

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of Kansas City Power & Light )  
Company’s Notice of Intent to File an )  
Application for Authority to Establish a Demand- ) File No. EO-2015-0240  
Side Programs Investment Mechanism )

In the Matter of KCP&L Greater Missouri Operations )  
Company’s Notice of Intent to File an )  
Application for Authority to Establish a Demand- ) File No. EO-2015-0241  
Side Programs Investment Mechanism )

**MISSOURI DIVISION OF ENERGY’S STATEMENT OF POSITION**

**COMES NOW** the Missouri Division of Energy (DE), by and through the undersigned counsel, and for it *Statement of Position* states:

- A. *Should the Missouri Public Service Commission (“Commission”) approve the Missouri Energy Efficiency Investment Act (“MEEIA”) Cycle 2 programs and demand-side programs investment mechanism as agreed on in the joint position and articulated in the Non-Unanimous Stipulation and Agreement Resolving MEEIA Filings filed November 23, 2015 (“Stipulation”)?*

Yes, DE recommends that the Commission approve the MEEIA Cycle 2 programs and demand-side programs investment mechanism as agreed on in the joint position and articulated in the Stipulation filed by Kansas City Power & Light Company, KCP&L Greater Missouri Operations Company (collectively, the “Company”), Staff of the Missouri Public Service Commission (“Staff”), Office of the Public Counsel (“OPC”), Missouri Department of Economic Development – Division of Energy (“DE”), National

Housing Trust (“NHT”), Natural Resources Defense Council (“NRDC”), Earth Island Institute d/b/a Renew Missouri, United for Missouri, Inc. (“UFM”), and West Side Housing Organization (“West Side”) (here after collectively referred to as the “Signatories”). While DE recommends the Commission approve the Stipulation, DE notes that the energy and demand savings levels in the Stipulation are significantly lower than the realistic achievable potential savings levels identified in the Company’s most recent market potential study and the minimum levels called for in the MEEIA rules; however, the Signatories have agreed to a collaborative process to address new, unserved, or underserved customer markets and identifying cost-effective energy and demand savings strategies to achieve 200 GWh of additional savings for consideration for program years 2017 and 2018. DE sees this provision as integral to increasing the energy and demand savings targets for the Company’s MEEIA Cycle 2 programs consistent with the realistic achievable levels identified in the Company’s most recent market potential study and the minimum requirements in the MEEIA rules. DE is committed to this process.

The Stipulation represents a compromise between the Signatories, which, if approved, will provide energy and demand savings to all of the Company’s participating customers and provide benefits to all of the Company’s customers by reducing the need for future capacity additions at greater expense to the Company’s customers. A rejection or modification to the Stipulation, which is unacceptable to the Company, would lead to a further delay or outright discontinuation of the Company’s energy efficiency programs, poor public policy outcomes and be detrimental to the public interest. Even a temporary lapse in program availability will, at the very least, create uncertainty for customers,

program partners, and the Company while reducing the potential markets for energy efficiency in Missouri in the short term.

B. *Should the Commission approve the Commercial and Industrial (“C & I”) Custom Rebate program in the Stipulation over the objection of Brightergy?*

Yes, While the concerns Brightergy raises regarding the C & I Custom Rebate program have merit, ordering the parties to continue negotiations or in the alternative to reject the Stipulation outright will only further delay the implementation of the Company’s MEEIA Cycle 2 programs creating additional uncertainty for customers, program partners, and the Company while reducing the potential markets for energy efficiency in Missouri in the short term and increasing the need for future capacity additions at greater expense to all the Company’s customers. DE is optimistic that the provision of the Stipulation providing for a collaborative process to address new, unserved, or underserved customer markets and identifying cost-effective energy and demand savings strategies for an additional 200 GWh of savings for consideration for program years 2017 and 2018 will encourage all parties including trade allies such as Brightergy to have constructive discussions about increasing the energy and demand savings targets for the Company’s MEEIA Cycle 2 programs consistent with the realistic achievable potential levels identified in the Company’s most recent market potential study and the minimum requirements in the MEEIA rules.

C. *Should the Commission approve the regulatory flexibility provisions in the Stipulation over the objection of Brightergy?*

Yes, While the concerns Brightergy raises regarding the regulatory flexibility provisions have merit, ordering the parties to continue negotiations or in the alternative to reject the

Stipulation outright will only further delay the implementation of the Company's MEEIA Cycle 2 programs creating additional uncertainty for customers, program partners, and the Company while reducing the potential markets for energy efficiency in Missouri in the short term and increasing the need for future capacity additions at greater expense to all the Company's customers. DE expects that the Company will not want to jeopardize the positive, good will it has built with customers, program partners, as well as local and state government officials in MEEIA Cycle 1, and the threat of endangering it will deter the Company from engaging in any gamesmanship of program rebates, and that the Company will only use the regulatory flexibility provision in the most dire of circumstances.

Respectfully submitted,

/s/ Alexander Antal

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#### **CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing have been emailed to the certified service list this 6th day of January, 2016.

/s/ Alexander Antal