

KCPL MO
Case Name: 2018 KCPL MEEIA Cycle 3
Case Number: EO-2019-0132

Response to Luebbert, J - MPSC DR 0152
Date of Response: 9/12/2019

Responses inserted after each question below:

Please refer to page 10 of Mr. Mosenthal's rebuttal testimony lines 2 through 6.

1. Has Mr. Mosenthal conducted any analysis regarding the likelihood that the proposed MEEIA cycle 3 programs will be able to reduce the RTO zonal peak demand enough to affect the marginal unit? If so, please provide all analysis or relevant citations.

Response: No. Mr. Mosenthal has not conducted any specific analysis to model the economic dispatch of marginal power plants at specific times and electric demand. However, by definition, if the RTO zonal peak demand is lower than it otherwise would be absent efficiency programs, then whatever unit is on the margin will need to meet an incrementally smaller load and therefore be "affected."

2. Has Mr. Mosenthal conducted any analysis that quantifies the "significant money" that could be saved through the proposed implementation of MEEIA cycle 3 programs?

Response: No.

3. Is it Mr. Mosenthal's position that each MWh saved through demand-side measures during the KCPL system or GMO system peak would save ratepayers through decreased variable costs to operate KCPL or GMO generating units?

Response: It is Mr. Mosenthal's position that each MWh saved through demand-side measures during the KCP&L system or GMO system peak would save society and the overall economy through the decreased variable costs to operate some generating unit that would have otherwise had to produce that MWh it now will not need to produce. Mr. Mosenthal has not taken any position as to exactly where that plant might be located, its ownership structure, nor any contractual obligations that might influence who that savings might directly accrue to.

4. Has Mr. Mosenthal conducted any analysis that demonstrates that KCPL or GMO customers will avoid any fixed costs for supply-side resources through implementation of MEEIA cycle 3 programs? If so, please provide all such analysis.

Response: No specific analysis, but by definition, "fixed costs" cannot be avoided because they are "fixed." However, many things considered "fixed costs" in the short-term become variable costs in the longer term. As a result, so long as an efficiency resource is cost-effective, it will eventually provide some economic savings as compared to its alternative.

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