

BLUE GRASS ENERGY COOPERATIVE CORPORATION

Section DSM
Direct Load Control Program – Residential

Purpose

The Direct Load Control Program will encourage the reduction in growth of peak demand, enabling East Kentucky Power Cooperative ("EKPC") to utilize its system more efficiently, manage market purchases, and defer the construction of new generation.

Availability

The Direct Load Control Program is available to residential members in the service territories of Blue Grass Energy and will include the control of existing water heaters, existing and new air conditioners and heat pumps. (T)(N)

Availability may be denied where, in the judgment of the Blue Grass Energy, installation of the load control equipment is impractical.

Eligibility

To qualify for this Program, the new participant must be located in the service territory of Blue Grass Energy and have: (T)(N)

- Central air conditioning or heat pump units with single-stage compressors.

The above appliances may be electrically cycled or interrupted in accordance with the rules of this Tariff.

The participant may either own or rent the residence where the qualifying appliances are located. The residence may be either a single-family structure or a multi-family apartment facility.

The participant is responsible for obtaining the permission of the owner of the rented residence to participate in the load control program. Blue Grass Energy may require that a rental property agreement be executed between Blue Grass Energy and the owner of the rented residence.

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ISSUED BY: *Charles S. Watkins*

TITLE: Vice President & CFO

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KENTUCKY
PUBLIC SERVICE COMMISSION
Gwen R. Pinson
Executive Director
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FOR ALL COUNTIES SERVED
P.S.C. NO. 2
Second Revised Sheet NO. 146
Cancelling P.S.C. NO. 2
First Revised Sheet NO. 146

BLUE GRASS ENERGY COOPERATIVE CORPORATION

Section DSM – (con't.)
Direct Load Control Program – Residential

Program Incentives

Blue Grass Energy will provide an incentive to the participants in this program for the following appliances:

Water Heaters: Blue Grass Energy will credit the residential power bill of the participant \$10.00 per water heater annually or provide the incentive via other payment means including, but not limited to, a check. The participant will receive this credit regardless of whether the water heater is actually controlled during any program month. (T)(N)

Air Conditioners and Heat Pumps. Blue Grass Energy will provide an incentive to the participants in this program. The participant may select one of three alternatives. The participant will receive one of these incentives regardless of whether the air conditioner or heat pump is actually controlled during any program month. (T)(N)

Alternative One. For each direct load control switch, Blue Grass Energy will credit the residential power bill of the participant \$20.00 annually or provide the incentive via other payment means including, but not limited to, a check per air conditioner or heat pump. (T)(N)

Alternative Two. When technically feasible, Blue Grass Energy may provide and install at no cost one or more Wi-Fi enabled thermostats as needed for control purposes or Blue Grass Energy may provide a Wi-Fi enabled thermostat and a rebate up to \$100 to offset the member's cost to have the thermostat installed by the member's own heating and air-conditioning contractor. The member must sign-up each Blue Grass Energy provided thermostat within 60 days or return it to Blue Grass Energy or be invoiced by Blue Grass Energy for the cost of the thermostat. Wi-Fi enabled means any thermostat utilizing the Wi-Fi communication protocol or similar local networking communication protocols. The member must have a fixed location and reliable internet for communication. Blue Grass Energy will reimburse the participating member \$20 per qualifying Wi-Fi enabled thermostat annually. (T)(N)

Alternative Three: Blue Grass Energy will credit the residential power bill of the participant \$20.00 per qualifying Wi-Fi enabled thermostat provided by the retail member that controls an air conditioner or heat pump annually or provide the incentive via other payment means including, but not limited to, a check. Blue Grass Energy will provide a rebate up to \$100 to offset the member's cost to have the thermostat installed by the member's own heating and air-conditioning contractor. The member must have a fixed location and reliable internet for communication. (T)(N)

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When the qualifying appliances are located in rental residences, program incentives will be paid to the participant, regardless of whether the participant owns or rents the residence where the qualifying appliances are located. Nothing contained in this Tariff will prohibit a further disposition of the program incentive between the participant and the owner of a rented residence.

Program Special Incentives

Blue Grass Energy will provide a special incentive up to \$25.00 for new participants that install a load control switch on qualifying air conditioners and heat pumps, Utility supplied Wi-Fi enabled thermostat or retail member supplied Wi-Fi enabled thermostat. This one time per residence incentive will be in the form of a bill credit on the electric bill following the switch installation or provided via other payment means including, but not limited to, a check..

(T)(N)

Time Periods for Direct Load Control Program

Water Heaters. Existing load control switches may be electrically interrupted for a maximum time period of six (6) hours per event during the May through September months indicated below and for a maximum time period of four (4) hours during the October through April months indicated below.

(T)(N)

EKPC will cycle the water heaters only during the hours listed below.

<u>Months</u>	<u>Hours Applicable for Demand Billing – EPT</u>
October through April	6:00 a.m. to 12:00 noon 4:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

Air Conditioners and Heat Pumps. A load control device (switch or Wi-Fi enabled thermostat) will be placed on each central air conditioning unit or heat pump that will allow the operating characteristics of the unit to be modified to reduce demand on the system. Communication to the load control device will be accomplished via AMR, Wi-Fi, or similar communication technologies..

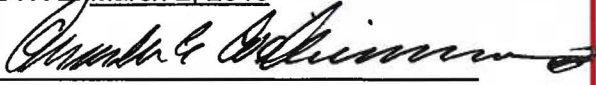
(T)(N)

EKPC will control the air conditioning units and heat pumps only during its summer on-peak billing hours listed below and up to four (4) hours per event..

(T)(N)

<u>Months</u>	<u>Hours Applicable for Demand Billing – EPT</u>
May through September	10:00 a.m. to 10:00 p.m.


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BY RESOLUTION 2019-KAR 5:011 SECTION 9 (1)

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Terms and Conditions

1. Prior to the installation of load control devices, Blue Grass Energy may inspect the participant's electrical equipment to insure good repair and working condition, but Blue Grass Energy shall not be responsible for the repair or maintenance of the electrical equipment.

2. EKPC, on behalf of Blue Grass Energy, will install in some cases, own, and maintain the load management devices controlling the participant's air conditioner or heat pump for alternatives One and Two as noted in this tariff. The participant must allow Blue Grass Energy, or their representative, reasonable access to install, maintain, inspect, test and remove load control devices. Inability of the Blue Grass Energy to gain access to the load management device to perform any of the above activities for a period exceeding 30 days may, at Blue Grass Energy's option, result in discontinuance of credits under this tariff until such time as Blue Grass Energy is able to gain the required access.

(T)(N)

3. Participants may join the program at any time during the year. Participants with air conditioning or heat pump units who join during the months of June through September can select an incentive alternative as described in this Tariff. If the incentive is selected, incentives will be provided annually.

(T)(N)

4. If a participant decides to withdraw from the program or change incentive alternatives, Blue Grass Energy will endeavor to implement the change as soon as possible.

5. If a participant decides to withdraw from the program, the participant may not apply to rejoin the program for a period of six (6) months. Returning participants for air conditioning and heat pump units will be required to initially select the bill credit alternative but may change alternatives later as described in this Tariff.

(T)(N)

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