY**

**CASE NO. EO-2015-0240**

**KCP&L GREATER MISSOURI OPERATIONS COMPANY**

**CASE NO. EO-2015-0241**

*Jefferson City, Missouri  
December 2015*

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

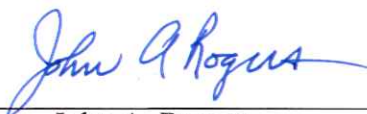
In the Matter of KCP&L Greater )  
Missouri Operations Company's Filing )  
for Approval of Demand-Side Programs )  
and for Authority to Establish a )      Case No. EO-2015-0241  
Demand-Side Programs Investment )  
Mechanism )

**AFFIDAVIT OF JOHN A. ROGERS**

STATE OF MISSOURI    )  
                                  ) ss  
COUNTY OF COLE    )

**COMES NOW**, John A. Rogers and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Surrebuttal Testimony; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

  
\_\_\_\_\_  
John A. Rogers

Subscribed and sworn to before me this 31<sup>st</sup> day of December, 2015.

SUSAN L. SUNDERMEYER Notary Public - Notary Seal State of Missouri Commissioned for Callaway County My Commission Expires: October 28, 2018 Commission Number: 14942086
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\_\_\_\_\_  
Notary Public

**JOHN A. ROGERS**

**SURREBUTTAL TESTIMONY**

**KANSAS CITY POWER & LIGHT COMPANY**

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1 **JOHN A. ROGERS**

2  
3 **SURREBUTTAL TESTIMONY**

4  
5 **KANSAS CITY POWER & LIGHT COMPANY**

6  
7 **CASE NO. EO-2015-0240**

8  
9 **KCP&L GREATER MISSOURI OPERATIONS COMPANY**

10  
11 **CASE NO. EO-2015-0241**

12  
13 Q. Please state your name and business address.

14 A. My name is John A. Rogers, and my business address is Missouri Public  
15 Service Commission, P. O. Box 360, Jefferson City, Missouri 65102.

16 Q. What is your present position at the Missouri Public Service Commission  
17 (“Commission”)?

18 A. I am the Utility Regulatory Manager in the Energy Resources Department of  
19 the Commission Staff Division.

20 Q. Are you the same John A. Rogers that filed direct testimony in this case on  
21 December 11, 2015?

22 A. Yes.

23 Q. Would you please summarize the purpose of your surrebuttal testimony?

24 A. I respond to certain aspects of the rebuttal testimony of Brightergy witness  
25 Adam Blake, including:

- 26 1. Mr. Blake’s recommendation that, if certain conditions are not met, the  
27 Commission reject the Non-Unanimous Stipulation and Agreement  
28 (“Stipulation”) filed on November 23, 2015, in Case Nos. EO-2015-0240 and  
29 EO-2015-0241;

Surrebuttal Testimony of  
John A. Rogers

1           2. Mr. Blake’s assertion that custom rebate programs of utilities in other specified  
2           Midwestern and Northeastern states should be viewed as “comparable” or  
3           “similar” to the Custom Rebate programs of Kansas City Power & Light  
4           (“KCPL”) and KCP&L Greater Missouri Operations Company (“GMO”)  
5           (collectively “the Company”);

6           3. Mr. Blake’s recommendation that, absent rejection of the Stipulation, the  
7           Commission should order the Company to continue the existing MEEIA Cycle  
8           1 Custom Rebate program in its Cycle 2; and

9           4. Mr. Blake’s assertion that the Company’s proposed Custom Rebate program  
10          may be a waste of customer money and certainly a major step backwards for  
11          energy efficiency in Missouri.

12          Q.    Please summarize Staff’s position concerning the issues identified in your last  
13          answer.

14          A.    In summary:

15          1. The MEEIA Cycle 2 programs and demand-side programs investment  
16          mechanism (“DSIM”) agreed to by the signatories<sup>1</sup> and articulated in the  
17          Stipulation should not be rejected but should be approved, because the  
18          Stipulation satisfies the requirements of the Missouri Energy Efficiency  
19          Investment Act (“MEEIA”) as well as all three of the objectives the  
20          Commission identified in its October 22, 2015 *Report and Order* in Case No.  
21          EO-2015-0055;

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<sup>1</sup> Signatories to the Stipulation include: Staff of the Missouri Public Service Commission, KCPL, GMO, the Office of the Public Counsel, National Housing Trust, West Side Housing Organization, Natural Resources Defense Council, Earth Island Institute d/b/a Renew Missouri, Missouri Department of Economic Development – Division of Energy, and United for Missouri, Inc.

1           2. Other than Missouri, every one of the Midwestern and Northeastern states  
2           included in the table on pages 6 and 7 of Mr. Blake’s rebuttal testimony have  
3           mandatory energy efficiency resource standards (“EERS”) with long-term,  
4           binding energy savings targets for utilities or third-party program  
5           administrators.<sup>2</sup> Custom rebate programs in states with a mandatory EERS  
6           and long-term legally binding savings targets should not be viewed as  
7           comparable or similar to the Company’s Custom Rebate programs, because  
8           MEEIA is voluntary on the part of the electric utility;

9           3. The Commission confirmed in a recent order<sup>3</sup> that it can only approve or reject  
10          a utility’s MEEIA plan and not order a modification to a plan which is not  
11          acceptable to the utility. The Stipulation provides the Company the flexibility  
12          to decrease or increase the customer incentives for the Custom Rebate  
13          programs within a range of \$0.06 per kWh to \$0.40 per kWh at its discretion  
14          and at any time during Cycle 2, if necessary, to move the market and achieve  
15          the objectives of the Company’s voluntary MEEIA programs.; and

16          4. The level of customer incentives for C&I custom rebate programs does not  
17          correlate directly with MEEIA’s objective of achieving benefits for all  
18          customers. Based upon an objective comparison of the Company’s Cycle 1  
19          C&I custom rebate programs (which Brightergy seeks to continue in Cycle 2)  
20          and Ameren Missouri (which had a program of similar design to that proposed  
21          by the Company for Cycle 2), the Company’s program dramatically under-

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<sup>2</sup> ACEEE Policy Brief, “State Energy Efficiency Resource Standards (EERS)”. April 2015 (See Schedule JAR-SR-1).

<sup>3</sup> See *Report and Order* issued October 22, 2015 (EFIS Item No. 289) in Ameren Missouri’s MEEIA Cycle 2 Case No. EO-2015-0055.

1 performed in the important performance metric of achieving **net benefits per**  
2 **dollar of program costs** when compared to what Ameren Missouri achieved,  
3 even though Ameren Missouri offered much lower customer incentives than  
4 did the Company. This is important because it shows that lowering customer  
5 incentives for the proposed Custom Rebate program is not a step backwards  
6 for energy efficiency as Brightergy has claimed. Rather the proposed program  
7 incentives provide the Company the flexibility to drive even more benefits for  
8 all customers per dollar of program cost.

9 **Stipulation meets all requirements of MEEIA and should not be rejected.**

10 Q. Do you support Mr. Blake's recommendation "Absent constructive resolution  
11 of these issues through negotiation, Brightergy asks that the Commission either reject  
12 KCP&L's programs entirely or order KCP&L to continue the existing MEEIA Cycle 1  
13 Customer Rebate Program."<sup>4</sup>

14 A. No.

15 Q. Why not?

16 A. Through the negotiation process which resulted in the Stipulation, care was  
17 taken by the Company and other parties to negotiate a Stipulation which fully satisfies the  
18 requirements of MEEIA as well as the objectives identified in the Commission's  
19 October 22, 2015 *Report and Order* in Case No. EO-2015-0055, specifically:

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<sup>4</sup> Blake surrebuttal testimony, page 1, line 40 through page 2 line 2.

Surrebuttal Testimony of  
John A. Rogers

- 1            1. Retrospective evaluation, measurement and verification (“EM&V”) will be  
2            used to determine energy savings that actually occurred for the true-up of the  
3            throughput disincentive (“TD”);<sup>5</sup>
- 4            2. Earnings opportunity (“EO”) will place shareholders in a financial position  
5            comparable to the earnings opportunity they would have had if those  
6            shareholders made a future supply-side investment;<sup>6</sup> and
- 7            3. Non-participating ratepayers will be better off paying to help some ratepayers  
8            reduce usage than they would be under the scenario of paying a utility to build  
9            a power plant.<sup>7</sup>

10           Except for Brightergy, all parties to this case either support or do not oppose the  
11           Stipulation. Brightergy’s objections to the Stipulation will delay implementation of the  
12           Company’s Cycle 2 from January 2016 to at least April 2016. However, Brightergy’s  
13           objections to the Stipulation in no way change the fact that the Stipulation is comprised of a  
14           demand-side portfolio, technical resource manual, plan for EM&V, and DSIM which meet all  
15           of the requirements of MEEIA and are acceptable to the Company. The Stipulation should  
16           therefore be approved by the Commission so that all customers can benefit from the  
17           Stipulation without any further delay due to rejection of the Stipulation.

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<sup>5</sup> Section 393.1075.3.(2) Ensure that utility financial incentives are aligned with helping customers use energy more efficiently and in a manner that sustains or enhances utility customers’ incentives to use energy more efficiently.

<sup>6</sup> Section 393.1075.3. It shall be the policy of the state to value demand-side investments equal to traditional investments in supply and delivery infrastructure and allow recovery of all reasonable and prudent costs of delivering cost-effective demand-side programs. In support of this policy, the commission shall: ... (3) Provide timely earnings opportunities associated with cost-effective measurable and verifiable efficiency savings.

<sup>7</sup> Section 393.1075.4. The commission shall permit electric corporations to implement commission-approved demand-side programs proposed pursuant to this section with a goal of achieving all cost-effective demand-side savings. Recovery for such programs shall not be permitted unless the programs are approved by the commission, result in energy or demand savings and are beneficial to all customers in the customer class in which the programs are proposed, regardless of whether the programs are utilized by all customers.



1 **Comparable custom rebate programs should not include programs in states with a**  
2 **mandatory EERS.**

3 Q. Do you agree that the custom rebate programs identified in the table on pages 6  
4 and 7 of Mr. Blake’s rebuttal testimony should be viewed as “comparable” or “similar” to the  
5 Company’s Customer Rebate programs?

6 A. I do not.

7 Q. Why not?

8 A. Except for Missouri, each of the other eight states in Mr. Blake’s table (Iowa,  
9 Illinois, Wisconsin, Rhode Island, Massachusetts, New York, Arkansas, and Maryland) has a  
10 mandatory EERS. Schedule JAR-SR-1 provides a summary of the statutory requirements to  
11 achieve energy savings in all 24 states with an EERS. States with mandatory EERS have  
12 long-term, legally binding energy savings targets for utilities or third-party program  
13 administrators.<sup>8</sup> In Missouri, utilities may voluntarily choose whether or not to participate in  
14 MEEIA, and any annual energy and demand savings targets approved by the Commission are  
15 not mandatory under the law.<sup>9</sup> It is only natural that utilities in states with mandatory/binding  
16 savings targets would be more aggressive in many aspects of program design, including  
17 customer incentive levels, than would utilities in Missouri, which has voluntary programs and  
18 non-binding savings targets.

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<sup>8</sup> ACEEE Policy Brief, “State Energy Efficiency Resource Standards (EERS)”. April 2015. (See Schedule JAR-SR-1).

<sup>9</sup> 4 CSR 240-20.094(2) Guideline to Review Progress Toward an Expectation that the Electric Utility's Demand-Side Programs Can Achieve a Goal of All Cost-Effective Demand-Side Savings. *The goals established in this section are not mandatory, and no penalty or adverse consequence will accrue to a utility that is unable to achieve the listed annual energy and demand savings goals.* [Emphasis added]

1 Q. Does MEEIA contain any other provision which is not present in states with an  
2 EERS and which necessitates a more careful and conservative approach for customer  
3 incentives for all programs? Please explain.

4 A. Yes. MEEIA requires demand-side programs be beneficial to all customers in  
5 the customer class in which the programs are proposed, regardless of whether the programs  
6 are utilized by all customers. I know of no other state that requires such a provision. This  
7 unique provision necessitates added care when setting incentive levels, because the Missouri  
8 Public Service Commission cannot lawfully approve a demand-side portfolio and DSIM  
9 which do not comply with all MEEIA requirements including the requirement that there be  
10 benefits for all customers, including those customers who do not directly participate in  
11 programs.

12 Q. Has the Commission rejected any MEEIA programs and DSIM because there  
13 was not an expectation of benefits for all customers?

14 A. Yes, through its October 22, 2015 *Report and Order* in Case No.  
15 EO-2015-0055 the Commission rejected Ameren Missouri's MEEIA Cycle 2 plan, in part, for  
16 this very reason.<sup>10</sup>

17 **The Commission should not order the Company to continue the Cycle 1 Custom Rebate**  
18 **program in Cycle 2. The Company can and will adjust the Custom Rebate programs'**  
19 **incentives as necessary to move the market.**

20 Q. Please highlight Staff's analysis of customer benefits and costs which are  
21 expected to result from the Stipulation.

22 A. Staff's analysis of customer benefits and costs which are expected to result  
23 from the Stipulation's demand-side programs and DSIMs is described on pages 2 through 6 of

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<sup>10</sup> See Decision beginning on page 16 of the Commission's October 22, 2015 *Report and Order* in Case No. EO-2015-0055.

1 my direct testimony, which includes the following summary statement: “The benefits per  
2 costs ratios in Table 1 and in Schedule JAR-D-2 demonstrate that the Stipulation’s demand-  
3 side programs and DSIMs have materially improved as a result of the agreements in the  
4 Stipulation. The Stipulation’s demand-side programs and DSIMs are clearly expected to  
5 provide benefits for all KCP&L and GMO customers, even those customers who do not  
6 participate directly in one or more programs.” Thus, the Company has the opportunity and  
7 the flexibility, if necessary, to increase customer incentives to drive increased energy  
8 efficiency savings and still meet MEEIA’s statutory requirement concerning benefits for all  
9 customers.

10 Q. Should the Commission order the Company to continue the existing MEEIA  
11 Cycle 1 Custom Rebate program? Please explain.

12 A. No. The Commission should not order the Company to continue the Cycle 1  
13 Custom Rebate program in Cycle 2, because:

- 14 1. The Commission has recognized that demand-side programs are a voluntary  
15 offering of the utility when it stated on page 6 of its *Report and Order* issued  
16 on October 22, 2015 in Case No. EO-2015-0055:

17 MEEIA is permissive in nature and, by its express language, does  
18 not require utilities to offer demand-side programs.  
19

- 20 2. Recently, the Commission confirmed that it can only approve or reject a  
21 utility’s MEEIA plan and not order a modification to a plan which is not  
22 acceptable to the utility when it stated on page 9 of its *Report and Order*  
23 issued on October 22, 2015 in Case No. EO-2015-0055:

24 By rule, the Commission must approve Ameren Missouri’s plan,  
25 approve the plan with modifications acceptable to Ameren  
26 Missouri, or reject the plan. In this case, Ameren Missouri has

1 presented several modifications to its plan that it would find  
2 acceptable and made clear that it does not find the modifications  
3 presented in the Non-Utility Stipulation acceptable. Therefore, the  
4 Commission must decide whether it can approve the Utility Plan in  
5 any of its iterations.  
6

7 3. Ms. Winslow's direct testimony includes a detailed explanation and rationale  
8 supporting the Company's decision to change the customer incentives for its  
9 Cycle 2 Custom Rebate program;

10 4. The Stipulation provides the Company with flexibility to change the customer  
11 incentives for its Cycle 2 Custom Rebate program in response to EM&V  
12 impact analysis,<sup>11</sup> program participation levels, market intelligence, and  
13 stakeholder feedback; and

14 5. Much negotiation has taken place to address all issues raised by parties to  
15 create the Stipulation's Cycle 2 demand-side portfolio and DSIM. At this  
16 point in time, Brightergy is the only stakeholder to object to the Stipulation.  
17 Any further negotiation with Brightergy is not expected to result in a different  
18 or cost efficient Cycle 2 Custom Rebate program design that would be  
19 acceptable to the Company.

20 **The proposed C&I Custom Rebate program is in large part a result of the analyses of**  
21 **the Company's consultant Applied Energy Group and represents a step forward on the**  
22 **learning curve for energy efficiency in Missouri.**

23 Q. Please comment on Mr. Blake's statement: "Brightergy is concerned the  
24 proposed [C&I Custom Rebate] program, for commercial customers, is possibly a waste of  
25 customer money and certainly a major step backwards for energy efficiency in Missouri.

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<sup>11</sup> EM&V impact analysis for the Company's Cycle 1 programs will be performed and reported only once following completion of Cycle 1, will be first reported to stakeholders in draft form on May 1, 2016, and may not be finalized until the end of 2016. EM&V impact analysis for the Company's Cycle 2 programs will be performed and reported annually.

Surrebuttal Testimony of  
John A. Rogers

1 Given these facts, Brightergy is simply proposing that KCP&L continue its existing Custom  
2 Rebate Program for MEEIA Cycle 1.”<sup>12</sup>

3 A. Mr. Blake’s statement is based on the mistaken notion that spending more  
4 dollars on program incentives would cause a corresponding increase in cost-effective energy  
5 savings. Increased program incentive spending overlooks the simple fact that all customers  
6 must pay for these programs through the *Demand-Side Investment Mechanism (DSIM)* charge  
7 on their monthly bills.

8 Ms. Winslow’s direct testimony provides a detailed explanation and rationale  
9 supporting the Company’s decision to change the customer incentives for its Cycle 2 Custom  
10 Rebate program. Schedule JAR-SR-2 illustrates that the Company’s proposed Cycle 2  
11 Custom Rebate program is designed to increase net benefits and lower program costs and is  
12 supported by actual experience to date for the Cycle 1 Custom Rebate program. Lowering the  
13 customer incentives for the Cycle 2 Customer Rebate program is clearly not a step backwards  
14 for energy efficiency as believed by Brightergy. .

15 Finally, the Stipulation provides the Company with flexibility to change the customer  
16 incentives for its Custom Rebate program – if necessary – to drive increased energy efficiency  
17 savings and move the market to achieve the objectives of its voluntary MEEIA programs.

18 Q. Does this conclude your testimony?

19 A. Yes.

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<sup>12</sup> Blake surrebuttal testimony, page 2, lines 9 through 12

**State Energy Efficiency Resource Standards (EERS)**  
**April 2015**

An energy efficiency resource standard (EERS) is a long-term (3+ years), binding energy savings target for utilities or third-party program administrators. Savings are achieved through energy efficiency programs for customers. An EERS is one of the most effective ways for a state to guarantee long-term energy savings. In 2013, states with an EERS achieved incremental electricity savings of 1.1% of retail sales on average, compared to average savings of 0.3% in states without an EERS.

Twenty-four<sup>1</sup> states are currently implementing EERS policies requiring electricity savings (Figure 1). Of these states, 15 also have EERS policies in place for natural gas. Seven of the 24 states have requirements that utilities or third-party administrators achieve all cost-effective energy efficiency.

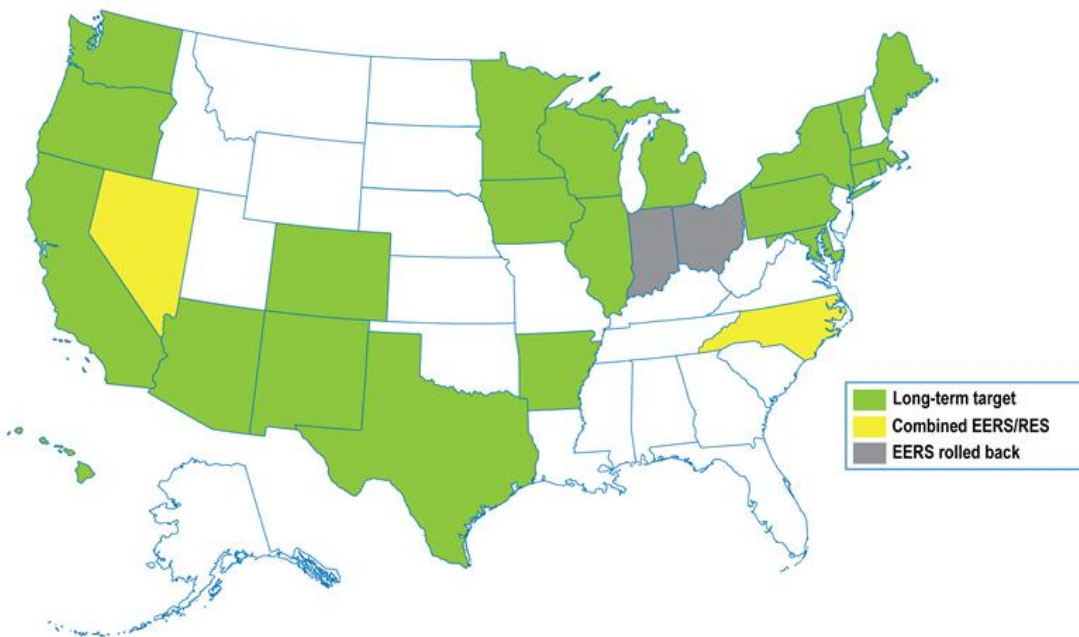


Figure 1. States with electric EERS policies in place (as of April 2015).

<sup>1</sup> This count includes 22 states with a standalone EERS policy and two states that allow energy efficiency to count toward renewable energy standards (RES). This count does not include Indiana and Ohio, where EERS policies have been eliminated. Additional states have some form of targets, but for the following reasons we do not consider them EERS: Florida (previous targets were underfunded, and recent targets are so low as to be meaningless); Utah, Missouri, and Virginia (voluntary standards with no binding requirement).

Texas adopted the nation's first EERS in 1999, and many states followed suit in the mid-2000s. These policies have contributed to notable energy and bill savings in many states. All of the top-ten energy-saving states in 2013 had an EERS policy in place.<sup>2</sup> Furthermore, nearly every state with an EERS has met or surpassed their targets in recent years.<sup>3</sup>

In early 2014, 26 states were implementing EERS policies. However, EERS policies in Indiana and Ohio were recently rolled back due to political aversion to mandatory clean energy policies. In these states, many utilities continue to run programs. However, with no clear policy in place to guide savings, these states are no longer included in our list of EERS policies.

This policy brief summarizes each state electricity and natural gas EERS policy currently in place. Table 1 outlines current policy approaches for electricity EERS policies. Table 2 describes natural gas EERS policies. For a more in-depth look at individual state EERS policies, visit ACEEE's [State and Local Policy Database](#).<sup>4</sup>

**Table 1. Electricity EERS policy status by state**

	· State · Year enacted · Authority · Applicability (% sales affected) <sup>5</sup>	Electricity energy efficiency resource standard	Reference
1	Arizona 2010 Regulatory <sup>6</sup> IOUs, Co-ops (~59%)	Incremental savings targets began at 1.25% of sales in 2011, ramping up to 2.5% in 2016 through 2020 for cumulative annual electricity savings of 22% of retail sales, of which 2% may come from peak demand reductions. Co-ops must meet 75% of targets.	<a href="#">Docket No. RE-00000C-09-0427, Decision 71436</a> <a href="#">Docket No. RE-00000C-09-0427, Decision 71819</a>
2	Arkansas 2010 Regulatory IOUs (~53%)	Annual reduction of 0.75% of total electric kWh sales in 2014 and 0.9% in 2015. The Commission has withheld a ruling on targets for 2016-2017 pending a potential study.	<a href="#">Order No. 17, Docket No. 08-144-U</a> ; <a href="#">Order No. 1, Docket No. 13-002-U</a> <a href="#">Order No. 7, Docket No. 13-002-U</a>

<sup>2</sup> 2013 is the most recent year for which complete data is available. See *The 2014 State Energy Efficiency Scorecard* (Gilleo et. al, 2014) for more details. <http://aceee.org/research-report/u1408>

<sup>3</sup> See *Energy Efficiency Resource Standards: A New Progress Report on State Experience* (Downs and Cui, 2014) for more details: <http://aceee.org/research-report/u1403>

<sup>4</sup> <http://database.aceee.org/>

<sup>5</sup> This does not take into account whether large customers are eligible to opt-out of programs. For more information on large customer opt-out, see *The 2014 State Energy Efficiency Scorecard* (Gilleo et. al, 2014): <http://aceee.org/research-report/u1408>

<sup>6</sup> EERS policies under regulatory authority were set without legislation requiring specific savings levels or calling upon the state public utility commission to set savings targets.

	· State · Year enacted · Authority · Applicability (% sales affected) <sup>5</sup>	Electricity energy efficiency resource standard	Reference
3	California 2004 and 2009 Legislative <sup>7</sup> IOUs (~78%)	Long-term goals of ~0.9% incremental savings each year through 2020. However specific goals have been adjusted upward in recent years, to ~1.1% of sales in 2015. Demand reduction of 4,541 MW through 2020.  Utilities must pursue all cost-effective efficiency resources.	<a href="#">CPUC Decision 04-09-060</a> ; <a href="#">CPUC Decision 08-07-047</a> ; <a href="#">CPUC Decision 14-10-046</a> <a href="#">AB 995</a>
4	Colorado 2007 Legislative IOUs (~57%)	Black Hills follows PSCo incremental savings targets of 0.8% of sales in 2011, increasing to 1.35% of sales in 2015. For the period 2015-2020, PSCo must achieve incremental savings of at least 400 GWh per year.	<a href="#">Colorado Revised Statutes 40-3.2-101, et seq.</a> ; <a href="#">Docket No. 12A-100E Dec. R12-0900</a> ; <a href="#">Docket 10A-554EG</a> <a href="#">Docket No. 13A-0686EG Dec. C14-0731</a>
5	Connecticut 2007 & 2013 Legislative IOUs (~94%)	Targets equivalent to incremental savings of ~1.4% per year through 2015.  Utilities must pursue all cost-effective efficiency resources.  Planning is currently underway for the 2016-2018 Conservation and Load Management Plan.	<a href="#">Public Act No. 07-242</a> <a href="#">Public Act No. 13-298</a> <a href="#">2013-2015 Electric and Natural Gas Conservation and Load Management Plan</a>
6	Hawaii 2004 and 2009 Legislative Statewide goal (100%)	In 2009, transitioned away from a combined RPS-EERS to a standalone EEPS goal to reduce electricity consumption by 4,300 GWh by 2030 (equal to ~30% of forecast electricity sales, or 1.4% incremental savings per year).	<a href="#">HRS §269-91, 92, 96</a> <a href="#">HI PUC Order, Docket 2010-0037</a>
7	Illinois 2007 Legislative Utilities with over 100,000 customers, Illinois DCEO (~88%)	Electric: Legislative targets of 0.2% incremental savings in 2008, ramping up to 2% in 2015 and thereafter. Annual peak demand reduction of 0.1% through 2018.  Energy efficiency measures may not exceed an established cost-cap. As a result, regulators have approved lower targets in recent years, with incremental electric savings targets varying by utility from ~ 0.5% to 0.7% per year.	<a href="#">S.B. 1918</a> <a href="#">Public Act 96-0033</a> <a href="#">§ 220 ILCS 5/8-103</a> <a href="#">Case No. 13-0495</a> <a href="#">Case No. 13-0498</a>
8	Iowa 2009 Legislative IOUs (75%)	Electric: Incremental savings targets vary by utility from ~1.1-1.2% annually through 2018.	<a href="#">Senate Bill 2386</a> <a href="#">Iowa Code § 476</a> <a href="#">Docket EEP-2012-0001</a>

<sup>7</sup> Legislation governing EERS policies may not include specific targets. In many cases, referenced legislation requires or explicitly enables the state public utility commission to set targets.



	· State · Year enacted · Authority · Applicability (% sales affected) <sup>5</sup>	Electricity energy efficiency resource standard	Reference
9	Maine <sup>8</sup> 2009 Legislative Statewide goal (100%)	Electric savings of 20% by 2020, with incremental savings targets of ~1.6% per year. Efficiency Maine operates under an all cost-effective mandate.	<a href="#">Efficiency Maine Triennial Plan H.P. 1128 – L.D. 1559</a>
10	Maryland 2008 Legislative <sup>9</sup> Statewide Goal (100%)	15% per-capita electricity use reduction goal by 2015 (10% by utilities, 5% achieved independently). 15% reduction in per capita peak demand by 2015, compared to 2007. The next round of targets are currently under discussion. Utilities have submitted plans for 2016-2018 with incremental targets of ~0.7% – 1.7% per year.	<a href="#">Md. Public Utility Companies Code § 7-211</a> <a href="#">MD PSC Dockets 9153-9157</a>
11	Massachusetts 2009 Legislative IOUs, Co-ops, Muni's, Cape Light Compact (~86%)	Incremental savings of 1.4% in 2010, 2.0% in 2011; 2.4% in 2012; 2.5% in 2013 increasing to 2.6% by 2015. Planning is currently underway for the 2016-2018 cycle. All cost-effective efficiency requirement.	<a href="#">D.P.U. Order 09-116 through 09-128</a> <a href="#">D.P.U. Order 12-100 through 12-111</a> <a href="#">M.G.L. ch. 25, § 21;</a>
12	Michigan 2008 Legislative Statewide Goal (100%)	0.3% incremental savings in 2009, ramping up to 1% in 2012 and each year thereafter.	<a href="#">Act 295 of 2008</a>
13	Minnesota 2007 Legislative Statewide Goal (100%)	1.5% incremental savings in 2010 and each year thereafter.	<a href="#">Minn. Stat. § 216B.241</a>
14	Nevada 2005 and 2009 Legislative IOUs (~62%)	20% of retail electricity sales to be met by renewables and energy efficiency by 2015, and 25% by 2025. Energy efficiency may meet a quarter of the standard through 2014, but is phased out of the RPS by 2025.	<a href="#">NRS 704.7801 et seq.</a> <a href="#">NRS 704.7801 as amended</a>
15	New Mexico 2008 and 2013 Legislative IOUs (68%)	5% reduction from 2005 total retail electricity sales by 2014, and an 8% reduction by 2020.	<a href="#">N.M. Stat. § 62-17-1 et seq.</a>

<sup>8</sup> The Maine Public Utilities Commission voted in March 2015 to restrict funding for Efficiency Maine beginning in 2016. This may result in the inability of Efficiency Maine to operate under its all cost-effective efficiency mandate, at which point we would no longer consider Maine to have an EERS in place.

<sup>9</sup> Targets for 2016 and beyond will be determined by the Maryland Public Service Commission.

	· State · Year enacted · Authority · Applicability (% sales affected) <sup>5</sup>	Electricity energy efficiency resource standard	Reference
16	New York 2008 Regulatory Statewide Goal (100%)	Electric: Incremental savings of ~1% per year through 2015. EERS targets through 2015 applied to utilities and NYSEDA. Current REV proceeding includes utility targets equivalent to ~ 0.4% in 2016 but no NYSEDA targets. Future targets are currently under discussion.	<a href="#">NY PSC Order, Case 07-M-0548</a> <a href="#">NY PSC Order, Case 07-M-0748</a> <a href="#">NY PSC Case 14-M-0101</a>
17	North Carolina 2007 Legislative Statewide Goal (100%)	Renewable Energy and Energy Efficiency Portfolio Standard (REPS) requires renewable generation and/or energy savings of 6% by 2015, 10% by 2018, and 12.5% by 2021 and thereafter. Energy efficiency is capped at 25% of target, increasing to 40% in 2021 and thereafter.	<a href="#">N.C. Gen. Stat. § 62-133.8</a> <a href="#">04 NCAC 11 R08-64, et seq.</a>
18	Oregon 2010 Regulatory Energy Trust of Oregon (~70%)	Incremental targets average ~1.3% of sales annually for the period 2015-2019.	<a href="#">Energy Trust of Oregon 2015-2019 Strategic Plan</a> <a href="#">Grant Agreement between Energy Trust of Oregon and OR PUC</a>
19	Pennsylvania 2004 and 2008 Legislative Utilities with over 100,000 customers (~93%)	3% cumulative savings from 2009 to 2013; ~2.3% cumulative savings from 2014-2016. EERS includes peak demand targets. Proposed targets for the phase include incremental savings of ~0.8% per year, but a final order has not yet been issued. Energy efficiency measures may not exceed an established cost-cap.	<a href="#">66 Pa C.S. § 2806.1;</a> <a href="#">PUC Order Docket No. M-2008-2069887;</a> <a href="#">PUC Implementation Order Docket M-2012-2289411</a> <a href="#">PUC Tentative Implementation Order Docket M-2014-2424864</a>
20	Rhode Island 2006 Legislative IOUs, Muni's (~99%)	Electric: Incremental savings of 2.5% in 2015 2.55% in 2016, and 2.6% in 2017. EERS includes demand response targets. Utilities must acquire all cost-effective energy efficiency.	<a href="#">R.I.G.L § 39-1-27.7</a> <a href="#">Docket No. 4443</a>
21	Texas 1999 and 2007 Legislative IOUs (~73%)	20% incremental load growth in 2011 (equivalent to ~0.10% annual savings); 25% in 2012, 30% in 2013 onward. Peak demand reduction targets of 0.4% compared to previous year. Energy efficiency measures may not exceed an established cost cap.	<a href="#">Senate Bill 7;</a> <a href="#">House Bill 3693;</a> <a href="#">Substantive Rule § 25.181</a> <a href="#">Senate Bill 1125</a>
22	Vermont 2000 Legislative Efficiency Vermont, Burlington Electric (100%)	Average incremental electricity savings of about 2.1% per year from 2015 - 2017. EERS includes demand response targets. Energy efficiency utilities must set budgets at a level that would realize all cost-effective energy efficiency.	<a href="#">30 V.S.A. § 209;</a> <a href="#">VT PSB Docket EEU-2010-06</a> <a href="#">Efficiency Vermont Triennial Plan 2015-17</a>

	· State · Year enacted - Authority · Applicability (% sales affected) <sup>5</sup>	Electricity energy efficiency resource standard	Reference
23	Washington 2006 Legislative IOUs, Co-ops, Muni's (~81%)	Biennial and Ten-Year Goals vary by utility. Law requires savings targets to be based on the Northwest Power Plan, which estimates potential incremental savings of about 1.5% per year through 2030 for Washington utilities. All cost-effective conservation requirement.	<a href="#">Ballot Initiative I-937</a> <a href="#">WAC 480-109</a> <a href="#">WAC 194-37</a>
24	Wisconsin 2011 Legislative Statewide Goal (100%)	Focus on Energy targets include incremental electricity savings of ~0.77% of sales per year in 2015-2018 Energy efficiency measures may not exceed an established cost-cap.	<a href="#">Order, Docket 5-GF-191</a> <a href="#">Order 9501-FE-120</a> <a href="#">2005 Wisconsin Act 141</a>

Table 2. Natural gas EERS policy status by state

	· State · Year enacted - Authority · Applicability (% sales affected)	Natural gas energy efficiency resource standard	Reference
1	Arizona 2010 Regulatory IOUs (~85%)	~0.6% incremental savings per year (for cumulative savings of 6% by 2020).	<a href="#">Docket No. RG-00000B-09-0428 Dec. No. 71855</a>
2	Arkansas 2010 Regulatory IOUs (~60%)	Annual reduction of 0.40% in 2014 and 0.5% in 2015. The Commission has withheld a ruling on targets for 2016-2017 pending a potential study.	<a href="#">Order No. 15, Docket No. 08-137-U</a> <a href="#">Order No. 1, Docket No. 13-002-U</a> <a href="#">Order No. 7, Docket No. 13-002-U</a>
3	California 2004 and 2009 Legislative IOUs (~82%)	619 gross MMTh between 2012 and 2020. Utilities must pursue all cost-effective efficiency resources.	<a href="#">CPUC Decision 04-09-060</a> ; <a href="#">CPUC Decision 08-07-047</a> ; <a href="#">CPUC Decision 14-10-046</a> <a href="#">AB 995</a>
4	Colorado 2007 Legislative IOUs (~72%)	Savings targets commensurate with spending targets (at least 0.5% of prior year's revenue).	<a href="#">Colorado Revised Statutes 40-3.2-101, et seq.</a> ; <a href="#">Docket 10A-554EG</a> <a href="#">Docket No. 13A-0686EG Dec. C14-0731</a>

	· State · Year enacted · Authority · Applicability (% sales affected)	Natural gas energy efficiency resource standard	Reference
5	Connecticut 2007 & 2013 Legislative IOUs (100%)	Average incremental savings of ~60 MMtherms per year through 2015. Utilities must pursue all cost-effective efficiency resources. Planning is currently underway for the 2016-2018 Conservation and Load Management Plan.	<a href="#">Public Act No. 13-298</a> <a href="#">2013-2015 Electric and Natural Gas Conservation and Load Management Plan</a>
6	Illinois 2007 Legislative Utilities with over 100,000 customers, Illinois DCEO (~88%)	8.5% cumulative savings by 2020 (0.2% incremental savings in 2011, ramping up to 1.5% in 2019). Energy efficiency measures may not exceed an established cost-cap. As a result, regulators have approved lower targets in recent years, with incremental electric savings targets varying by utility from ~ 0.5% to 0.7% per year.	<a href="#">S.B. 1918</a> <a href="#">Public Act 96-0033</a> <a href="#">§ 220 ILCS 5/8-103</a> <a href="#">Case No. 13-0495</a> <a href="#">Case No. 13-0498</a>
7	Iowa 2009 Legislative IOUs (100%)	Incremental savings targets vary by utility, ~0.66% -1.2% annually through 2018.	<a href="#">Senate Bill 2386</a> <a href="#">Iowa Code § 476</a> <a href="#">Docket EEP-2012-0001</a>
8	Maine <sup>10</sup> 2009 Legislative Efficiency Maine (100%)	Incremental savings of ~0.3% per year through 2016. Efficiency Maine operates under an all cost-effective mandate.	<a href="#">Efficiency Maine Triennial Plan</a> <a href="#">H.P. 1128 – L.D. 1559</a>
9	Massachusetts 2009 Legislative IOUs, Co-ops, Muni's (100%)	Incremental savings of 0.63% in 2010, 0.83% in 2011; 1.0% in 2012; 1.1% in 2013 increasing to 1.15% by 2015. Planning is currently underway for the 2016-2018 cycle. All cost-effective efficiency requirement.	<a href="#">D.P.U. Order 09-121 through 09-128</a> <a href="#">D.P.U. Order 12-100 through 12-111</a> <a href="#">M.G.L. ch. 25, § 21;</a>
10	Michigan 2008 Legislative Statewide Goal (100%)	0.10% incremental savings in 2009, ramping up to 0.75% in 2012 and each year thereafter.	<a href="#">Act 295 of 2008</a>
11	Minnesota 2007 Legislative Statewide Goal (100%)	0.75% incremental savings per year in 2010-2012; 1% incremental savings in 2013 and each year thereafter.	<a href="#">Minn. Stat. § 216B.241</a>

<sup>10</sup> The Maine Public Utilities Commission voted in March 2015 to restrict funding for Efficiency Maine beginning in 2016. This may result in the inability of Efficiency Maine to operate under its all cost-effective efficiency mandate, at which point we would no longer consider Maine to have an EERS in place.

	· State · Year enacted · Authority · Applicability (% sales affected)	Natural gas energy efficiency resource standard	Reference
12	New York 2008 Regulatory Companies with 14,000+ customers (~100%)	Incremental savings of ~0.5% per year through 2015. EEPS targets through 2015 applied to utilities and NYSERDA. Current REV proceeding includes utility targets equivalent to ~ 0.4% in 2016 but no NYSERDA targets. Future targets are currently under discussion.	<a href="#">NY PSC Order, Case 07-M-0548</a> <a href="#">NY PSC Case 14-M-0101</a>
13	Oregon 2010 Regulatory Energy Trust of Oregon (~89%)	0.3% of sales annually for the period 2015-2019.	<a href="#">Energy Trust of Oregon 2015-2019 Strategic Plan</a> <a href="#">Grant Agreement between Energy Trust of Oregon and OR PUC</a>
14	Rhode Island 2006 Legislative IOUs, Muni's (100%)	Incremental savings of 1% in 2015, 1.05% in 2016, and 1.1% in 2017. Utilities must acquire all cost-effective energy efficiency.	<a href="#">R.I.G.L § 39-1-27.7</a> <a href="#">Docket No. 4443</a>
15	Wisconsin 2011 Legislative Statewide Goal (100%)	Focus on Energy targets include incremental national gas savings of ~0.6% of sales per year in 2015-2018. Energy efficiency measures may not exceed an established cost-cap.	<a href="#">Order, Docket 5-GF-191</a> <a href="#">Order 9501-FE-120</a> <a href="#">2005 Wisconsin Act 141</a>

For more information on energy efficiency resource standards, please visit <http://aceee.org/topics/energy-efficiency-resource-standard-eers>

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## Summary Analysis of C&I Custom Programs

	Ameren Missouri Cycle 1 Through 9/30/2015	KCPL and GMO Cycle 1 Through 9/30/2015	KCPL and GMO Cycle 2 Plan
<b>Customer Incentives</b>	\$0.06/kWh for lighting and \$0.07/kWh for non-lighting	Buy down to lesser of 2 year payback or 50% of incremental costs.	\$0.10/kWh
<b>Program Costs - Planned (\$)</b>	\$ 25,704,936	\$ 12,363,497	\$ 18,223,176
<b>Program Costs - Actual (\$)</b>	\$ 23,488,357	\$ 24,601,687	
<b>Program Costs - Variance (\$)</b>	\$ (2,216,578)	\$ 12,238,190	
<b>Program Costs - Variance (%)</b>	-8.6%	99.0%	
<b>Energy Savings - Planned (MWh)</b>	157,914	78,439	74,441
<b>Energy Savings - Actual (MWh)</b>	224,328	83,932	
<b>Energy Savings - Variance (MWh)</b>	66,414	5,493	
<b>Energy Savings - Variance (%)</b>	42.1%	7.0%	
<b>Demand Savings - Planned (MW)</b>	42.1	13.9	19.9
<b>Demand Savings - Actual (MW)</b>	33.3	14.3	
<b>Demand Savings - Variance (MW)</b>	(8.9)	0.4	
<b>Demand Savings - Variance (%)</b>	-21.0%	3.1%	
<b>Net Benefits - Planned (\$)</b>	\$ 86,283,924	\$ 49,538,487	\$ 47,467,589
<b>Net Benefits - Actual (\$)</b>	\$ 151,275,503	\$ 44,456,170	
<b>Net Benefits - Variance (\$)</b>	\$ 64,991,580	\$ (5,082,317)	
<b>Net Benefits - Variance (%)</b>	75.3%	-10.3%	
<b>Planned Net Benefits per Planned Program Costs</b>	<b>3.4</b>	<b>4.0</b>	<b>2.6</b>
<b>Actual Net Benefits per Actual Program Costs</b>	<b>6.4</b>	<b>1.8</b>	<b>n/a</b>

**Note: All annual energy savings, demand savings and net benefits are based on deemed savings and deemed avoided costs.**