

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

In the Matter of Kansas City Power & Light)
Company’s 2nd Filing to Implement Regulatory) File No. EO-2015-0240
Changes in Furtherance of Energy Efficiency as)
Allowed by MEEIA.)

In the Matter of KCP&L Greater Missouri)
Operations Company’s 2nd Filing to Implement) File No. EO-2015-0241
Regulatory Changes in Furtherance of Energy)
Efficiency as Allowed by MEEIA.)

**STIPULATION AND AGREEMENT REGARDING CYCLE 2 TRANSITION PLAN
FOR CERTAIN LONG-LEAD PROJECTS AND
SPECIAL PROVISION FOR INCOME-ELIGIBLE MULTI-FAMILY PROGRAM
UNDER THE MEEIA CYCLE 2 PROGRAM PLAN**

COME NOW Kansas City Power & Light Company) (“KCP&L”), KCP&L Greater Missouri Operations Company (“GMO”) (hereafter KCP&L and GMO are referred to together as the “Company”), Missouri Public Service Commission Staff (“Staff”), the Office of the Public Counsel (“OPC”), Renew Missouri Advocates d/b/a Renew Missouri (“Renew MO”), and Missouri Department of Economic Development – Division of Energy (“DE”) (collectively, the “Signatories”) and present to the Missouri Public Service Commission (“Commission”), for approval this Stipulation and Agreement Regarding Cycle 2 Transition Plan For Certain Long-Lead Projects and Special Provisions for Income-Eligible Multi-Family Program Under the MEEIA Cycle 2 Program Plan (“Cycle 2 Transition Stipulation”), which establishes the Signatories’ agreement on 1) a process for long-lead energy efficiency projects’ implementation and completion; evaluation, measurement and verification (“EM&V”),¹ and demand-side programs investment mechanism treatment, and 2) modification of a special provision for the

¹ EM&V means the performance of studies and activities intended to evaluate the process of the utility’s program delivery and oversight and to estimate and/or verify the estimated actual energy and demand savings, utility lost revenue, cost effectiveness, and other effects from demand-side programs.

incentives paid to participants in the Company's Income Eligible Multi-Family program. In support of this Cycle 2 Transition Stipulation, the Signatories respectfully state as follows:

BACKGROUND

1. On August 28, 2015, KCP&L filed in Case No. EO-2015-0240 and GMO filed in Case No. EO-2015-0241 separate applications ("Application") under the Missouri Energy Efficiency Investment Act ("MEEIA") and the Commission's MEEIA rules, along with their separate reports with appendices (HC and NP), requesting Commission approval of demand-side programs and technical resource manual ("TRM") and for authority to establish a demand-side programs investment mechanism ("DSIM"). On November 23, 2015, the Company, together with several other parties, submitted to the Commission for approval their Non-Unanimous Stipulation and Agreement Resolving MEEIA Filings ("2015 Stipulation"). The Commission issued an Order approving the 2015 Stipulation on March 2, 2016.²

LONG-LEAD PROJECTS

2. Paragraph 12 f of the 2015 Stipulation states:

12 f. Transition Between MEEIA Cycles. While the Stipulation does not include a specific transition plan for Cycle 2, the Signatories agree that such a plan will likely be needed for the Business Custom Program or other Programs with lead times longer than 30 days, whether or not there is a Cycle 3. Therefore, the Company will propose a transition plan to the Signatories at least one (1) year prior to the end of Cycle 2. The Signatories will use best efforts to agree on a transition plan at least nine (9) months prior to the end of Cycle 2. Any Cycle 2 transition plan will require application to and approval by the Commission in accordance with 4 CSR 240-20.094(4).

² On April 6, 2016, the Commission issued an order for the second Stipulation and Agreement which modified the DSIM measures that were inaccurate in the first agreement.

The Signatories agree that the terms and conditions contained in this Cycle 2 Transition Stipulation are propounded in compliance with Paragraph 12 above and any relevant portions of Commission rule 4 CSR 240-20.094(4).

3. The Company presented to stakeholders a proposed framework for a transition plan to accommodate the needs of customers who may have long-lead projects requiring up to one year beyond the end of MEEIA Cycle 2³ for the issuance of a final rebate check as a result of completed long-lead projects; with additional time beyond the one-year extension to complete EM&V and demand-side programs investment mechanism treatment for the long-lead projects. The Signatories have collaborated on the details of a transition plan embodied in this Cycle 2 Transition Stipulation which is limited to certain energy efficiency programs and which is expected to result in overall benefits for the Company and for all of its non-residential customers who have not been approved for opt-out of participation in MEEIA programs. Accordingly, the Signatories have entered into this Cycle 2 Transition Stipulation to allow long-lead projects to qualify under certain approved Cycle 2 energy efficiency programs and the approved Cycle 2 DSIM Rider.

SPECIFIC TERMS AND CONDITIONS

In light of the foregoing, the Signatories to this Cycle 2 Transition Stipulation agree to the following terms and conditions:

4. Long-Lead Projects Applicability: The transition plan for long-lead projects that is set forth in paragraphs 5 through 12 below shall apply to long-lead projects in the following Cycle 2 energy efficiency programs:

³ The Company's MEEIA Cycle 2 programs started April 1, 2016 and will terminate March 31, 2019 but for the pending completion of long-lead projects which will occur after March 31, 2019 as set forth in this Cycle 2 Transition Stipulation and the DSIM Rider.

- Business Energy Efficiency Rebate-Custom; and
- Block Bidding.

5. Savings Targets and Budget: Energy and demand savings targets and program budgets for MEEIA Cycle 2 will not change due to long-lead projects. KCP&L and GMO will continue to file an application with the Commission for modification of demand-side programs by filing information and documentation required by Commission rules when there is a variance of twenty percent (20%) or more in the approved Cycle 2 demand-side plan three (3)-year budget. The total amount of all program costs⁴ for all long-lead projects for the Company is capped at \$2 million.

6. Expanded Eligibility: Within MEEIA Cycle 2, the Company shall commit incentives to customers for eligible long-lead projects, within the \$2 million cap noted above, which have estimated project completion dates not later than January 31, 2020. Customer incentive payments in terms of \$/kWh and \$/kW will remain at the levels provided for in the respective Cycle 2 program at the time of a long-lead project's approval of application and commitment of incentives to the applicant.

7. Deadlines for Long-Lead Project Customer Applications, Commitments, Project Completion and Final Payment: 1) The customer applicant must submit its project application to the program administrator no later than November 30, 2018; 2) the customer applicant must submit its signed energy efficiency incentive commitment offer to the program administrator no later than March 31, 2019; 3) the customer applicant must certify completion of its long-lead

⁴ Program costs, as they relate to long-lead projects, include incentive payments made to customers, contract payments made to program administrators, and costs for EM&V. There will be no portfolio-level costs allocated to long-lead projects.

project and submit all required project completion paperwork no later March 31, 2020;⁵ and 4) the last date for the Company to issue the final rebate check⁶ is April 30, 2020. The Signatories agree to the tariff revisions set out in **Appendix A**, which are also being simultaneously submitted for Commission approval.

8. Evaluation, Measurement and Verification: As a part of its program year 2018 (“PY2018”) EM&V draft and final reports for KCP&L and GMO, the Company’s independent evaluator shall identify each approved long-lead project and discuss the budget, progress and status of each approved long-lead project. An approved long-lead project that is completed after the end of MEEIA Cycle 2 shall receive supplemental long-lead projects EM&V⁷ (including project costs and determination of ex-post net-to-gross factors at the project level) by the Company’s independent evaluator based on the terms for EM&V contained in the Cycle 2 EM&V plan for each long-lead project’s demand-side program identified in paragraph 4 above. The evaluator shall produce one supplemental long-lead projects EM&V report for KCP&L and one supplemental long-lead projects EM&V report for GMO in accordance with the EM&V process and timeline described herein. The Company’s independent evaluator shall provide a draft of its supplemental long-lead projects EM&V reports to all stakeholders and the Commission auditor no later than July 31, 2020. Stakeholders and the Commission auditor may provide comments on the draft supplemental long-lead projects EM&V reports no later than August 20, 2020.⁸ The Company’s independent evaluator shall provide the final draft supplemental long-lead projects EM&V reports to all stakeholders and the Commission auditor no later than August 31, 2020.

⁵ Please note that program guidelines may require a deadline earlier than January 31, 2020.

⁶ The Company shall pay all rebates for long-lead projects by issuing a check to the customer. No bill credits will be allowed.

⁷ Annual EM&V shall be for long-lead projects completed in April 2019 through March 2020.

⁸ If necessary, a conference call shall be held soon after August 20, 2020 to discuss comments.

Stakeholders and the Commission auditor may provide comments on final draft supplemental long-lead projects EM&V reports by September 15, 2020.⁹ Evaluator shall file its supplemental long-lead projects EM&V final reports in EFIS by September 30, 2020. The Commission auditor shall file its supplemental long-lead projects EM&V final reports in EFIS by October 16, 2020. Stakeholders may file with the Commission by October 26, 2020 requests for change to the ex-post net energy and demand savings in the evaluator’s supplemental long-lead projects EM&V final reports.¹⁰

9. Summary of Deadlines for Long-Lead Projects and EM&V:

ACTION	DEADLINE
Customer/Applicant must submit project application to the program administrator	Friday, November 30, 2018
Customer/Applicant must submit signed energy efficiency incentive commitment offer to the program administrator	Sunday, March 31, 2019
PY2018 EM&V draft and final reports to include identification, budget, progress and status of each approved long-lead project	PY2018 EM&V schedule with draft report due approximately July 31, 2019
Customer/Applicant must certify completion of its long-lead project and submit all required project completion paperwork	Tuesday, March 31, 2020
Last date for Company to issue final rebate check	Thursday, April 30, 2020
Evaluator submit draft supplemental long-lead projects EM&V reports	Friday, July 31, 2020
Stakeholders and Commission auditor provide comments on draft supplemental long-lead projects EM&V reports	Thursday, August 20, 2020
Evaluator submit final draft supplemental long-lead projects EM&V reports to stakeholders and auditor	Monday, August 31, 2020

⁹ If necessary, a conference call shall be held soon after September 15, 2020 to discuss comments.

¹⁰ The change request process is outlined beginning at the bottom of page 1 of Appendix F to the 2015 Stipulation.

Stakeholders and auditor provide comments on final draft supplemental long-lead projects EM&V reports	Tuesday, September 15, 2020
Company files supplemental long-lead projects EM&V final reports	Wednesday, September 30, 2020
Commission auditor files supplemental long-lead projects EM&V final reports	Friday, October 16, 2020
Grace period to file change requests	Monday, October 26, 2020

10. Program Costs, Throughput Disincentive (“TD”), and Earnings Opportunity (“EO”): All program costs and TD associated with long-lead projects’ energy and demand savings for all completed long-lead projects will be included in the Program Cost Reconciliation and Throughput Disincentive Reconciliation in keeping with the express terms of the Cycle 2 DSIM Rider. Any additional EO impacts associated with long-lead projects will also be included in the calculations in keeping with the express terms of the Cycle 2 DSIM Rider. All reconciliation calculations for program costs, TD, and EO resulting from long-lead projects will be based on 1) the Cycle 2 DSIM Rider and 2) the ex-post net energy and demand savings in the evaluator’s supplemental long-lead projects EM&V final reports or, any Commission approved changes to the ex-post net energy and demand savings which result from a timely filed stakeholder change request.

11. Additional Reporting: The Company shall include certain data for each long-lead project in its quarterly reporting to stakeholders. The data shall include estimated energy and demand savings and costs for each long-lead project, and data reporting the status of the long-lead projects budget cap. At the time of the Cycle 2 DSIM Rider filing that includes the last of the completed MEEIA Cycle 2 long-lead projects, the Company shall issue a report to stakeholders summarizing the benefits and costs of Cycle 2 long-lead projects.

SPECIAL PROVISION FOR INCOME-ELIGIBLE MULTI-FAMILY PROGRAM
(“IEMF”)

12. Paragraph 5 of the 2015 Stipulation states:

5. d. The program will provide a custom rebate option for comprehensive retrofits and measures to IEMF property owners for IEMF whole building and non-lighting common area measures, as well as for in-unit measures not otherwise covered as direct-install measures under KCP&L/GMO’s IEMF program. The following measures are indicative of what will be available for the whole building and common areas: heating, ventilation and air conditioning; domestic hot water; motors; envelope improvements; controls and EMS; and pump/fan/piping/duct improvements. Common area lighting retrofits will be included as prescriptive measures. Custom incentives provided to income-eligible multi-family buildings will be provided at a \$0.02 per kWh premium over Business Custom incentives.

13. The Signatories agree the IEMF custom incentives provided be changed to “**at least** \$0.02 per kWh premium over Business Custom incentives.” The goal is to be able to pay more for IEMF incentives (\$/kWh) while maintaining the flexibility to increase incentives to boost savings on projects for the harder to reach market of income eligible multi-family customers. The Company’s intent in the near future is to implement a higher \$/kWh to attract more IEMF projects

GENERAL PROVISIONS

14. This Cycle 2 Transition Stipulation is being entered into solely for the purpose of settling the issues specifically set forth above, and represents a settlement on a mutually-agreeable outcome without resolution of specific issues of law or fact. This Cycle 2 Transition Stipulation is intended to relate *only* to the specific matters referred to herein; no Party waives any claim or right which it may otherwise have with respect to any matter not expressly provided for herein. No Party will be deemed to have approved, accepted, agreed, consented, or acquiesced to any substantive or procedural principle, treatment, calculation, or other determinative issue underlying the provisions of this Cycle 2 Transition Stipulation. Except as specifically provided herein, no Signatory shall be prejudiced or bound in any manner by the terms of this Cycle 2 Transition

Stipulation in any other proceeding, regardless of whether this Cycle 2 Transition Stipulation is approved.

15. This Cycle 2 Transition Stipulation has resulted from extensive negotiations, and the terms hereof are interdependent. If the Commission does not approve this Cycle 2 Transition Stipulation, approves it with modifications or conditions to which a party objects, or issues an order in another Commission case that negates its approval or conditions or modifies the Cycle 2 Transition Stipulation in a manner to which any Party objects, then this Cycle 2 Transition Stipulation shall be null and void, and no Party shall be bound by any of its provisions.

16. If the Commission does not approve this Cycle 2 Transition Stipulation unconditionally and without modification, and notwithstanding its provision that it shall become void, neither this Cycle 2 Transition Stipulation, nor any matters associated with its consideration by the Commission, shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with Section 536.080 RSMo 2000 or Article V, Section 18 of the Missouri Constitution, and the Signatories shall retain all procedural and due process rights as fully as though this Cycle 2 Transition Stipulation had not been presented for approval, and any suggestions or memoranda, testimony or exhibits that have been offered or received in support of this Cycle 2 Transition Stipulation shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any further purpose whatsoever.

17. If the Commission unconditionally accepts the specific terms of this Cycle 2 Transition Stipulation without modification, the Signatories waive, with respect only to the issues resolved herein: their respective rights (1) to call, examine and cross-examine witnesses pursuant to Section 536.070(2), RSMo 2000; (2) their respective rights to present oral argument and/or

written briefs pursuant to Section 536.080.1, RSMo 2000; (3) their respective rights to seek rehearing pursuant to Section 386.500, RSMo 2000; and (4) their respective rights to judicial review pursuant to Section 386.510, RSMo Supp. 2011. These waivers apply only to a Commission order respecting this Cycle 2 Transition Stipulation issued in this above-captioned proceeding, and do not apply to any matters raised in any prior or subsequent Commission proceeding, or any matters not explicitly addressed by this Cycle 2 Transition Stipulation.

18. This Cycle 2 Transition Stipulation contains the entire agreement of the Signatories concerning the issues addressed herein.

19. This Cycle 2 Transition Stipulation does not constitute a contract with the Commission and is not intended to impinge upon any Commission claim, right, or argument by virtue of the Cycle 2 Transition Stipulation's approval. Acceptance of this Cycle 2 Transition Stipulation by the Commission shall not be deemed as constituting an agreement on the part of the Commission to forego the use of any discovery, investigative or other power which the Commission presently has or as an acquiescence of any underlying issue. Thus, nothing in this Cycle 2 Transition Stipulation is intended to impinge or restrict in any manner the exercise by the Commission of any statutory right, including the right to access information, or any statutory obligation.

20. The Signatories agree that this Cycle 2 Transition Stipulation, except as specifically noted herein, resolves all issues related to these topics, and that the agreement should be received into the record without the necessity of any witness taking the stand for examination.

21. Additionally, the Company agrees that subject to the rules governing practice before the Commission and without waiving the confidentiality of the facts and positions disclosed in the course of settlement, Staff shall have the right to provide an oral explanation to support its

entering in this Cycle 2 Transition Stipulation, if the Commission requests one at any agenda meeting at which this matter is noticed to be considered by the Commission. Subject to the rules governing practice before the Commission and without waiving the confidentiality of the facts and positions disclosed in the course of settlement, Staff will be available to answer Commission questions regarding this Cycle 2 Transition Stipulation. To the extent reasonably practicable, Staff will provide the Company and Public Counsel with advance notice of any such agenda meeting so that they may have the opportunity to be present and/or represented at the meeting.

22. Parties to this proceeding have been apprised of this Cycle 2 Transition Stipulation by e-mail to Counsel of Record. Brightergy, LLC has stated they do not object.

WHEREFORE, the Signatories respectfully request that the Commission approve this Cycle 2 Transition Stipulation, so that the Company may move forward on these provisions, and grant any other and further relief as it deems just and equitable.

Respectfully submitted,

/s/ Roger W. Steiner

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**COUNSEL FOR STAFF OF THE
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COMMISSION**

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand delivered, emailed or mailed, postage prepaid, this 2nd day of October, 2017, to all counsel of record.

/s/ Roger W. Steiner

Roger W. Steiner

KANSAS CITY POWER & LIGHT COMPANY

P.S.C. MO. No. 2 ~~First~~Second Revised Sheet No. 1.97
Canceling P.S.C. MO. No. 2 First ~~Original~~Revised Sheet No. 1.97
For Missouri Retail Service Area

RULES AND REGULATIONS
ELECTRIC

23.01 BUSINESS DEMAND-SIDE MANAGEMENT

DEFINITIONS:

~~(~~(continued)

Unless otherwise defined, terms used in tariff sheets or schedules in Section 22 have the following meanings:

Applicant – A customer who has submitted a program application or has had a program application submitted on their behalf by an agent or trade ally.

**Demand-Side Program Investment Mechanism (DSIM) – A mechanism approved by the Commission in KCP&L’s filing for demand-side programs approval in Case ~~No. EO~~No. EO-2015-0240.

Energy Efficiency - Measures that reduce the amount of electricity required to achieve a given end use.

Incentive – Any consideration provided by KCP&L directly or through the Program Administrator, including in the form of cash, bill credit, payment to third party, or public education programs, which encourages the adoption of Measures.

Long-Lead Project- ~~A project committed to by a Customer, accepted by the Company, and a signed commitment offer received by the program administrator by March 31, 2019, according to the terms and implementation of the MEEIA 2016-2018 Energy Efficiency Plan that will require until a date after March 31, 2019, but no later than March 31, 2020, to certify completion.~~

Measure – An end-use measure, energy efficiency measure, and energy management measure as defined in 4 CSR 240-22.020(18), (20), and (21).

Participant – End-use customer and/or manufacturer, installer, or retailer providing qualifying products or services to end-use customers.

Program Administrator – The entity selected by KCP&L to provide program design, promotion, administration, implementation, and delivery of services.

Program Partner – A retailer, distributor or other service provider that KCP&L or the Program Administrator has approved to provide specific program services through execution of a KCP&L approved service agreement.

Program Period – ~~The three year period from the effective date of the tariffs~~period from April 1, 2106 through March 31, 2019, unless sooner terminated under the TERM provision of this tariff. Programs may have slightly earlier termination dates for certain activities, as noted on the KCP&L website – www.kcpl.com.

Project – One or more Measures proposed by an Applicant in a single application.

~~**The original effective date of this tariff sheet was April 1, 2016. However, due to a typographical error, the tariff sheet was revised to reflect the correct Case No. EO-2015-0240, changing the effective date to April 7, 2017. This tariff sheet shall be effective for three years from the original effective date.~~

KCP&L Greater Missouri Operations Company
KANSAS CITY, MO 64106

For Territory Served as L&P and MPS

RULES AND REGULATIONS
ELECTRIC

15.01 BUSINESS DEMAND-SIDE MANAGEMENT

(continued)

DEFINITIONS:

Unless otherwise defined, terms used in tariff sheets or schedules in Section 15 have the following meanings:

Applicant – A customer who has submitted a program application or has had a program application submitted on their behalf by an agent or trade ally.

Demand-Side Program Investment Mechanism (DSIM) – A mechanism approved by the Commission in KCP&L Greater Missouri Operations Company's filing for demand-side programs approval in Case No. EO-2015-0241.

Energy Efficiency - Measures that reduce the amount of electricity required to achieve a given end use.

Incentive – Any consideration provided by Company directly or through the Program Administrator, including in the form of cash, bill credit, payment to third party, or public education programs, which encourages the adoption of Measures.

Long-Lead Project- A project committed to by a Customer, accepted by the Company, and a signed commitment offer received by the program administrator by March 31, 2019, according to the terms and implementation of the MEEIA 2016-2018 Energy Efficiency Plan that will require until a date after March 31, 2019, but no later than March 31, 2020, to certify completion.

Measure – An end-use measure, energy efficiency measure, and energy management measure as defined in 4 CSR 240-22.020(18), (20), and (21).

Participant – End-use customer and/or manufacturer, installer, or retailer providing qualifying products or services to end-use customers.

Program Administrator – The entity selected by Company to provide program design, promotion, administration, implementation, and delivery of services.

Program Partner – A retailer, distributor or other service provider that Company or the Program Administrator has approved to provide specific program services through execution of a Company approved service agreement.

Program Period – The period from ~~January~~ April 1, 2016 through ~~December 31~~ March 31, 2018 2019; unless sooner terminated under the TERM provision of this tariff. Programs may have slightly earlier termination dates for certain activities, as noted on the Company website – www.kcpl.com.

Project – One or more Measures proposed by an Applicant in a single application.