DEMAND-SIDE INVESTMENT MECHANISM RIDER
SCHEDULE DSIM
For MEEIA Cycle 1 Plan

APPLICABILITY

This rider is applicable to all non-lighting kilowatt-hours (kWh) of energy supplied to customers under the Company's retail rate schedules, excluding kWh of energy supplied to "opt-out" customers. The Demand Side Investment Mechanism (DSIM) Rider will be calculated and applied separately to the following rate classes: (1) Residential Service (NS-RG, TC-RG, TP-RG) and (2) non-Residential Service, which includes: (a) Small General Service (NS-GS, TC-GS and TP-GS), (b) Large General Service (NS-LG and TC-LG), (c) Small Primary Service (NS-SP and TC-SP), (d) Large Power Service (LP) and (e) Transmission Service (TS).

Charges in this DSIM Rider reflect costs associated with implementation of the Missouri Energy Efficiency Investment Act (MEEIA) Cycle 1 Plan and any remaining unrecovered costs from prior MEEIA Cycle Plans or other approved energy efficiency plans. Those costs include:

1) Program Costs, Throughput Disincentive (TD), and Earnings Opportunity Award (EO) (if any) for the MEEIA Cycle 1 Plan, as well as Program Costs, TD and EO for commission approved business program projects completed for prior MEEIA Cycle Plans and any earned Earnings Opportunity earned (and ordered) attributable to prior MEEIA Cycle Plans.

2) Reconciliations, with interest, to true-up for differences between the revenues billed under this DSIM Rider and total actual monthly amounts for:

   i. Program Costs incurred in Cycle 1 and/or remaining unrecovered amounts for prior MEEIA Cycle Plans or other approved energy efficiency plans.
   ii. TD incurred in Cycle 1, and/or remaining unrecovered amounts for prior MEEIA Cycle Plans.
   iii. Amortization of any Earnings Opportunity Award (EO) ordered by the Missouri Public Service Commission (Commission), and/or remaining true-ups or unrecovered amounts for prior MEEIA Cycle Plans.

3) Any Ordered Adjustments. Charges under this DSIM Rider shall continue after the anticipated 12-month plan period of MEEIA Cycle 1 until such time as the costs described in items 1) and 2) above have been billed.

Charges arising from the MEEIA Cycle 1 Plan that are the subject of this DSIM Rider shall be reflected in one "DSIM Charge" on customers' bills in combination with any charges arising from a rider that is applicable to post-MEEIA Cycle 1 Plan demand-side management programs approved under the MEEIA. This will include any unrecovered amounts for Program Costs, unrecovered TD from prior MEEIA Cycle Plans, and any Earnings Opportunity, etc. earned / remaining from prior MEEIA Cycle Plans.

DEFINITIONS

As used in this DSIM Rider, the following definitions shall apply:

"Cycle 1 Earnings Opportunity" (EO) means the annual incentive ordered by the Commission based on actual spending, participation targets and additional metrics defined in the EO table, Appendix F to Exhibit KD-1. The Company's EO will be $369,289 if 100% achievement of the planned targets are met. EO is capped at $ 480,076. Potential Earnings Opportunity adjustments are described on Sheet No. 1. The Earnings Opportunity Matrix outlining the payout rates, weightings, and caps can be found at Sheet No. 1.

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"Deemed Savings Table" means a list of Measures derived from the Company's TRM or cost effectiveness analysis that quantifies gross energy and demand savings associated with Company-specific Measure parameters where available, as outlined in Appendix B to the MEEIA Cycle 1 Plan.

"Effective Period" (EP) means the billing months for which the approved DSIM is to be effective, i.e., the 12 billing months beginning with the January billing month of 2024 and ending with the December billing month of 2024.

"Evaluation Measurement & Verification" (EM&V) means the performance of studies and activities intended to evaluate the process of the Company's Program delivery and oversight and to estimate and/or verify the estimated actual energy and demand savings, cost effectiveness, and other effects from demand-side Programs.

"Incentive" means any consideration provided by the Company, including, but not limited to, buy downs, markdowns, rebates, bill credits, payments to third parties, direct installation, giveaways, and education, which encourages the adoption of Program Measures.

"Measure" means the Energy Efficiency measures described for each program in the Appendix C to the MEEIA Cycle 1 Plan.

"MEEIA Cycle 1 Plan" consists of the demand-side programs and the DSIM described in the MEEIA Cycle 1 Filing, which became effective following Commission order and approval of the MEEIA Cycle 1 Plan under EO-2022-0078.

"Programs" means MEEIA Cycle 1 programs listed in Tariff Sheet Nos. 27 through 27l and added in accordance with the Commission's rule 20 CSR 4240-20.094(4).

"Program Costs" means any prudently incurred program expenditures, including such items as program planning, program design; administration; delivery; end-use measures and incentive payments; advertising expense; evaluation, measurement, and verification; market potential studies; and work on a statewide technical resource manual.

"Short-Term Borrowing Rate" means a rate equal to the weighted average interest paid on the Company's short-term debt during the month.

"Throughput Disincentive" (TD) means the utility's lost margins associated with the successful implementation of the MEEIA programs. The detailed methodology for calculating the TD is described beginning in Tariff Sheet No.21c.

"TRM" means the Technical Resource Manuals utilized to estimate the savings for the measures included in the DSM portfolio.

DETERMINATION OF DSIM RATES

The DSIM during the applicable EP is a dollar per kWh rate for each applicable Service Classification calculated as follows:

DEMAND-SIDE INVESTMENT MECHANISM RIDER
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For MEEIA Cycle 1 Plan

DSIM = [NPC + NTD + NEO + NOA] / PE

Where:

NPC = Net Program Costs for the applicable EP as defined below,

NPC = PPC + PCR

PPC = Projected Program Costs is an amount equal to Program Costs projected by the Company to be incurred during the applicable EP.

PCR = Program Costs Reconciliation is equal to the cumulative difference, if any, between the NPC revenues billed resulting from the application of the DSIM through the end of the previous EP and the actual Program Costs incurred through the end of the previous EP (which will reflect projections through the end of the previous EP due to timing of adjustments). Such amounts shall include monthly interest on cumulative over- or under-balances at the Company's monthly Short-Term Borrowing Rate.

NTD = Net Throughput Disincentive for the applicable EP as defined below,

NTD = PTD + TDR

PTD = Projected Throughput Disincentive is the Company’s TD projected by the Company to be incurred during the applicable EP. For the detailed method for calculating the TD, see The MEEIA Cycle 1 Plan.

TDR = Throughput Disincentive Reconciliation is equal to the cumulative difference, if any, between the NTD revenues billed during the previous EP resulting from the application of the DSIM and the Company’s TD through the end of the previous EP calculated pursuant to the MEEIA Cycle 1 application, as applicable (which will reflect projections through the end of the previous EP due to timing of adjustments). Such amounts shall include monthly interest on cumulative over- or under- balances at the Company's monthly Short-Term Borrowing Rate.

NEO = Net Earnings Opportunity for the applicable EP as defined below,

NEO = EO + EOR

EO = Earnings Opportunity is equal to the Earnings Opportunity Award monthly amortization multiplied by the number of billing months in the applicable EP, plus the succeeding EP. MEEIA Cycle 1 monthly amortization shall be determined by dividing the Earnings Opportunity Award by the number of billing months from the billing month of the first DSIM after the determination of the annual Earnings Opportunity Award and 12 calendar months following that first billing month.

EOR = Earnings Opportunity Reconciliation is equal to the cumulative difference, if any, between the NEO revenues billed during the previous EP resulting from the application of the DSIM and the monthly amortization of the EO Award through the end of the previous EP (which will reflect projections through the end of the previous EP due to timing of adjustments). Such amounts shall include monthly interest on cumulative over- or under- balances at the Company's monthly Short-Term Borrowing Rate.

NOA = Net Ordered Adjustment for the applicable EP as defined below,

$$NOA = OA + OAR$$

OA = Ordered Adjustment is the amount of any adjustment to the DSIM ordered by the Commission as a result of prudence reviews and/or corrections under this Rider DSIM. Such amounts shall include monthly interest at the Company's monthly short-term borrowing rate.

OAR = Ordered Adjustment Reconciliation is equal to the cumulative difference, if any, between the NOA revenues billed during the previous EP resulting from the application of the DSIM and the actual OA ordered by the Commission through the end of the previous EP (which will reflect projections through the end of the previous EP due to timing of adjustments). Such amounts shall include monthly interest on cumulative over- or under-balances at the Company's monthly Short-Term Borrowing Rate.

PE = Projected Energy, in kWh, forecasted to be delivered to the customers to which the Rider DSIM applies during the applicable EP.

The DSIM components and total DSIM applicable to the individual Service Classifications shall be rounded to the nearest $0.00001.

Allocation of MEEIA Cycle 1 Program Costs, TD and EO for each rate schedule for the MEEIA Cycle 1 Plan will be allocated as outlined in EO-2022-0078.

This Rider DSIM shall not be applicable to customers that have satisfied the opt-out provisions contained in Section 393.1075.7, RSMo or the low-income exemption provisions described herein.

CALCULATION OF TD:

Monthly Throughput Disincentive = the sum of the Throughput Disincentive Calculation for all programs applicable to (1) Residential Service (NS-RG, TC-RG, TP-RG): (2) Small General Service (NS-GS, TC-GS and TP-GS), (3) Large General Service (NS-LG and TC-LG), (4) Small Primary Service (NS-SP and TC-SP); (5) Large Power Service (LP); and (6) Transmission Service (TS).

The TD for each Service Classification shall be determined by the following formula:

$$\mathbf{TD = [MS \times TBR \times NTGF]}$$

Where:

TD = Throughput Disincentive, in dollars, to be collected for a given month, for a given Service Classification.

MS = Monthly Savings, is the sum of all Programs' monthly savings, in kWh, for a given month, for a given Service Classification.

TBR = Tail Block Rate. Applicable monthly Tail Block Rate for each applicable Service Classification.

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NTGF = Net-To-Gross Factor. For the EP, all TD calculations will assume a NTGF of 0.825 until such time as a NTGF is determined through EM&V for that EP. Thereafter, for each given EP, the NTGF determined through EM&V will be used prospectively starting with the month in which the Earnings Opportunity Award is determined.

MS = The sum of all Programs' Monthly Savings in kWh, for a given month, for a given class. The Monthly Savings in kWh for each Program shall be determined by the formula:

$$\mathbf{MS = (MAS_{CM} + CAS_{PM} - RB) \times LS + HER}$$

RB = Rebasing Adjustment. The Rebasing Adjustment shall equal the CAS applicable as of the date used for the MEEIA normalization in any general rate case resulting in new rates becoming effective during the accrual and collection of TD$ pursuant to MEEIA Cycle 1. In the event more than one general rate case resulting in new rates becoming effective during the accrual and collection of TD$ pursuant to MEEIA Cycle 1, the Rebasing Adjustment shall include each and every prior Rebasing Adjustment calculation.

LS = Load Shape. The Load Shape is the monthly load shape percent for each program.

MC = Measure Count. Measure Count, for a given month, for a given class, for each measure is the number of each measure installed in the current calendar month.

ME = Measure Energy. Measure Energy will be determined as follows, for each Measure:

i. For Measures not listed under those programs listed in Liberty's MEEIA Cycle 1 Plan, the ME is the annual total of normalized savings for each measure at customer meter per measure defined in the TRM or in the cost-effectiveness analysis.
ii. For Measures in MEEIA Cycle 1 programs, the ME will be the annual value attributable to the installations reported monthly by the program implementer.

MAS = The sum of MC multiplied by ME for all measures in a program in the current calendar month.

CAS = Cumulative sum of MAS for each program for MEEIA Cycle 1.

CM = Current Calendar month

PM = Prior calendar month

HER = Monthly kWh savings for the Home Energy Reports and Income-Eligible Home Energy Reports programs measured and reported monthly by the program implementer.

DEMAND-SIDE INVESTMENT MECHANISM RIDER
SCHEDULE DSIM
For MEEIA Cycle 1 Plan

EARNINGS OPPORTUNITY AWARD DETERMINATION

The MEEIA Cycle 1 EO Award shall be calculated using the matrix in the MEEIA Cycle 1 Plan. The cumulative EO will not go below $0. The EO target at 100% is $ $369,289. The EO cannot go above $480,076. The cap is based on current program levels. If Commission-approved new programs are added during the EP and any program plan extensions through 2024, the Company may seek Commission approval to have the targets for the cap of the EO scale proportionately to the spending and participation targets.

FILING

After the initial DSIM Rider rate adjustment filing, the Company shall make a DSIM Rider rate adjustment filing at least annually under the Term of this MEEIA Rider. DSIM Rider rate adjustment filings shall be made at least sixty (60) days prior to their effective dates.

PRUDENCE REVIEWS

A prudence review shall be conducted no less frequently than at twenty-four (24) month intervals in accordance with 20 CSR 4240-20.093(11). Any costs, which are determined by the Commission to have been imprudently incurred or incurred in violation of the terms of this DSIM Rider, shall be returned to customers through an adjustment in the next DSIM Rider rate adjustment filing and reflected in factor OA above.

DISCONTINUING THE DSIM

The Company reserves the right to discontinue the entire MEEIA Cycle 1 portfolio, if the Company determines that implementation of such programs is no longer reasonable due to changed factors or circumstances that have materially and negatively impacted the economic viability of such programs as determined by the Company, upon no less than thirty days' notice to the Commission. As a result of these changes, the Company may file to discontinue this DSIM. Similar to Program discontinuance, the Company would file a notice indicating that it is discontinuing the DSIM Rider. This notice would include a methodology for recovery of any unrecovered Program Costs and TD.

DEMAND-SIDE INVESTMENT MECHANISM RIDER
SCHEDULE DSIM
For MEEIA Cycle 1 Plan

DEMAND SIDE INVESTMENT MECHANISM CHARGE

As approved in Commission Case No. EO-2022-0078 MEEIA Cycle 1 Filing.

MEEIA DSIM Components
(MEEIA Cycle 1 Plan)

Service Class	**NPC/PE ($/kWh)**	**NTD/PE ($/kWh)**	**NEO/PE ($/kWh)**	**NOA/PE ($/kWh)**	**Total DSIM ($/kWh)**
Residential Service	$0.00051	$0.00023	$.00006	-	$0.00080
Non-Residential Service	$0.00108	$0.00075	$.00006	-	$0.00189

A. Residential Efficient Products

PURPOSE:

The Residential Efficient Products program is designed to raise customer awareness of the benefits of high efficiency products and to educate residential customers about energy use in their homes by offering information, products, and services to residential customers to save energy cost-effectively. The Empire District Electric Company's (Company) participation in such financial incentives is limited to the amount approved by the Missouri Public Service Commission in Case No. EO-2022-0078.

DEFINITIONS:
Administrator – The Company will align itself with a third-party implementation vendor, which will also contribute to marketing and outreach.

DSM Advisory Group ("DSMAG") – An advisory collaborative consisting of Company stakeholders including Missouri Public Service Commission Staff, Division of Energy, the Missouri Office of Public Counsel, National Housing Trust, and Renew Missouri. The Company will meet with the DSMAG no less than quarterly to: report on participation in its energy efficiency programs; discuss successes and challenges; report on expenditures, remaining budgets balances, and the Demand-side Investment Mechanism ("DSIM"); and work together toward the continuous improvement of the Company's energy efficiency offerings.

Eligible Participant – Residential electric retail customer in rate schedule NS-RG, TC-RG or TP-RG.

Funds – The 2023 budget for this program, as ordered in Case No. EO-2022-0078, is $358,201. The 2024 budget for this program, as ordered in Case No. EO-2022-0078, is $380,145.

Program Period – As approved in EO-2022-0078, the program will be administered through the year 2024, or until superseded by a new MEEIA portfolio.

Measures – Empire will offer—via a combination of point-of-purchase instant rebates and offerings of an online marketplace—the following type of measures at a reduced cost: LED light bulbs, dehumidifiers, air purifiers, power strips, Advanced Thermostats, ENERGY STAR bathroom exhaust fans, ENERGY STAR ceiling fans, kitchen sink aerators, and low-flow showerheads.

PROMOTIONAL PRACTICES
SCHEDULE PRO
Program Descriptions for MEEIA Cycle 1 Plan

DESCRIPTIONS:
Customers are eligible to purchase qualifying energy efficient lighting, water, and appliance measures at a decreased cost either at participating retailers either online or in-store. Customers that participate receive instant incentives at the point-of-purchase. Incentives will vary depending upon the type of lighting/equipment, manufacturer, and the associated retail cost.

Residential customers are also eligible to receive energy advice through an online energy audit tool available at no cost to the customer. The evaluation identifies potential energy efficiency upgrades, educates the customer on managing energy consumption, and provides further information on Liberty's other energy efficiency programs. Residential customers may order recommended energy efficient measures following the completion of an online audit through an online marketplace. The online marketplace will be available to all customers to purchase energy efficient products regardless of their participation in the online energy audit tool.

TERMS & CONDITIONS:

Liberty and/or a contractor acting on the Company's behalf may conduct desktop or field-based QA/QC on a random selection of completed energy efficiency projects. The QA/QC process may include verification of purchase and/or installation of any equipment/measures that receive incentives through the program. The QA/QC process does not constitute an inspection for proper installation except where the installation impacts the effectiveness or efficiency of the measure in question. Customers and building owners who participate in this program may participate in other programs, if qualified.

B. Low-Income Multi-Family program

PURPOSE:

The Low-Income Multi-Family Program ("Program") is designed to deliver long-term energy savings and bill reductions to owners/operators and income-eligible customers in multi-family properties. The program will issue multifamily customers energy audits, accompanied by the direct installation of low-cost and no-cost energy efficiency measures and offering additional rebates as appropriate. The Empire District Electric Company's (Company) participation in such financial incentives is limited to the amount approved by the Missouri Public Service Commission in Case No. EO-2022-0078.

DEFINITIONS:
Administrator – The Company will align itself with a third-party implementation vendor, which will also contribute to marketing and outreach.

DSM Advisory Group ("DSMAG") –An advisory collaborative consisting of interested stakeholders such as Missouri Public Service Commission Staff, Division of Energy, and the Missouri Office of Public Counsel, National Housing Trust, and Renew Missouri. The Company will meet with the DSMAG no less than quarterly to: report on participation in its energy efficiency programs; discuss successes and challenges; report on expenditures, remaining budgets balances, and the Demand-side Investment Mechanism ("DSIM"); and work together toward the continuous improvement of the Company's energy efficiency offerings.

Eligible Participant – Owners and operators of any multi-family property of three or more dwelling units receiving service under the NS-RG, TC-RG, TP-RG, NS-GS, TC-GS or TP-GS. rate schedules, and meet any of the following criteria:

- Participation in an affordable housing program: Documented participation in a federal, state, or local affordable housing program, including LIHTC, HUD, USDA, State HFA, and local tax abatement for low-income properties.
- Location in a low-income census tract: Location in a census tract identified as low-income, using HUD's annually published "Qualified Census Tracts" as a starting point.
- Rent roll documentation: Where at least 50% of the units have rents affordable to households at or below 80% of the area median income, as published annually by HUD.
- Tenant income information: Documented tenant income information demonstrating at least 50% of units are rented to households meeting one of these criteria: at or below 200% of the Federal poverty level or at or below 80% of the Area Median Income (AMI).

Eligible Participant (cont.)

- Participation in the Weatherization Assistance Program: Documented information demonstrating the property is on the waiting list for, currently participating in, or has in the last 5 years participated in the Weatherization Assistance Program.

Funds – The 2023 budget for this program, as ordered in Case No. EO-2022-0078, is $203,642. The 2024 budget for this program, as ordered in Case No. EO-2022-0078, is $208,642.

Program Period – As approved in EO-2022-0078, the program will be administered through the year 2024, or until superseded by a new MEEIA portfolio.

Eligible Measures –
The Program Administrator will provide or approve installation of Program specified energy efficiency measures and may provide custom incentives for measures that have been pre-authorized by the Program Administrator for tenant units, common areas, building shell, and whole-building systems.

Direct-install energy efficiency measures may include but are not limited to LED Light bulbs, faucet aerators, low-flow showerheads, advanced thermostats, and smart power strips. Additional in unit measures may include refrigerator replacement, room A/Cs, other energy saving small appliances, and associated recycling.

Common area and whole building measures may include but are not limited to lighting, weatherization, water heating, HVAC systems, and other custom measures.

AVAILABILITY:

The Program is available to Eligible Participants as described above. Customers will receive Eligible Direct Install Measures, as described above at no cost. Incentives are also available for Custom measures. Custom measures are defined as non-prescriptive energy efficiency measures, or the integration of several measures, which may include prescriptive measures, to achieve significant energy savings. All custom measures must receive a pre-approval commitment from the Company whether for tenant units, common areas, building shell, or whole building systems. Empire encourages tenants to address energy efficiency needs in common areas either as Custom measures in this program, or through the HVAC, Small Business Direct Install program, or the Commercial and Industrial rebate program, depending on availability of funds and eligibility for programs.

PROMOTIONAL PRACTICES
SCHEDULE PRO
Program Descriptions for MEEIA Cycle 1 Plan

DELIVERY:

The Company will deliver the Program with the aid of a program administrator, with whom it will deliver the program according to a contract.

The Company will also work with natural gas utilities with which it shares customers, where applicable.

TERMS AND CONDITIONS:
Liberty and/or a contractor acting on the Company's behalf may conduct desktop or field-based QA/QC on a random selection of completed energy efficiency projects. The QA/QC process may include verification of purchase and/or installation of any equipment/measures that receive incentives through the program. The QA/QC process does not constitute an inspection for proper installation except where the installation impacts the effectiveness or efficiency of the measure in question. Customers and building owners who participate in this program may participate in other programs, if qualified.

C. Residential Heating, Ventilation, and Air Conditioning ("HVAC") Rebate

PURPOSE:

The HVAC Rebate Program (Program) is designed to encourage the efficient use of energy through the purchase and installation of energy efficient HVAC systems by providing rebates to lower the cost of such improvements for residential customers.

DEFINITIONS:
Administrator – The Company will align itself with a third-party implementation vendor, which will also contribute to marketing and outreach.

DSM Advisory Group ("DSMAG") – An advisory collaborative consisting of Company stakeholders including Missouri Public Service Commission Staff, Division of Energy, the Missouri Office of Public Counsel, National Housing Trust, and Renew Missouri. The Company will meet with the DSMAG no less than quarterly to: report on participation in its energy efficiency programs; discuss successes and challenges; report on expenditures, remaining budgets balances, and the Demand-side Investment Mechanism ("DSIM"); and work together toward the continuous improvement of the Company's energy efficiency offerings.

Eligible Participant – Electric residential customers, owners of residential rental property, and builders of residential structures being served by the Company in rate schedule NS-RG, TC-RG, and TP-RG, who elect to upgrade or install central cooling or heating systems with a SEER2 value of 15 or higher.

Funds – The 2023 budget for this program, as ordered in Case No. EO-2022-0078, is $415,081. The 2024 budget for this program, as ordered in Case No. EO-2022-0078, is $421,039.

Program Period – As approved in EO-2022-0078, the program will be administered through the year 2024, or until superseded by a new MEEIA portfolio.

Measures – High-efficiency Air-Source Heat Pumps, Electric central air conditioners, mini-split heat pumps, and geothermal heat pumps rated 15 SEER2 and above.

DESCRIPTIONS:
HVAC rebates will range from $100 to $750 per system and include equipment that ranges from SEER2 15 to SEER2 20+.

PROMOTIONAL PRACTICES
SCHEDULE PRO
Program Descriptions for MEEIA Cycle 1 Plan

TERMS & CONDITIONS:

Liberty and/or a contractor acting on the Company's behalf may conduct desktop or field-based QA/QC on a random selection of completed energy efficiency projects. The QA/QC process may include verification of purchase and/or installation of any equipment/measures that receive incentives through the program. The QA/QC process does not constitute an inspection for proper installation except where the installation impacts the effectiveness or efficiency of the measure in question. Customers and building owners who participate in this program may participate in other programs, if qualified.

D. Whole Home Energy: Pay As You Save ("PAYS")

PURPOSE:

The PAYS Program facilitates whole-house improvements to existing homes by conducting home energy audits and encouraging the installation of energy efficient measures by offering on-bill financing on qualifying measures. The Empire District Electric Company's (Company) participation in such financial incentives is limited to the amount approved by the Missouri Public Service Commission in Case No. EO-2022-0078.

DEFINITIONS:

Administrator – The Company will align itself with a third-party implementation vendor, which will also contribute to marketing and outreach.

DSM Advisory Group ("DSMAG") –An advisory collaborative consisting of Company stakeholders including Missouri Public Service Commission Staff, Division of Energy, and the Missouri Office of Public Counsel, National Housing Trust, and Renew Missouri. The Company will meet with the DSMAG no less than quarterly to: report on participation in its energy efficiency programs; discuss successes and challenges; report on expenditures, remaining budgets balances, and the Demand-side Investment Mechanism ("DSIM"); and work together toward the continuous improvement of the Company's energy efficiency offerings.

Eligible Participant – Electric residential customers, owners of residential rental property, and builders of residential structures being served by the Company in rate schedule NS-RG, TC-RG, or TP-RG.

Funds – The 2023 budget for this program, as ordered in Case No. EO-2022-0078, is $509,891. The 2024 budget for this program, as ordered in Case No. EO-2022-0078, is $516,103.

Program Period – As approved in EO-2022-0078, the program will be administered through the year 2024, or until superseded by a new MEEIA portfolio.

Measures – Energy efficiency upgrades that could potentially be financed through the PAYS mechanism may include: LED Light bulbs, faucet aerators, low-flow showerheads, water heater insulation, air sealing, insulation, duct sealing, ENERGY STAR Windows, high-efficiency Air-Source Heat Pumps, Electric central air conditioners, mini-split heat pumps and geothermal heat pumps rated 15 SEER and above, advanced thermostats, heat pump water heaters, ENERGY STAR dehumidifiers, ENERGY STAR air purifiers, ENERGY STAR refrigerators, or smart power strips.

PROMOTIONAL PRACTICES
SCHEDULE PRO
Program Descriptions for MEEIA Cycle 1 Plan

DESCRIPTIONS:
Customers receive free in-home evaluations and customized recommendations for energy efficient measure upgrades. Customers may choose to install any recommended upgrade and Liberty will cover the full installation cost of qualifying upgrades minus the cost of any incentives. There are no upfront costs to our customers. Customers instead pay a fixed tariff on their monthly energy bills that is attached to the metered location and is less than the estimated savings generated by the upgrades. Customers pay this tariff charge until Liberty fully recoups its original investment, then customers receive all of the upgrade savings thereafter. All eligible rebates for the qualifying measures still apply for the customer.

For a project to be eligible for the PAYS program, the investment of the project must be able to be repaid via a monthly cost recovery charge that does not exceed 80 percent of expected average first-year energy savings, and that persists for a maximum of 80 percent of the expected useful life of the installed energy upgrades. For building efficiency upgrades, this period is typically around 12 years.

In cases where expected cost recovery payments are not sufficient to fully finance installed energy upgrades, the customer may contribute an upfront co-payment that reduces the cost of the investment to a level that may be financed according to the PAYS' cost effectiveness criteria.

TERMS & CONDITIONS:

Liberty and/or a contractor acting on the Company's behalf may conduct desktop or field-based QA/QC on a random selection of completed energy efficiency projects. The QA/QC process may include verification of purchase and/or installation of any equipment/measures that receive incentives through the program. The QA/QC process does not constitute an inspection for proper installation except where the installation impacts the effectiveness or efficiency of the measure in question. Customers and building owners who participate in this program may participate in other programs, if qualified.

E. Small Business Direct Install Program

PURPOSE:

The Small Business Direct Install Program is designed to promote the installation of energy efficient technologies in small businesses. The Empire District Electric Company's (Company) participation in such financial incentives is limited to the amount approved by the Missouri Public Service Commission in Case No. EO-2022-0078.

DEFINITIONS:
Administrator – The Company will align itself with a third-party implementation vendor, which will also contribute to marketing and outreach.

DSM Advisory Group ("DSMAG") –An advisory collaborative consisting of Company stakeholders including Missouri Public Service Commission Staff, Division of Energy, the Missouri Office of Public Counsel, National Housing Trust, and Renew Missouri. The Company will meet with the DSMAG no less than quarterly to: report on participation in its energy efficiency programs; discuss successes and challenges; report on expenditures, remaining budgets balances, and the Demand-side Investment Mechanism ("DSIM"); and work together toward the continuous improvement of the Company's energy efficiency offerings.

Eligible Participant – Nonresidential electric customers or owners of newly-constructed or existing nonresidential property who are being served under nonresidential rate schedule NS-GS, TC-GS, or TP-GS.

Funds – The 2023 budget for this program, as ordered in Case No. EO-2022-0078, is $474,824. The 2024 budget for this program, as ordered in Case No. EO-2022-0078, is $476,324.

Program Period – As approved in EO-2022-0078, the program will be administered through the year 2024, or until superseded by a new MEEIA portfolio.

DESCRIPTIONS:
Customers receive an energy evaluation identifying potential energy savings. Customers are eligible to receive an incentive, direct installation of measures at no cost, and a customized recommendation for energy efficient equipment upgrades following the energy evaluation. The customized recommendation will provide information on potential energy savings, installation costs, and anticipated payback. The total incentive for direct install projects will vary by project.

PROMOTIONAL PRACTICES
SCHEDULE PRO
Program Descriptions for MEEIA Cycle 1 Plan

TERMS & CONDITIONS:

Liberty and/or a contractor acting on the Company's behalf may conduct desktop or field-based QA/QC on a random selection of completed energy efficiency projects. The QA/QC process may include verification of purchase and/or installation of any equipment/measures that receive incentives through the program. The QA/QC process does not constitute an inspection for proper installation except where the installation impacts the effectiveness or efficiency of the measure in question. Customers and building owners who participate in this program may participate in other programs, if qualified.

F. Commercial and Industrial ("C&I") Rebate Program

PURPOSE:

The C&I Rebate Program is designed to encourage the efficient use of energy by providing rebates to cover a portion of the costs associated with the purchase and installation of energy efficient equipment in commercial and industrial facilities. Empire District Electric Company's (Company) participation in such financial incentives is limited to the amount approved by the Missouri Public Service Commission in Case No. EO-2022-0078.

DEFINITIONS:
Administrator – The Company will align itself with a third-party implementation vendor, which will also contribute to marketing and outreach.

DSM Advisory Group ("DSMAG") –An advisory collaborative consisting of Company stakeholders including Missouri Public Service Commission Staff, Division of Energy, the Missouri Office of Public Counsel, National Housing Trust, and Renew Missouri. The Company will meet with the DSMAG no less than quarterly to: report on participation in its energy efficiency programs; discuss successes and challenges; report on expenditures, remaining budgets balances, and the Demand-side Investment Mechanism ("DSIM"); and work together toward the continuous improvement of the Company's energy efficiency offerings.

Eligible Participant – Nonresidential electric customers or owners of newly-constructed or existing nonresidential property who are being served under nonresidential rate plans NS-GS, TC-GS, TP-GS, NS-LG, TC-LG, NS-SP, TC-SP, LP, or TS and have not opted out of participation in the program under Missouri Public Service Commission Rule 4 CSR 240-20.094(7)(A).

Funds – The 2023 budget for this program, as ordered in Case No. EO-2022-0078, is $1,465,977. The 2024 budget for this program, as ordered in Case No. EO-2022-0078, is $1,478,133.

Program Period – As approved in Case No. EO-2022-0078, the program will be administered through the year 2024, or until superseded by a new MEEIA portfolio.

PROMOTIONAL PRACTICES
SCHEDULE PRO
Program Descriptions for MEEIA Cycle 1 Plan

DESCRIPTIONS:
The program provides incentives to encourage the purchasing of energy efficient equipment at commercial and industrial facilities. The program consists of prescriptive and custom rebates.

Prescriptive – Pre-qualified prescriptive rebates are available for new construction and retrofit projects. A complete list of prescriptive measures and their incentives can be found in Empire's MEEIA Filing, made in Case No. EO-2022-0078.

Custom – Equipment that does not qualify for a prescriptive rebate will be eligible for a custom rebate. Applications must be pre-approved by Empire before equipment is purchased and installed and must produce a Total Resource Cost Test benefit-cost ratio of at least 1.0. A $250,000 incentive cap is imposed per facility per program year. However, if funds are still available in the last three months of the program year, the cap may be exceeded.

TERMS & CONDITIONS:

Liberty and/or a contractor acting on the Company's behalf may conduct desktop or field-based QA/QC on a random selection of completed energy efficiency projects. The QA/QC process may include verification of purchase and/or installation of any equipment/measures that receive incentives through the program. The QA/QC process does not constitute an inspection for proper installation except where the installation impacts the effectiveness or efficiency of the measure in question. Customers and building owners who participate in this program may participate in other programs, if qualified.