

## KCP&L Announces Changes to Solar Rebate Program

### Recent filing outlines limit for Solar Rebates as required by Missouri State Law

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KANSAS CITY, Mo.--([BUSINESS WIRE](#))--KCP&L announced today that it has submitted a filing to the Missouri Public Service Commission putting a limit of \$21 million for 2013 solar rebate payments in Missouri, as required by Missouri State Law. The company's solar energy rebate program has been utilized by KCP&L's business and residential customers and has served as an important incentive to encourage the development of the solar energy industry in Missouri.

"We are proud of the leadership role KCP&L has played in advocating for and investing in renewable energy and energy efficiency in the State of Missouri, including our solar rebate program for customers," said Chuck Caisley, Vice President of Marketing and Public Affairs at KCP&L. "However, since our Missouri customers ultimately pay for these investments, it is very important that we ensure a transparent process for solar rebates and that the costs of this program are consistent with the law and allocated fairly across our customer base."

In 2008, Missouri voters passed Proposition C, a renewable energy mandate, requiring investor-owned utilities in Missouri to generate a certain portion of their electricity from renewable resources. KCP&L was the only utility in Missouri to endorse and support its passage.

Since 2006, KCP&L has installed or acquired the energy from more than 539 megawatts of wind energy, enough to power nearly 190,000 homes. This exceeds the level of renewable energy currently required in Missouri and demonstrates KCP&L's commitment to renewable energy resources.

Proposition C also requires utilities to offer a solar rebate program, which offers customers a \$2 per watt rebate on solar installations. Since the rebate program started in 2010, KCP&L has paid more than \$27 million in solar rebates to 658 Missouri customers. In addition, KCP&L has received more than \$24 million in solar rebate applications already in 2013.

Under Missouri law, the costs of the solar energy rebate program are shared among all KCP&L customers, not just those who are making investments in solar technology. As a result, the solar energy rebates are being funded by Missouri customers who may or may not take part in the program. In order to protect customers from large rate increases, the payment of solar rebates each year is subject to an annual one percent electric retail rate impact cap. This means that the amount that KCP&L spends on renewable energy, including the solar rebates paid to customers, cannot exceed a one percent increase in rates affecting all KCP&L customers in Missouri.

KCP&L's July 5, 2013, filing with the Missouri Public Service Commission states that the one percent cap in KCP&L's Greater Missouri Operations (GMO) service territory (the area formerly served by Aquila) equates to slightly more than \$10 million annually. As of June of this year, KCP&L already had received applications for \$22.2 million in solar rebates in its GMO service territory and estimates that by year end, it will receive nearly \$51 million in solar rebate applications for all its Missouri service territory. The filing also noted that the KCP&L Missouri service territory (the Kansas City Metropolitan Area) is expected to exceed the one percent cap by November 2013.

Therefore, as part of the filing, KCP&L has requested approval to suspend solar rebates for KCP&L's GMO service territory beginning on September 3, 2013, until January 1, 2014, due to the fact the solar rebate cap has been reached.

When the volume of solar rebates causes the cap to be reached for a given year, KCP&L will continue to accept rebate applications at the dollar-per-watt rate for the time period in which the system becomes operational. However, payment of the solar rebates will be postponed until the first quarter of the following year when funding will again become available. The rebate program will continue to be funded every year up to the one percent cap until 2020, when solar rebates will be phased out and no longer available in Missouri. These rebates currently are set at \$2 per watt and will decrease gradually over the next several years.

"It's about balance. We are committed to solar energy development in our region. However, unlike the solar industry who only has to worry about the small percentage of people in this region who are able to take advantage of the rebate program, we have a responsibility to serve and represent the interests of all our customers in this region," continued Caisley. "Solar rebates are paid by all Missouri customers, which means that all Missouri customers will pay for these rebates whether or not they participate in the solar program. Managing these costs and ensuring customer rates won't exceed one percent (for solar) is the reason we are suspending these rebate payments until next year. And, even with the one percent cap in place, the solar rebate program will invest more than \$100 million in the solar industry over the next six years, making it one of KCP&L's largest programs."

Additional information about the solar rebate process is available at [www.kcpl.com/solar](http://www.kcpl.com/solar).

#### About Great Plains Energy:

Headquartered in Kansas City, Mo., Great Plains Energy Incorporated (NYSE: GXP) is the holding company of Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company, two of the leading regulated providers of electricity in the Midwest. Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company use KCP&L as a brand name. More information about the companies is available on the Internet at: [www.greatplainsenergy.com](http://www.greatplainsenergy.com) or [www.kcpl.com](http://www.kcpl.com).

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