



side program” as required under 4 CSR 240-3.164(5)(A)<sup>1</sup>. The Company explained that its program implementer recently went into receivership largely due to the fall in scrap metal prices nationally and is no longer available to service the programs. As further explained in Staff’s Memorandum, attached as *Appendix A* and incorporated herein, the Company discussed possible alternatives with another implementer but that implementer faces the same commodity metal pricing pressures and an agreement could not be concluded that would make the programs cost-effective.

3. The Staff has reviewed the Company’s applications and recommends that the Commission approve the tariff sheets as filed on April 11, 2016 to go into effect on the requested effective date of May 11, 2016. Staff further notes that KCP&L and GMO do not propose changes to their cumulative annual energy and demand savings targets. Also, the Company plans to move the budgets assigned to the appliance recycling programs to its Whole House Efficiency programs.

4. Staff has verified that KCP&L and GMO are current on their annual reports and are not delinquent on any assessment.

**WHEREFORE**, for the reasons discussed above and in Staff’s Memorandum, Staff recommends the Commission issue an order approving the discontinuance of the MEEIA Cycle 2 Home Appliance Recycling Rebate programs for KCP&L and GMO and approve the following tariff sheets to become effective on May 11, 2016:

---

<sup>1</sup> 4 CSR 240-3.164(5)(B) and (C) require EM&V reports for the demand-side program and a date by which a final EM&V report will be filed. Because the Cycle 2 Home Appliance Recycling Rebate Program only went into effect on April 1, 2016, the Company is not able, nor is it practical, to comply with parts (B) and (C) of the rule.

**KCP&L**

P.S.C. MO. No. 2 Sheet No. 2.25

First Revised Sheet No. 2.25 Cancelling Original Sheet No. 2.25

**GMO**

P.S.C. MO. No. 1 Sheet No. R-101

First Revised Sheet No. R-101 Canceling Original Sheet No. R-101

Respectfully submitted,

**/s/ Robert S. Berlin**

Robert S. Berlin

Deputy Staff Counsel

Missouri Bar No. 51709

Attorney for the Staff of the

Missouri Public Service Commission

P. O. Box 360

Jefferson City, MO 65102

(573) 526-7779 (Telephone)

(573) 751-9285 (Fax)

[bob.berlin@psc.mo.gov](mailto:bob.berlin@psc.mo.gov)

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served electronically on this 22<sup>nd</sup> day of April, 2016 to the parties of record as set out on the official Service List maintained by the Data Center of the Missouri Public Service Commission for this case.

**/s/ Robert S. Berlin**

## MEMORANDUM

TO: Missouri Public Service Commission Official Case Files  
File No. ET-2016-0268, Tariff Tracking No. JE-2016-0264  
Kansas City Power & Light Company  
File No. ET-2016-0269, Tariff Tracking No. JE-2016-0265  
KCP&L Greater Missouri Operations Company

FROM: Brad J. Fortson, Regulatory Economist III  
Tammy Huber, Utility Policy Analyst II

/s/ John A. Rogers 4/22/2016                      /s/ Robert S. Berlin 4/22/2016  
Manager Energy Resources Department      Staff Counsel Department

SUBJECT: Discontinuance of the Home Appliance Recycling Rebate Programs.

DATE: April 22, 2016

On April 11, 2016, Kansas City Power & Light Company (“KCP&L”) and KCP&L Greater Missouri Operations Company (“GMO”), filed with the Commission separate but similar Applications to Discontinue Certain Demand-Side Management Programs (“Applications”) and revised tariff sheets<sup>1</sup> with an effective date of May 11, 2016.

In the Applications, KCP&L and GMO are seeking authority to discontinue their separate Missouri Energy Efficiency Investment Act (“MEEIA”) Cycle 2 Home Appliance Recycling Rebate (“Appliance Recycling”) programs. The utilities’ desire to discontinue the Appliance Recycling programs is primarily due to recent changes in the marketplace inhibiting the ability to deliver cost-effective savings to the utilities’ customers. The utilities’ MEEIA Cycle 1 and Cycle 2 Appliance Recycling program implementer, JACO, recently went into voluntary receivership largely due to the fall in scrap metal prices nationally and is no longer available to fulfill implementation services for the program. The Company discussed alternatives with another implementer, ARCA, JACO’s only main competitor, which also faces similar commodity pricing pressure. KCP&L and GMO have determined they cannot cost-effectively offer the programs to customers and request that the programs be discontinued.

KCP&L and GMO do not propose changing their cumulative annual energy and demand savings targets. KCP&L and GMO plan to move the MEEIA Cycle 2 budgets assigned to the Appliance Recycling programs to the Whole House Efficiency programs. The following chart represents the savings targets and budgets<sup>2</sup> associated with the Appliance Recycling programs and the Cycle 2 portfolios.

---

1 Kansas City Power & Light Company, P.S.C. MO. No. 2, 1<sup>st</sup> Revised Sheet No. 2.25 Cancelling Original Sheet No. 2.25; and KCP&L Greater Missouri Operations Company, P.S.C. MO. No. 1, 1<sup>st</sup> Revised Sheet No R-101 Canceling Original Sheet No. R-101.

2 As filed on November 23, 2015 in Appendix A as part of the Non-Unanimous Stipulation and Agreement Resolving MEEIA Filings and approved on March 2, 2016 as part of the Commission’s Report and Order.

	<b><u>KCPL</u></b>	<b><u>GMO</u></b>
Appliance Recycling kWh savings	6,330,270	8,105,510
Appliance Recycling kW savings	1,057	1,352
Appliance Recycling budget	\$ 1,647,452	\$ 2,103,147
Portfolio kWh savings	198,097,872	184,549,652
Portfolio kW savings	66,328	105,855
Portfolio budget	\$ 50,436,844	\$ 52,640,449
% of program kWh to portfolio kWh savings	3.20%	4.39%
% of program kW to portfolio kW savings	1.59%	1.28%
% of program budget to portfolio budget	3.27%	4.00%

KCP&L and GMO have discussed the discontinuance of the Appliance Recycling programs with the Commission Staff (“Staff”) and, on March 8, 2016, discussion on this issue was had with the KCP&L/GMO Demand Side Management Advisory Group.

### **Staff Recommendation**

Staff has reviewed the Company’s Applications and tariff sheet revisions and recommends the Commission approve the following tariff sheets as filed on April 11, 2016 to go into effect for service on the requested effective date of May 11, 2016:

#### **KCP&L**

P.S.C. MO. No. 2 Sheet No. 2.25

First Revised Sheet No. 2.25 Cancelling Original Sheet No. 2.25

#### **GMO**

P.S.C. MO. No. 1 Sheet No. R-101

First Revised Sheet No. R-101 Canceling Original Sheet No. R-101

Staff also recommends that KCP&L and GMO continue to monitor the market and the potential of including an Appliance Recycling program in its Cycle 2 portfolio of programs in the event that such a program becomes cost-effective again.

Staff has verified that KCP&L and GMO have filed their annual reports and are not delinquent on any assessments. Staff is not aware of any other matter before the Commission that affects or is affected by these filings other than *Staff of the Missouri Public Service Commission v. Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company*, Case No. EC-2015-0309.



