

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

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

**RESPONSE OF SIERRA CLUB**

Come now Sierra Club, and pursuant to the Commission's Order Directing Filing of March 9, 2016, responds to KCP&L's Application for Approval of Demand Side Programs Budget Modifications dated March 8, 2016.

1. KCP&L's MEEIA expenditures reached 120% of budget in October, 2015, triggering a mandatory application for modification under 4 CSR 240-20.094(4). The company's first application for budget modification, filed November 13, 2015, sought permission to continue MEEIA Cycle 1 through the end of 2015, particularly because of the long lead-time for approval of Business Rebates-Custom applications which the company would be accepting through December 15.

2. On December 11, KCP&L entered into a non-unanimous stipulation with Staff containing a transition plan to allow certain Cycle 1 programs to continue until the delayed start of Cycle 2, with a revised EM&V schedule and cost recovery of Cycle 1 balances through the Cycle 1 DSIM. The Commission approved the stipulation on December 22.

3. On March 8, 2016, KCP&L filed this, its second application for modification, in which it estimates that Cycle 1 will ultimately reach 260% of budget, or

an overage of \$30.7 million. The company asks that Cycle 1 programs be allowed to continue until all timely applications can be processed and implemented.

4. Large budget overages should be avoided, but in this case the overage is due to the gratifying demand for the company's programs, particularly the business custom rebates. This is consistent with what Sierra Club has always argued, that the company's energy savings goals are far too modest and out of line with what other states have been consistently achieving. Furthermore, Sierra Club agrees with KCP&L that it must honor the applications received by the December 15, 2015 deadline in order to avoid, at minimum, jeopardizing its relationships with, and disrupting the business plans of, its customers and trade allies to the detriment of future demand-side efforts.

5. In ruling on an application for modification, the Commission may approve, reject, or approve with modifications acceptable to the company. 4 CSR 240-20.094(4).

6. The company's programs are cost-effective and beneficial to all customers, including non-participants, because they defer or avoid altogether the need for costly new supply-side resources. The application is therefore in the public interest.

7. By the terms of the stipulation approved by the Commission in the Cycle 2 case, EO-2015-0240 (pages 15-7, ¶ 12), Cycle 1 balances will continue to be recovered through the Cycle 1 DSIM. Granting the present application will therefore not interfere with the budget and savings for Cycle 2.

WHEREFORE, Sierra Club respectfully requests the Public Service Commission to **approve** the application for budget modifications.

/s/ Henry B. Robertson

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct PDF version of the foregoing was filed on EFIS and sent by email on this 4th day of April, 2016, to all counsel of record:

/s/ Henry B. Robertson  
Henry B. Robertson