

Kentucky Power Company DSM Collaborative Conference Call August 26, 2015

Attendees:

Mike Howell	Big Sandy Community Action
Kim Tackett	Northeast KY Community Action
Annie Thompson	LKLP Community Action Council, Inc
John Rogness	KY Power Co.
Stephen Sharp	KY Power Co.
E J Clayton	KY Power Co.
Scott Bishop	KY Power Co.
Angela Goad	Office of the Attorney General
John Rosenberg	Big Sandy area Department Aging
Bertha Daniels	Appalachian Research Defense Fund
Dan Sawmiller	Sierra Club

A DSM Collaborative conference call was held on August 26, 2015 beginning 10:00 am on Thursday July 30, 2015 with E. J. Clayton presiding. The presentation and the DSM Program Report developed by Applied Energy Group (AEG) were emailed to all invitees prior to the call.

EJ began the presentation with a review of the recent regulatory cases associated with the Kentucky Power Demand Side Management (DSM) programs.

There were some audio technical difficulties that developed during the conference call due to echo/feedback.

On slide 7, Mr. Rosenberg asked about the budget scenarios AEG proposed. Mr. Clayton stated that Kentucky Power Company (KPC) used the AEG mid-scenario design as the basis for the recommended budget and target participation. Mr. Clayton further noted the Commercial Incentive program includes incentive funds based on the high scenario design.

On slides 7 through 10 – Mr. Clayton summarized key components for the recommended DSM Portfolio and identified differences between the proposed AEG plan and the recommended KPC plan. One key difference is the Community Outreach and Energy Education programs were retained with the recommended DSM portfolio. Also, program evaluation is distributed over two years beginning with a process review beginning 2016 and full impact savings analysis beginning in 2017, helping to reduce the overall administrative expense associated with EMV (evaluation, measurement, and verification) consulting services.

Ms. Daniels –Stated that she values the independent evaluators’ expertise and expressed approval that KPC did not “blindly” follow the AEG proposal portfolio design 100%. Ms. Daniels stated she feels local representatives know more about the needs of our customers as related to DSM programs than some entity not from our service area.

On Slide 13 (2015 Projected Expense) – Mr. Clayton pointed out the \$200,000 expansion of the SEMP (School Energy Manager program) with regard to the budget. Ms. Daniels –inquired about the basis for the 2nd half year budget estimates? She reference the CI (Commercial Incentive) program budget was approximately double the first half of year. Ms. Daniels also referenced the Commercial High Efficiency Heat Pump/AC program was approximately triple the first half of the year. Mr. Clayton stated that KPC works with implementation contractors to determine year-end results and considers historical trend data to determine the estimated program year-end results.

Mr. Rosenberg compared budgets from slides 5 and 14 and noted a difference. The budget number referenced by Mr. Rosenberg on slide 5 was the AEG proposed budget design and the KPC proposed budget on slide 14 has a couple of programs that were not included in the AEG proposed design which accounted for the difference in the numbers.

On slide 15 – Ms. Daniels – If after filing the program design with the Public Service Commission, what happens if the Commission does not agree with the proposed portfolio design 100%? Mr. Clayton stated that the Public Service Commission can and may offer other recommendations but all the programs in the proposed portfolio are cost effective based on the AEG performance model (Bencost).

Ms. Tackett – Requested the program budget for the Targeted Energy Efficiency (TEE) program to be broken down by individual Community Action Agency. Mr. Bishop – This detailed agency program budget is being developed and will be reviewed with Community Action.

Ms. Daniels – Asked about Windows and doors weatherization measures in the TEE program and if the measures were added in in 2016? Mr. Clayton verified these new measures were included with the TEE program design for 2016. EJ also noted the per home energy efficiency investment increased for the 2016 TEE program design.

EJ noted the new surcharge rate on the schedule C report for each customer sector (residential and commercial). The information was discussed with the group and the Schedule C worksheet was displayed via WebEx on-line presentation.

EJ asked for a motion to accept the proposed plan.

Mr. Howell submitted motion to accept the proposed plan. Annie Thompson seconded the motion. Ms. Goad and Mr. Sawmiller abstained from voting.

Ms. Daniels – Do we need to vote by custom sector? Mr. Clayton stated that the proposal being presented was the proposed plan and budget as a whole but Collaborative membership as defined with the by-laws is based on customer sector.

The motion was unanimously approved as proposed by those present on the call with exception to the 2 abstaining votes.

The meeting adjourned at 11:20

Minutes recorded by Scott Bishop.