

Presentation on DSM Arkansas PSC

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Outline

- Policy and process
- Where does the \$ come from; Where does it go?
- What are we doing at KPC&L
- Successes and challenges
- Things to think about

Starting up ... Policy and Process

- **Benefit Cost Model/software**
 - CA model-type
 - Integrated Resource Planning type
- **Process**
 - Program design
 - Implementation
 - Approval

Starting up ... Policy and Process

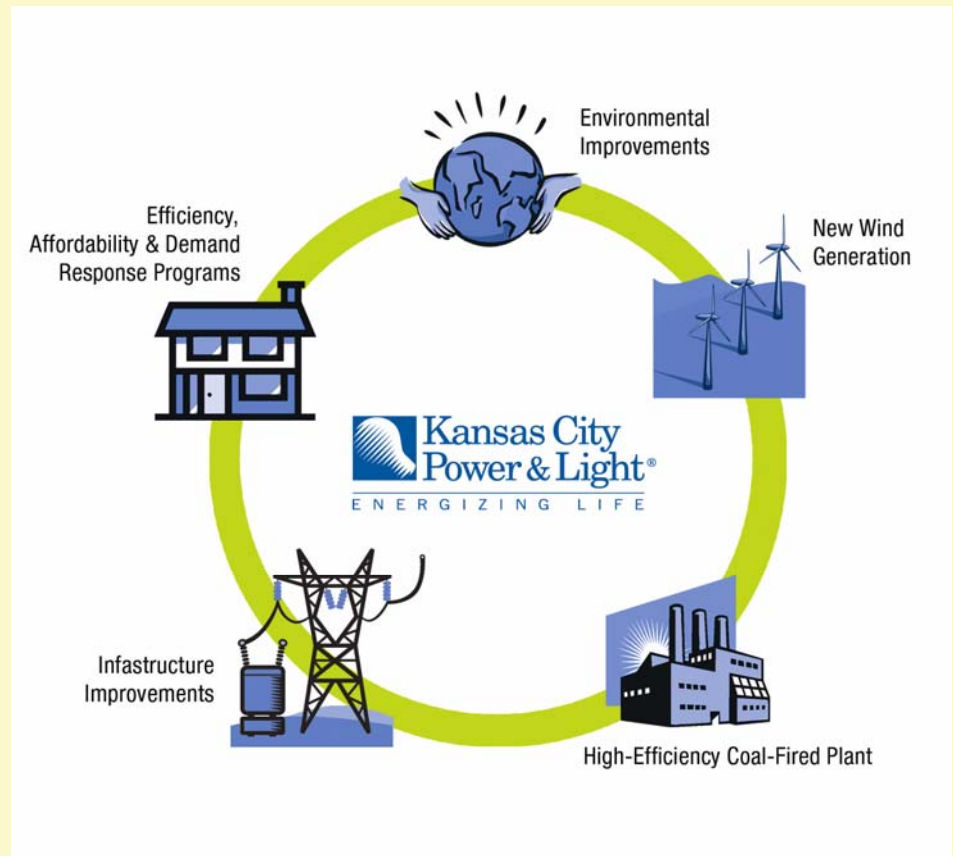
- Timeline for filing programs or ad hoc
- Budgets –
 - start up versus maintenance
 - 1, 2, 3 year cycles
- Cost recovery
 - Program cost recovery (expense or capital)
 - Lost margin recovery
 - Incentive for exceeding goals or ROI
 - Within or outside rate case process

Where does the money come from and where does it go?

- Should it be a public benefit fund with benefits state-wide?
 - Pros
 - Cons
- Should it be an IOU program for the IOU's customers?
 - Pros
 - Cons

What are we doing at KCP&L?

We are looking at energy efficiency, affordability and demand response as a supply-side option.



The goal is to have programs for customers in all markets

Program	Type	Aff	Res	Sm Com	Med C&I	Large C&I
Affordability						
• Affordable New Homes	Dir Imp	✓				
• Low Income Weatherization	Dir Imp	✓				
Energy Efficiency						
• Home Energy Analyzer	Educ		✓			
• Home Performance-Training	Educ		✓			
• Change a Light, Change the World	Dir Imp		✓			
• Cool Homes Program	Dir Imp		✓			
• Energy Star Homes	Dir Imp		✓			
• PAYS-type program	Dir Imp		✓			
• Business Energy Analyzer	Educ			✓	✓	✓
• C&I Audits	Educ			✓	✓	✓
• C&I Custom Rebates-Retrofit	Dir Imp			✓	✓	✓
• C&I Custom Rebates-New Const	Dir Imp			✓	✓	✓
• Bldg Operator Certification	Dir Imp				✓	✓
• Research	Research					
Demand Response						
• Energy Optimizer	Dmd Rsp		✓	✓		
• MPower	Dmd Rsp				✓	✓

Successes ...

- Buy-in at KCP&L executive level
- Advisory Group in MO
 - Flexibility and desire to learn together
 - Open, honest discussion
- Staggered roll-out
- Consultants with design/implementation experience
- M&V Partner from the beginning
- MO Market Assessment

Challenges

- Two states
 - Different perspectives, policies
 - Different approval times, different programs being approved
- Skilled personnel (or lack thereof)
- Lack of knowledge in market
- Low rates/non-extreme weather

Things to think about

- Audits w/Prescriptive rebates to up-market targeted programs
- Balance between informational and direct impact
- Balance between funders' autonomy versus recognition
- The more you do, the more it costs customers who are already having difficulty paying bills
- Take the time you need planning upfront
- Get near-consensus
- Codes and standards

Bang for the Buck

- Commercial Lighting
- Residential Cooling –
 - Installation quality
- New Construction – lost opportunity, difficult to break into
- Combine EE with DR (both demand and price response)

Thank you

- Thanks for inviting me and listening to me.
- I will be here later if we want to discuss more
- Feel free to contact me later:
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