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OCT 03 2012 PUBLIC SERVICE COMMISSION

October 2, 2012

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

Re: Commission's Letter Dated September 12, 2012— Follow-up to Case No. 2010-00238—An Investigation of East Kentucky Power Cooperative, Inc.'s Need for the Smith 1 Generating Facility

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced matter, an original and ten copies of East Kentucky Power Cooperative, Inc.'s ("EKPC") response to the Commission's letter dated September 12, 2012, which requested certain information regarding the Collaborative that was established as part of the Settlement Agreement in Case No. 2010-00238.

EKPC's "Demand Side Management and Renewable Energy Collaborative 2012 Annual Report," which is attached to this letter, responds to the following items requested by the Commission:

- A timeline of activities undertaken by the Collaborative, including a brief discussion of any actions taken by the Collaborative.
- A listing of all energy and renewable proposals considered by the Collaborative and the status of those proposals.
- A listing of all demand-side management and energy efficiency proposals considered by the Collaborative and the status of those proposals.
- Identify the current Collaborative membership and the interest of each member. Also identify any changes to the membership of the original Collaborative group and the interest the new member represents.

The Commission also requested responses to the following items:

• An accounting of any funds spent on behalf of the Collaborative.

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Mr. Jeff Derouen October 2, 2012 Page Two

<u>Response</u>: Since the inception of the Collaborative, EKPC has spent \$11,015 on Collaborative matters.

• The status of the study specifically mentioned in the Settlement Agreement concerning available wind resources at 100 meters.

<u>Response</u>: While the Collaborative has not initiated the study described in the Settlement Agreement, it has engaged the National Renewables Cooperative Organization to gauge the potential for deeper penetration of demand side management and renewable energy programs among owner-members. (Please see page 11 of the attached report.)

Please return a stamped copy for our records in the self addressed stamped envelope enclosed.

Should you have questions or need additional information, please contact me.

Very truly yours,

annit. Word

Ann F. Wood Director, Regulatory Services

Enclosures



Demand Side Management and Renewable Energy Collaborative

2012 Annual Report









Collaborative's Purpose

"The purpose of the Collaborative shall be to evaluate and recommend actions to expand deployment of renewable energy and demand-side management, and to promote collaboration among the Parties in the implementation of those ideas. ... The Collaborative shall use [study results] to evaluate potential sources of renewable energy for use on EKPC's system along with demand-side management strategies, and recommend which would be commercially applicable, financially beneficial and viable for EKPC's customers."

- From the charter of the East Kentucky Power Cooperative Demand-Side Management and Renewable Energy Collaborative

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About the EKPC Demand Side Management and Renewable Energy Collaborative

By Tona Barkley, Collaborative Vice Chairwoman & *Nick Comer, EKPC*



The EKPC Demand Side Management and Renewable Energy Collaborative is a joint project of East Kentucky Power Cooperative (EKPC), its 16 owner-member cooperatives, the Sierra Club, the Kentucky Environmental Foundation and Kentuckians For The Commonwealth.

The group is meeting quarterly over a two-year period to evaluate and recommend actions for EKPC to expand deployment of renewable energy and demand-side management, and to promote collaboration among participants in the implementation of those ideas. Demand-side management (DSM) refers to programs designed to encourage consumers to improve energy efficiency and modify their pattern of electricity usage.

The Collaborative was established following EKPC's decision in late 2010 to cancel plans to construct a coal-fueled power plant in Clark County, Ky., due to changing economic conditions. In cancelling the plant, EKPC entered a settlement agreement which set the framework for the Collaborative. The agreement also called for the Sierra Club, Kentuckians for the Commonwealth and the Kentucky Environmental Foundation to drop eight state and federal administrative and court actions against EKPC targeting two of the co-op's coal-fueled power plants.

The Collaborative's DSM Work Group is expected to review: EKPC's current offerings and participation levels in DSM/ direct load control programs; best practices in DSM; on-bill financing for DSM investments; revenue impact of DSM programs on distribution cooperatives; rate treatment of DSM programs, including rate design; and use of homeenergy displays and emerging technologies to facilitate energy efficiency. The Renewable Energy Work Group is expected to review: renewable technologies with the greatest economic viability; methods for cost recovery; impacts on ratepayers; and the treatment of renewable resources in an integrated resource plan.

The Collaborative is made up of representatives of 17 electric cooperatives, the three organizations that signed the settlement agreement, and other interested stakeholders. Members include:

- Appalachia Science in the Public Interest – Andy McDonald
- Big Sandy RECC Jeff Prater
- Blue Grass Energy Cooperative Mike Williams
- Clark Energy Cooperative -- Scott Sidwell
- Cumberland Valley Electric Jay Hampton
- East Kentucky Power Cooperative Scott Drake
- Farmers RECC Chuck Bishop
- Fleming-Mason Energy Joni Hazelrigg
- Frontier Housing Josh Trent
- Grayson RECC Kim Bush
- Inter-County Energy Cooperative David Phelps
- Jackson Energy Cooperative Sharon Carson
- Kentuckians For The Commonwealth Steve Wilkins
- Kentucky Environmental Foundation Elizabeth Crowe
- Licking Valley RECC Maudie Nickell
- Mountain Association for Community Economic Development
 Kristin Tracz



COLLABORATIVE

Pictured are members of the EKPC Demand Side Management and Renewable Energy Collaborative. Back row, from left: Andy McDonald, Jeff Prater, Scott Sidwell, David Phelps, Scott Drake, Elizabeth Crowe, Alan Coffey, Jay Hampton, Ann Beard, Kristin Tracz, David Crews and Rick Ryan.

Front row, from left: Sharon Carson, Wallace McMullen, Mark Stallons, Tona Barkley, Steve Wilkins, Kim Bush and Joni Hazelrigg. Not pictured: Mike Williams, Dan Brewer, Larry Hicks, Theresa Atha, Jay Hampton, Chuck Bishop, Josh Trent and Maudie Nickell.

- Nolin RECC Rick Ryan
- Office of the Kentucky Attorney General – Dennis Howard/Larry Cook
- Owen Electric Cooperative Mark Stallons
- Salt River Electric Larry Hicks
- · Shelby Energy Cooperative Theresa Atha
- Sierra Club Wallace McMullen
- South Kentucky RECC Alan Coffey
- Taylor County RECC Ann Beard
- Gallatin Steel was invited to participate.

In addition to the above decision-making members, the following individuals were added to the work groups with the approval of the chair and vice chair:

- Renewables Work Group: David Brown Kinloch (Soft Energy), Lauren McGrath (Sierra Club),
- DSM Work Group: Sara Pennington (KFTC)

The Collaborative chairman, named by EKPC, is David Crews, and the Vice Chair, named by the other groups, is Tona Barkley. David Crews replaced David Mitchell, who served as chair until January 2012. Mike Williams replaced Dan Brewer in March 2012 as Blue Grass Energy's representative.

East Kentucky Power Cooperative – A Pioneer In Energy Efficiency

East Kentucky Power Cooperative has been a pioneer in developing energy-efficiency programming and renewable energy resources that are viable for electric co-op members in Kentucky. By Nick Comer, EKPC



Demand-Side Management

EKPC and its owner-members are proactive in helping end-use members identify opportunities to improve the energy efficiency of their homes and businesses, and offer a variety of options to achieve that goal. The co-ops employ 29 energy advisors, most of whom have advanced certifications such as RESNET accredited Home Energy Raters and Building Performance Institute. They play a vital role by conducting free energy audits and investigating high-bill concerns, more than 12,000 in the past three years alone. These visits provide opportunities to direct co-op members to the most appropriate programs to help reduce energy usage and make monthly electric bills more manageable.

The following energy efficiency programs are available to EKPC's owner-member cooperatives:

- SimpleSaver direct load control (DLC);
- HVAC Duct Sealing;
- Button Up and Button-Up with Air Sealing;
- Touchstone Energy Home;
- Touchstone Energy Manufactured Home;
- Compact Fluorescent Light Bulbs;
- Heat Pump Retrofit;
- Electric Thermal Storage;
- · Commercial Advanced Lighting; and
- Industrial Compressed Air.

Since 2005, EKPC's portfolio has achieved average annual energy reductions of 42 million kilowatt hours, and average annual peak reductions of almost 60 megawatts.

Renewables

Landfill methane

In 2003, EKPC became the first utility in Kentucky to generate its own renewable power by siphoning methane gas from landfills for use as fuel, preventing that powerful greenhouse gas from reaching the atmosphere. Today, EKPC has six landfill gas plants, generating enough electricity to power more than 9,000 Kentucky homes. This clean, renewable power is marketed through the EnviroWatts program.

Switchgrass

EKPC has partnered with the University of Kentucky's College of Agriculture and farmers in northeastern Kentucky to study the use of switchgrass, a warm-season grass native to the Bluegrass State, as a supplemental fuel for its power plants. More than 2,000 tons of switchgrass has been used as power plant fuel.

Hydroelectric

EKPC holds long-term contracts to purchase up to 170 megawatts of electricity generated by hydroelectric dams, including two in Kentucky—Wolf Creek Dam and Laurel Dam. These facilities are operated by the U.S. Army Corps of Engineers and the electricity they generate is marketed by the Southeastern Power Administration (SEPA).

National Renewables Cooperative Organization

EKPC is a charter member of NRCO, an organization whose mission is to help cooperatives diversify their generation resources with renewable energy.

By Tona Barkley, Collaborative Vice Chairwoman



The full Collaborative has met four times. The meetings are open to the public, and members of the public who have chosen to address the group have done so during a public comment period at the end of each meeting.

The first meeting was held March 29, 2011 at the Marriott Griffin Gate Hotel in Lexington, Ky. During this meeting members became acquainted, approved the Collaborative's charter and heard statements of values from the cooperatives and the other groups. The consensus decision-making process outlined in the charter was reviewed and discussed. Members were then asked to join either or both of the two primary work groups: Demand-Side Management (DSM) and Renewable Energy. These groups convened, chose co-chairs and began planning their initial meetings.

The second Collaborative meeting was held on July 19, 2011 at the Marriott Griffin Gate Hotel in Lexington. Members of the DSM Work Group made presentations about on-bill financing, How\$martK Y, and best practices in energy efficiency programs run by South Carolina electric cooperatives and Vermont Energy Investment Corporation (VEIC). At the invitation of the Renewable Energy Work Group, David Brown Kinloch gave a presentation on renewable energy options in Kentucky, including wind, solar, hydro, biomass and landfill gas. Jeff Shaw and Quang Nguyen of the Kentucky Public Service Commission gave a presentation on the regulatory process in Kentucky as it relates to energy resources and rates.

Between the second and third meetings, the chair, vice chair, and co-chairs of the two work groups began to convene periodically as a leadership team to plan future meetings. The group agreed to elevate the Economics and Rates Work Group, which began as a sub-group of the DSM Work Group, into a third major work group charged with looking at cost recovery issues related to both DSM and renewables. The co-chairs of the Economics and Rates Work Group were subsequently included in the Leadership team.

The third Collaborative meeting was held Nov. 15, 2011 at the Marriott Griffin Gate in Lexington. Following a report from the Renewable Energy Work Group, the DSM Work Group presented seven recommendations for discussion. These were organized into three topic areas: measurement and verification; marketing; and overcoming barriers. Members broke into facilitated discussion groups to discuss each set of recommendations. Following each discussion, the groups reported out their reactions and suggestions regarding the proposed recommendations.

The fourth Collaborative meeting took place on Jan. 31, 2012 at the Perkins Center at Eastern Kentucky University in Richmond, Ky. Following an update by the Renewable Energy Work Group and a report from the Public Forum planning team, the group embarked on the consensus decision-making process outlined in the charter to consider the seven recommendations from the DSM group. These recommendations had been revised since the November meeting, taking into consideration the feedback received from the full Collaborative. The Collaborative reached consensus on six of the seven recommendations, with the Attorney General's representative abstaining. The seventh recommendation was sent back to the DSM Work Group with suggestions for revision. The Collaborative then discussed and agreed upon goals and action items for completing its mission in the upcoming twelve months and roughed out the agenda for the next meeting on April 17, 2012.

By Steve Wilkins & Mark Stallons Work Group co-chairs



Over the course of 2011, the Demand-Side Management Work Group's goals included garnering insights on best practices from energy efficiency (EE) leaders and experts. Eight of the group's conversations involved specific demand-side management (DSM) and EE technologies or strategies while two other conversations involved broader spectrum approaches to DSM/EE.

Vermont Energy Investment Corp. (VEIC)

VEIC is a for-profit company that sells efficiency and demand-reduction into Vermont and New England power markets. VEIC has contracted to deliver all electric energy efficiency measures within Vermont, which leads the nation in meeting energy efficiency target goals with annualized savings of about 2 percent on actual retail sales. VEIC provided information on such issues as measurement and verification, marketing efforts, flexibility in program deployment and outcomes-based monitoring of program efficacy.

South Carolina electric cooperatives

Central Electric Power Cooperative and the Electric Cooperatives of South Carolina have pioneered on-bill financing of energy-efficiency retrofits, providing a model for the Rural Energy Savings Program Act. They have set a goal of 10 percent load reduction over 10 years, retrofitting 220,000 homes at an estimated cost of \$750 million, which is much lower than the alternative portion of cost for a nuclear unit. The demographics of the area are similar to EKPC's. With about 1,500 retrofits completed, average savings are estimated at 20 to 30 percent. Also, the co-ops are studying the feasibility of retrofitting manufactured homes.

How\$martKY

Four distributions cooperatives—Big Sandy RECC, Grayson RECC, Jackson Energy and Fleming-Mason Energy—have partnered with the Mountain Association for Community Economic Development on this 200-home pilot project offering on-bill financing of energy efficiency measures. Participation begins with an energy audit and work is performed by pre-approved contractors. A fixed monthly charge is assigned to the location. The approach is similar to South Carolina's.

Advanced Meter Infrastructure

Advanced metering infrastructure (AMI) technology allows a utility to install "smart meters" that are capable of two-way communication between the structure and the utility. AMI provides information to the utility about members' usage and when usage occurred. It can facilitate introduction of time-of-use rate schedules, allowing utilities to offer flexible rates that encourage members to cut back usage during on-peak times and shift their usage to off-peak times.

Passive House

The term "passive house" refers to a rigorous, voluntary standard for energy efficiency in a building in order to reduce the ecological footprint.

Volt Var Optimization

Volt var optimization (VVO) is an enhancement to the traditional approach of installing fixed and switched capacitors on distribution lines to improve power factor in excess of 95 percent and installing regulators to boost voltage levels. In combination, these improvements allow system



DSM WORK GROUP

Pictured are members of the Collaborative's Demand Side Management Work Group. Front row, from left: Alan Coffey, Kristin Tracz, Co-Chair Mark Stallons, Scott Drake, Joni Hazelrigg. Back row, from left: Sara Pennington, Co-Chair Steve Wilkins, Scott Sidwell, Ann Beard, Rick Ryan, Jeff Prater and Kim Bush. Not pictured: Larry Hicks, Maudie Nickell and Josh Trent.

voltage to be reduced by 3 to 5 percent, resulting in distribution system energy savings of 2 to 4 percent. Blue Grass Energy has implemented a pilot to investigate VVO. The pilot includes one rural substation and one urban substation; installing smart grid assets on power lines; power factor correction capacitors; smart line regulators to boost voltage; and line voltage sensors to ensure quality service.

Smart Home Technology

Electric cooperatives and members are partnering on home energy management in order to better understand, monitor and manage energy use. Owen Electric is working with a group of RFP respondents on a possible pilot project that would include a water heater load-control switch; HVAC smart thermostat; Internet or cell communication to participating homes; Zigbee two-way meter technology, as it becomes available; energy-saving tools and graphs available through smart phones, web portals, PCs and display devices; a home energy management system hosted by third party; and other tools.

Beat The Peak

This is a voluntary program designed to help co-op members gain more control over their electric bill by reducing energy usage at peak times when the power costs are at their highest by providing electronic alerts when the electric usage and spot market prices are high and asking them to conserve energy during this time to help keep energy rates more affordable.

Wabash Valley Power Association

WVPA, a generation and transmission cooperative in Indiana, implemented a meter data management (MDM) system to collect meter data from members with direct load control (DLC) system installations. Over 60,000 DLC switches are installed on water heaters and air conditioners. This data allows WVPA to optimize energy and peak savings potential from demand response programs.

Nolin RECC Prepay Metering

This program provides an alternative for members to pay their bills. They can customize their payment schedule, buy electricity when it is convenient for them and monitor and control their electric consumption. According to studies from other states such as North Carolina, members have seen 10 to 12 percent reductions in energy usage. At Nolin RECC, 67 members have signed-up to participate in PrePay from the end of June 2011 to November 2011.

Recommendations approved by the Full Collaborative

The work group also set a goal to bring initial recommendations to the full Collaborative for their consideration. Seven recommendations were brought before the Collaborative at the November meeting. Using feedback from that meeting, the DSM Work Group refined those recommendations and presented the revised recommendations at the January 2012 Collaborative meeting. The full Collaborative moved to pass six of the seven recommendations on to EKPC leadership. The seventh recommendation was returned to the DSM Work Group for further refinement. All recommendations were made with the assumption that cost recovery issues will be resolved.

Measurement and Verification Recommendations

- Partner with distribution member cooperatives and allocate resources for measurement and verification (M&V) of the cooperatives' existing and future DSM efforts. This includes developing a standardized, on-going process to collect data, investigate, and report on dynamic energy and demand impacts.
- 2. Offer generally accepted DSM quantitative and qualitative analytic services to member systems on an individual, group and/or system average basis using each member cooperative's unique market and cost structures.

Marketing and Implementation Recommendations

- 3. Aggressively help member systems market those DSM programs with the optimal benefit-cost profiles.
- 4. Develop strong educational, marketing and training programs for member systems to promote DSM efforts considering all potential markets and channels for messaging.

5. Allocate resources toward becoming and serving as a consultant and expert for member systems in their DSM

efforts. Identify best practices, provide research support, and explore partnerships to this end.

Overcoming Barriers/Challenges Recommendations

6. Continually evaluate new and on-going DSM programs, refining efforts to ensure optimal penetration of target markets.

In the future, the DSM Work Group plans to explore additional technologies and strategies. These include:

- 1. Update on Duke Energy DSM goals and programs;
- 2. Update on LG&E/KU DSM goals and programs;
- 3. Summary of OPower's program and results;
- 4. Update on Combined Heat & Power technology;
- Update on Wabash Valley Power Association M&V program;
- 6. Review of California Test assumptions;
- 7. Short- and long-term impact of natural gas boom;
- 8. Means to gain regulatory flexibility; and
- 9. Update on Great Rivers Energy DSM programs.

Report & Recommendations of the Renewable Energy Work Group

By Mike Williams & Elizabeth Crowe Work Group co-chairs



Work summary

During the first year, the Renewable Energy (RE) Work Group focused on several tasks: developing a shared understanding among work group members of Kentucky's and EKPC's renewable energy potential; developing draft criteria to guide discussions on renewable energy options; and creating potential goal statements that may be useful to EKPC as it considers renewable energy sources in the future. Each of these tasks has been undertaken with the aim of making the best possible recommendations to the full Collaborative and then to EKPC.

In order to facilitate this process, work group members engaged in direct discussion with staff of the Kentucky Public Service Commission (PSC) to understand regulations and case precedent that might affect any recommendations made to the EKPC Board. The Collaborative invited PSC staff to present to its meeting in July 2011. In April 2012, the Collaborative and RE Work Group leadership met with PSC staff members for follow-up questions. Per the PSC, generation projects, including renewable projects, would be required to meet its "least-cost" test to receive PSC-approved rate recovery as a part of EKPC's generation portfolio.

Information gathering and analysis

The committee met by phone and in person for presentations from renewable energy experts, including: David Brown Kinloch, Soft Energy; Michael Coddington, Senior Engineer, National Renewable Energies Laboratory; Brent Beerley, Vice President of Business Development and Public Policy, Community Energy; Jon Farrell, Senior Researcher, Institute for Local Self-Reliance; Amadou Fall, President, National Renewable Cooperatives Organization; Andy McDonald, Director, Kentucky Solar Partners; and Simon Mahan, Renewable Energy Manager, Southern Alliance for Clean Energy. These presenters were selected because they provided a range of perspectives, including that of utilities associations, renewable energy developers, public interest research groups and agencies. Following is a summary of key points and opinions presented by these individuals:

- Within EKPC's transmission system, grid capacity is not currently a hindrance to renewable energy generation. Based on current information, there does not appear to be a transmission problem for EKPC in the near future, given that the level of renewable energy generation under consideration would be very low. (EKPC has not performed transmission studies to confirm this assumption.)
- Across the nation, co-op utilities have deployed 1- to 5-megawatt (MW) renewable energy systems with solar and wind (some in states without a renewable energy portfolio standard and some at kilowatt hour rates not significantly higher than EKPC's wholesale energy rate) as a first-step project. Examples include SMECO in Maryland; Willmar, Minnesota; and United Power in Colorado.
- Wind farms installed in the eastern U.S. from 2007 to 2010 sold electricity for between approximately 6 to 9 cents per kilowatt hour.
- In general, the costs of solar and wind energy have dropped significantly in recent years.



RENEWABLE ENERGY WORK GROUP

Pictured are members of the Collaborative's Renewable Energy Work Group. Front row, from left: Sharon Carson, Andy McDonald, Co-Chair Elizabeth Crowe, Scott Drake and David Crews. Back row, from left: David Phelps, Wallace McMullen, Jay Hampton, Kristin Tracz and Tona Barkley. Not pictured: Dan Brewer, Co-Chair Mike Williams, Theresa Atha and Chuck Bishop.

- Solar hot water, solar photovoltaic and hydro technologies are technically feasible for Kentucky.
- A 2011 National Renewable Energy Laboratory/AWS Truewind assessment of wind potential in Kentucky indicates there are some places where wind turbines with an 80-meter or higher hub height could also be technically feasible. And EKPC may also be able to purchase wind energy from out-of-state.

The Renewable Energy Work Group also talked with Ed Fortner, Director of Berea Municipal Utilities (BMU), and with Joshua Bills from the Mountain Association for Community Economic Development (MACED), and toured the Berea Solar Farm. The solar farm consists of 60 photovoltaic panels with a capacity of 14 kilowatts. Individual BMU customers lease the panels for \$750 and a 25-year agreement. The first array of 30 panels was sold out in four days, prompting BMU to add another array that was filled in May 2012 and now is also operational. Lease customers include individual and family residents, non-profit organizations, businesses and schools.

RE Attributes

At the December 2011 meeting, the RE Work Group discussed desirable attributes of renewable energy programs/projects, including:

- Access to clean energy sources beyond landfill gas;
- Projects that would reduce the need for new baseload generation;
- Projects that are scalable;
- Accommodations for low-income member participation; and
- Expansion of EKPC's experience in renewablegeneration technologies.

Next Steps

The Renewable Energy Work Group is focusing on the following activities:

- Development of a recommendation that EKPC modify the Envirowatts program to include several additional renewable energy products such as solar, wind, hydro and biomass.
- 2) Development of a recommendation that EKCP determine if it can, within the current PSC rules, develop a solar farm model similar to the Berea model.
- Engage the National Renewables Cooperative Organization (NRCO), of which EKPC is a member, to gauge the potential for deeper penetration of DSM and RE programs among owner-members.
- 4) Engage NRCO to assist EKPC and owner-members in designing effective marketing and educational materials.

The group will work to reach final recommendations by early 2013.

Report of Economics and Rates Work Group

By Larry Hicks and Kristin Tracz Work group co-chairs



The Economics and Rates Work Group met during the summer of 2011 to assess the group's scope of work. A brief survey of work group members was conducted to better understand current challenges, opportunities and barriers related to the economics surrounding efficiency and renewable projects. The group decided to pause activities until the DSM Working Group and the Renewable Energy Working Group made additional progress towards defining their goals. Following the proposal of recommendations from both groups, the Economics and Rates team will reassemble to resume activities. We anticipate identifying best practices and possible approaches that other peer utilities have employed to support efficiency and renewable energy projects while protecting the utility's bottom line.



ECONOMICS AND RATES WORK GROUP Pictured are members of the Collaborative's Economics and Rates Work Group. Front row, from left: Sara Pennington, Co-Chair Kristin Tracz, Elizabeth Crowe, Scott Drake and Joni Hazelrigg. Back row, from left: Steve Wilkins, Wallace McMullen, Mark Stallons and Tona Barkley. Not pictured: Co-Chair Larry Hicks.

By Steve Wilkins



The Collaborative has committed to conduct at least one public forum annually to gather comments from the public at large regarding demand-side management (DSM) and renewable energy (RE), and to solicit public comments on existing or prospective DSM strategies and RE projects which the Collaborative may be evaluating.

On April 10, 2012, the Collaborative conducted its first public forum at the Carl D. Perkins Center in Morehead, Ky. The forum was publicized through press releases, flyers, online notices on web sites and social media, and an ad in Kentucky Living.

The 2012 forum focused on the Collaborative's efforts in DSM since these had been fast-tracked and had achieved significant progress. With the How\$martKY pilot addressing a key financial component of DSM, it was decided to conduct the public forum in proximity to the co-ops involved in that pilot.

The public forum was attended by 17 members of the public, along with 14 representatives of Collaborative member organizations. Response to the forum was a very positive, in general, from those co-op members who attended. The forum began with informational presentations from Collaborative members on topics including: the use of energy efficiency to lower electric bills; the co-ops' Button-Up program; the How\$martKY pilot; and the importance of reducing peak demand and SimpleSaver program's role in achieving that goal.

Following these presentations, attendees broke out into three focus groups, which were facilitated by Collaborative members. Participants provided valuable feedback on such topics as: their impressions of co-op DSM programs; effective ways to communicate about DSM programs; reasons for participating (and not participating) in DSM programs; viewpoints on prepaid metering; and other ideas on a variety of topics. Facilitators recorded each group's feedback and a report was provided at the April 2012 Collaborative meeting.

The 2013 public forum is expected to emphasize renewable energy and will be conducted in the western part of EKPC's territory.

Collaborative's Goals for 2012-13

- 1. Complete and present the 2011-12 Annual Report to the EKPC Board and stakeholder organizations.
- 2. Improve attendance at the next public forum.
- 3. Finalize recommendations to EKPC.
- 4. Determine if stakeholder organizations will actively support EKPC DSM and Renewable programs.
- 5. Determine the future of the Collaborative beyond the agreed two-year period.





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