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Attorneys at Law

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PUBLIC SERVICE
COMMISSION

October 30, 2015

Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

HAND DELIVERED

Re: The 2015 Integrated Resource Plan of East Kentucky Power Cooperative, Inc.
PSC Case No. 2015-00134

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above referenced case an original and ten copies of East Kentucky Power Cooperative, Inc.'s Responses to PSC Staff's Third Request for Information.

Do not hesitate to contact me if you have any questions.

Very truly yours,

David S. Samford

Enclosures

Cc: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**2015 INTEGRATED RESOURCE PLAN OF EAST
KENTUCKY POWER COOPERATIVE, INC.**

**) CASE NO.
) 2015-00134**

**RESPONSES TO COMMISSION STAFF'S THIRD REQUEST FOR
INFORMATION TO EAST KENTUCKY POWER COOPERATIVE, INC.
DATED OCTOBER 16, 2015**

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2015-00134

COMMISSION STAFF'S THIRD INFORMATION REQUEST DATED 10/16/15

East Kentucky Power Cooperative, Inc. ("EKPC") hereby submits responses to the information requests of Public Service Commission Staff's ("PSC") in this case dated October 16, 2015. Each response with its associated supportive reference materials is individually tabbed.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

2015 INTEGRATED RESOURCE PLAN OF EAST
KENTUCKY POWER COOPERATIVE, INC.

) CASE NO.
) 2015-00134

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

Scott Drake, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Public Service Commission Staff's Third Request for Information in the above-referenced case dated October 16, 2015, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

Scott Drake

Subscribed and sworn before me on this 30th day of October, 2015.

Gwyn M. Willoughby #500144
Notary Public



In the Matter of:

CERTIFICATE

Julia J. Tucker, being duly sworn, states that she has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Public Service Commission Staff's Third Request for Information in the above-referenced case dated October 16, 2015, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Subscribed and sworn before me on this 0 day of October, 2015.

Angela M. Wilkay #500144
Notary Public



EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2015-00134
THIRD REQUEST FOR INFORMATION RESPONSE

COMMISSION STAFF'S THIRD INFORMATION REQUEST DATED 10/16/15
REQUEST 1

RESPONSIBLE PERSON: Scott Drake

COMPANY: East Kentucky Power Cooperative, Inc.

Request 1. Refer to the response to Staff's First Request for Information ("Staff's First Request"), Item 7.b. Describe in detail the discussions EKPC has had with its Member Cooperatives regarding demand-side management ("DSM") program cost recovery options, in particular a DSM surcharge, and state whether any of the Member Cooperatives have expressed an interest in requesting Commission approval of a DSM surcharge.

Response 1. The DSM program cost recovery options that have been discussed with Owner-Members have generally involved either recovery through a retail DSM Surcharge mechanism or the current method of recovery through EKPC base rates. The general consensus from these informal discussions showed that the Owner-Members are not supportive of a retail DSM Surcharge mechanism.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2015-00134
THIRD REQUEST FOR INFORMATION RESPONSE

COMMISSION STAFF'S THIRD INFORMATION REQUEST DATED 10/16/15
REQUEST 2

RESPONSIBLE PERSON: Scott Drake

COMPANY: East Kentucky Power Cooperative, Inc.

Request 2. Refer to the response to Staff's First Request, Item 11, EKPC's 2014 DSM Annual Report.

Request 2a. State whether the DSM Annual Report includes all the actual costs, peak demand, and energy reductions for EKPC and each of its Member Cooperatives.

Response 2a. The 2014 DSM Annual Report captures all actual costs, peak demand reductions, and energy reductions for EKPC. The costs includes all transfer payments to EKPC's Owner-Members for each DSM program enrollee including rebate reimbursement, net lost revenues, and administrative cost reimbursements; all costs associated with a third-party contractor implementing a DSM program (i.e. Direct Load Control switch installations); and all advertising costs and appropriately allocated EKPC staff wages and overhead. Additional information that is responsive to this request is

provided in EKPC's Response 8, which includes the 2014 DSM program costs and demand and energy reductions for each Owner-Member.

Request 2b. Explain what steps and procedures EKPC and its Member Cooperatives have taken to prevent duplication of DSM costs, peak demand, and energy savings.

Response 2b. In 2014, EKPC implemented a cloud-based DSM program tracking system developed by Direct Technology from Sacramento, CA. This DSM tracking system is specifically designed to track utility-based DSM program activities and is utilized by many electric utilities across the country. Not only does the DSM tracking system track program costs and deemed demand and energy savings per enrollee, it also tracks participation by account number to ensure participants aren't double paid and the savings aren't double counted. EKPC and all Owner-Members use this tracking system to account for DSM program participation, costs, and savings, thereby preventing duplication.

Request 2c. Explain how the actual costs, peak demand, and energy savings for the Member Cooperatives who have the Kentucky Energy Retrofit Rider in place are reflected in EKPC's and each of the affected Member Cooperatives' DSM Annual Reports.

Response 2c. The Kentucky Energy Retrofit Rider (“Rider”) is an energy-efficiency financing mechanism utilized by six (6) Owner-Members. Customers utilizing the Rider are implementing DSM programs of EKPC and the Owner-Members. The Rider itself is not a DSM program that generates additional demand or energy savings. But customers that utilize the Rider are typically implementing a Button-up, Heat Pump Retrofit, and/or an HVAC Duct Seal. A customer becomes a participant in the appropriate DSM programs and the associated costs - demand and energy savings - are accounted for in the DSM tracking system and allocated to the appropriate Owner-Member. The Rider is a financing mechanism that increases participation in traditional DSM programs and the DSM Annual Report reflects all customers participating in the DSM programs regardless of financing mechanisms utilized.

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COMMISSION STAFF'S THIRD INFORMATION REQUEST DATED 10/16/15
REQUEST 3

RESPONSIBLE PERSON: **Scott Drake**

COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 3. Refer to EKPC's Integrated Resource Plan, page 27, regarding demand response in the PJM capacity markets. Also refer to Staff's First Request, Item 13. Describe how the May 2014 decision by the U.S. Court of Appeals for the District of Columbia's decision vacating the Federal Energy Regulatory Commission's Order 745 affects PJM's demand-response markets for capacity and energy.¹

Response 3.

On May 23, 2014 the United States Court of Appeals for the District of Columbia ('the Court') vacated in its entirety the rule in FERC Order 745 that directed Independent System Operators (ISOs) and Regional Transmission Organizations (RTOs) to pay the full locational marginal price (LMP) to suppliers of demand response resources in the day-ahead and real-time energy markets.

¹ *Electric Power Supply Ass'n v. FERC*, 11 -1486 et al. (D.C. Cir. May 23, 2014); *Demand Response Compensation in Organized Wholesale Energy Markets*, Order No. 745, 134 FERC ¶61,187 (Mar. 15, 2011).

In making this decision, the Court found that the FERC exceeded its jurisdiction by regulating demand response. The Court found that demand response is part of the retail market, and the states have exclusive jurisdiction to regulate the retail market. The Court further found that the compensation required by the FERC was arbitrary and capricious, and represented a windfall to demand response suppliers.

Petitions for certiorari of this ruling were filed by the Solicitor General on behalf of the FERC to the U.S. Supreme Court. The Supreme Court decided to review the EPSA ruling, and oral arguments have now been heard.

Since the Court vacated Order No. 745, two complaints have been filed with the FERC, raising questions as to whether the holding should also apply to participation of demand-response resources in Commission-regulated capacity markets (FERC Order 745 addressed energy markets). FirstEnergy Service Company filed a complaint requesting the FERC to require PJM to remove all portions of its Tariff allowing or requiring PJM to include demand response resources as suppliers in PJM's capacity market, and to invalidate the results of the PJM capacity auction that were released on the same day that the Court of Appeals' Order was issued. In the second complaint, the New England Power Generators Association asked the FERC to prevent demand response resources from participating in the ISO New England Forward Capacity Market auction held in February 2015. These two complaints are still pending before the FERC.

PJM's markets for demand response must conform to the FERC's Orders. For example, when the FERC issued Order 745, PJM responded by changing its payments to demand response resources in the energy markets to conform to the Order.

Because the case is now before the U.S. Supreme Court, the ensuing discussion of how the Court's decision affects PJM's demand response markets for capacity and energy is relevant only if the Supreme Court upholds the Court's decision.

Should the Supreme Court affirm the Court of Appeals' decision, the FERC would be required to reconsider its authority in this area. It is premature to speculate what demand response pricing regulations may eventually become effective. Similarly, it is premature to speculate what changes PJM would make to its tariff to conform to the new FERC regulations. However, in a January 14, 2015 FERC filing, PJM proposed to preserve demand response in its capacity market by having wholesale entities (presumably Load Serving Entities) bid load reductions into capacity auctions on the demand side. The FERC, however, rejected this proposal as being premature.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2015-00134
THIRD REQUEST FOR INFORMATION RESPONSE

COMMISSION STAFF'S THIRD INFORMATION REQUEST DATED 10/16/15
REQUEST 4

RESPONSIBLE PERSON: **Scott Drake**

COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 4. Refer to the response to Staff's Supplemental Request for Information ("Staff's Supplemental Request"), Item 3.b. Provide a summary of the September 29, 2015 meeting of Collaborative 2.0 and what steps/actions it is planning for DSM activities for EKPC and its Member Cooperatives going forward.

Response 4. The September 29, 2015 meeting notes are provided on pages 2 through 4 of this response.



Meeting Notes
September 29, 2015

The Collaborative 2.0 meeting began with Chairman David Crews and Vice Chairman Steve Wilkins welcoming the participants and providing a Safety Moment.

Mr. Wilkins then defined the “ground rules” by gathering feedback from the group. “Ground rules” were agreed upon as:

- ❖ Active listening
- ❖ Assume best intentions
- ❖ Follow the meeting agenda
- ❖ Ask questions
- ❖ Step up – Step back (contribute, but allow others to contribute as well)
- ❖ Mutual respect

Mr. Crews and Mr. Wilkins facilitated roundtable introductions of participants and organizations, as well as a team icebreaker.

The Chair and Vice Chair provided an overview of each section of the Collaborative 2.0 Charter. A printed copy of the Charter had been previously provided to each participant and/or organization, along with a letter of invitation to participate. At completion of the overview, the voting participants collectively agreed to accept the Collaborative 2.0 Charter as presented.

Scott Drake, voting participant representing EKPC, presented the status of each DSM/RE recommendation developed by the Collaborative “1.0”. Joe Settles, EKPC Manager of Member Services, presented DSM/RE program details currently offered by EKPC.

Participants then divided into four break-out groups to brainstorm ideas on increasing program participation. Reported results are attached.

The next meeting was scheduled for Tuesday, February 2, 2016 to be held at Marriott Griffin Gate from 1:00 p.m. to 4:30 p.m. ET.

The floor was opened to Public comment. Ginger Watkins, principal architect for Orb Studio, expressed interest in participating in one of the Collaborative 2.0 working groups, as she had participated in the DSM Subcommittee for the “1.0”.

Following Public comment, the meeting was adjourned.

Break-out Session: Increasing Program Participation

PSC Request 4

Page 3 of 4

Group #1 (Commercial & Industrial perspective) – Reporter: Randy Spicer

- What motivates you?
 - Long term solutions vs. short term solutions
 - Cost effectiveness
 - Competitiveness in global and national market places
 - Return on investment
- Program participation?
 - Motor usage
 - HVACs
 - Installing more efficient equipment
- Ideas for increasing program participation?
 - Partnering with energy efficient companies, i.e. Big Ass Fans
 - Working with state/region Economic Development
 - Increased evaluation of demand response options
 - Program for motors similar to HVAC

Group #2 – Reporter: Kim Bush

- What motivates you?
 - Praise
 - Acceptance
 - Trust
 - Security
- What motivates people?
 - Savings
 - Accolades/kudos
 - Referrals (“word of mouth”) of reliability/success
- What co-op programs have the most participation?
 - Button Up has the most participation; most popular
 - Appliance rebate participation is anticipated to increase significantly
 - Billing Insights tool
- Ideas for increasing program participation?
 - Communication
 - Recognition
 - Program education
 - Focus on property landlords and potential participation incentives

Group #3 – Reporter: Tim Pease

- What motivates you?
 - Members (consumers)
 - Moral obligation
- What motivates people?
 - Money
 - Energy efficiency for future generations
- What co-op programs have the most participation?
 - Energy Star appliances
- Ideas for increasing program participation?
 - Use HVAC contractors to “sell” the duct seal program

Group #4 – Reporter: Josh Bills

- What motivates you?
 - “Right thing to do” - what’s right for members, co-ops, all
- What motivates people?
 - Trust
 - Value
- What co-op programs have the most participation?
 - Load Control – simple and zero cost
 - Button Up
- Ideas for increasing program participation?
 - Education – employees, members, contractors

EAST KENTUCKY POWER COOPERATIVE, INC.
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THIRD REQUEST FOR INFORMATION RESPONSE

COMMISSION STAFF'S THIRD INFORMATION REQUEST DATED 10/16/15
REQUEST 5

RESPONSIBLE PERSON: **Julia J. Tucker**

COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 5. Refer to Staff's Supplemental Request, Item 4. Provide a summary table that identifies resources, load requirements, DSM levels and reserve margins to EKPC's optimal integration and expansion plan in the baseload and peaking/intermediate capacity the proposed purchase from Bluegrass Generation Company, LLC, if approved, will have on the plan during each year of the planning period.

Response 5. DSM levels remain unchanged from the IRP document and are shown by year in Table 8.(4)(b)(5) on page 164 of the IRP. The projected peaks, reserve requirements, existing resources and capacity needs remain the same and are shown in Table 8.(4)(a)-2 on page 174 of the IRP. Table 8.(4)(a)-1 on page 169 of the IRP will change with the purchase of the Bluegrass Generation Company, LLC assets, if approved, and has been updated and is provided on page 2 of this response.

8.(4)(a)-1 (Updated with Bluegrass Generation)
EKPC Projected Capacity Additions and Reserves
(MW)

Year	Other Cap.	Base Load Capacity Additions		Peaking/ Intermediate Cap.		Total Capacity		Reserves		Reserve Margin	
		Win	Sum	Win	Sum	Win	Sum	Win	Sum	Win	Sum
2015						3,276	2,922	0	70	2%	22%
2016				396	330	3,572	3,002	0	70	11%	24%
2017						3,322	3,002	0	71	3%	23%
2018						3,322	3,002	0	72	2%	22%
2019					165	3,322	3,167	0	72	2%	28%
2020				198		3,520	3,167	0	73	8%	27%
2021						3,520	3,167	0	74	8%	25%
2022						3,520	3,167	0	74	8%	24%
2023						3,520	3,167	0	75	7%	23%
2024						3,520	3,167	0	76	7%	21%
2025						3,520	3,167	0	77	6%	20%
2026	50					3,570	3,217	0	78	7%	20%
2027						3,570	3,217	0	79	6%	18%
2028	50					3,620	3,267	0	80	7%	19%
2029	50					3,670	3,317	0	81	7%	19%

Notes: Peaking / Intermediate Capacity additions are the Bluegrass Generation Company proposed purchase. Two units will be available for EKPC's use immediately upon closing, the third unit is under contract to LG&E/KU until May 1, 2019.

EAST KENTUCKY POWER COOPERATIVE, INC.
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THIRD REQUEST FOR INFORMATION RESPONSE

COMMISSION STAFF'S THIRD INFORMATION REQUEST DATED 10/16/15
REQUEST 6

RESPONSIBLE PERSON: **Scott Drake**

COMPANY: **East Kentucky Power Cooperative, Inc.**

Request 6. Refer to the response to Staff's Supplemental Request, Item 6, the KEMA Assessment of Evaluation Measurement & Verification ("EM& V") for DSM programs ("KEMA Assessment"), pages 1-1 and 1-2 where it states:

EKPC's current evaluation process has generally followed minimum industry standard practices for estimating the impacts of its EE programs. The process is sound and adequately robust for the purposes for which the results have been used to date. The evaluation process has focused exclusively on determining quantitative program impacts. To date, there has been little effort put into examining market effects of program processes. These evaluations have used standard engineering algorithms appropriate to each program type, based on reported, but unverified, participation data from the Owner-Members, and applying deemed energy savings values on a per unit energy savings by measure.

Request 6a. Explain whether EKPC is considering enhancing its current evaluation process of its DSM/EE programs.

Response 6a. EKPC is working to enhance the current evaluation process for its DSM/EE programs. EKPC carefully reviewed the KEMA Assessment and is working to implement the recommendations that are appropriate at this time. The KEMA Assessment was structured according to different future scenarios and outlined several steps to take in the event that each scenario came to pass. There are, however, certain steps that are foundational because they put in place the enabling infrastructure for all future EM&V enhancements. The two key foundational items are a database and procedure to collect and preserve meter data, thus providing access for evaluators, and a DSM tracking system. EKPC implemented a DSM tracking system in early 2014 and is currently implementing a system to collect and preserve meter data. Both of these systems will enhance EKPC's EM&V capabilities.

Request 6b. Explain what efforts are being implemented in examining market effects or program processes, and what future efforts are being considered.

Response 6b. Presumably, examining market effects means the surveying of the wider markets (beyond direct participation in utility programs) for energy efficiency products and services. EKPC has not implemented a formal program to evaluate market effects, nor was one specified in the KEMA Assessment. Yet EKPC has identified trends in the market in the course of implementing its programs and by listening to our Owner-Members and their customers and partners.

For example, EKPC learned that the energy-efficient manufactured homes market was not flourishing at the retail level. It called for an upstream market intervention to work with the manufacturers to provide them with the incentive to deliver energy efficient homes to the retailers. Armed with this market intelligence, EKPC completely revamped its program to do exactly that, resulting in The ENERGY STAR Manufactured Home program, which went into effect January 6, 2015.

Other evidence of market effects attributable to EKPC's programs include the observation that contractors are now regularly recommending that homeowners install more efficient heat pumps and air conditioners. Also, after participating in our Touchstone Energy Home program, some home building contractors have adopted the program's energy efficient features generally. With regard to evaluating program processes, EKPC has not sponsored third-party process evaluations, but EKPC does perform this function informally itself.

EKPC's process evaluation activity currently takes the form of working with the energy advisors at each Owner-Member as well as with our DSM Steering Committee. Together, we regularly review and evaluate the performance of each DSM program in order to identify and implement needed changes and improvements to make the program work more effectively, increasing participation and customer satisfaction. Recent examples of that process review saw the implementation of two new DSM programs, the ENERGY

STAR® Appliances Program and the Appliance Recycling Program. So, with regard to evaluating markets and program processes, EKPC regularly gathers the information and evidence and actively looks to adjust its programs accordingly.

Request 6c. Also refer to pages 1-3 to 1-5 of the KEMA Assessment. Provide EKPC's response and action steps to implement the 12 recommendations made by KEMA.

Response 6c. The table on page 5 of this response shows EKPC's response and action steps to implement the 12-13 recommendations made by KEMA.

PSC Request 6

Page 5 of 6

KEMA Recommendation	EKPC Response	Action Steps
1.a. Conduct annual Process and Impact Evaluations, starting with a targeted Process Evaluation in 2013	We have not funded formal process or impact evaluations but are evaluating program processes and impacts in-house.	EKPC added new programs in 2014 and 2015 and has adjusted program designs and operations to increase participation.
1.b. Establish a dedicated DSM Planning and Evaluation group or FT individual, led by an evaluation, economics, or engineering expert	Yes, by establishing a full time individual with many of the skills identified by KEMA.	EKPC hired a full-time DSM Program Analyst in March 2015.
2. Have the DSM Planning & Evaluation group be part of the Power Supply Planning organization.	Yes, the DSM Program Analyst is part of the Power Supply Planning organization.	
3. Create a DSM Implementation Group with 2 to 3 distinct positions reporting to a dedicated Director of DSM	Yes, our DSM Implementation Group now has 3 positions reporting to the Manager of DSM.	EKPC hired a program manager responsible for working with the owner-members to implement DSM programs. This hire shares residential program management responsibilities with another residential DSM Program Manager. EKPC also has a full-time C&I program manager with an engineering background.
4. Develop a Program Tracking System for ensuring the proper collection and management of program data to support the EM&V process	Yes, EKPC has developed our DSM Program Tracking System	EKPC selected its vendor and implemented its DSM Program Tracking System in early 2014.
5. Conduct a Data Tracking System review as part of first year evaluation activities	Yes, EKPC has increased the quality of documentation for several programs.	The most recent example is the ENERGY STAR® Appliances Program and the handling of purchase receipts.
6. Retain responsibility for Owner-Member transfer payments with Marketing/Member Services.	Yes, this function remains with Marketing/Member Services.	
7. Calibrate the estimated savings from the current deemed savings approach to actual measurements of consumption and demand.	Not yet in a systematic way, but efforts are underway.	EKPC is continuing to populate its meter data repository and is reviewing its deemed savings estimates for several programs. EKPC is also looking forward to the final Clean Power Plan EM&V requirements for guidance in enhancing its formal impact evaluation activities.
8. Implement a process for verifying savings through on-site inspections and measurements of a percentage of jobs.	Yes, EKPC has instituted an inspections process.	100% of Button-Up, Heat Pump, new homes are inspected by an on-site Energy Advisor. 10% of HVAC Duct Seal. 10% of CARES. 3% of ENERGY STAR manufactured homes.
9. Conduct an analysis of the monthly customer billing data on the program with the most savings to date.	Not yet.	EKPC is collecting and storing the billing data now to make available to evaluators so this can be done when sufficient data are available.
10. Create and provide access to a program dashboard for Owner-Members	Yes.	The DSM tracking system includes this dashboard for each Owner-Member.
11. Have dedicated staff participate in industry training in EM&V methods.	Yes.	EKPC's new DSM Program Analyst attended EM&V training offered by the Association of Energy Engineers in June of 2015.
12. Conduct a Baseline Study to enhance the Member Survey on housing and appliances.	Partially fulfilled. More work remains to capture additional equipment characteristics, and customer attitudes, preferences and behaviors.	EKPC sponsored the GDS study of energy efficiency potential which established savings benchmarks.

Request 6d. Identify and describe what EM&V quality-assurance efforts are being made by EKPC with respect to its Member Cooperatives.

Response 6d. Most Owner-Member cooperative energy advisors who conduct on-site inspections are certified either by RESNET or by the Building Performance Institute (BPI). In addition, EKPC has its own staff person who oversees the quality assurance of its residential DSM programs, and is RESNET's Quality Assurance Designee for all of EKPC service providers and raters. EKPC adheres to the quality assurance requirements of RESNET.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2015-00134

THIRD INFORMATION REQUEST RESPONSE

**COMMISSION STAFF'S THIRD INFORMATION REQUEST DATED 10/16/15
REQUEST 7**

RESPONSIBLE PERSON: Scott Drake

COMPANY: East Kentucky Power Cooperative, Inc.

Request 7. Refer to the Scenario Overview of the KEMA Assessment filed in the response to Item 6 of Staff's Supplemental Request to EKPC, page 5-8. Explain whether EKPC is considering any of the eight scenarios, beginning at page 5-8 presented by KEMA, beginning at page 5-8.

Response 7. EKPC continues to plan for future EM&V activities in consideration of all eight of the scenarios on the KEMA Assessment. EKPC has moved ahead to implement the recommendations included with scenarios 6 through 8, by enhancing its data management capabilities, implementing its DSM tracking system, and sponsoring the GDS study on energy-efficiency potential.

At the same time, EKPC realizes that the operating environment has changed in significant ways since KEMA released its report in 2012. The two major developments since then are the EPA's release of the Clean Power Plan, and the current and potential

future changes to the PJM demand response program. EKPC is studying these and evaluating how these developments could impact its future EM&V plans.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2015-00134

THIRD INFORMATION REQUEST RESPONSE

**COMMISSION STAFF'S THIRD INFORMATION REQUEST DATED 10/16/15
REQUEST 8**

RESPONSIBLE PERSON: Scott Drake

COMPANY: East Kentucky Power Cooperative, Inc.

Request 8. Refer to the response to Staff's Supplemental Request, Item 8. Provide a summary of the actual costs, peak demand, and energy reductions for EKPC and each of its Member Cooperatives for calendar years 2013 and 2014.

Response 8. The costs, peak demand, and energy savings per Owner-Member, which are then totaled for 2013 and 2014 are provided on pages 2 and 3 of this response. The costs, peak demand, and energy savings are accumulations of all energy-efficiency program participation per Owner-Member per year, along with the Direct Load Control switch installations, maintenance, and bill credits for their participating customers.

2013 DSM Program Savings				
Owner-Member Cooperative	Cost	MWh Savings	Winter MW	Summer MW
Big Sandy RECC	\$129,286	308	0.101	0.238
Blue Grass Energy	\$792,361	2973	0.907	1.301
Clark Energy	\$120,831	210	0.102	0.183
Cumberland Valley Electric	\$225,297	452	0.127	0.515
Farmers RECC	\$371,511	1007	0.547	0.532
Fleming-Mason Energy	\$123,276	133	0.120	0.214
Grayson RECC	\$221,124	523	0.162	0.396
Inter-County Energy	\$391,294	524	0.312	0.717
Jackson Energy	\$348,798	1638	0.337	0.423
Licking Valley RECC	\$133,171	273	0.105	0.247
Nolin RECC	\$388,905	496	0.297	0.670
Owen Electric	\$623,143	2637	0.500	1.318
Salt River Electric	\$376,447	1647	0.322	0.702
Shelby Energy	\$185,903	649	0.168	0.311
South Kentucky RECC	\$1,037,145	2348	0.971	1.592
Taylor County RECC	\$272,509	860	0.233	0.508
EKPC Total	\$5,741,002	16,677	5.311	9.865

2014 DSM Program Savings				
Owner-Member Cooperative	Cost	MWh Savings	Winter MW	Summer MW
Big Sandy RECC	\$54,811	293	0.04	0.091
Blue Grass Energy	\$674,011	1,080	0.728	0.915
Clark Energy	\$75,866	470	0.086	0.119
Cumberland Valley Electric	\$178,083	252	0.114	0.281
Farmers RECC	\$193,423	753	0.279	0.372
Fleming-Mason Energy	\$39,058	215	0.032	0.041
Grayson RECC	\$116,426	322	0.098	0.172
Inter-County Energy	\$228,731	477	0.185	0.354
Jackson Energy	\$190,152	1,467	0.41	0.236
Licking Valley RECC	\$29,126	589	0.0724	0.117
Nolin RECC	\$380,590	514	0.264	0.533
Owen Electric	\$643,655	1,594	0.484	0.94
Salt River Electric	\$305,131	749	0.197	0.419
Shelby Energy	\$261,073	835	0.149	0.263
South Kentucky RECC	\$891,038	1,771	0.829	1.202
Taylor County RECC	\$283,694	1,134	0.168	0.215
**EKPC	\$996,545			
EKPC Total	\$5,541,412	12,515	4.385	6.539

** EKPC DSM Costs includes advertising, salaries and overhead, and other DSM related expenses (e.g. DSM Potential Study costs, etc)