

Exhibit No.:
Issues: GMO Weatherization Program
Design and Operation
Witness: Adam Bickford
Sponsoring Party: Missouri Department of Natural
Resources – Division of Energy
Type of Exhibit: Direct Testimony
File No.: ER-2012-0175

**DIRECT TESTIMONY
OF
ADAM BICKFORD
MISSOURI DEPARTMENT OF NATURAL RESOURCES
DIVISION OF ENERGY**

August 9, 2012

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

KCP&L GREATER MISSOURI OPERATIONS COMPANY (GMO)

FILE NO. ER-2012-0175

PUBLIC VERSION

****DENOTES HIGHLY CONFIDENTIAL INFORMATION****

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

In the Matter of KCP&L Greater Missouri Operations)
Company's Request for Authority to Implement) File No. ER-2012-0175
a General Rate Increase for Electric Service)

AFFIDAVIT OF ADAM BICKFORD


STATE OF MISSOURI)
)
COUNTY OF COLE) **SS**

Adam Bickford, of lawful age, being duly sworn on his oath, deposes and states:

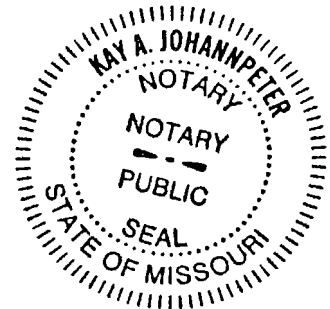
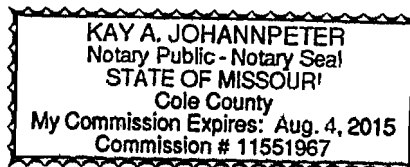
1. My name is Adam Bickford. I work in the City of Jefferson, Missouri, and I am employed by the Missouri Department of Natural Resources' Division of Energy as a Planner III.
2. Attached hereto and made a part hereof for all purposes are the Highly Confidential and Public versions of my Direct Testimony on behalf of the Missouri Department of Natural Resources' Division of Energy, consisting of 16 pages of testimony and 7 schedules in the Highly Confidential version and 16 pages of testimony and 7 schedules in the Public version, all of which have been prepared in written form for introduction into evidence in the above-referenced docket.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge.


Adam Bickford

Subscribed and sworn to before me this 9nd day of August, 2012.


Notary Public

My commission expires:



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I. Introduction

Q. Please state your name and business address.

A. My name is Adam Bickford. My business address is Missouri Department of Natural Resources, Division of Energy, 1101 Riverside Drive, P.O. Box 176, Jefferson City, Missouri 65102-0176.

Q. Please describe your educational background and employment experience.

A. I began work with the Missouri Department of Natural Resources Division of Energy in August, 2009. In my current position I am a Planner III. Prior to working with Missouri Department of Natural Resources I was employed as a program evaluator by Optimal Solutions Group, LLC in Hyattsville, Maryland; the University of Missouri Extension Office of Social and Economic Data Analysis in Columbia, Missouri; and the Smithsonian Institution in Washington D.C. In these positions my responsibilities included the design and execution of evaluation projects in the K-12 education and arts domains.

I received my B.A. degree in Sociology from the University of California, Berkeley. I hold a Masters of Arts degree and a Doctor of Philosophy degree in Sociology from the University of Chicago.

Q. On whose behalf are you testifying?

A. I am testifying on behalf of the Missouri Department of Natural Resources ("MDNR"), an intervenor in these proceedings.

1 **Q. Have you previously submitted testimony before the Commission on behalf of**
2 **the Missouri Department of Natural Resources?**

3 A. Yes, I have. I testified on behalf of MDNR in the following cases before the
4 Commission:

- 5 • Union Electric Company, d/b/a AmerenUE rate case, ER-2010-0036,
- 6 • Kansas City Power and Light rate case, ER-2010-0355,
- 7 • GMO-Greater Missouri Operations rate case, ER-2010-0356,
- 8 • Empire District Electric rate case, ER-2011-0004,
- 9 • GMO Greater Missouri Operations MEEIA case, EO-2012-0009, and
- 10 • Ameren Missouri MEEIA case, EO-2012-0142.

11 Additionally, I have participated in the following Integrated Resource Planning (IRP)
12 cases:

- 13 • GMO-Greater Missouri Operations 2009 IRP, EE-2009-0237,
- 14 • Empire District Electric 2010 IRP, EO-2011-0066, and
- 15 • Union Electric Company, d/b/a Ameren Missouri 2011, IRP, EO-2011-0271.

16
17 **Q. What is the purpose of your testimony in these proceedings?**

18 A. MDNR wishes to bring some concerns about the design and operation of GMO's
19 low-income weatherization program to the Commission's attention, propose
20 changes in the weatherization program tariffs and propose an increase in the
21 amount of money collected from ratepayers to support the operations of the
22 program.

23

I. GMO's MEEIA Application

Q. What is the status of GMO's MEEIA application?

A. GMO and the parties to GMO's MEEIA application (Case No. EO-2012-0009), including MDNR, are currently in settlement negotiations. MDNR will continue its active participation in the negotiations in an effort to resolve issues in that case and bring a stipulation to the Commission to begin GMO's implementation of MEEIA. In the event those negotiations are successful, we request that the Commission take any steps necessary to incorporate the provisions of the negotiated agreement that affect this rate case.

II. GMO's Weatherization Program

Q. What issues concerning GMO's low-income weatherization program does MDNR wish to bring to the Commission's attention?

A. MDNR is concerned about the design and operation of GMO's Low-Income Weatherization program (weatherization). MDNR recognizes that an advisory structure for discussing DSM program design and operation exists, and MDNR is a member of the KCP&L and GMO Customer Program Advisory Group (CPAG), which meets quarterly to discuss the Company's DSM programs. We are raising our concerns about GMO's weatherization program in this case because resolution of these issues may require modification of GMO's Low-Income Weatherization tariff.¹

MDNR is concerned that GMO is not distributing all of the weatherization funds collected from ratepayers. We are also concerned that, after expenditure of

¹ Tariff JE-2012-0183, Schedule LIW, Sheet 43H, filed October 11, 2009.

1 American Recovery and Reinvestment Act (ARRA) funds, the community action
2 agencies (CAAs) receiving support from GMO will lose the additional capacity
3 developed over the past two years, even though the need for weatherization is still
4 great. Consequently, we are asking the Commission to order GMO to change its
5 allocation method for weatherization funds and to allow GMO to increase the
6 amount of money collected from ratepayers to fund its weatherization program to
7 weatherize more homes.

8 **Q. Please describe the sources of information used in your analysis of GMO's**
9 **weatherization program.**

10 A. MDNR's analysis of GMO's weatherization program relies on a data request
11 submitted by MDNR in this case, internal funding and unit completion data
12 maintained by MDNR, and an April, 2012 status report submitted to the
13 Commission by the Company.

14 **Q. What was the scope of the data request?**

15 A. Data request MDNR DR 1-1 to 1-5 asked GMO to
16 1. list the CAAs it provides weatherization funds to,
17 2. list the program year, budget amounts, program expenditures, home production
18 and the average cost per home weatherized for each CAA in the current
19 program year,
20 3. describe the method used to allocate program funds ,
21 4. describe the disposition of unspent funds, and
22 5. describe the program guidelines for the weatherization program.

23

1 GMO provided this information on July 17, 2012. Its responses identified five CAAs
 2 funded by GMO’s weatherization program, Kansas City Missouri Property
 3 Preservation Division (Kansas City), Missouri Valley Community Action Agency
 4 (MVCAA), West Central Missouri Community Action Agency (WCMCAA)²,
 5 Community Service Incorporated (CSI) and the Green Hills Community Action
 6 Agency (GHCAA).

7 **Q. What does the response to MDNR’s data request indicate?**

8 A. GMO’s response indicates that it has not distributed all ratepayer weatherization
 9 funds to the CAAs. The Commission ordered GMO to collect \$150,000 from its
 10 ratepayers for the weatherization program in ER-2010-0356.³ According to MDNR
 11 DR 1-2, GMO budgeted ****[REDACTED]**** for the 2012 program year, which
 12 corresponds to the 2012 calendar year. GMO has consistently distributed less
 13 money to the CAAs than it has collected. According to the April 12, 2012 status
 14 report to the Commission, in 2010 GMO spent \$74,090.00 and in 2011 it spent
 15 \$52,784.00.⁴ Beginning in 2011, GMO unilaterally decided to stop carrying over
 16 unspent weatherization funds, meaning that the annual balance in the
 17 weatherization program was not used to provide additional funds to weatherize the
 18 residences of its low-income customers.

² In the response to MDNR DR-1, GMO referred to the “West Central Missouri Community Action Agency” as the “West Central Community Action Agency.”

³ Missouri Public Service Commission *Report and Order File No. ER-2010-0355 and ER-2010-0356*, p. 179, 182.

⁴ See Schedule AB-1 (HC)

1

2 GMO reported the CAAs completed weatherization of 130 homes during
3 2010 and 2011. In response to MDNR DR 1-2, GMO reported 42 homes were
4 weatherized in the first half of 2012.⁵ One important point to consider is that the
5 CAAs apparently spend much less per home than GMO has budgeted. In
6 response to MDNR DR 1-2 and MDNR DR 1-5, GMO reported that the average
7 cost per home was \$1,001.21, which is less than one-third of the ** [REDACTED] ** per
8 home budgeted by the program.

9 The period of GMO's report of spending and house completion corresponds
10 to the presence of ARRA funding and the CAAs giving priority to spending ARRA
11 weatherization funds. However, some of the reason for the low funding of
12 weatherization over the past three years lies with the method GMO uses to allocate
13 its weatherization funds.

14 **Q. Please describe this allocation method.**

15 A. In response to MDNR DR 1-3, GMO described its budgeting and allocation process
16 as follows:

17 The budgeting and allocation process is done in three steps. The steps are:

18

- 19 1) Determine the prior year's actual spend by agency
- 20 2) Determine how many homes an agency can complete in the upcoming year
21 (collaborate with agency to establish counts)
- 22 3) Set a budget figure based upon the number of homes

23

24 There is no indication that CAAs are made aware of total amount of ratepayer
25 provided funds GMO has available to distribute.

⁵ Ibid.

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According to its weatherization tariff, GMO does not specify the allocation method for distributing funds to the agencies.⁶ GMO's response to MDNR DR 1-3 suggests that agencies are not informed of the amount of money available for weatherization. This practice puts the agencies at a disadvantage. Without this key piece of information, without knowing the funds available to them, it is very difficult for the agencies to accurately estimate the number of houses they can weatherize in a program year.

Q. Are there other weatherization tariffs that specify the total amount to be distributed to agencies each year?

A, Yes. Missouri Gas Energy (MGE) and The Empire District Electric Company (Empire) have weatherization tariffs that specify expenditure levels. The Empire tariff also provides a specific allocation formula. Both of these models provide a level of certainty of that the agencies can use program for funding and agency budgeting.

The MGE weatherization tariff specifies that "[t]he Company will provide \$750,000 annually (the program funds) for a residential weatherization program..."⁷ The tariff language specifies both the total amount to be spent each year, and the dollar amounts to be distributed among participating agencies.

⁶ Tariff JE-2010-0184, Sheet R-62.03, filed October 11, 2009.
⁷ Tariff JG-2008-0311, Schedule PP, Sheet 96, filed December 8, 2007.

1 The Empire weatherization tariff specifies both annual spending levels and
2 an allocation formula that can adjust spending levels by the distribution of low-
3 income houses in each agency service territory.⁸

4 **Q. Is there any indication that participating agencies are concerned about GMO's**
5 **present method of program administration?**

6 A. In its report in ER-2010-0356, the Commission ordered GMO to "evaluate transition
7 of the low income weatherization funds to the EI ERA and administration of the
8 programs to DNR."⁹ In response, KCP&L and GMO fielded a short survey asking
9 individual agencies about the administration of the KCP&L and GMO
10 weatherization programs. Results of this survey were presented to the CPAG on
11 January 18, 2012.¹⁰ The results are based on a single response from each agency.
12 Generally, the results express satisfaction with KCP&L and GMO's administration
13 of the program. Some of the comments express a wish for more funds and for a
14 streamlined customer approval process. The survey did not ask about the
15 agencies' awareness of the total funds that GMO collects from ratepayers for the
16 weatherization program or whether the agencies would like to change the annual
17 allocation and budgeting process.

18 **Q. Do you have any final comments about the design of the GMO weatherization**
19 **program?**

20 A. From MDNR's perspective, the current design of GMO's weatherization program
21 allows the Company to collect more money than is spent. The current design does
22 not communicate key information, the total funds collected and the funds allocated

⁸ Tariff YE-2011-0615, Schedule PRO, 8c, filed June 15, 2011.

⁹ Missouri Public Service Commission *Report and Order File No. ER-2010-0355/0356*, p. 182.

¹⁰ See Schedule AB-2

1 to each agency, which agencies could use to effectively manage their program
2 operations. MDNR recommends that the Commission order GMO to modify its
3 weatherization tariff to incorporate key features of the MGE and Empire
4 weatherization tariffs, which specify the total funds to be expended annually and
5 either specify the dollar amount allocated to each agency or provide an objective
6 allocation method that agencies can use in their planning and program operations.

7 **IV. Impact of ARRA on the Community Action Agencies**

8 **Q. How has ARRA impacted the capacity of the CAAs?**

9 A. ARRA funds were allocated to weatherization agencies between 2009 and 2012.¹¹

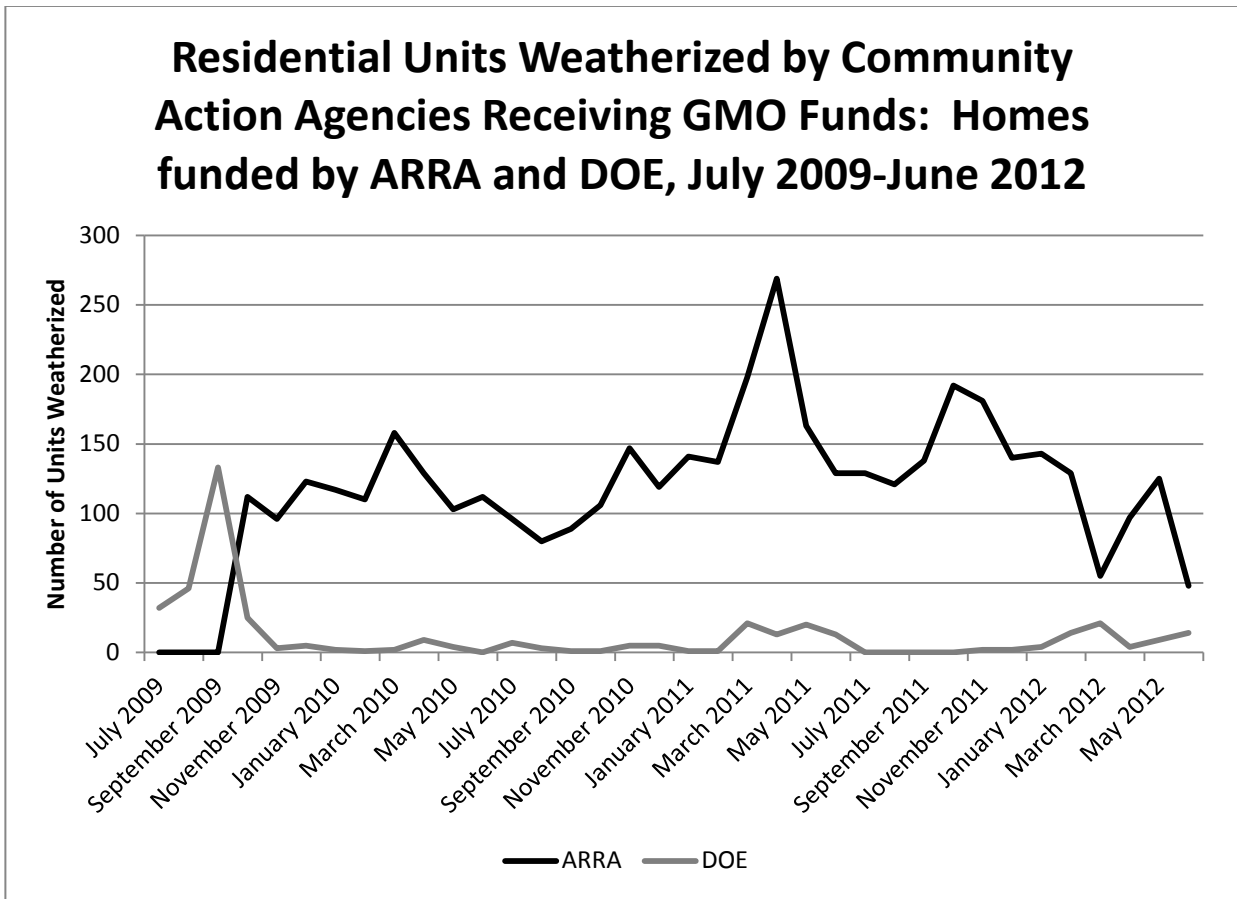
10 During that period, the number of houses weatherized in Missouri increased by a
11 factor of nine. Statewide, ARRA funds created an estimated 585 jobs. The five
12 CAAs mentioned by GMO weatherized a total of 4,232 homes using ARRA funds,
13 compared to 432 homes using non-ARRA Department of Energy (DOE) funds and
14 42 homes using GMO funds.¹² In the three program years of the ARRA grant
15 \$26,129,927 was provided to the five agencies. On average, these agencies
16 weatherized 118 homes per month using ARRA funds

17 The presence of ARRA funds rapidly increased the ability of the agencies to
18 weatherize homes. Additionally, the presence of ARRA funds, and the requirement
19 that funds be expended before the end of June, 2012, reduced the number of
20 homes weatherized using other funding sources.

¹¹ MDNR, 2012. "Missouri Low Income Weatherization Assistance Program (LIWAP)" fact sheet. PUB1217.
<http://dnr.mo.gov/pubs/PUB1217.pdf>

¹² see Schedule AB-2

1 **Figure 1 Units weatherized by ARRA and DOE funds, 2009-2012**



2 Source: Schedule AB-3
3

4 This is seen in Figure 1, which shows the monthly house production from ARRA
5 funds to monthly house production from DOE funds from October, 2009 through
6 June, 2012 for the five agencies listed in GMO's response to MDNR DR 1-1.

7 ARRA-funded house production has dominated the work of the agencies over the
8 past three years. With these additional funds, agencies purchased new equipment
9 and hired and trained new staff to fulfill the production demands of the program.

10 However, this funding source has been or will soon be exhausted, and the capacity
11 gains of the past few years are at risk. MDNR recognizes that, despite the success
12 of the ARRA-funded weatherization program, the supply of low-income homes that

1 could benefit from weatherization services is not exhausted. As of August 2, 2012
2 these three agencies have a waiting list of 1,180 homes to be weatherized.¹³

3 MDNR also recognizes that a highly skilled and experienced workforce of
4 weatherization technicians is at risk as the agencies shrink their operations to pre-
5 ARRA levels. The presence of additional homes that could be weatherized and a
6 skilled workforce to perform these jobs indicates that the local capacity is available
7 for GMO to increase its level of weatherization funding.

8 **V. Potential Sources of Weatherization Funds in PY 2012 and** 9 **PY 2013**

10 **Q. What is the amount of federal Weatherization program funding for Missouri for**
11 **the 2012 program year (PY) (July 1, 2012 – June 30, 2013)?**

12 A. On February 8, 2012 the DOE issued *Weatherization Program Notice 12-2* (see
13 Schedule AB-5) indicating that:

14 DOE has determined that an appropriation level of \$68 million cannot sustain
15 an effective national weatherization program using the regulatory formula to
16 allocate funds. The Secretary is exercising the provided authority and funds
17 are being allocated in an effort to provide States WAP funding in PY 2012 at a
18 level comparable to funding levels prior to the Recovery Act, with
19 consideration of carry-over funding available to States and the funding level
20 provided through FY2012 appropriations. *There will be Grantees that will*
21 *receive no new DOE funding for FY 2012.* (Emphasis added).
22

23 As confirmed by the allocation letter accompanying this notice (see Schedule AB-
24 6), the federal allocation for Missouri's Weatherization program is \$0.00 for program
25 year (PY) 2012.

26 **Q. What is the outlook for PY 2013 federal Weatherization funding (July 1, 2013 –**
27 **June 30, 2014)?**

¹³ See Schedule AB-4

1 **A.** Currently Missouri's allocation of Weatherization funds from DOE is not known and
2 will be based primarily upon the level of Congressional appropriation. Due to
3 elections in November 2012, completion of a federal budget is not expected until
4 sometime in 2013. If Congress uses Continuing Resolutions in lieu of passage of
5 new budget bills, as it has in the past, prior year budget levels may be carried
6 forward. This would not bode well for Weatherization, which was funded at a very
7 low level for PY 2012, prompting DOE to allocate zero dollars to some states,
8 including Missouri. In PY 2013, Missouri will not have federal Weatherization funds
9 to carry over to bridge the gap. For this reason it is important to continue utility
10 funding of low income weatherization and provide a reliable stream of funds for
11 administration of the utility weatherization programs.

12 **Q. What are the current sources of funding available to MDNR to weatherize
13 homes of low-income residents of Missouri?**

14 **A.** Weatherization program funding comes primarily from three sources, the federal
15 government, funds from several Missouri utilities, and occasional supplementary
16 funds from the federal Low Income Home Energy Assistance Program (LIHEAP).
17 Funding from federal sources is part of MDNR Division of Energy's allocation from
18 the U.S. DOE, under a formula allocation based on population, local climatic
19 conditions, and the cost of heating and cooling for low-income residences.¹⁴
20 Between 2009 and 2012, the federal Weatherization funds were supplemented by
21 ARRA funds.

22 The second source of funding is from utilities. MDNR administers
23 weatherization funds approved by the Missouri Public Service Commission in

¹⁴ See http://www1.eere.energy.gov/wip/wap_allocation.html

1 various cases for individual utilities (Ameren Electric, Ameren Gas, Laclede Gas
2 and Atmos Gas). Other utilities, such as Empire District Electric, Kansas City
3 Power and Light and KCP&L GMO, operate weatherization programs
4 independently. MDNR administers the utility weatherization funds consistent with
5 the guidelines of the federal DOE Weatherization program. Regardless of source,
6 funds are passed through MDNR to the various agencies to provide weatherization
7 services throughout the state. Utility funds are used to improve the efficiency of the
8 houses of eligible utility customers in each utility's respective service territories.

9 The third source of funds is occasional small transfers of LIHEAP funds to
10 supplement the weatherization program. These funds are generally not available to
11 support program administration.

12

1 Because the outlook for federal weatherization funds is uncertain, MDNR
2 requests that the Commission consider increasing the funds GMO collects from
3 ratepayers for its weatherization program.

4 **Q. How much should GMO weatherization funds be increased?**

5 A. Estimating the amount that GMO's weatherization funds should be increased is
6 beyond the scope of this testimony. To fully estimate the number of homes that
7 could be weatherized requires detailed data from GMO about customer poverty
8 level and the geographic distribution of houses below the poverty level.

9 Nevertheless, it is possible to generate an general estimate assuming a
10 proportionate increase in the number of households in poverty being weatherized
11 each year. Schedule AB-7 presents such an estimate using data from the United
12 States Census American Community Survey and data from GMO's response to
13 MDNR DR 1-5. The American Community Survey produces general population
14 level estimates on a county-level.¹⁵ For Schedule AB-7 I have selected the
15 counties in GMO's Missouri jurisdiction. According to this estimate, there are
16 58,600 homes with families living below the federal poverty level. The annual
17 weatherization budget ordered by the Commission in ER-2010-0356 is \$150,000.
18 In MDNR DR 1-5, GMO reported that agencies keep an average of 13% of their
19 allocations for administrative costs, leaving \$130,500 for program operations.
20 MDNR DR 1-5 also lists the per house expenditures set by the Company at
21 ** [REDACTED] ** per home. If all of the program operations funds were spent, GMO's
22 agencies would be able to weatherize 37 houses per year¹⁶, or 0.06 percent of the

¹⁵ More information about this survey is available from <http://factfinder2.census.gov>

¹⁶ According to Schedule AB-1, GMO weatherized 72 houses between 2010 and 2012.

1 total estimated houses in poverty. The estimate of the number of homes GMO
2 could afford to weatherize is based on their budgeted cost per house, not their 2012
3 average cost per house (\$1,001.21).

4 If one were to increase the rate of weatherization by 25 percent, the new
5 percentage of eligible homes weatherized would increase to 0.08 percent per year.
6 This translates to 47 weatherized houses per year and would increase GMO's
7 operation budget by \$32,625 to \$163,125 and its total budget by \$37,500 to
8 \$187,500.

9 This rough estimate does not take into account the likelihood that the
10 agencies would be able to increase the level of participation in the weatherization
11 program. KCP&L and GMO are currently conducting a market potential study that
12 will establish estimates of realistic achievable potential and likely participation rates.

13 **VI. Conclusion**

14 **Q. Do you have any concluding comments about the issues discussed in your**
15 **testimony?**

16 A. Many of my comments critique the design and implementation of the GMO
17 weatherization program. GMO's apparent practice of not informing the participating
18 agencies of the total annual amount collected from ratepayers from this program is
19 troubling. At a time when ARRA funds are being exhausted and community action
20 agencies are looking for additional funds to maintain their staffing levels and avoid
21 losing the capacity and expertise developed during ARRA, it is difficult to
22 understand why a utility would withhold this information.

23 MDNR requests Commission action on three points

- 1 1. that the Commission order GMO to adopt tariff language similar to
2 that of MGE and Empire, language that specifies both the total funds
3 available for the weatherization program, and specifies an allocation
4 methodology;
- 5 2. that the Commission consider ordering GMO to increase its
6 collections for its weatherization program and provide revenue
7 requirement treatment for these additional weatherization funds; and
8 3. that the Commission continue to monitor the collections, expenditures
9 and production of GMO's weatherization program.

10

11 **Q. Does this conclude your testimony?**

12 A. Yes. Thank you.

13

Schedule AB-1: Materials from "Low Income Weatherization Program Status Report" 4/13/2012

GMO							
Corrected 2010 Report		A	B	C	D		
Agency	Funds Available (ER-2010-0356)	Funds Provided '10	Funds rolled over from previous year	Administrative Funds	Number of Jobs Completed	Total Cost (Excluding Admin Funds)	Balance
Total Missouri Program	\$150,000.00	\$74,090.00	\$220,005.00	\$13,988.70	65	\$60,101.30	\$75,910.00
City of Kansas City		\$12,721.00	\$163,262.00	\$4,613.00	3	\$8,108.00	
West Central Missouri Community Action Agency (WCMCAA)		\$25,000.00	\$18,192.00	\$2,730.00	6	\$22,270.00	
Missouri Valley Community Action Agency (MVCAA)		\$20,000.00	\$-	\$2,300.88	5	\$17,699.12	
Community Services Incorporated (CSI)		\$16,369.00	\$38,551.00	\$4,344.82	51	\$12,024.18	
Green Hills Community Action Agency (GHCAA)		\$-	\$58,551.00	\$-	0	\$-	
GHCAA not counted in totals							

2011 Report		A	B	C	D		
Agency	Funds Available (ER-2010-0356)	Funds Provided '11*	Funds rolled over from previous year	Administrative Funds	Number of Jobs Completed	Total Cost (Excluding Admin Funds)	Balance
Total Missouri Program	\$150,000.00	\$52,784.00	\$-	\$5,226.83	65	\$47,557.17	\$97,216.00
City of Kansas City		\$6,002.00	\$-	\$-	3	\$6,002.00	
West Central Missouri Community Action Agency (WCMCAA)		\$23,730.00	\$-	\$2,730.00	6	\$21,000.00	
Missouri Valley Community Action Agency (MVCAA)		\$19,433.00	\$-	\$2,235.68	5	\$17,197.32	
Community Services Incorporated (CSI)		\$3,619.00	\$-	\$261.15	51	\$3,357.85	
Green Hills Community Action Agency (GHCAA)		\$-	\$-	\$-	0	\$-	
GHCAA not counted in totals							
GMO Note: "**Beginning in 2011, unused funds are not rolled to next year. New contracts begin in January each year and end on December 31. "							

Materials from Data Request MDNR 1-2 ER-2012-0175 (HC)							
2012 Annual and Year to Date							
Agency	Funds Available (ER-2010-0356)	Funds Provided '12		Administrative Funds (13% of total, per response to MDNR Data Request 1-2.g)	Number of Jobs Completed, YTD	Total Cost (Excluding Admin Funds)	Balance
Total Missouri Program	██████████	██████████		██████████	42	██████████	██████████
City of Kansas City		██████████		██████████	0	██████████	
West Central Missouri Community Action Agency (WCMCAA)		██████████		██████████	8	██████████	
Missouri Valley Community Action Agency (MVCAA)		██████████		██████████	5	██████████	
Community Services Incorporated (CSI)		██████████		██████████	29	██████████	
Green Hills Community Action Agency (GHCAA)		██████████		██████████	0	██████████	

Schedule AB-2 KCP&L and GMO Weatherization Results, 1/18/2012

Survey Question	KCMO	MVCAA	WCMCAA	CSI	CMCA
1. How satisfied are you with KCP&L's Low Income Weatherization program?	4	4	5	5	5
a. Please provide additional comment		a. : More Weatherization dollars would be appreciated and would go a long way toward helping low income families deal with high energy costs as well as lower energy consumption.			
2. How satisfied with the ease of the customer approval process?	4	3	3	5	4
a. Please provide additional comment		a. Right now it seems rather cumbersome & sometimes we need to contact KCPL numerous times to get an approval—KCPL should consider an on-line approval process like some of the other utilities.	In the past it seemed to take a while to get approval for customers.	This is extremely easy	
3. How satisfied with the qualification requirements?	3	5	5		4
a. Are there any specific qualifications that keep customers from qualifying for this program?	Income levels too low. We could help more people if the income level were higher			It is sometimes hard for us to have a pool of clients to pull from because we have a very small service area to pull from	
b. Please provide additional comments:					
4. How satisfied are you with the KCP&L's reimbursement funding administration for the program?	4	4	5	5	4
	We've never had a problem from what I'm aware of.				

	KCMO	MVCAA	WCMCAA	CSI	CMCA
5. How satisfied are you with KCP&L's contract management and administration for the program?	3	4	5	4	4
a. Please provide additional comment	We sometimes seem to be at odds, but we've worked through it			It would help if the contract ID and PO# were given at the time of the award	
6. Are customers aware of this program prior to contacting your agency?	n/a	Yes	No	n/a	Not really
a. If yes, how did they become aware of it?	I don't know, I suppose they are	KCPL publications			
b. If not, how could KCP&L increase awareness of this program to customers?	Flyers, billboard advertisement	Put county contact info into every bill/communication so that people would know who to contact to sign up for weatherization	We have never had a KCP&L customer mentioned this program.	Unknown if clients are aware or not. We do not know how you inform them of this funding	Direct mail in bills
7. Do you ever get the opportunity to talk with these customers after they participate in KCP&L's Low Income Weatherization program?	No	Yes	No	No	1
a. If yes, what do customers say about the weatherization program?		Most are very appreciative & would like even more measures done to help save energy		We don't normally have the opportunity to speak with the clients afterwards unless they have a complaint.	
8. What other types of programs does your agency help customers get signed up for?	n/a	Yes	n/a	Yes	Yes
a. How does KCP&L's Low Income Weatherization program compare to those other offerings?	KCP&L is a good partner our wx efforts. We sincerely appreciate all they do	a. KCPL has one of the largest amounts that we can use for weatherization measures.	a	We have several programs with our agency and all employees try to find out what program each client might be eligible for and encourage them to apply	Utility assistance

	KCMO	MVCAA	WCMCAA	CSI	CMCA
9. Do you also deal with the weatherization contractors?	Yes	Yes	Yes	Yes	Yes
a. If yes, how satisfied are you with the contractors? Please explain?	The contractors associated with our program using KCP&L funds	a. We use all of our own people for all of the weatherization work except for the HVAC work—then we use contractors. We are well satisfied with the work that is done, except that it gets done at a slower rate than we would like more money per home—more money over all-going to an on-line customer approval process would speed up the file procedures.		The contractors that we use are very aware of the circumstances that our clients are in and are very sensitive to their situations.	Satisfied
1. Please explain in detail any suggestions for improving KCP&L's process for administering the Low Income Weatherization Program.					
1. Would you suggest changing the funding administration mechanism to the EIERA organization utilized by other Missouri utilities?	No	No	No	I don't know what EIERA is	No
	I have no idea how well that would work for us. I would rather keep things the way they are.				Please keep the with KCPL. They are timely, responsive and very professional. Please do not more the program to EIERA

Schedule AB-3: DOE and ARRA Weatherization Expenses, July 2009-June 2012

	Total	Monthly Average	Annual Estimate
Units Weatherized by Program			
Funding Source			
ARRA	4,232	118	1,411
DOE	423	12	141
Program Operations			
Funding Source			
ARRA	\$26,129,927	\$725,831	\$8,709,975.67
DOE	\$1,707,689	\$47,436	\$569,229.67

Source: EE00151 ARRA Production Estimates and DOE Weatherization Reporting (HC) Internal MDNR Sources

Schedule AB-4: Weatherization waiting lists by Community Action Agency, August 2, 2012

Agency	Number of Homes on Waiting List
City of Kansas City	130
West Central Missouri Community Action Agency (WCMCAA)	425
Missouri Valley Community Action Agency (MVCAA)	429
Community Services Incorporated (CSI)	121
Green Hills Community Action Agency (GHCAA)	75
Total	1,180

Source: MDNR Weatherization Database

Schedule AB-5: DOE PY 2012 Guidance Document



Department of Energy
Washington, DC 20585

WEATHERIZATION PROGRAM NOTICE 12-2
EFFECTIVE DATE: February 8, 2012

SUBJECT: PROGRAM YEAR 2012 GRANTEE ALLOCATIONS

PURPOSE: To provide final Grantee allocations for the preparation and submission of applications for funding for the Weatherization Assistance Program (WAP) for Program Year (PY) 2012.

SCOPE: The provisions of this guidance apply to Grantees applying for financial assistance under the Department of Energy (DOE) WAP.

LEGAL AUTHORITY: Title IV, Energy Conservation and Production Act, as amended, authorizes the Department of Energy to administer the Weatherization Assistance Program. (42 U.S.C. § 6861, *et. seq.*) All grant awards made under this program shall comply with applicable law and regulations including the WAP regulations contained in 10 CFR 440.

PROCEDURES: Congress has passed and the President has signed the FY 2012 Energy and Water Appropriations Act, Pub. L. 112-74. The FY 2012 Appropriations Act funds Weatherization at \$68,000,000. This funding level is less than one-third of that recently provided annually through Appropriations for WAP. Congress also provided the DOE Secretary authority to waive the allocation formula established in the WAP regulations for Program Year 2012.

DOE has determined that an appropriation level of \$68 million cannot sustain an effective national weatherization program using the regulatory formula to allocate funds. The Secretary is exercising the provided authority and funds are being allocated in an effort to provide States WAP funding in PY 2012 at a level comparable to funding levels prior to the Recovery Act, with consideration of carry-over funding available to States and the funding level provided through FY2012 appropriations. There will be Grantees that will receive no new DOE funding for FY 2012.

Grantees should refer to the Funding Opportunity Announcement No.DE-FOA0000641 or any subsequent guidance documents for additional information on the funding and allocation process.

Note: Sustainable Energy Resource for Consumers Grants will not be funded in 2012.

The final Grantee allocations attached are to be used in conjunction with Weatherization Program Notice 12-1, Program Year 2012 Weatherization Grant Guidance, in developing the annual grant application for 2012. Grantees should develop their 2012 Grantee plans based on these allocations



Annamaria Garcia
Acting Program Manager
Office of Weatherization and Intergovernmental Program
Energy Efficiency and Renewable Energy

Attachment

Weatherization Assistance Program**Final FY2012 State Allocations @ Appropriation of:** \$68,000,000

State	FY 2012 Program Allocation	FY 2012 T&TA Allocation	FY 2012 Total Allocation
Alabama	\$0	\$0	\$0
Alaska	\$0	\$0	\$0
Arizona	\$0	\$0	\$0
Arkansas	\$0	\$0	\$0
California	\$1,484,182	\$164,909	\$1,649,091
Colorado	\$0	\$0	\$0
Connecticut	\$1,187,763	\$131,974	\$1,319,737
Delaware	\$0	\$0	\$0
District of Columbia	\$412,423	\$45,825	\$458,248
Florida	\$0	\$0	\$0
Georgia	\$916,861	\$101,873	\$1,018,734
Hawaii	\$48,936	\$5,437	\$54,373
Idaho	\$1,249,819	\$138,869	\$1,388,688
Illinois	\$4,367,396	\$485,266	\$4,852,662
Indiana	\$0	\$0	\$0
Iowa	\$0	\$0	\$0
Kansas	\$1,596,733	\$177,415	\$1,774,148
Kentucky	\$2,853,529	\$317,059	\$3,170,588
Louisiana	\$537,296	\$59,700	\$596,996
Maine	\$1,941,189	\$215,688	\$2,156,877
Maryland	\$0	\$0	\$0
Massachusetts	\$4,134,876	\$459,431	\$4,594,307
Michigan	\$3,597,753	\$399,750	\$3,997,503
Minnesota	\$0	\$0	\$0
Mississippi	\$517,130	\$57,459	\$574,589
Missouri	\$0	\$0	\$0
Montana	\$797,859	\$88,651	\$886,510
Nebraska	\$591,453	\$65,717	\$657,170
Nevada	\$528,321	\$58,702	\$587,023
New Hampshire	\$477,831	\$53,092	\$530,923
New Jersey	\$0	\$0	\$0
New Mexico	\$549,221	\$61,024	\$610,245

New York	\$12,717,745	\$1,413,083	\$14,130,828
North Carolina	\$0	\$0	\$0
North Dakota	\$0	\$0	\$0
Ohio	\$0	\$0	\$0
Oklahoma	\$611,168	\$67,908	\$679,076
Oregon	\$1,339,227	\$148,803	\$1,488,030
Pennsylvania	\$3,479,605	\$386,623	\$3,866,228
Rhode Island	\$732,456	\$81,384	\$813,840
South Carolina	\$835,070	\$92,785	\$927,855
South Dakota	\$455,090	\$50,566	\$505,656
Tennessee	\$0	\$0	\$0
Texas	\$0	\$0	\$0
Utah	\$657,406	\$73,045	\$730,451
Vermont	\$0	\$0	\$0
Virginia	\$0	\$0	\$0
Washington	\$2,872,125	\$319,125	\$3,191,250
West Virginia	\$1,014,983	\$112,776	\$1,127,759
Wisconsin	\$5,415,605	\$601,734	\$6,017,339
Wyoming	\$340,847	\$37,872	\$378,719
American Samoa	\$118,885	\$13,209	\$132,094
Guam	\$0	\$0	\$0
Puerto Rico	\$0	\$0	\$0
Northern Mariana Islands	\$0	\$0	\$0
Virgin Islands	\$0	\$0	\$0
Navajo Grant:	\$0	\$0	\$0
Northern Arapahoe Grant:	\$63,661	\$7,073	\$70,734
Inter-Tribal Council of Arizona Grant:	\$55,556	\$6,173	\$61,729
Headquarters T&TA			\$3,000,000
Leveraging Project			\$0
Total	\$58,500,000	\$6,500,000	\$68,000,000

Schedule AB-6 DOE Missouri Allocation Letter



Department of Energy

Washington, DC 20585

February 8, 2012

Ms. Sara Parker Pauley, Director
Missouri, Department of Natural Resources
P.O. Box 176
1101 Riverside Drive (Grants-Accounting Program)
Jefferson City, MO 65102-0176

Dear Ms. Parker Pauley:

As you know, the Weatherization Assistance Program (WAP) enables low-income families to permanently reduce their energy bills and improve the health and safety of their homes. These WAP investments stimulate businesses, support local economies, and create jobs in communities across the nation. The U.S. Department of Energy (DOE) is proud to partner with your office to accomplish the goals of the WAP. This letter is to inform you of the WAP funding that will be available from the DOE for Program Year (PY) 2012.

In the 2012 Consolidated Appropriations Act, Congress provided \$65 million for allocation to WAP grantees - a funding level that is less than one-third of the amount recently provided through appropriations for the Program. Congress also provided the Secretary of Energy with the authority in PY 2012 to use a methodology other than the formula established in regulation to distribute the available funding. The Secretary is exercising this authority. The PY 2012 allocation is intended to create WAP funding in PY 2012 comparable to funding levels prior to the American Recovery and Reinvestment Act of 2009 (ARRA). The allocation uses a results oriented strategy that considers remaining fund balances grantees may have from the ARRA and prior year DOE Appropriations to distribute the Fiscal Year (FY) 2012 WAP Appropriations.

DOE allocated PY 2012 funds to ensure two major outcomes: 1) grantees that spent their ARRA funds on time have adequate DOE funding to maintain their operations at pre ARRA levels; and 2) all grantees have adequate funds to operate throughout PY 2012, given the fund balances that are already allocated but remain unspent. Based on projected fund balance at the beginning of your PY 2012, your operation will receive \$0 funds from the PY 2012 Appropriation. Your allocation was based on the following criteria:

- Use of an appropriation amount of \$210 million as the base "PY12 Target Allocation" for establishing funding for each grantee. This is the amount that would have been awarded to grantees through the funding formula as established in the regulations based on a \$210 million Appropriation by Congress (as provided in PY 2010 without the \$30 million set-aside for innovative competitive awards).



- Whether a significant portion of the “PY12 Target Allocation” is available in ARRA balances for at least half of your PY 2012 (based on recent approvals of extensions to ARRA grants). PY 2012 “Target Allocations” were adjusted downward by 25 percent for grantees with such significant balances.
- Whether more than the “PY12 Target Allocation” (adjusted for ARRA balance as described above) is expected to be available at the start of your PY 2012. Grantees with a prior year balance totaling more than the “PY12 Target Allocation” will not receive additional FY 2012 funding.
- Whether more than 60 percent of the “PY12 Target Allocation” (adjusted for ARRA balance as described above) is expected to be available at the start of your PY 2012. “Target Allocations” were adjusted downward by 50 percent for these grantees.
- Allocation of PY 2012 funds was provided to those grantees requiring additional DOE funds to reach their adjusted “PY12 Target Allocation”. This allocation was equal to 76.38 percent of the adjusted “Target Allocation” - the proportional share of the \$65 million Appropriation relative to the sum of the adjusted target allocations.

The specific information used in determining your allocation is provided in the Attachment. The WAP Funding Opportunity Announcement (FOA) containing the PY 2012 funding amounts for grantees and the requirements for State Plan submissions and approvals will be distributed in early February. In the meantime, it may be beneficial for your WAP office to review all grant agreements between your office and your subgrantees to ensure that extensions for existing funds are in place before the beginning of your PY 2012.

Thank you for continuing to provide these important and effective services on behalf of DOE and the families you serve each day.

Sincerely,



Kathleen B. Hogan
Deputy Assistant Secretary for
Energy Efficiency
Office of Technology Development
Energy Efficiency and Renewable Energy

CC: The Honorable Jeremiah W. (Jay) Nixon, Governor
Joe Gassner, WAP Program Manager
Shawn Green, DOE Project Officer

Attachment
Information Used to Determine Program Year (PY) 2012
WAP Allocation for Missouri

1. According to your recent WAP grant activity, your PY 2012 Start Date is ***July 1, 2012***.
2. Our records indicate that you will have approximately ***\$6,902,432*** in projected WAP ARRA funds available during your PY 2012 Performance Period.
3. Our records indicate that you will have approximately ***\$10,136,899*** in projected DOE Appropriated funds available during your PY 2012 Performance Period.
4. If DOE had \$210 million available to distribute through its normal allocation tables, you would receive approximately ***\$5,506,528*** in PY 2012. This is the *PY 2012 Target Allocation*.
5. You have a balance of ARRA funds available to your Weatherization Program for part or all of your PY 2012 as referenced in (2) above. Your *PY 2012 Target Allocation* was adjusted to ***\$4,129,896*** to account for these existing funds.
6. You have a balance of DOE- Appropriated funds available to your Weatherization Program, as referenced in (3) above. These funds represent ***245.5%*** of the funds needed to establish your adjusted *PY 2012 Target Allocation*. If these funds were greater than 100 percent of your adjusted *PY 2012 Target Allocation*, the target was adjusted to ***\$0***.
7. After all adjustment to funding levels, your PY 2012 Allocation is ***\$0***.

Schedule AB-7 Simple calculation of Weatherization Collection Increase (HC)

Estimated Number of Families living below the poverty line in GMO Service Territory from American Community Survey	58,600
Annual Weatherization funding required in ER-2010-0355	\$150,000
Program Operation Budget: Less [REDACTED] Administrative Cost, from MDNR DR 1-5	[REDACTED]
Per House expenditures per MDNR DR 1-5	[REDACTED]
Number of Houses Per Year	37
Proportion of Houses Served	0.06%
Proportionate Increase	1.25
Estimated Proportion of Houses Served	0.08%
Estimated Annual Production	47
Estimated Program Operations Budget	\$163,125
Estimated Total Cost	\$187,500
Additional Funds	
Program Operations Budget	\$32,625
Total Cost	\$37,500