

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

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

**BRIGHTERGY, LLC’S COMMENTS IN RESPONSE TO
NON-UNANIMOUS STIPULATION AND AGREEMENT**

Brightergy, LLC (“Brightergy”) hereby files its *Comments in Response* to the *Non-Unanimous Stipulation and Agreement* (“Non-Unanimous Stipulation”) filed by Kansas Power & Light Company (“KCP&L” or “Company”), the Missouri Division of Energy, the Natural Resources Defense Council, and Earth Island Institute d/b/a Renew Missouri (collectively, the “Signatories”) on April 17, 2014.¹ In support of its *Comments in Response*, Brightergy states:

I. INTRODUCTION

Brightergy does not object to the Non-Unanimous Stipulation. However, Brightergy is filing these *Comments in Response* to respectfully point out the need for an increased level of transparency for ratepayers who are eligible for the KCP&L proposed “Business Energy Efficiency Rebates – Custom” and “Business Energy Efficiency Rebates – Standard” programs. Brightergy believes that frequent, public reporting concerning the amount of the proposed rebate pool that remains available to ratepayers is appropriate and should occur no less than monthly.²

¹ Brightergy does not object to or oppose the terms of the Non-Unanimous Stipulation or the KCP&L MEEIA Application. **It is not Brightergy’s intent for its *Comments in Response* to constitute an objection to the Non-Unanimous Stipulation under to 4 C.S.R. 240-2.115(2).** Further, while Brightergy does not agree with the Company’s omission of Combined Heat and Power (“CHP”) from its 2014 MEEIA Application, Brightergy does not object to or oppose the Non-Unanimous Stipulation or the KCP&L MEEIA Application, as filed. If Brightergy elects to pursue its concerns regarding CHP, it will do so in a separate proceeding.

² Public reporting would likely encourage the public to embrace the energy efficient mechanisms promoted by the proposed KCP&L DSM Portfolio.

II. BACKGROUND

1. The Application filed by KCP&L under the Missouri Energy Efficiency Investment Act (“MEEIA Application”) proposes several modifications to the Company’s existing Demand-Side Management (“DSM”) Program Portfolio. Among these modifications, KCP&L seeks to implement changes to the Energy Audit and Energy Savings Measures Rebate Rider (“Rebate Rider”).³ This Rebate Rider currently provides rebates to ratepayers for a portion of the costs associated with the completion of an energy audit or the installation of energy efficient lighting, lighting controls, air conditioning, and motors.⁴

2. The KCP&L MEEIA Application requests authorization to rename a portion of the Rebate Rider to the “Business Energy Efficiency Rebates – Custom” program (“Custom Rebate Program”).⁵ The Custom Rebate Program will provide customer rebates for the installation and use of energy efficient mechanisms in retrofit and new construction projects.⁶

3. The Company also intends to implement a “Business Energy Efficiency Rebates – Standard” program (“Standard Rebate Program”) to complement the Custom Rebate Program.⁷ The Standard Rebate Program is designed to provide fixed rebates and encourage commercial, industrial, and multifamily customers to install energy efficient mechanisms—including lighting and lighting controls—in existing facilities. More specifically, the Company contends that the program will:

- ***Provide incentives to facility owners and operators*** for the installation of high efficiency equipment and controls; and

³ See *Direct Testimony of Kimberly H. Winslow*, Case No. EO-2014-0095, January 7, 2014, at 15.

⁴ *Id.* at 16.

⁵ *Id.*

⁶ *Id.*

⁷ *Id.* at 17.

- *Provide a marketing mechanism for electrical contractors, mechanical contractors, and their distributors to promote energy efficient equipment to end users.*⁸

4. KCP&L further requested authorization to increase the customer maximum rebate levels for the combined Standard and Custom Rebate Programs in order to incent larger, multi-site energy efficiency programs.⁹

5. The Non-Unanimous Stipulation was filed on April 17, 2014. The Non-Unanimous Stipulation states that “the ‘Plan’ the Commission should approve for KCP&L to implement consists of the 12 demand-side programs, excluding MPower, (“MEEIA Programs”) described in KCP&L’s January 7, 2014 MEEIA Application (modified to reflect the terms and condition herein), and the demand-side programs investment mechanism (“DSIM”) described in this Stipulation.”¹⁰ The Non-Unanimous Stipulation does not modify the Company’s above-described request to change its Rebate Rider.

III. COMMENTS IN RESPONSE TO NON-UNANIMOUS STIPULATION

a. Increased Transparency for the Custom and Standard Rebate Programs.

6. Brightergy is a direct provider, installer, and marketer of energy efficient LED lighting and lighting controls to KCP&L ratepayers. Brightergy interacts directly with KCP&L ratepayers who may be eligible for rebates under the Company’s proposed Custom and Standard Rebate Programs. As a result of this interaction, Brightergy intimately understands that rebate eligibility and availability often is the most important consideration for whether a ratepayer will invest in energy efficient technology or capital improvements. The economics and affordability of an energy efficiency project is often based on the availability and amount of a rebate.

⁸ *Id.* at 18 (emphasis added).

⁹ *Direct Testimony of Kimberly H. Winslow*, Case No. EO-2014-0095, January 7, 2014, at 18.

¹⁰ *Non-Unanimous Stipulation and Agreement Resolving Kansas City Power & Light Company’s MEEIA Filing*, Case No. EO-2014-0095, April 17, 2014, at 1.

7. Brightergy does not object to the April 17, 2014 Non-Unanimous Stipulation or the KCP&L MEEIA Application. However, Brightergy is concerned that the terms of the Non-Unanimous Stipulation and the KCP&L MEEIA Application do not provide ratepayers that are eligible for rebates under the Standard Rebate Program with the level of transparency necessary to determine whether rebates are available. Likewise, energy efficient providers and installers do not currently have the information necessary to effectively and accurately market energy efficient systems that are eligible for rebates under the Standard Rebate Program.

8. Currently, a ratepayer that may be eligible for a rebate under the Custom Rebate Program must obtain preapproval from KCP&L for a planned energy efficient project prior to beginning the project. Upon preapproval, KCP&L provides the applying ratepayer with a letter confirming that a rebate is available. The KCP&L letter also commits to pay the ratepayer a rebate if the project is completed within six months. As a result of this process, ratepayers requesting rebates under the Custom Rebate Program are provided: (1) written confirmation that rebates are indeed available; and (2) a commitment by the Company to pay the rebate if the project is promptly completed. While rebates committed to ratepayers under the Custom Rebate Program are not paid until project completion, the committed funds will be immediately allocated to and reduce the total funds available to ratepayers under the KCP&L Rebate Rider.

9. In contrast, a ratepayer who is eligible for a rebate under the Standard Rebate Program must complete its energy efficiency project and submit all project invoices and receipts to KCP&L before requesting a rebate. While a ratepayer can easily determine if its project would be eligible for a rebate under the Standard Rebate Program, the ratepayer cannot, at any point in time, determine the remaining balance of the rebate pool. As a result, it is nearly impossible for ratepayers to predict whether a rebate prescribed by the Standard Rebate Program will be

available upon completion of an energy efficiency project. Likewise, energy efficient product providers and installers cannot market eligible products to KCP&L ratepayers with any certainty regarding rebate availability.

10. This problem is further compounded by the rebate commitments provided to ratepayers under the Custom Rebate Program. While the committed rebates are allocated to the rebate pool immediately upon commitment, they will not be paid unless each project is completed within six months. Thus, rebate availability under the Standard Rebate Program depends on the total MEEIA Program costs spent and the total amount of Custom Program rebates that are committed to preapproved ratepayers. The KCP&L MEEIA Application and the Non-Unanimous Stipulation do not contain a mechanism to provide KCP&L ratepayers with access to this information.

11. Brightergy does not oppose or object to the Non-Unanimous Stipulation. However, if the Commission ultimately approves the Non-Unanimous Stipulation, Brightergy respectfully recommends that the Commission order and the Company agree to provide regular, publicly available updates on the KCP&L website detailing: (1) the total MEEIA Program costs spent to date; and (2) the total dollar amount of rebates committed but not yet paid pursuant to the Custom Rebate Program. Regularly publishing this information to the KCP&L website will provide a cost effective and easily accessible mechanism for ratepayers and suppliers to determine if rebate funds will be available upon project completion.

12. Publishing the above information could also prevent a scenario in which numerous ratepayers—who may be in the process of completing Standard Rebate Program eligible projects—are left without a rebate if (or when) the Standard and Custom Rebate Programs reach their funding limit. Similarly, it could prevent energy efficient providers and

installers from over promising and overselling energy efficient products based on a mistaken belief that Standard Program rebates remain available to customers.

13. The Company, in response to a question raised during a Technical Conference, has acknowledged that customers who are eligible for and may have relied on Standard Program rebates may not be paid if the program reaches its limit.¹¹ Specifically, the Company stated:

5. What assurances can KCPL-MO provide that programs will not abruptly end or run out of funding, similar to what happened with the solar rebate program?

Response:

There are no assurances. Our intent is to follow plan submitted and approved by commission and if changes to plan are desired we will discuss in proper channels and meetings with advisory groups, etc.¹²

14. KCP&L, the solar industry, and the Commission were recently faced with a similar situation to that envisioned above. In File No. ET-2014-0071 (“0071 Case”), KCP&L requested Commission approval to suspend solar rebate payments prescribed by 393.1030, RSMo, and 4 C.S.R. 240-20.100(4).¹³ The Company’s request to abruptly suspend solar rebate payments was not anticipated by many ratepayers or the solar industry. If rebate payments had been abruptly suspended, ratepayers and solar suppliers would have lost millions of dollars in anticipated rebate payments. Many ratepayers had relied on the expected availability of solar rebate payments in deciding to invest in solar energy systems.

15. The 0071 Case ultimately settled and solar rebate payments continued. In order to give ratepayers and installers vital notice of when the Company was likely to reach the limit for

¹¹ *Rebuttal Testimony of John A. Rogers*, Case No. EO-2014-0095, March 28, 2014, Schedule JAR-6-26 at 5.

¹² *Id.*

¹³ *Application for Authority to Suspend Payment of Solar Rebates and Request for Contingent Waiver of 4 CSR 240-4.020(2)*, File No. ET-2014-0071, September 10, 2013.

solar rebate payments, KCP&L agreed to regularly publish program updates.¹⁴ Specifically, the Company agreed to routinely update its website with: (1) the total dollar amount of solar rebate applications received; (2) the total dollar amount of solar rebate applications pre-approved; and (3) the total dollar amount of solar rebates that had been paid.¹⁵

16. Brightergy respectfully recommends the Commission order and the Company agree to institute a similar, regularly updated webpage to track the funds available to ratepayers under the Custom and Standard Rebate Programs. Ratepayers and energy efficient providers would greatly benefit from regular and public disclosure of: (1) the total MEEIA Program costs spent to date; and (2) the total dollar amount of rebates committed but not yet paid pursuant to the Custom Rebate Program. Publication of this information can be done in a cost-effective manner. Further, a consistently updated website with this information will likely increase the overall efficiency and effectiveness of the proposed KCP&L Rebate Rider.

WHEREFORE Brightergy, LLC respectfully recommends that the Commission order and KCP&L agree to provide its ratepayers with regularly updated information concerning the total dollar amount of rebates paid, committed, and remaining under both the Custom and Standard Rebate Programs proposed by KCP&L. Publication of this information on the KCP&L website would afford ratepayers and energy efficient product providers and installers vital information necessary to determine rebate availability under the Standard Rebate Program.

¹⁴ *Non-Unanimous Stipulation and Agreement*, File No. ET-2014-0071, October 3, 2013, at 5.

¹⁵ See <<http://www.kcpl.com/save-energy-and-money/for-home/home-rebates/mo/solar-power-rebate/current-program-spend>>.

Respectfully submitted,

SMITHYMAN & ZAKOURA, CHARTERED

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been emailed this 23rd day of April, 2014, to all parties on the Commission's service list in this case.

/s/ Carson M. Hinderks