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January 30, 2013

**Via Federal Express**

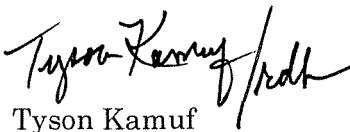
Jeff DeRouen  
Executive Director  
Public Service Commission  
211 Sower Boulevard, P.O. Box 615  
Frankfort, Kentucky 40602-0615

Re: *In the Matter of: Notice and Application of Big Rivers Electric Corporation for a General Adjustment in Rates, PSC Case No. 2011-00036*

Dear Mr. DeRouen:

Enclosed on behalf of Big Rivers Electric Corporation ("Big Rivers") are an original and ten copies of its biannual Demand Side Management Report pursuant to ordering paragraph 9 of the Public Service Commission's November 17, 2011, Order in the above referenced matter. A copy of this letter and a copy of the report have been served on each of the persons on the attached service list.

Sincerely yours,

  
Tyson Kamuf

TAK/ej  
Enclosures

cc: Mark A. Bailey  
Albert Yockey  
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Your Touchstone Energy® Cooperative 

**Big Rivers Electric Corporation  
Demand Side Management  
(DSM) Report  
January 31, 2013**

**Provided to the Kentucky Public Service Commission  
Pursuant to Ordering Paragraph No. 9  
of  
The Commission's Order dated November 17, 2011  
in  
Case No. 2011-00036**

**Big Rivers Electric Corporation  
Demand Side Management (“DSM”) Report  
January 31, 2013**

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**Big Rivers Electric Corporation  
Demand Side Management (“DSM”) Report  
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**Program Summary**

Big Rivers Electric Corporation has taken a proactive approach to advance the goal of Strategy 1 of the 2008 Governor’s Intelligent Energy Choices plan “to improve the efficiency of Kentucky’s homes, buildings, industries and transportation fleet by establishing a goal of offsetting at least 18 percent of Kentucky’s projected 2025 energy demand.”

The purpose of this DSM report is to provide descriptions and data about DSM programs currently being offered.

**DSM/Energy Efficiency Programs**

1. Residential Lighting Replacement Program (CFL distribution)
2. Residential ENERGY STAR® Clothes Washer Replacement
3. Residential ENERGY STAR® Refrigerator Replacement
4. Residential ENERGY STAR® Heating, Ventilation and Air Conditioning (HVAC) Program
5. Residential Weatherization Program - Primary Heating Electric
6. Residential Weatherization Program - Primary Heating Gas
7. Residential Touchstone Energy® New Home Construction Program
8. Residential and Commercial HVAC & Refrigeration Tune-Up Program
9. Commercial/Industrial High Efficiency Lighting Replacement Program
10. Commercial/Industrial General Energy Efficiency Program

**2012 DSM/Energy Efficiency Results**

The 2012 Year-End DSM Program Results are shown in the table at the top of the following page.

# Big Rivers Electric Corporation Demand Side Management (“DSM”) Report January 31, 2013

## Big Rivers Electric Corporation 2012 Demand Side Management/Energy Efficiency Program Results

DSM Program	Units	Total Meas.	Total Spend
Residential Lighting Program	Lamps	51,792	\$101,914.00
Residential Energy Star (ES) Appliances	-	-	-
Energy Star Clothes Washer	Washers	563	56,300
Energy Star Refrigerator	Refrigerators	383	38,300
ES Heating, Ventilation and Air Conditioning (HVAC) Program	HVAC Units	100	41,450
Residential Weatherization Program - Electric Heat	Homes	9	48,221
Residential Weatherization Program - Gas Heat	Homes	1	3,690
Residential Touchstone Energy New Construction Program	New Homes	71	56,250
HVAC Tune-Up Program	HVAC Units	332	10,350
Commercial/Industrial Efficient Lighting Program	KW	420	147,113
Commercial/Industrial Efficient Equipment Program	KW	27	9,495
Promotional Expense	-	-	75,013
<b>Total</b>			<b>\$588,096</b>

The Energy Efficiency programs are being offered at all three of Big Rivers’ Member Cooperatives. Meade County Rural Electric Cooperative Corporation (“MCRECC”) has been offering the programs since January 2012. Kenergy Corp. (“Kenergy”) began program offerings in May 2012. Jackson Purchase Energy Corporation (“Jackson Purchase”) began offering programs to retail members in July 2012. Many of the programs have significant lead times, such as commercial programs, new home construction and residential weatherization and the delayed start reduced the spend in 2012 in many of the programs.

The actual spend for 2012 was \$588,096 or slightly less than 59% of projected. Promotional expenses were \$75,013 or 37% of projected.

The programs are currently under review and will be evaluated for potential improvements. The DSM/EE working group will examine the recommended changes, which may result in modifications to the current programs and potential new programs in 2013.

**Big Rivers Electric Corporation  
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**2012 Budget**

The table on the following page shows the 2012 energy efficiency program targets and spending levels for each program. This table also quantifies the deemed impact of each target on energy consumption and peak kW. Appendix A of this report shows the year-end results of 2012 and descriptions of each program.

The 2012 budget of \$1,000,000 was split into two segments. The first segment addresses incentives or direct payments to Members when a measure is implemented. The total incentive budget was \$800,000. The second segment involves the additional \$200,000 set aside for promotional and regulatory administrative costs associated with the program.

Specific program budgets are flexible and are tailored to retail member response to each program. Member Cooperatives are able to adjust or shift budgets to address successful programs. Program requirements for each individual program plans are minimum standards; Member Cooperatives may establish more stringent requirements at their discretion.

Member Cooperatives collect required documentation and submit an invoice, with a summary spreadsheet for each program to Big Rivers for reimbursement monthly. The invoice contains the following information for each incentive paid:

1. Date
2. Account Number
3. Name
4. Service Address
5. City
6. Zip Code
7. Incentive Description Details
8. Incentive Amount

Each program has a separate summary spreadsheet. Multiple program summary spreadsheets may be combined on the same invoice. Promotional reimbursement requires a copy of the advertisement used in printed media. Radio advertising is submitted with a script.

# Big Rivers Electric Corporation Demand Side Management ("DSM") Report January 31, 2013

## Big Rivers 2012 DSM/Energy Efficiency Program Targets

<b>Residential Programs</b>																					
	Annual kWh		Winter kW		Summer kW		Unit Quantity	Total Annual kWh Savings		Total Winter kW Savings		Total Summer kW Savings		Target Spend 2012							
	Savings Per Unit	Unit	Savings Per Unit	Unit	Savings Per Unit	Unit		Savings	Unit	kW Savings	Unit	kW Savings	Unit								
Residential Lighting Program																					
CFL bulbs	31		0.007		0.003		57,143	1,752,004		408.0		179.2		\$100,000							
<b>Residential Efficient Appliances</b>																					
Clothes Washer Rebate	224		0.007		0.026		400	89,600		2.8		10.4		\$40,000							
Energy Star Refrigerator + Recycling	1,084		0.076		0.089		400	433,600		30.4		35.6		\$40,000							
<b>HVAC Program</b>																					
Dual Fuel	3,448		7.066		0.146		50	172,400		353.3		7.3		\$25,000							
Air Source Heat Pump	692		0.000		0.146		35	24,220		0.0		5.1		\$7,000							
Geothermal	3,658		4.453		0.365		24	87,792		106.9		8.8		\$18,000							
<b>Weatherization Program</b>																					
Stick-Built Home	6,980		4.950		0.890		75	523,500		371.3		66.8		\$150,000							
Manufactured Home	4,680		2.200		0.300		25	117,000		55.0		7.5		\$50,000							
<b>New Construction</b>																					
Gas Heat	2,435		0.260		0.580		48	116,880		12.5		27.8		\$36,000							
Air Source Heat Pump	4,922		2.700		0.580		20	98,430		54.0		11.6		\$20,000							
Dual Fuel Heat Pump (w/ Gas)	8,370		9.766		0.580		20	167,390		195.3		11.6		\$24,000							
Geothermal Heat Pump	8,580		7.150		0.799		10	85,795		71.5		8.0		\$20,000							
Tune-Up																					
HVAC Tune-Up	636		0.000		0.304		1,320	839,520		0.0		400.9		\$33,000							
<b>Commercial/Industrial (C/I) Programs</b>																					
C&I Lighting	12		0.0029		0.0027		543	2,219,784		543.0		507.3		\$190,000							
Lighting Projects																					
C&I Products	7		0.0005		0.0029		86	213,452		16.1		86.0		\$30,000							
Misc. Efficient Projects																					
Tune-Up																					
HVAC Tune-Up*	5,268		0.000		1.200		340	1,791,120		0.0		408.0		\$17,000.00							
												Total DSM Program Savings:									
												8,732,487		2,220.1		1,781.8		\$800,000			

\* Assumed 6 tons/unit



**Big Rivers Electric Corporation  
Demand Side Management (“DSM”) Report  
January 31, 2013**

**Appendix A:  
DSM Program Plans**

**Big Rivers Electric Corporation  
Demand Side Management ("DSM") Report  
January 31, 2013**

**Big Rivers 2012 DSM/Energy Efficiency Program Actual**

<b>Residential Programs</b>											
	Annual kWh Savings Per Unit	Winter kW Savings Per Unit	Summer kW Savings Per Unit	Unit Quantity	Total Annual kWh Savings	Total Winter kW Savings	Total Summer kW Savings	Total Summer Spend 2012			
Residential Lighting Program											
CFL bulbs	31	0.007	0.003	51,792	1,587,943	369.8	162.4	\$101,914			
<b>Residential Efficient Appliances</b>											
Clothes Washer Rebate	224	0.007	0.026	563	126,112	3.9	14.6	\$56,300			
Energy Star Refrigerator + Recycling	1,084	0.076	0.089	383	415,172	29.1	34.1	\$38,300			
<b>HVAC Program</b>											
Dual Fuel	3,448	7.066	0.146	33	113,784	233.2	4.8	\$16,500			
Air Source Heat Pump	692	0.000	0.146	46	31,892	0.0	6.7	\$9,200			
Geothermal	3,658	4.453	0.365	21	76,818	93.5	7.7	\$15,750			
<b>Weatherization Program</b>											
Stick-Built Home	6,980	4.950	0.890	9	62,820	44.6	8.0	\$46,720			
Manufactured Home	4,680	2.200	0.300	1	4,680	2.2	0.3	\$5,190			
<b>New Construction</b>											
Gas Heat	2,435	0.260	0.580	67	163,145	17.4	38.9	\$50,250			
Air Source Heat Pump	4,922	2.700	0.580	2	9,843	5.4	1.2	\$2,000			
Dual Fuel Heat Pump (w/ Gas)	8,370	9.766	0.580	0	0	0.0	0.0	\$0			
Geothermal Heat Pump	8,580	7.150	0.799	2	17,159	14.3	1.6	\$4,000			
<b>Tune-Up</b>											
HVAC Tune-Up	636	0.000	0.304	260	165,360	0.0	79.0	\$6,500			
<b>Commercial/Industrial (C/I) Programs</b>											
	Annual kWh Savings Per Unit	Winter kW Savings Per Unit	Summer kW Savings Per Unit	Total kWh Reduced	Total Annual kWh Savings	Total Winter kW Savings	Total Summer kW Savings	Total Summer Spend 2012			
C&I Lighting											
Lighting Projects	12	0.0028	0.0027	418	1,710,419	418.4	390.9	\$147,113			
C&I Products											
Misc. Efficient Projects	8	0.0006	0.0032	31	76,446	5.8	30.8	\$9,495			
<b>Tune-Up</b>											
HVAC Tune-Up*	5,268	0.000	1.200	77	405,636	0.0	92.4	\$3,850.00			
<b>* Assumed 6 tons/unit</b>											
<b>Total DSM Program Savings:</b>					<b>4,967,469</b>	<b>1,237.6</b>	<b>873.3</b>	<b>\$613,082</b>			

**Big Rivers Electric Corporation  
Demand Side Management ("DSM") Report  
January 31, 2013**

**Program: Residential Lighting Replacement Program (CFL Distribution)**

**Overview**

This program promotes increased use of ENERGY STAR® rated Compact Fluorescent Light ("CFL") lamps among the retail members of Big Rivers' Member Cooperatives by providing reimbursement to Member Cooperatives for CFL lamps distributed to their retail members.

**Target Participants**

Target participants of this program for Big Rivers include its three Member Cooperatives. The target end users are the retail members of the Member Cooperatives taking service under the Big Rivers Rural Delivery Service ("RDS") tariff.

**Member Incentives**

Big Rivers will reimburse the Member Cooperatives for the purchase of CFL lamps that the Member Cooperative buys and distributes to its retail members for use in the Member Cooperative's service area. Member Cooperatives must submit invoices to Big Rivers and must include proper documentation of the purchase from the CFL supplier and of the distribution to retail members. Big Rivers will also reimburse a Member's reasonable costs of promoting this program, if the promotional program and its costs are pre-approved by Big Rivers.

**Annual Budget**

The 2012 budget for this program is \$100,000. Budget levels for future years may vary based upon the experience gained after program implementation.

**Evaluation, Measurement and Verification ("EM&V")**

Big Rivers will initiate a process of Evaluation, Measurement and Verification for the program. The EM&V process will ensure the quality and effectiveness of the program and optimal use of resources.

**Big Rivers Electric Corporation  
Demand Side Management (“DSM”) Report  
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**Program: Residential ENERGY STAR® Clothes Washer Replacement Program**

**Overview**

This program promotes increased use of ENERGY STAR® rated clothes washing machines.

**Target Participants**

Target participants of this program for Big Rivers include its three Member Cooperatives. The target end users are the retail members of the Member Cooperatives taking service under the Big Rivers Rural Delivery Service (“RDS”) tariff.

**Member Incentives**

Big Rivers will provide an incentive payment of \$100 for each ENERGY STAR® rated clothes washer that is purchased and installed in the Member Cooperative’s system. Member Cooperatives must submit invoices to Big Rivers and must include proper documentation of the purchase and installation from a legitimate retail appliance supplier. Big Rivers will also reimburse a Member’s reasonable costs of promoting this program, if the promotional program and its costs are pre-approved by Big Rivers.

**Annual Budget**

The 2012 budget for this program is \$40,000. Budget levels for future years may vary based upon the experience gained after program implementation.

**Evaluation, Measurement and Verification (“EM&V”)**

Big Rivers will initiate a process of Evaluation, Measurement and Verification for the program. The EM&V process will ensure the quality and effectiveness of the program and optimal use of resources.

**Big Rivers Electric Corporation  
Demand Side Management (“DSM”) Report  
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**Program: Residential ENERGY STAR® Refrigerator Replacement Program**

**Overview**

This program promotes increased use of ENERGY STAR® rated refrigerators and the removal from operation of existing older, low-efficiency refrigerators.

**Target Participants**

Target participants of this program for Big Rivers include its three Member Cooperatives. The target end users are the retail members of the Member Cooperatives taking service under the Big Rivers Rural Delivery Service (“RDS”) tariff.

**Member Incentives**

Big Rivers will provide an incentive payment of \$100 for each ENERGY STAR® rated refrigerator that is purchased and installed in the Member Cooperative’s system. Member Cooperatives must submit invoices to Big Rivers and must include proper documentation of the purchase and installation of the new appliance, and the removal of the old appliance from legitimate retail appliance suppliers. Big Rivers will also reimburse a Member’s reasonable costs of promoting this program, if the promotional program and its costs are pre-approved by Big Rivers.

**Annual Budget**

The 2012 budget for this program is \$40,000. Budget levels for future years may vary based upon the experience gained after program implementation.

**Evaluation, Measurement and Verification (“EM&V”)**

Big Rivers will initiate a process of Evaluation, Measurement and Verification for the program. The EM&V process will ensure the quality and effectiveness of the program and optimal use of resources.

**Big Rivers Electric Corporation  
Demand Side Management (“DSM”) Report  
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**Program: Residential ENERGY STAR® Heating, Ventilation and Air Conditioning (“HVAC”) Program**

**Overview**

This program promotes increased use of high efficiency HVAC systems among the retail members of the member cooperatives by providing reimbursement to member cooperative members for upgrading their HVAC systems beyond contractor grade minimums to one of three ENERGY STAR®-rated HVAC systems.

**Target Participants**

Target participants of this program for Big Rivers include its three member cooperatives. The target end users are the retail members of the member cooperatives taking service under the Big Rivers Rural Delivery Service (“RDS”) tariff.

**Member Incentives**

Big Rivers will reimburse the member cooperatives for the HVAC efficiency upgrades by a retail member on the member cooperative’s system. Member cooperatives must submit invoices to Big Rivers and must include proper documentation. Big Rivers will also reimburse a Member’s reasonable costs of promoting this program, if the promotional program and its costs are pre-approved by Big Rivers.

The following is the program administrative process:

1. The retail consumer will provide a receipt of installation and purchase of equipment from a licensed contractor dated within the eligibility timeframe of the program selected by the member cooperative.
2. The member cooperative will be responsible for verification of installation.
3. The initial incentives shall be the following per replacement unit installed:
  - Geothermal                    \$750
  - Dual Fuel                     \$500
  - Air Source                    \$200

**Annual Budget**

The 2012 budget for this program is \$50,000. Budget levels for future years may vary based upon the experience gained after program implementation.

**Big Rivers Electric Corporation  
Demand Side Management (“DSM”) Report  
January 31, 2013**

**Program: Residential ENERGY STAR® Heating, Ventilation and Air  
Conditioning (“HVAC”) Program (*continued*)**

**Evaluation, Measurement and Verification (“EM&V”)**

Big Rivers will initiate a process of Evaluation, Measurement and Verification for the program. The EM&V process will ensure the quality and effectiveness of the program and optimal use of resources.

**Big Rivers Electric Corporation  
Demand Side Management (“DSM”) Report  
January 31, 2013**

**Program: Residential Weatherization Programs – Primary Heating Electric and Primary Heating Gas**

**Overview**

This program promotes the implementation of weatherization measures among the retail members of the member cooperatives by providing reimbursement to member cooperatives for undertaking weatherization improvements at their homes.

**Target Participants**

Target participants of this program for Big Rivers include its three Member Cooperatives. The target end users are the retail members of the Member Cooperatives. This program is available to any retail residential member of the Member Cooperative taking service under the Big Rivers Rural Delivery Service (“RDS”) tariff, with an all-electric home to maximize the benefit of the program.

**Member Incentives**

Sherlock Homes is a weatherization contractor headquartered in Bloomington Indiana, which has been performing weatherization projects for Hoosier Energy for the last two years with tremendous success. To-date Sherlock Homes has weatherized nearly 2,000 site-built and manufactured homes in Indiana.

Big Rivers will provide 50% of the cost of the weatherization for residential members with an electric primary heating system (Primary Heating Electric), or 25% of the cost for members with a non-electric primary heating system (Primary Heating Gas). Big Rivers will also reimburse a Member’s reasonable costs of promoting this program, if the promotional program and its costs are pre-approved by Big Rivers.

**Annual Budget**

The 2012 budget for this program is \$200,000. Budget levels for future years may vary based upon the experience gained after program implementation.

**Evaluation, Measurement and Verification (“EM&V”)**

Big Rivers will initiate a process of Evaluation, Measurement and Verification for the program. The EM&V process will ensure the quality and effectiveness of the program and optimal use of resources.



**Big Rivers Electric Corporation  
Demand Side Management (“DSM”) Report  
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**Program: Residential Touchstone Energy® New Home Construction Program**

**Overview**

This program provides incentives to home owners and builders to use energy efficient building standards as outlined in the Touchstone Energy® certification program, which requires a Home Energy Rating System (“HERS”) rating of 85 or lower.

**Target Participants**

Target participants of this program for Big Rivers include its three Member Cooperatives. The target end users are the retail members of the Member Cooperatives taking service under the Big Rivers Rural Delivery Service (“RDS”) tariff.

**Member Incentives**

The incentive is based on the HVAC system installed in the retail member’s Touchstone Energy® Certified Home. The following incentives apply:

Geothermal Heat Pump (ground coupled heat pump)	\$2,000
Air Source Heat Pump	\$1,000
Dual Fuel Heat Pump (ASHP w/ Gas back-up)	\$1,200
Gas Heat	\$ 750

The Member Cooperative will provide a copy of the original certification document and the analysis form used to determine the HERS score and a copy of the receipt from a licensed HVAC contractor specifying the HVAC system installed in the home of the retail member. Big Rivers will also reimburse a Member’s reasonable costs of promoting this program, if the promotional program and its costs are pre-approved by Big Rivers.

**Annual Budget**

The 2012 budget for this program is \$100,000. Budget levels for future years may vary based upon the experience gained after program implementation.

**Evaluation, Measurement and Verification (“EM&V”)**

Big Rivers will initiate a process of Evaluation, Measurement and Verification for the program. The EM&V process will ensure the quality and effectiveness of the program and optimal use of resources.

**Big Rivers Electric Corporation  
Demand Side Management (“DSM”) Report  
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**Program: Residential and Commercial HVAC & Refrigeration Tune-Up Program**

**Overview**

This program promotes the initiation of annual maintenance on heating and air conditioning equipment among the retail members of the Member Cooperatives by providing reimbursement to Member Cooperative retail members that have their heating and cooling systems professionally cleaned and serviced.

**Target Participants**

Target participants of this program for Big Rivers include its three Member Cooperatives. The target end users are the residential and commercial retail members of the Member Cooperatives taking service under the Big Rivers Rural Delivery Service (“RDS”) tariff.

**Member Incentives**

Big Rivers will offer incentives to Member Cooperatives for retail member homeowners and commercial businesses that have their heating and cooling systems professionally cleaned and serviced.

Member Cooperatives will receive a \$25 incentive for each residential unit and \$50 for each commercial unit that is cleaned and serviced.

For retail members with multiple units, each incentive paid will require an individual receipt from a licensed HVAC contractor.

Member Cooperatives must submit invoices to Big Rivers and must include proper documentation. Big Rivers will also reimburse a Member’s reasonable costs of promoting this program, if the promotional program and its costs are pre-approved by Big Rivers.

**Annual Budget**

The 2012 budget for this program is \$50,000. Budget levels for future years may vary based upon the experience gained after program implementation.

**Evaluation, Measurement and Verification (“EM&V”)**

Big Rivers will initiate a process of Evaluation, Measurement and Verification for the program. The EM&V process will ensure the quality and effectiveness of the program and optimal use of resources.

**Big Rivers Electric Corporation  
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**Program: Commercial / Industrial High Efficiency Lighting Replacement Program**

**Overview**

This program provides an incentive to commercial and industrial retail member consumers for whom service is taken under Big Rivers’ RDS tariff to upgrade poorly designed and low efficiency lighting systems.

**Target Participants**

Target participants of this program for Big Rivers include its three Member Cooperatives. The target end users are the commercial and industrial retail members of the Member Cooperatives taking service under the Big Rivers Rural Delivery Service (“RDS”) tariff.

**Member Incentives**

The following are the project steps:

1. The lighting contractor, supplier, electrical contractor or electrician will provide to the retail member the documented changes made to the facility lighting system. The retail member will also be required to provide an invoice for materials and installation services associated with the project.
2. The Member Cooperative will verify the installation of the new lighting system and collect a copy of the specification of the lighting system conversion impact, signed by the retail member, with the following information:
  - Lamp and ballast (or fixture) specifications prior to conversion including total wattage
  - New fixture specifications including total wattage
  - Estimated hours of operation
  - Estimated kWh saved per year
  - Total kW demand reduction
3. The Member Cooperative shall submit an invoice to Big Rivers with copies of individual lighting project specification documents with the following information:
  - Member Name
  - Account Number
  - Service Address
  - kW Reduction Total
  - Annual Hours of Operation
  - Incentive Amount

**Big Rivers Electric Corporation  
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**Program: Commercial / Industrial High Efficiency Lighting Replacement Program (*continued*)**

4. The initial incentive shall be set at \$350 per kW reduction. This amount will be evaluated continuously and adjusted depending on reaction by retail members qualifying.

Each of the incentive payments will require the fixture/lamp change be verified by the Member Cooperative personnel or third party. A worksheet is provided to determine the change in demand of the lighting system. The retail member will also be required to provide the project costs for planning purposes. Big Rivers will also reimburse a Member’s reasonable costs of promoting this program, if the promotional program and its costs are pre-approved by Big Rivers.

**Annual Budget**

The 2012 budget for this program is \$190,000. Budget levels for future years may vary based upon the experience gained after program implementation.

**Evaluation, Measurement and Verification (“EM&V”)**

Big Rivers will initiate a process of Evaluation, Measurement and Verification for the program. The EM&V process will ensure the quality and effectiveness of the program and optimal use of resources.

**Big Rivers Electric Corporation**  
**Demand Side Management (“DSM”) Report**  
**January 31, 2013**

**Program: Commercial / Industrial General Energy Efficiency Program**

**Overview**

This program provides an incentive to retail commercial and industrial retail member-consumers served under the Big Rivers RDS tariff to upgrade all aspects of cost-effective energy efficiency achievable in individual facilities.

**Target Participants**

Target participants of this program for Big Rivers include its three Member Cooperatives. The target end users are the commercial and industrial retail members of the Member Cooperatives taking service under the Big Rivers Rural Delivery Service (“RDS”) tariff.

**Member Incentives**

The requirements of the program are:

1. The retail member, contractor, supplier, electrical contractor or electrician will provide to the retail member the documented changes made to the facility equipment resulting in the demand reduction. The retail member will also be required to provide an invoice for materials and installation services associated with the project.
2. The Member Cooperative will verify the installation of the new equipment and collect a copy of the specification of the equipment conversion impact, signed by the retail member, with the following information:
  - Equipment specifications of existing equipment, including total wattage
  - Replacement equipment specifications, including total wattage
  - Estimated hours of operation
  - Estimated kWh saved per year
  - Total kW demand reduction
3. The Member Cooperative shall submit an invoice to Big Rivers with copies of individual project specification documents and a printed summary excel spreadsheet with the following information:
  - Member Name
  - Account Number
  - Service Address
  - kW Reduction Total
  - Annual Hours of Operation
  - Incentive Amount

**Big Rivers Electric Corporation  
Demand Side Management (“DSM”) Report  
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**Program: Commercial / Industrial General Energy Efficiency Program  
(continued)**

4. The initial incentive shall be set at \$350 per kW reduction with a maximum incentive of \$10,000 per project unless approved by Big Rivers on an individual basis. This amount will be assessed continuously and adjusted depending on reaction by retail commercial members qualifying under this program.

Each of the incentive payments will require that equipment changes be verified by a Member Cooperative’s personnel or third party. A worksheet is provided to determine the change in demand resulting in equipment upgrades. The retail member will also be required to provide the project costs for planning purposes. Big Rivers will also reimburse a Member’s reasonable costs of promoting this program, if the promotional program and its costs are pre-approved by Big Rivers.

**Annual Budget**

The 2012 budget for this program is \$30,000. Budget levels for future years may vary based upon the experience gained after program implementation.

**Evaluation, Measurement and Verification (“EM&V”)**

Big Rivers will initiate a process of Evaluation, Measurement and Verification for the program. The EM&V process will ensure the quality and effectiveness of the program and optimal use of resources.