

1 A. As part of the initial stipulation for MEEIA Cycle 1, Liberty negotiated performance
2 metrics that if achieved would allow the Company to include an earnings opportunity
3 as part of the future energy efficiency investment charge. The core metrics included
4 spending 75% of the approved program budget (weighted at 80%) and spending 75%
5 of the final budget on approved measures (weighted at 20%). In the first year of
6 MEEIA, Liberty did not achieve these metrics, so no earnings opportunity was included
7 as part of the Company’s last DSIM update. In 2023, Liberty exceeded the metric to
8 spend 75% of the approved budget by spending \$3,170,693 (79.42%) of the \$3,992,314
9 MEEIA budget, creating Liberty’s first earnings opportunity.

10 **Q. How is the earnings opportunity calculated?**

11 A. Liberty was approved to receive a 9.25% return on the MEEIA spend associated with
12 the performance metrics. For the performance metric associated with 75% of the
13 program spend the approved calculation is (program spend * rate of return) * metric
14 weight. For 2023, this is $(\$3,170,693 * .0925) * .8$ ~~$(\$3,170,693) * .8$~~ resulting in an
15 earnings opportunity of \$234,631,293,289. The proposed revisions address these
16 changes.

17 **III. HVAC CHANGES**

18 **Q. Please describe the updates Liberty is presenting to the Residential Heating,**
19 **Ventilation, and Air Conditioning (“HVAC”) Rebate within the Promotional**
20 **Practices Schedule.**

21 A. Liberty is proposing three updates to the to the Residential Heating, Ventilation, and
22 Air Conditioning (“HVAC”) Rebate. These include: