



October 3, 2014

Mr. Jeff Derouen
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

Re: East Kentucky Power Cooperative, Inc. Section DSM-9 ENERGY STAR[®] Appliances Program (New)

Dear Mr. Derouen:

Please find enclosed for filing with the Commission, via the electronic tariff filing system, the above- referenced tariff.

East Kentucky Power Cooperative, Inc. ("EKPC") is expanding its Demand-Side Management ("DSM") program offerings by introducing the ENERGY STAR[®] appliance program, a common DSM rebate program offered by utilities across Kentucky and the United States that offers incentives to purchase applicable ENERGY STAR[®] appliances. The EKPC DSM Steering Committee ("the committee"), a committee of EKPC and owner-member cooperative ("owner-member") staff, has determined that the ENERGY STAR[®] appliance program is a worthwhile DSM program. Subsequently, the committee received approval from EKPC executive staff and owner-member CEOs to develop and fund said program pending Commission approval.

Please find attached the California Tests results and the program assumption sheet for the group of appliances as a whole. The Total Resource Cost (TRC) is 1.49 while the Rate Impact Measures (RIM) for EKPC is 0.80 and the owner-members is 1.0. Also attached are the assumption sheets for all seven (7) appliances for which a rebate will be offered. The California Test applies a measure of energy efficiency to each appliance and the collective measures for the group of seven appliances make up the resulting 1.49 TRC for the program as a whole. The EKPC RIM is lower than usual because of program design - the committee felt that consistency with the Louisville Gas and Electric Company and Kentucky Utilities Company ("LG&E-KU") program would provide simplicity to the customers across Kentucky and help lower public confusion about rebate levels, and recommended that the rebate levels for each applicable appliance type match the rebates offered by LG&E- KU. While the rebate levels that are designed to drive participation in the ENERGY STAR[®] appliances program are generous, they result in a lower RIM for EKPC.

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A Touchstone Energy Cooperative The logo for Touchstone Energy Cooperative, featuring a stylized sun or starburst design.

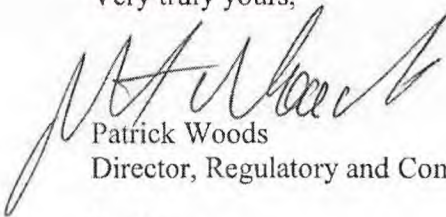
Mr. Jeff Derouen
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The tariff details the end-use cooperative member (“end-use member”) incentive (rebate) levels per ENERGY STAR[®] appliance type as well as the transfer payment to the owner-member to cover lost revenues. Also, attached for your reference, are the detailed program guidelines, which will be available on each participating owner-member’s website. As stated in the guidelines, the end-use member who wishes to apply for an ENERGY STAR[®] appliance rebate may do so by completing the rebate application that can be: 1) downloaded from their owner-member’s website, 2) filled-out through an online portal on their owner-member’s website, or 3) in person at their owner-member’s office. The appliance verification as a qualifying ENERGY STAR[®] appliance, the end-use member qualifications per the program guidelines, and the incentive (rebate) payment will be handled by a 3rd party contractor. EKPC issued an RFP for these services as part of the RFP issued for the Appliance Recycling Program (Section DSM – 8: Appliance Recycling Program), and the same contractor will provide services for both the Appliance Recycling Program and the ENERGY STAR[®] appliance program. The contractor’s associated costs are accurately reflected in the TRC and RIM calculations previously mentioned.

Pursuant to KRS 278.180 EKPC must give at least 30-days’ notice to the Commission. Therefore, the proposed effective date of this program will be November 3, 2014. Pursuant to 807 KAR 5:011, EKPC has posted the requisite notice at its office located at 4775 Lexington Road, Winchester, Kentucky and will post the requisite notice on its website, no later than five (5) business days from today’s date, which will include a hyperlink to the Commission’s website where the tariff can be found. EKPC has also given written notice to its 16 owner-members by mailing a copy of the notice and proposed tariff to each of them, on this date.

Please contact me if you have any questions.

Very truly yours,



Patrick Woods
Director, Regulatory and Compliance Services

Enclosures

Section DSM – 9
ENERGY STAR® Appliances Program

(N)

Purpose

The ENERGY STAR® Appliances Program offers an incentive (rebate) for reducing the energy consumed by household appliances. The end-use cooperative member (“end-use member”) may qualify for this incentive by purchasing an ENERGY STAR® qualifying appliance type listed in this tariff.

Availability

This program is available in all service territories of the owner-member cooperatives (“owner-members”) of EKPC.

Eligibility

This program is targeted to new single or multi-family homes, existing single or multi-family homes or manufactured homes purchasing ENERGY STAR® appliances. Eligibility requirements are detailed below and are available at each participating owner-member’s office and on the owner-member’s website.

- Product must be certified by EPA as an ENERGY STAR® Appliance. Eligible models can be found on www.ENERGYSTAR.GOV.
- Product must be purchased after November 3, 2014.
- Rebate application must be completed and original receipt or copy must be provided for verification.
- Receipt must include the following information:
 - Retailer’s Name
 - Itemized listing of product(s), including description(s), manufacturer(s), model number(s) or other identifying information. The receipt information must match the product information from the rebate application.
 - Purchase price and proof that full payment was made
 - Purchase date and date of delivery or installment (if installed by a contractor)
 - For new construction, an owner-member energy advisor (“energy advisor”) may enter the rebate application on behalf of the end-use member. For an application entered by the energy advisor, the application must be accompanied by a picture of the appliance model number and serial number. Rebate applications for new constructions, without a receipt, will only be accepted through an energy advisor.

DATE OF ISSUE October 3, 2014
Month / Date / Year

DATE EFFECTIVE Service Rendered on or after November 3, 2014
Month / Date / Year

ISSUED BY *Anthony S. Campbell*
(Signature of Officer)

TITLE President and Chief Executive Officer



Section DSM – 9 continued

(N)

Refrigerators & Freezers

- Refrigerators must be greater than 7.75 cubic feet in capacity.
- End-use members may apply for one ENERGY STAR® certified refrigerator and one ENERGY STAR® certified freezer rebate per calendar year per member metered account. A maximum of two rebates within this appliance category (Refrigerators and Freezers) will be allowed per metered account.

Dishwashers

- End-use members may apply for one ENERGY STAR® certified dishwasher rebate per premise/location calendar year. A maximum of two rebates within this appliance category (Dishwashers) will be allowed per premise/location.

Clothes Washers

- End-use members may apply for one ENERGY STAR® certified clothes washer rebate per calendar year per metered account. A maximum of two rebates within this appliance category (Clothes Washers) will be allowed per metered account.

Heat Pump Water Heaters

- End-use members may apply for two ENERGY STAR® certified heat pump water heater rebates per calendar year per premise/location. A maximum of four rebates within this appliance category (Heat Pump Water Heaters) will be allowed per premise/location.

Air Conditioners and Heat Pumps

- Rebate application must be completed, signed and returned with an original or copy of the receipt and the AHRI certificate obtained from the HVAC installer.
 - AHRI certificate must list model numbers for the condenser unit (outside unit) and evaporator coil (indoor unit).
- End-use members may apply for up to three ENERGY STAR® certified heat pump or air conditioner rebates per calendar year per premise/location. A maximum of six (6) rebates within this appliance category (Air Conditioners and Heat Pumps) will be allowed per premise/location.

Landlord/Tenant Relationships:

Notwithstanding the forgoing, a landlord who rents to a tenant who is an end-use member of an EKPC owner-member shall also be eligible to participate in the ESAP program regardless of whether said landlord is also an end-use member of an EKPC owner-member. A landlord may be eligible for the same number of incentives per calendar year as a metered tenant end-use member.

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ISSUED BY *Anthony S. Campbell*
(Signature of Officer)

TITLE President and Chief Executive Officer



Section DSM – 9 continued

(N)

Payments

Residential end-use members will receive an incentive from their owner-member for installing ENERGY STAR® certified appliances, while owner-members will receive a transfer payment from EKPC to cover the rebate to end-use members and any lost revenue as a result of implementing the program:

Appliance	Rebate to End-Use Member	EKPC Payment to Owner-Member
Refrigerator	\$100	\$130.00
Freezer	\$50	\$75.00
Dishwasher	\$50	\$75.00
Clothes Washer	\$75	\$145.00
Heat Pump Water Heater	\$300	\$860.00
Air Source Heat Pump	\$300	\$850.00
Air Conditioner (Central)	\$300	\$570.00

Term

The program is an ongoing program.

DATE OF ISSUE October 3, 2014
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ISSUED BY *Anthony S. Caspell*
 (Signature of Officer)

TITLE President and Chief Executive Officer

For Tariff Filing 2014

ENERGY STAR Refrigerator Rebate Program
 Aug-14 *matches KU rebate; includes advertising costs; incorporates contractor pricing*

<u>Assumption</u>	<u>Source</u>
Load Impacts Before Participant 600 kWh, 0.057 kW (coincident with winter system peak), 0.087 kW (summer)	New refrigerator meeting current Federal standards for efficiency
After Participant 500 kWh, 0.047 kW (coincident with winter system peak), 0.072 kW (summer)	New ENERGY STAR Refrigerator. Source: ENERGY STAR
Lifetime of savings 12 years	Source: ENERGY STAR
Generation Capacity Cost - EE = combined cycle, 100% summer \$119.00 in 2013 Avoided Electricity Energy Costs - PJM Market	Combined Cycle Baseload unit. 100% allocation to summer based on ACES July 1 2014 energy forward curve for AEP_Dayton. DSMore Scenario 1, 0.717 esc in 2015
Participant Costs \$ 40 one time;	Incremental cost for the more efficient ENERGY STAR model. Source: ENERGY STAR
Administrative Cost EK \$750 one time set up fee, \$13,750 fixed annual (2015-2017), \$10 per new participant Co-op \$0	Fixed annual cost includes advertising costs (\$7,000 per year), other marketing and EM&V (\$5,000), and monthly admin fee to contractor (\$1,750 per year). Per unit fee of \$10 is paid to contractor for servicing the rebate application. Contractor fees are pro-rated evenly across all the appliances in the Energy Star Appliance Rebate program. Co-op is not responsible for providing services to administer this program.
Rate Schedule - Retail Average Residential Rate for Co-ops Cust chrg \$9.62, Energy Rate \$.08966 Rate Schedule - Wholesale East Kentucky E-2 rate.	Current rates in effect as of June, 2011. Current rates in effect as of June, 2011.
Participation - 2,500 per year, 3 years (2015-2017). 10% Free Riders	Share increase of 20% in target market assuming multiplier effect of 2:1 (although free drivers not modelled). Free rider estimate is from California PUC Energy Efficiency Policy Manual.
Rebates Co-op to Participant \$100 EK to Co-op \$115	To match the LG&E/KU rebate (see tariff, DSM Adjustment Clause) 100% of Admin and Rebate plus 6 years net lost revenues

For Tariff Filing 2014

ENERGY STAR Freezer Rebate Program
 Aug-14 *matches KU rebate; includes advertising costs; incorporates contractor pricing*

<u>Assumption</u>	<u>Source</u>
Load Impacts Before Participant 673 kWh, 0.055 kW (coincident with winter system peak), 0.109 kW (summer)	New upright automatic defrost freezer meeting current Federal standards for efficiency. Source: ENERGY STAR
After Participant 606 kWh, 0.049 kW (coincident with winter system peak), 0.098 kW (summer)	
Lifetime of savings 12 years	Source: ENERGY STAR
Generation Capacity Cost - EE = combined cycle, 100% summer \$119.00 in 2013 Avoided Electricity Energy Costs - PJM Market	Combined Cycle Baseload unit. 100% allocation to summer based on ACES July 1 2014 energy forward curve for AEP_Dayton. DSMore Scenario 1, 0.717 esc in 2015
Participant Costs \$ 33 one time	Incremental cost for the more efficient ENERGY STAR model. Source: ENERGY STAR
Administrative Cost EK \$750 one time set up fee, \$13,750 fixed annual (2015-2017), \$10 per new participant Co-op \$0	Fixed annual cost includes advertising costs (\$7,000 per year), other marketing and EM&V (\$5,000), and monthly admin fee to contractor (\$1,750 per year). Per unit fee of \$10 is paid to contractor for servicing the rebate application. Contractor fees are pro-rated evenly across all the appliances in the Energy Star Appliance Rebate program. Co-op is not responsible for providing services to administer this program.
Rate Schedule - Retail Average Residential Rate for Co-ops Cust chrg \$9.62, Energy Rate \$.08966 Rate Schedule - Wholesale East Kentucky E-2 rate.	Current rates in effect as of June, 2011. Current rates in effect as of June, 2011.
Participation - 1,500 per year, 3 years (2015-2017). 10% Free Riders	Share increase of 20% in target market assuming multiplier effect of 2:1 (although free drivers not modelled). Free rider estimate is from California PUC Energy Efficiency Policy Manual.
Rebates Co-op to Participant \$50 EK to Co-op \$60	To match the LG&E/KU rebate (see tariff, DSM Adjustment Clause) 100% of Rebate plus 6 years net lost revenues

For Tariff Filing 2014

ENERGY STAR Dish Washer Rebate Program
 Aug-14 *matches KU rebate; includes advertising costs; incorporates contractor pricing*

<u>Assumption</u>	<u>Source</u>
Load Impacts Before Participant 343 kWh, 0.06 kW (coincident with winter system peak), 0.0.03 kW (summer)	Typical electricity consumption for dishwasher and electric water heating for dish washing. Electricity savings from ENERGY STAR Clothes washers come from lower water heating and dish washing energy.
After Participant 264 kWh, 0.05 kW (coincident with winter system peak), 0.02 kW (summer)	ENERGY STAR dish washers save on average 44 kWh on water heating and 35 kWh on dish washing each year.
Lifetime of savings 10 years	Source: ENERGY STAR
Generation Capacity Cost - EE = combined cycle, 100% summer \$119.00 in 2013 Avoided Electricity Energy Costs - PJM Market	Combined Cycle Baseload unit. 100% allocation to summer based on ACES July 1 2014 energy forward curve for AEP_Dayton. DSMore Scenario 1, 0.717 esc in 2015
Participant Costs \$ 10 one time; \$-5 per year O&M cost (savings)	Difference between retail price of an ENERGY STAR dishwasher and a new standard efficiency washer. Source: ENERGY STAR. The negative \$5 per year O&M cost represents <u>savings</u> in water and sewer costs by using less water. Source: ENERGY STAR
Administrative Cost EK \$750 one time set up fee, \$13,750 fixed annual (2015-2017), \$10 per new participant Co-op \$0	Fixed annual cost includes advertising costs (\$7,000 per year), other marketing and EM&V (\$5,000) , and monthly admin fee to contractor (\$1,750 per year) . Per unit fee of \$10 is paid to contractor for servicing the rebate application. Contractor fees are pro-rated evenly across all the appliances in the Energy Star Appliance Rebate program. Co-op is not responsible for providing services to administer this program.
Rate Schedule - Retail Average Residential Rate for Co-ops Cust chrg \$9.62, Energy Rate \$.08966 Rate Schedule - Wholesale East Kentucky E-2 rate.	Current rates in effect as of June, 2011. Current rates in effect as of June, 2011.
Participation - 2,400 per year, 3 years. (2014-2016) . 10% Free Riders	Share increase of 20% in target market assuming multiplier effect of 2:1 (although free drivers not modelled). Free Riders based on LG&E/KU.
Rebates Co-op to Participant \$50 EK to Co-op \$60	To match the LG&E/KU rebate (see tariff, DSM Adjustment Clause) 100% of Rebate plus 5 years net lost revenues

For Tariff Filing 2014

ENERGY STAR Clothes Washer Rebate Program = "CLWSHR_R"
 Aug-14 *matches KU rebate; includes advertising costs; incorporates contractor pricing*

<u>Assumption</u>	<u>Source</u>
Load Impacts Before Participant 3,400 kWh, 0.73 kW (coincident with winter system peak), 0.31 kW (summer)	Typical electric water heater with typical electric dryer. Electricity savings from ENERGY STAR Clothes washers come from lower water heating and clothes drying energy.
After Participant 3,050 kWh, 0.66 kW (coincident with winter system peak), 0.28 kW (summer)	
Lifetime of savings 12 years	Source: Northeast Energy Efficiency Partnership (NEEP) planning document (Sept 2004).
Generation Capacity Cost - EE = combined cycle, 100% summer \$119.00 in 2015 Avoided Electricity Energy Costs - PJM Market	Combined Cycle Baseload unit. 100% allocation to summer based on ACES July 1 2014 energy forward curve for AEP_Dayton. DSMore Scenario 1, 0.717 esc in 2015
Participant Costs \$260 one time; \$-20 per year O&M cost (savings)	Difference between retail price of an ENERGY STAR clothes washer and a new standard efficiency washer. Source: NEEP (2004), ENERGY STAR (2011). The negative \$20 per year O&M cost represents <u>savings</u> in water and sewer costs by using less water.. Verified with more recent reports.
Administrative Cost EK \$750 one time set up fee, \$13,750 fixed annual (2015-2017), \$10 per new participant Co-op \$0	Fixed annual cost includes advertising costs (\$7,000 per year), other marketing and EM&V (\$5,000), and monthly admin fee to contractor (\$1,750 per year). Per unit fee of \$10 is paid to contractor for servicing the rebate application. Contractor fees are pro-rated evenly across all the appliances in the Energy Star Appliance Rebate program. Co-op is not responsible for providing services to administer this program.
Rate Schedule - Retail Average Residential Rate for Co-ops Cust chrg \$9.62, Energy Rate \$.08966 Rate Schedule - Wholesale East Kentucky E-2 rate.	Current rates in effect as of June, 2011.
Participation - 2,225 per year, 3 years (2015-2017), 10% Free Riders	Share increase of 20% in target market assuming multiplier effect of 2:1 (although free drivers not modelled). Free Riders based on LG&E/KU.
Rebates Co-op to Participant \$75 EK to Co-op \$130	To match the LG&E/KU rebate (see tariff, DSM Adjustment Clause) 100% of Rebate plus 6 years net lost revenues

For Tariff Filing 2014

Heat Pump Water Heater

Aug-14 **matches KU rebate; includes advertising costs; incorporates contractor pricing**

Heat pump water heaters use a vapor compression refrigeration cycle to concentrate ambient heat instead of generating heat directly. Therefore, they can be two to three times more energy efficient than conventional electric resistance water heaters.

<u>Assumption</u>	<u>Source</u>
Load Impacts Before Participant 3,600 kWh, 0.84 kW (coincident with winter peak), 0.32 kW (summer)	Typical efficiency (EF=0.90) new electric hot water heater, 50 or more gallons
After Participant 1,400 kWh, 0.33 kW (coincident with winter system peak), 0.12 kW (summer)	ENERGY STAR rated integrated heat pump water heater (EF=2.35), tank size of at least 50 gallons
Lifetime of savings	13 Years (Lawrence Berkeley Lab, ACEEE)
Generation Capacity Cost - EE = combined cycle, 100% summer \$119.00 in 2013 Avoided Electricity Energy Costs - PJM Market	Combined Cycle Baseload unit. 100% allocation to summer based on ACES July 1 2014 energy forward curve for AEP_Dayton. DSMore Scenario 1, 0.717 esc in 2015
Participant Costs \$ 1,105 thru 2016, \$1,405 2017 on. 3% escalation	Cost premium associated with the installed cost of the heat pump water heater over and above the installed cost of a new conventional electric water heater. 30% Federal Tax credit is included through 2016. Total installed cost for HPWH is \$2,000. Installed cost of conventional electric water heater is \$595. Federal tax credit is \$ 300.
Administrative Cost EK \$750 one time set up fee, \$13,750 fixed annual (2015-2017), \$10 per new participant Co-op \$0	Fixed annual cost includes advertising costs (\$7,000 per year), other marketing and EM&V (\$5,000) , and monthly admin fee to contractor (\$1,750 per year) . Per unit fee of \$10 is paid to contractor for servicing the rebate application. Contractor fees are pro-rated evenly across all the appliances in the Energy Star Appliance Rebate program. Co-op is not responsible for providing services to administer this program.
Rate Schedule - Retail Average Residential Rate for Co-ops Cust chrg \$9.62, Energy Rate \$.08966 Rate Schedule - Wholesale East Kentucky E-2 rate.	Current rates in effect as of June, 2011. Current rates in effect as of June, 2011.
Participation - 725 new per year, 3 years (2015-2017). 0% free riders.	Goal of 10% of applicable market, which is the replacement market for single family homes that currently have an electric hot water heater that is 50 gallons or larger.
Rebates Co-op to Participant \$ 300 EK to Co-op \$ 685	To match the LG&E/KU rebate (see tariff, DSM Adjustment Clause) Covers 100% of coop admin cost, rebate, plus 7 years estimated net lost revenues.

For Tariff Filing 2014

ASHP standard replacement to SEER 15
 Aug-14 **matches KU rebate; includes advertising costs; incorporates contractor pricing**
 Encourages customers to upgrade their replacement air source heat pump from standard SEER 13 to high efficient SEER 15 heat pumps

<u>Assumption</u>	<u>Source</u>
Load Impacts Before Participant 7,669 kWh, 8.1 kW (coincident with winter peak), 2.1 kW (summer)	Standard efficiency heat pump: SEER 13, HSPF 7.7 1,700 square foot home, 3 ton unit
After Participant 6,865 kWh, 8.1 kW (coincident with winter system peak), 1.8 kW (summer)	High efficiency heat pump: SEER 15, HSPF 8.5. 1,700 square foot home, 3 ton unit
Lifetime of savings	20 years
Generation Capacity Cost - EE = combined cycle, 100% summer \$119.00 in 2013 Avoided Electricity Energy Costs - PJM Market	Combined Cycle Baseload unit. 100% allocation to summer based on ACES July 1 2014 energy forward curve for AEP_Dayton. DSMore Scenario 1, 0.717 esc in 2015
Participant Costs \$ 750 thru 2015; \$1,000 for 2016 on. 3% escalation	Cost premium (\$1,000) associated with SEER 15 heat pump over and above the installed cost of a SEER 13 heat pump. \$250 Kentucky tax credit is included through 2015. Cost premium based on Energy Star data.
Administrative Cost EK \$750 one time set up fee, \$21,750 fixed annual (2015-2017), \$10 per new participant Co-op \$0	Fixed annual cost includes advertising costs, marketing and EM&V (\$20,000 per year), and monthly admin fee to contractor (\$1,750 per year) . Per unit fee of \$10 is paid to contractor for servicing the rebate application. Contractor fees are pro-rated evenly across all the appliances in the Energy Star Appliance Rebate program. Co-op is not responsible for providing services to administer this program.
Rate Schedule - Retail Average Residential Rate for Co-ops Cust chrg \$9.62, Energy Rate \$.08966 Rate Schedule - Wholesale East Kentucky E-2 rate.	Current rates in effect as of June, 2011. Current rates in effect as of June, 2011.
Participation - 2,000 new per year, 3 years (2015-2017). 0% free riders.	targets 20% of the eligible market = residential customers replacing their air source heat pump at the end of its useful life
Rebates Co-op to Participant \$ 300 EK to Co-op \$ 675	To match the LG&E/KU rebate (see tariff, DSM Adjustment Clause). \$100 plus \$100 more per SEER improvement above the Federal standard Covers 100% of coop admin cost, rebate, plus 5 years estimated net lost revenues.

For Tariff Filing 2014

ENERGY STAR Residential Central Air Conditioning program w/ proper sizing & installation
 Aug-14 *matches KU rebate; includes advertising costs; incorporates contractor pricing*

<u>Assumption</u>	<u>Source</u>
<p>Load Impacts Before Participant 2,092 kWh, 2.07 kW (coinc. with summer system peak)</p> <p>After Participant 1,563 kWh, 1.55 kW (coinc. with summer system peak).</p>	<p>Standard efficiency new Central air conditioner (SEER 13)</p> <p>High efficiency new Central Air Conditioner (SEER 15), proper sizing and installation. Savings from SEER 15 are 279 kWh. Savings from proper sizing/installation are 250 kWh.</p>
<p>Lifetime of savings</p> <p>Generation Capacity Cost - EE = combined cycle, 100% summer \$119.00 in 2013</p> <p>Avoided Electricity Energy Costs - PJM Market</p>	<p>15 Years</p> <p>Combined Cycle Baseload unit. 100% allocation to summer based on ACES July 1 2014 energy forward curve for AEP_Dayton. DSMore Scenario 1, 0.717 esc in 2015</p>
<p>Participant Costs \$ 300 through 2015, then \$550. 3% escalation</p>	<p>Difference in installed cost (\$550) between SEER 13 Central AC and SEER 15 CAC - based on ENERGY STAR . Less the \$250 KY tax credit thru 2015.</p>
<p>Administrative Cost</p> <p>EK \$750 one time set up fee, \$13,750 fixed annual (2015-2017), \$10 per new participant</p> <p>Co-op \$0</p>	<p>Fixed annual cost includes advertising costs (\$7,000 per year), other marketing and EM&V (\$5,000), and monthly admin fee to contractor (\$1,750 per year). Per unit fee of \$10 is paid to contractor for servicing the rebate application. Contractor fees are pro-rated evenly across all the appliances in the Energy Star Appliance Rebate program.</p> <p>Co-op is not responsible for providing services to administer this program.</p>
<p>Rate Schedule - Retail Average Residential Rate for Co-ops Cust chrg \$9.62, Energy Rate \$.08966</p> <p>Rate Schedule - Wholesale East Kentucky E-2 rate.</p>	<p>Current rates in effect as of June, 2011.</p> <p>Current rates in effect as of June, 2011.</p>
<p>Participation - 2,600 per year, 3 years (2015 -2017), 10% free riders</p>	<p>targets 25% of the replacement market each year. Assumes 15 year life so approx 7% of existing households with CAC represent replacement market annually. Free Riders from Xcel DSM plan (2009).</p>
<p>Rebates</p> <p>Co-op to Participant \$300 EK to Co-op \$400</p>	<p>\$300 to match KU rebate (\$100 plus \$100 per 1 SEER improvement), (see tariff, DSM Adjustment Clause).</p> <p>100% reimbursement of rebate plus 7 years net lost revenues.</p>

Agg all ENERGY STAR Appliances rebate program- for 2014 Tariff Filing; includes actual pricing from contractor; PJM avoided energy costs; avoided CC capacity costs

Distribution System Benefits		Distribution System Costs	
Power Bill Declines	\$ 12,774,893	Revenue Declines	(\$17,198,401)
Rebates From EK	\$10,731,588	Administrative Costs	\$0
		Rebates Paid To Consumers	(\$6,412,685)
Total Benefits	\$23,506,481	Total Costs	(\$23,611,086)
Benefit / Cost Ratio: 1.00			

Participant Benefits		Participant Costs	
Electric Bill Declines	\$11,533,273	Up Front Investment	(\$12,162,775)
Rebates From Distribution System	\$ 6,058,868		
Reductions in O&M costs	\$874,427		
Total Benefits	\$18,466,568	Total Costs	(\$12,162,775)
Benefit / Cost Ratio: 1.52			

Total Resource Benefits		Total Resource Costs	
Avoided Energy Costs	\$9,672,875	Up Front Customer Investment	(\$12,948,580)
Avoided Gen Capacity Costs	\$8,598,489	Distribution System Admin. Costs	\$0
Avoided Transmission Expense	\$1,130,709	EK Administrative Costs	(\$692,778)
Reduced Customer O&M costs	\$874,427		
Total Benefits	\$20,276,501	Total Costs	(\$13,641,358)
Benefit / Cost Ratio: 1.49			

EK Benefits		EK Costs	
Avoided Energy Costs	\$9,672,875	Decrease In Revenue	(\$12,774,893)
Avoided Gen Capacity Costs	\$8,598,489	Rebates Paid	(\$10,882,188)
Avoided Transmission Expense	\$1,130,709	Administrative Costs	(\$702,231)
Total Benefits	\$19,402,074	Total Costs	(\$24,359,312)
Benefit / Cost Ratio: 0.80			

Societal Benefits		Societal Costs	
Avoided Energy Costs	\$10,802,794	Up Front Customer Investment	(\$12,621,273)
Avoided Gen Capacity Costs	\$9,617,246	Distribution System Admin. Costs	\$0
Avoided Transmission Expense	\$1,263,808	EK Administrative Costs	(\$702,231)
Environmental Externalities	\$0		
Reduced Customer O&M costs	\$ 874,427		
Total Benefits	\$22,558,275	Total Costs	(\$13,323,504)
Benefit / Cost Ratio: 1.69			

Combined RIM:
Benefits: \$19,402,074 Costs: (\$24,313,318)

Benefit / Cost Ratio: 0.80

ENERGY STAR® APPLIANCES PROGRAM GUIDELINES

PROGRAM DESCRIPTION:

East Kentucky Power Cooperative's ("EKPC") Energy Star Appliance Program ("ESAP") provides an incentive to end-use cooperative members ("end-use members") to purchase and install ENERGY STAR® certified appliances.

AVAILABILITY:

This program is available in all service territories of the owner-member cooperatives ("owner-members") of EKPC.

PAYMENTS:

Residential end-use members will receive an incentive from their owner-member for installing ENERGY STAR® certified appliances, while owner-members will receive a transfer payment from EKPC to cover the rebate to end-use members and any lost revenue as a result of implementing the program:

Appliance	Rebate to End-Use Member	EKPC Payment to Owner-Member
Refrigerator	\$100	\$130.00
Freezer	\$50	\$75.00
Dishwasher	\$50	\$75.00
Clothes Washer	\$75	\$145.00
Heat Pump Water Heater	\$300	\$860.00
Air Source Heat Pump	\$300	\$850.00
Air Conditioner (Central)	\$300	\$570.00

ELIGIBILITY:

Residential end-use members may receive an incentive for appliances that meet the following guidelines:

- Product must be certified by EPA as an ENERGY STAR® Appliance. Eligible models can be found on www.ENERGYSTAR.GOV.
- Product must be purchased after November 3, 2014.
- Rebate application must be completed and original receipt or copy must be provided for verification.
- Receipt must include the following information:
 - Retailer's Name
 - Itemized listing of product(s), including description(s), manufacturer(s), model number(s) or other identifying information. The receipt information must match the product information from the rebate application.
 - Purchase price and proof that full payment was made
 - Purchase date and date of delivery or installment (if installed by a contractor)
 - For new construction, an owner-member energy advisor ("energy advisor") may enter the rebate application on behalf of the end-use member. For an application entered by the energy advisor, the application must be accompanied by a picture of the appliance model number and serial number. Rebate applications for new constructions, without a receipt, will only be accepted through an energy advisor.

Refrigerators & Freezers

- Refrigerators must be greater than 7.75 cubic feet in capacity.
- End-use members may apply for one ENERGY STAR® certified refrigerator and one ENERGY STAR® certified freezer rebate per calendar year per member metered account. A maximum of two rebates within this appliance category (Refrigerators and Freezers) will be allowed per metered account.

Dishwashers

- End-use members may apply for one ENERGY STAR® certified dishwasher rebate per premise/location per calendar year. A maximum of two rebates within this appliance category (Dishwashers) will be allowed per premise/location.

Clothes Washers

- End-use members may apply for one ENERGY STAR® certified clothes washer rebate per calendar year per metered account. A maximum of two rebates within this appliance category (Clothes Washer) will be allowed per metered account.

Heat Pump Water Heaters

- End-use members may apply for two ENERGY STAR® certified heat pump water heater rebates per calendar year per premise/location. A maximum of four rebates within this appliance category (Heat Pump Water Heaters) will be allowed per premise/location.

Air Conditioners and Heat Pumps

- Rebate application must be completed, signed and returned with an original or copy of the receipt and the AHRI certificate obtained from the HVAC installer.
 - AHRI certificate must list model numbers for the condenser unit (outside unit) and evaporator coil (indoor unit).
- End-use members may apply for up to three ENERGY STAR® certified heat pump or air conditioner rebates per calendar year per premise/location. A maximum of six rebates within this appliance category (Air Conditioners and Heat Pumps) will be allowed per premise/location.

LANDLORD/TENANT RELATIONSHIPS:

Notwithstanding the forgoing, a landlord who rents to a tenant who is an end-use member of an EKPC owner-member shall also be eligible to participate in the ESAP program regardless of whether said landlord is also an end-use member of an EKPC owner-member. A landlord may be eligible for the same number of incentives per calendar year as a metered tenant end-use member.

METHODS OF APPLICATION:

1.) Web Application

An end-use member portal – Energy Efficiency Collaborative Platform (EECP) - will be established through EKPC's DSM tracking program –and personalized to each owner-member's logo/branding. Each owner-member will maintain a link on their home web page that directs the end-use member to the EECP appliance portal.

2.) Paper Application

End-use members may download an application from the owner-member website or pick up an application at the owner-member office.

CONTRACTOR ROLES AND RESPONSIBILITIES:

The contractor will provide the facilities, resources, and personnel to administer appliance verification for the ESAP program. Contractor delivery of ESAP services includes the following main areas:

- Interfacing with EECP, database management, and reporting
- Incentive processing and payment distribution
- Program Reporting

Interfacing with EECP, database management, and reporting

Contractor will be established as a trade ally in EECP.

- 1) Contractor will utilize EECP to verify end-use member eligibility once a rebate request has been received.
- 2) Contractor will interface with EECP to provide follow-up data on completed rebates.
- 3) Contractor will enter phone applications directly into EECP end-use member portal.

Incentive processing and payment distribution

- 1) Contractor will be responsible for issuing checks for all rebate applications regardless of the method of which they were received.
- 2) Contractor checks must be branded with the corresponding owner-member cooperative logo and mailed to the address for the participating end-use member.
- 3) Contractor will notify EKPC of payment through EECP.
- 4) Contractor will fulfill incentive payments within four (4) weeks of application for appliance rebates.

Program Reporting

The Contractor is expected to keep EKPC informed of the Program's progress. This communication is expected to be both informal (i.e., phone calls and e-mails), and through formal reporting.

QUALITY ASSURANCE:

- EECP appliance portal will cross reference all applications received to ensure duplicate applications do not exist.
- Contractor will perform a quality assurance check of each receipt submitted for:
 - Model and Serial #'s on receipt match #'s submitted on the web page
 - Each appliance will be verified as an ENERGY STAR® Appliance through www.energystar.gov's online directory of qualifying appliances.

TERM:

The ESAP is an ongoing program.