



LICKING VALLEY
RURAL ELECTRIC COOPERATIVE CORPORATION
P. O. Box 605 • 271 Main Street
West Liberty, KY 41472-0605
(606) 743-3179



KERRY K. HOWARD
General Manager/CEO

RECEIVED

MAR 18 2019

**PUBLIC SERVICE
COMMISSION**

March 11, 2019

Ms. Gwen Pinson
Executive Director
Kentucky Public Service Commission
PO Box 615
Frankfort KY 40602-0615

RE: Case No. 2019-00060

Dear Ms. Pinson:

Enclosed are Licking Valley RECC's proposed tariff sheets setting forth revisions to Demand-side Management (DSM) programs for filing in the above referenced case to the PSC order dated February 27, 2019. This filing reflects the discontinued programs as approved in the above referenced case and revised tariffs for the new and revised DSM programs reflecting that they become effective March 2, 2019, subject to change prospectively.

Also enclosed is the PSC electronic filing confirmation in the above-referenced case.

Kerry K. Howard is witness to all responses.

If you need any additional information, please contact me at your convenience.

Sincerely

Kerry K. Howard
General Manager/CEO
kkhoward@lvrecc.com
Fax-606-743-7775

Enclosures

Index

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MAR 18 2019

**PUBLIC SERVICE
COMMISSION**

Revision to the following DSM programs:

- Exhibit 1: Touchstone Energy Home**
- Exhibit 2: Direct Load Control Program – Residential**
- Exhibit 3: Direct Load Control Program – Commercial**
- Exhibit 4: Button-Up Weatherization Program**
- Exhibit 5: Heat Pump Retrofit Program**

Discontinue the following DSM programs:

- Exhibit 6: DSM-5, Commercial & Industrial Advanced Lighting Program**
- Exhibit 7: DSM-6, Industrial Compressed Air Program**
- Exhibit 8: DSM-9, HVAC Duct Sealing Program**
- Exhibit 9: Schedule ARP, Appliance Recycling Program**
- Exhibit 10: Schedule ESAP, ENERGY STAR Appliance Program**

DSM
Touchstone Energy Home

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Purpose

In an effort to improve new residential home energy performance, Licking Valley Rural Electric Cooperative Corporation (Licking Valley RECC) has designed the Touchstone Energy Home Program. This program provides guidance during the building process to guarantee a home that is $\geq 25\text{-}30\%$ more efficient than the Kentucky standard built home. The standard built new home in rural Kentucky typically receives a 105 on the Home Energy Rating System ("HERS") Index.

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Availability

This program is available to residential members served by Licking Valley RECC.

Eligibility

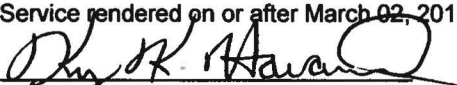
To qualify as a Touchstone Energy Home under Licking Valley RECC program, the participating single-family home must be located in the service territory of Licking Valley RECC and must meet the program guidelines following one of the two available paths of approval. Multi-family dwellings pre-approved by East Kentucky Power Cooperative, Inc. may be eligible.

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Prescriptive Path:

- Home must meet each efficiency value as prescribed by Licking Valley RECC.
- Home must receive pre-drywall inspection and complete Licking Valley RECC's pre-drywall checklist (contact the Energy Advisor at Licking Valley RECC for a copy of the checklist).
- Home must receive a final inspection, pass a whole house air leakage test and duct leakage test.
- Primary source of heat must be an Air Source Heat Pump \geq current ENERGY STAR[®] specification for Seasonal Energy Efficiency Ratio "SEER" and Heating Season Performance Factor "HSPF" or Geothermal.
- Water Heater must be an electric storage tank water heater that is \geq current Energy and Water conservation standards established by the Federal Department of Energy "DOE".

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DATE EFFECTIVE: Service rendered on or after March 02, 2019
ISSUED BY: 
Kerry K. Howard
General Manager/CEO
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2019-00060 DATED FEBRUARY 27, 2019

DSM (continued)

Touchstone Energy Home

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Performance Path:

- Home must receive a HERS Index score of ≤ 75 (At least 30% more efficient than the KY standard built home).
- Home must receive pre-drywall inspection and complete Licking Valley RECC's pre-drywall checklist. (contact the Energy Advisor at Licking Valley RECC for a copy of the checklist)
- Home must receive a final inspection, pass a whole house air leakage test, and duct leakage test.
- Primary source of heat must be an Air Source Heat Pump \geq current Energy and Water conservation standard established by the Federal DOE or Geothermal.
- Home must pass current energy code requirements established in the KY Residential Code.
- Water Heater must be an electric storage tank water heater that is \geq current Energy and Water conservation standard established by the Federal DOE.

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Incentive

Licking Valley RECC will provide an incentive of \$750 to residential members that build their new home to meet the requirements of either the Prescriptive or Performance Paths as listed above.

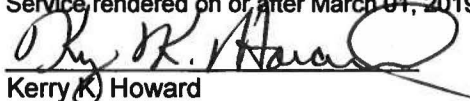
Term

The program is an ongoing program.

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Kerry R. Howard
General Manager/CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2019-00060 DATED FEBRUARY 27, 2019

DSM

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Direct Load Control Program – Residential

Purpose

The Direct Load Control Program will encourage the reduction in growth of peak demand, enabling Licking Valley Rural Electric Cooperative Corporation (Licking Valley RECC) to utilize its system more efficiently, manage market purchases, and defer the construction of new generation.

Availability

The Direct Load Control Program is available to residential members in the service territories of Licking Valley RECC and will include the control of existing water heaters, existing and new air conditioners and heat pumps.

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Availability may be denied where, in the judgment of Licking Valley RECC, installation of the load control equipment is impractical.

Eligibility

To qualify for this program, the *new* participant must be located in the service territory of Licking Valley RECC and have:

- Central air conditioning or heat pump units with single stage compressors.

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The above appliances may be electrically cycled or interrupted in accordance with the rules of this Tariff.

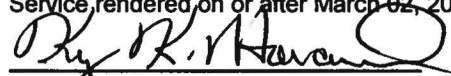
The participant may either own or rent the residence where the qualifying appliances are located. The residence may be either a single-family structure or a multi-family apartment facility.

The participant is responsible for obtaining the permission of the owner of the rented residence to participate in the load control program. Licking Valley RECC may require that a rental property agreement be executed between Licking Valley RECC and the owner of the rented residence.

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ISSUED BY:


Kerry Howard
General Manager/CEO

DSM - Direct Load Control Program – Residential (continued)

Program Incentives

Licking Valley RECC will provide an incentive to the participants in this program for the following appliances:

Water Heaters: Licking Valley RECC will provide the existing participating residential member \$10.00 per water heater annually or provide the incentive via other payment means including, but not limited to, a check. The existing participant will receive this credit regardless of whether the water heater is actually controlled.

Air Conditioners and Heat Pumps: Licking Valley RECC will provide an incentive to the participants in this program. The participant may select one of three alternatives. The participant will receive one of these incentives regardless of whether the air conditioner or heat pump is actually controlled during any program month.

Alternative One: For each direct load control switch Licking Valley RECC will provide the participating residential member \$20.00 bill credit annually or provide the incentive via other payment means including, but not limited to, a check per air conditioner or heat pump.

Alternative Two: When technically feasible, Licking Valley RECC may provide and install at no cost one or more Wi-Fi enabled thermostats as needed for control purposes or Licking Valley RECC may provide a Wi-Fi enabled thermostat and a rebate up to \$100 to offset the member's cost to have the thermostat installed by the member's own heating and air-conditioning contractor. The member must sign-up each Licking Valley RECC provided thermostat within 60 days or return it to Licking Valley RECC or be invoiced by Licking Valley RECC for the cost of the thermostat. Wi-Fi enabled means any thermostat utilizing the Wi-Fi communication protocol or similar local networking communication protocols. The member must have a fixed location, reliable internet for communication. Licking Valley RECC will reimburse the participating member \$20 per qualifying Wi-Fi enabled thermostat annually.

Alternative Three: Licking Valley RECC will provide the participating residential member \$20.00 bill credit per qualifying Wi-Fi enable thermostat provided by the retail member that controls an air conditioner or heat pump annually or provide the incentive via other payment means including, but not limited to, a check. <Insert Coop Name> will provide a rebate up to \$100 to offset the member's cost to have the thermostat installed by the member's own heating and air-conditioning contractor. The member must have a fixed location, reliable internet for communication.

When the qualifying appliances are located in rental residences, program incentives will be paid to the participant, regardless of whether the participant owns or rents the residence where the qualifying appliances are located. Nothing contained in this Tariff will prohibit a further disposition of the program incentive between the participant and the owner of a rented residence.

Program Special Incentives

Licking Valley RECC will provide a special incentive up to \$25.00 for new participants that install a load control switch on qualifying air conditioners and heat pumps, utility supplied Wi-Fi enabled thermostat or retail member supplied Wi-Fi enabled thermostat. This one-time incentive will be in the form of a bill credit on the electric bill following the switch installation or provided via other payment means including, but not limited to, a check.

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ISSUED BY: 
Kerry K. Howard
General Manager/CEO

DSM - Direct Load Control Program – Residential (continued)

Time Periods for Direct Load Control Program

Water Heaters: Existing load control switches may be electrically interrupted for a maximum time period of six (6) hours per event during the May through September months indicated below and for a maximum time period of four (4) hours per event during the October through April months indicated below.

EKPC will cycle the water heaters only during the hours listed below.

<u>Months</u>	<u>Hours Applicable for Demand Billing – EPT</u>
October through April	6:00 a.m. to 12:00 noon 4:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

Air Conditioners and Heat Pumps: A load control device (switch or Wi-Fi enabled thermostat) will be placed on each central air conditioning unit or heat pump that will allow the operating characteristics of the unit to be modified to reduce demand on the system. Communication to the load control device will be accomplished via AMR, AMI, Wi-Fi or similar communication technologies.

EKPC will control the air conditioning units and heat pumps only during its summer on-peak billing hours listed below and up to (4) four hours per event.

<u>Months</u>	<u>Hours Applicable for Demand Billing – EPT</u>
May through September	10:00 a.m. to 10:00 p.m.

Terms and Conditions

1. Prior to the installation of load control devices, Licking Valley RECC may inspect the participant's electrical equipment to ensure good repair and working condition, but Licking Valley RECC shall not be responsible for the repair or maintenance of the electrical equipment.
2. EKPC, on behalf of Licking Valley RECC, will install, in some cases, own, and maintain the load management devices controlling the participant's air conditioner or heat pump, for Alternatives One and Two as noted in this tariff. The participant must allow Licking Valley RECC, or their representative, reasonable access to install, maintain, inspect, test and remove load control devices. Inability of Licking Valley RECC to gain access to the load management device to perform any of the above activities for a period exceeding thirty (30) days may, at Licking Valley RECC's option, result in discontinuance of credits under this tariff until such time as Licking Valley RECC is able to gain the required access.
3. Participants may join the program at any time during the year. Participants with air conditioning or heat pump units who join during the months of June through September can select an incentive alternative as described in this Tariff. If the incentive is selected, incentives will be provided annually.
4. If a participant decides to withdraw from the program or change incentive alternatives, Licking Valley RECC will endeavor to implement the change as soon as possible.
5. If a participant decides to withdraw from the program, the participant may not apply to rejoin the program for a period of six (6) months. Returning participants for air conditioning and heat pump units will be required to initially select the bill credit alternative, but may change alternatives later as described in this Tariff.

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DSM

Direct Load Control Program – Commercial

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Purpose

The Direct Load Control Program will encourage the reduction in growth of peak demand, enabling Licking Valley RECC to utilize its system more efficiently, manage market purchases, and defer the construction of new generation.

Availability

The Direct Load Control Program is available to commercial members in the service territories of Licking Valley RECC and will include the control of air conditioners and existing water heaters.

Availability may be denied where, in the judgment of Licking Valley RECC, installation of the load control equipment is impractical.

Eligibility

To qualify for this Program, the new participant must be located in the service territory of Licking Valley RECC and have a central air conditioning or heat pump units. The appliance may be electrically cycled or interrupted in accordance with the rules of this Tariff.

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The participant is responsible for obtaining the permission of the commercial property owner to participate in the load control program. Licking Valley RECC may require that a rental property agreement be executed between Licking Valley RECC and the owner of the rented commercial property.

Program Incentives

Licking Valley RECC will provide an incentive to the participants in this program for the following appliances:

Air Conditioners and Heat Pumps: The incentive will be based on the tonnage of the air conditioning unit. Units up to and including five (5) tons will receive \$20.00 per unit. Units over five (5) tons will receive an additional annual credit of \$4.00 per ton per unit. Licking Valley RECC will reimburse the participating commercial-member at the applicable incentive credit or provide the incentive via other payment means including, but not limited to, a check. The participant will receive the incentive regardless of whether the air conditioner is actually controlled during any program month.

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Water Heaters: Licking Valley RECC will provide the existing participating commercial-member \$10.00 per water heater annually or provide the incentive via other payment means including, but not limited to, a check. The participant will receive this credit regardless of whether the water heater is actually controlled.

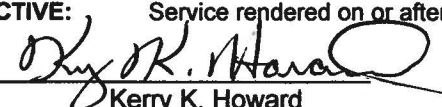
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ISSUED BY:



Kerry K. Howard
General Manager/CEO

DSM – Direct Load Control Program – Commercial (continued)

Time Period for Direct Load Control Program

Air Conditioners and Heat Pumps: A load control device will be placed on each central air conditioning unit or heat pump that will allow the operating characteristics of the unit to be modified to reduce demand on the system. The member must have internet for communication. Utility of member supplied Wi-Fi enabled thermostat programs may also be available. Communication to the load control device or thermostat will be accomplished via AMR, AMI, Wi-Fi or similar communication technologies.

EKPC will control the air conditioning units only during its summer on-peak billing hours listed below and up to four (4) hours per event:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EPT</u>
May through September	10:00 a.m. to 10:00 p.m.

Water Heaters: Existing load control switches may be electrically interrupted for a maximum time period of six (6) hours per event during the May through September months indicated below and for a maximum time period of four (4) hours per event during the October through April months indicated below.

EKPC will cycle the water heaters only during the hours listed below.

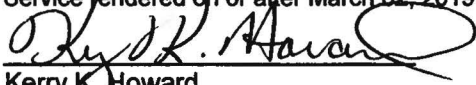
<u>Months</u>	<u>Hours Applicable for Demand Billing - EPT</u>
October through April	6:00 a.m. to 12:00 noon 4:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

Terms and Conditions

1. Prior to the installation of load control devices, Licking Valley RECC may inspect the participant's electrical equipment to ensure good repair and working condition, but Licking Valley RECC shall not be responsible for the repair or maintenance of the electrical equipment.
2. EKPC, on behalf of Licking Valley RECC, will install, in some cases, own, and maintain the load management devices controlling the participant's air conditioner or heat pump. The participant must allow Licking Valley RECC, or their representative, reasonable access to install, maintain, inspect, test and remove load control devices. Inability of Licking Valley RECC to gain access to the load management device to perform any of the above activities for a period exceeding thirty (30) days may, at Licking Valley RECC's option, result in discontinuance of credits under this tariff until such time as Licking Valley RECC is able to gain the required access.
3. Participants may join the program at any time during the year. Participants with air conditioning or heat pumps who join during the months of June through September will receive the bill credits annually.
4. If a participant decides to withdraw from the program, Licking Valley RECC will endeavor to implement the withdrawal as soon as possible. If a participant decides to withdraw from the program, the participant may not apply to rejoin the program for a period of six (6) months.

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Kerry K. Howard
General Manager/CEO

DSM

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Button-Up Weatherization Program

Purpose

The Button-Up Weatherization Program offers an incentive for reducing the heat loss of a home. The retail member may qualify for this incentive by improving attic insulation and reducing the air leakage of their home.

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Availability

This program is available in all service territories served by Licking Valley Rural Electric Cooperative Corporation (Licking Valley RECC).

Eligibility

This program is targeted at older single-family, multi-family or manufactured dwellings. Eligibility requirements are:

- Home must be 2-years old or older to qualify for the incentive.
- Primary source of heat must be electricity.

The Button Up incentive will promote the reduction of energy usage through air sealing on the part of retail members. Typical air sealing could include caulking, improved weather stripping, sealing attic accesses, etc. To receive this incentive either an EKPC approved contractor or Licking Valley RECC representative must perform a "pre" and "post" blower door test to measure actual Btuh reduced.

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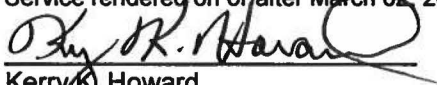
The attic insulation portion of the Button Up incentive will promote the reduction of energy usage on the part of the retail members. Heat loss calculation of Btuh reduced will be made by using either the Manual J 8th Edition or through other methods approved by EKPC. Heat loss calculations in Btuh are based on the winter design temperature. In order to receive an incentive for attic insulation, an air seal must be completed.

Incentives

The Button Up incentive will pay a total payment of \$40 per thousand Btuh reduced to the retail member up to the maximum rebate incentive of \$750.

Term

The program is an ongoing program.

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Kerry Howard
General Manager/CEO

DSM

Heat Pump Retrofit Program

Purpose

The Heat Pump Retrofit Program provides incentives for residential members to replace their existing resistance heat source with a heat pump.

Availability

This program is available to residential members served by Licking Valley Rural Electric Cooperative Corporation (Licking Valley RECC).

Eligibility

This program is targeted to members who currently heat their home with a resistance heat source; this program is targeted to site built homes, manufactured homes, and multi-family dwellings. Eligibility requirements are:

- Incentive only applies when homeowner's primary source of heat is an electric resistance heat furnace, ceiling cable heat, baseboard heat, electric thermal storage.
- Existing heat source must be at least 2 years old.
- New manufactured homes are eligible for the incentive.
- Two (2) maximum incentive payments per location, per lifetime for centrally ducted systems.
- Ducted and Ductless mini-splits applying for the incentive will be incentivized at a rate of \$250 per indoor head unit up to a maximum of three head units per location, per lifetime.
- Participants in the Heat Pump Retrofit Program are not eligible for participation in the ENERGY STAR[®] Manufactured Home Program.

Incentives

Homeowners replacing their existing resistance heat source with a heat pump will qualify for the following incentive based on the equipment type:

Equipment Type

Rebate

Centrally Ducted Systems:

Current Energy Conservation Standard established by the Federal Department of Energy "DOE"

\$500

Current ENERGY STAR[®] level equipment or greater

\$750

Mini Split Systems:

Ducted or Ductless Mini-Splits ENERGY STAR[®] level equipment or greater

\$250

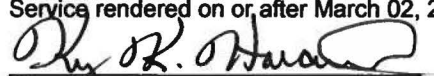
Term

The program is an ongoing program.

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ISSUED BY:


Kerry K. Howard
General Manager/CEO

Licking Valley Rural Electric
Cooperative Corporation

For All Counties Served
P.S.C. No. 34
First Revised Sheet No. 28
Canceling PSC No. 34
Original Sheet No. 28

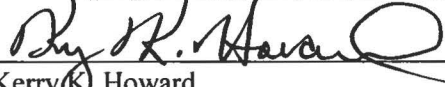
Section DSM-5
Commercial & Industrial Advanced Lighting Program

(SHEET CANCELLED)
(RESERVED FOR FUTURE USE)

DATE OF ISSUE March 31,2011

DATE EFFECTNE: Service rendered on and after May 1, 2011

ISSUED BY


Kerry Howard
General Manager\CEO

For All Counties Served
P.S.C. No. 34
Original Sheet No. 28.1

Licking Valley Rural Electric
Cooperative Corporation

Section DSM-5 (cont.)

**(SHEET CANCELLED)
(RESERVED FOR FUTURE USE)**

DATE OF ISSUE March 31,2011

DATE EFFECTNE: Service rendered on and after May 1, 2011

ISSUED BY _____
Kerry K. Howard
General Manager\CEO

For All Counties Served
P.S.C. No. 34
Original Sheet No. 28.2

Licking Valley Rural Electric
Cooperative Corporation

Section DSM-6

Industrial Compressed Air Program

**(SHEET CANCELLED)
(RESERVED FOR FUTURE USE)**

DATE OF ISSUE March 31, 2011

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Kerry K. Howard

General Manager/CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2019-00060 DATED FEBRUARY 27, 2019

For All Counties Served
P.S.C. No. 34
Original Sheet No. 28.3

Licking Valley Rural Electric
Cooperative Corporation

Section DSM-6
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(SHEET CANCELLED)
(RESERVED FOR FUTURE
USE)

DATE OF ISSUE March 31, 2011

DATE EFFECTIVE: Service rendered on and after May 1, 2011

ISSUED BY



Kerry K. Howard

General Manager/CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2019-00060 DATED FEBRUARY 27, 2019

Section DSM – 9

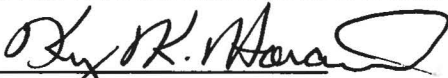
HVAC Duct Sealing Program

(SHEET CANCELLED)

(RESERVED FOR FUTURE USE)

DATE OF ISSUE: April 20, 2012

DATE EFFECTIVE: Serviced rendered on and after May 20, 2012

ISSUED BY: 

Kerry K. Howard

General Manager/CEO

FOR All Territory Served

PSC KY NO. 0035

ORIGINAL SHEET NO. _____

CANCELLING PSC KY NO _____

_____ SHEET NO _____

Licking Valley Rural Electric
Cooperative Corporation

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Schedule ARP Appliance
Recycling Program

(SHEET CANCELLED)
(RESERVED FOR FUTURE USE)

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DATE OF ISSUE December 01, 2014
MONTH/DATE/YEAR

DATE EFFECTIVE December 31, 2014
MONTH/DATE/YEAR

ISSUED BY 
SIGNATURE OF OFFICER

TITLE General Manager/CEO

FOR All Territory Served

PSC KY NO. 0036

_____ SHEET NO. _____

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

Licking Valley Rural Electric
Cooperative Corporation

Schedule ESAP

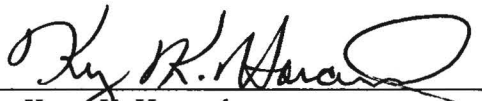
ENERGY STAR" Appliances Program

(SHEET CANCELLED)
(RESERVED FOR FUTURE USE)

DATE OF ISSUE DECEMBER 01, 2014

DATE EFFECTIVE DECEMBER 31, 2014

ISSUED BY



Kerry R. Howard
General Manager/CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2019-00060 DATED FEBRUARY 27, 201