

**Low-Income Affordable New Homes Promotional Practice
Planned Advertising/Publicity and
Documentation for Program Cost-Effectiveness**

Product Overview:

- a) The Low-Income Affordable New Homes program will establish a partnership between Kansas City Power & Light Company (KCP&L) and builders of qualified, new homes for low-income customers in the KCP&L service territory and will focus upon reducing the economic constraints typically associated with upgrading to Energy Star[®] rated residential lighting fixtures and refrigerators, upgrading to high efficiency cooling equipment, and upgrading to high-efficient attic, floor, or crawlspace insulation, thus making the cost of becoming more energy-efficient affordable to low-income home owners within KCP&L's service area.
- b) KCP&L will work to achieve affordable new energy-efficient homes by offering financial incentives to qualified organizations. Incremental incentives will include up to \$100 per home for installing Energy Star[®] rated lighting fixtures, up to \$200 per home for installing an Energy Star[®] refrigerator, up to \$800 per home for installing high-efficiency central cooling equipment (14 SEER or greater), and up to \$400 per home for installing a) R42 attic insulation, b) R25 floor insulation, or c) R19 crawlspace insulation.
- c) In addition, the low-income households moving into newly constructed homes will receive energy saving tips that they can utilize in order to save more money on their energy bills while impacting the future of their community.

This program is not intended to be a load-building program but rather to encourage transition to higher efficiency equipment. Any incentives associated with cooling systems installed in this Program will be available for either conventional central air conditioning or heat pump system, provided the system installed meets the Program's stipulated efficiency requirements. KCP&L will include in the evaluation the effect this program has on the equipment decisions made by the participant and/or builder.

The utility shall provide the following supporting information for each promotional practice:

- (A) A description of the advertising or publicity to be employed with respect to the promotional practice:**

Marketing Communication Strategy:

1. Target audience: The Affordable New Homes program is targeted toward organizations constructing qualified, new homes for low-income households and encourages the implementation of energy efficiency to help make the cost of

becoming more energy-efficient affordable to low-income home owners within KCP&L's service area.

2. Organization communication: Direct communication with the organizations will be KCP&L's primary mode of marketing the program. The primary objective of our marketing will be to create awareness among organizations of what we have to offer and how we can help low-income households through energy efficiency.
3. Direct marketing: Once the customers move into their new homes, KCP&L will send information in the form of direct mailings that will be valuable to the customer. This includes, but is not limited too, energy saving tips.
4. Website: The KCP&L website will provide a description of the Affordable New Homes program in order to inform our customers that we are participating in the program. The partner organizations will be listed on the KCP&L Community Connections page.

(B) For promotional practices that are designed to evaluate the cost-effectiveness of potential demand-side resources, a description of the evaluation criteria, the evaluation plan and the schedule for completing the evaluation:

Impacts of the program will be estimated based upon an engineering analysis. If a control group can be identified, a billing analysis may be conducted after homes that have participated in the program have been occupied for at least one full calendar year.

(C) For promotional practices that are designed to acquire demand-side resources, documentation of the criteria used and the analysis performed to determine that the demand-side resources are cost-effective.

KCP&L estimated costs for program delivery, administration, marketing, and customer incentives. These costs and benefits were input into a benefit-cost model along with other inputs such as avoided energy and capacity costs, etc.

Results of this pre-implementation screening provided the following benefit-cost ratios:

Total Resource Cost Test:	20.24
Societal Test:	20.79
Participant Test:	Infinity
Ratepayer Impact Measure Test:	0.58
Utility Cost Test:	1.03

Estimated Program Cost

2007	\$32,000
2008	\$64,000
2009	\$71,500
2010	\$64,000
2011	\$64,000