

The Commercial & Industrial (C&I) Thermostat Program is an energy efficiency initiative designed to encourage non-residential end-use members to reduce energy usage by upgrading to self-learning thermostats. The C&I Thermostat Program offers an incentive for purchasing and installing a smart thermostat that controls the setback temperature settings for cooling.

<u>Assumption</u>	<u>Source</u>
<p>Load Impacts Before Participant 5,950 kWh, 0.065 kW (coinc. with winter system peak), 2.777 kW (summer)</p> <p>Savings: 842 kWh 0.000 kW (winter), 0.322 kW (summer) After Participant 5,108 kWh, 0.065 kW (coinc. with winter system peak), 2.455 kW (summer)</p>	<p>GDS Baseline - Cooling for "Other" building type</p> <p>GDS kWh savings for smart thermostat , "Other" building type. kW impacts based on planning load profile</p> <p>Before participant net of savings</p>
<p>Lifetime of savings Discount rate for TRC and RIM Generation Capacity Cost - \$174.60 per kW-year (no escalation). 73% winter 27% summer. Avoided Electricity Energy Costs - PJM Market, AEP-Dayton hub, \$45.96 /MWh in 2025 Transmission Capacity Cost - OATT tariff \$ 44.34 per kW-year in 2025 Distribution Capacity Cost - \$ 4.93 per kW-year in 2025 Participant Costs \$ 175.. 2% esc. Tax credit (benefit): \$0</p>	<p>11 Years 5 percent per EKPC financial data; 3.5 % societal test from Mercatus Center report Avoided costs of a RICE unit. Updated escalators to match. Allocation is 73% winter 27% summer. Summer values based on PJM capacity performance market December 2023 with IHS Markit forecast, start year is 2024. based on December 26, 2023 ACES Forward prices for AEP_Dayton hub. \$45.96 /MWh in 2025. DSMore Scenario 9, 0.587 esc in 2025 Network rate, 2023-24. 2.8 % escalation rate based on 10 yr PPI.. Applied to summer coincident peak. Based on marginal cost of distribution. 2.8 % escalation rate based on 10 yr PPI. . Applied to summer coincident peak. GDS costs for measure bundle no tax credit for this program</p>
<p>Administrative Cost EK \$ 0 (2025). \$ 900 fixed annual (2026-2039). 2% esc Co-op \$20 per new participant, 2% esc</p>	<p>Fixed admin - 2018 budget prorated, \$688 times 1.20 ECI increase 2018 to 2023. escalated 2% a year to 2026 value</p> <p>Variable admin - rebate processing .</p>
<p>Rate Schedule - Retail Median Residential Rate for Co-ops Cust chrg \$16.09, Energy Rate \$.088229</p> <p>Rate Schedule - Wholesale East Kentucky E-2 rate.</p>	<p>Current rates in effect as of January 2024.. includes Environmental Surcharge and FAC</p> <p>Current rates in effect as of January 2024. includes Environmental Surcharge and FAC</p>
<p>Participation - 2025: 0. 2026-2039: 25 per year. 0% Free Riders</p>	<p>2025 - existing programs based on 2023 annual report. New programs - 0 (they begin in 2026).. 2026-2039 based on proposed new budget</p>
<p>Rebates Co-op to Participant \$ 100, 2% esc EK to Co-op \$194, 2% esc</p>	<p>Based on tariff Based on tariff</p>