

**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) **File No. EO-2015-0240**
Application for Authority to Establish a Demand-)
Side Programs Investment Mechanism)

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

**STAFF RECOMMENDATION FOR APPROVAL OF MODIFICATION TO
KANSAS CITY POWER & LIGHT COMPANY'S AND KCP&L GREATER MISSOURI
OPERATIONS COMPANY'S TECHNICAL RESOURCE MANUALS
AND PROGRAM DESIGN INCENTIVE RANGES**

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Recommendation* in this matter hereby states:

1. On August 28, 2015 Kansas City Power & Light Company (KCP&L) and KCP&L Greater Missouri Operations Company (GMO) filed applications to approve certain demand side programs, to establish demand side investment mechanisms (DSIM) and for variances to certain commission rules related to the Missouri Energy Efficiency Investment Act (MEEIA) otherwise known as MEEIA 2016-2018 or MEEIA II. The case was ultimately resolved through settlement and the Commission approved the second Non-Unanimous Stipulation and Agreement of the parties on April 6, 2016. Since that date KCP&L and GMO filed applications to modify their demand-side programs in 2017, which the Commission approved, and filed a Stipulation and Agreement Regarding a Cycle 2 Transition Plan which the Commission approved October 19, 2017.

On February 28, 2018 the companies filed applications for approval to modify their technical resource manual (TRM) and certain program design incentive ranges. The Commission approved the request on March 21, 2018.

2. The present matter filed on March 12, 2019, again involves KCP&L's and GMO's request to modify their TRM and certain program design incentive ranges. The companies ask the Commission to approve the modifications and permit them to take effect April 1, 2019. The request would modify the Commission approved TRM set out in the second Non-Unanimous Stipulation and Agreement and incorporate the results of the evaluation measurement and valuation (EM&V) study conducted for year 2017 of the MEEIA II cycle and submitted to the Commission in January 2019. The request also asks for Commission authorization to revise certain program measure incentive ranges.

3. Staff reviewed the proposed modifications to the TRM and the incentive ranges and recommends that the Commission approve the requests. Staff also recommends that it is proper to permit the modifications to go into effect on April 1, 2019, or as close to that date as possible.

WHEREFORE, Staff recommends that the Commission approve Kansas City Power & Light Company's and KCP&L Greater Missouri Operations Company's request to modify their technical resource manual and certain program incentive ranges; permit the modifications to go into effect on April 1, 2019, or as

close to that date as possible; and grant such other and further relief as the Commission considers just in the circumstances.

/s/ Whitney Payne

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 19th day of March, 2019, to all counsel of record.

/s/ Whitney Payne

MEMORANDUM

TO: Missouri Public Service Commission Official Case Files
File No. EO-2015-0240 Kansas City Power & Light Company
File No. EO-2015-0241 KCP&L Greater Missouri Operations Company

FROM: Brad J. Fortson, Utility Regulatory Manager

DATE: /s/ Natelle Dietrich 3/19/2019 /s/ Whitney Payne 3/19/2019
Commission Staff Division / Date Staff Counsel Department / Date

SUBJECT: Staff Recommendation For Approval of Modification to Kansas City Power & Light Company's and KCP&L Greater Missouri Operations Company's Technical Resource Manuals and Program Design Incentive Ranges

DATE: March 19, 2019

On March 12, 2019, Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company ("KCP&L" and "GMO"; collectively "Company") filed Company's *Application for Approval of Modification to Its Demand-Side Programs* ("Application") to be effective April 1, 2019. Included with the Company's Application was a revised Technical Resource Manual ("TRM") and revised Program Measure Incentive Ranges ("Incentive Ranges"). In its filing, however, the Company only requested Commission approval of the TRM. On March 13, 2019, the Commission ordered Staff to file a recommendation regarding the Application no later than March 20, 2019, in order for the Commission to take action as close to April 1, 2019, as possible, or a status report if additional time was needed for review. On March 14, 2019, KCP&L and GMO filed Company's *Response to Commission Order* ("Response") to clarify that the Incentive Ranges filed in its Application also need to be approved. In its Response, the Company also included an explanation for its request of approval of the Application by April 1, 2019.

The proposed modifications to the TRM are solely based on incorporating the Evaluation, Measurement, and Verification ("EM&V") results for the Company's MEEIA Cycle 2 program year 2017. The modifications to the TRM based on EM&V results primarily include updating energy and demand savings for existing measures. The proposed modifications implement suggestions and feedback from the Company's independent EM&V contractor¹ and have been

¹ Navigant Consulting, Inc.

reviewed by the Company's Implementation Team and the Company's MEEIA Cycle 2 program year 2017 contractors, concerning the following programs:

- Business Programmable Thermostat;
- Business Standard;
- Small Business Direct Install
- Residential Programmable Thermostat
- Home Lighting Rebate;
- Whole House Efficiency; and
- Income-Eligible Multi-Family.

The modifications to the TRM are intended to improve the accuracy of program measure savings based on final EM&V for MEEIA Cycle 2 program year 2017. The modifications to the Incentive Ranges are intended to allow for greater overall residential and business participation and/or improve cost effectiveness. KCP&L and GMO are not asking for any modification to their respective currently approved MEEIA Cycle 2 budgets or annual savings targets.

With the clarification in Company Response, approval of the Application will effectively modify Appendix 1² and Appendix 2³ of the Non-Unanimous Stipulation and Agreement filed on March 17, 2016, and approved on April 6, 2016.

The Commission's February 27, 2019, *Order Approving Stipulation and Agreement* in Case No. EO-2019-0132 allowed for the Company to extend MEEIA Cycle 2 for up to nine months, with a new end date of not later than December 31, 2019. The modified Appendix 1 (Incentive Ranges) and modified Appendix 2 (TRM) will be used during the MEEIA Cycle 2 extension.

² Program Design Incentive Ranges

³ Current List of DSM Measure Assumptions

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STAFF RECOMMENDATION

Staff has reviewed the modifications to the TRM and Incentive Ranges filed by the Company and recommends the Commission approve KCP&L and GMO's Application as filed on March 12, 2019, and clarified on March 14, 2019, in Company Response, to be effective on April 1, 2019, or as close to April 1 as possible.

Staff has verified that KCP&L and GMO are current on their annual report filings and are not delinquent on any assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

