Exhibit 1

1/11/2016

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REIMAGINE ENERGY

January 12, 2015
ER-2015-0240/ER-2015-0241

Brightergy's History, Current Operations

Formed five years ago by our witness, Adam Blake, and has grown to three cities

Most active C&I trade ally

Brightergy believes its customers represent more than 50% of the MEEIA Cycle I C&I program budget

~100 employees

Employment of outside contractors in the hundreds

Energy efficiency employment will drop under the new program

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Two Objections to the Amended Plan

Shifting the custom program from the Cycle I program, paying for 50% of a project's cost or buy down to 2 year payback to one based only on first-year savings.

The Cycle 1 custom program has been in place for several years and is widely used across the country. Every project must pass cost benefit tests so all ratepayers benefit.

KCP&L's request to be allowed to end the entire program with 30 days' notice.

KCP&L is asking for the trust of the Commission and its ratepayers. Make them keep that promise.

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The Goals of MEEIA

"The commission shall permit electric corporations to implement commission-approved demand-side programs proposed pursuant to this section with a goal of achieving ***all*** cost-effective demand-side savings." Section 393.1075.4.

"Recovery for such programs shall not be permitted unless **(1)** the programs are approved by the commission, **(2)** result in energy or demand savings and **(3)** are beneficial to all customers in the customer class in which the programs are proposed, regardless of whether the programs are utilized by all customers. Section 393.1075.4."

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The Commission's Holdings

"...the Commission cannot approve a MEEIA plan in this case that results in ratepayers paying for more energy savings than ***the MEEIA plan actually causes***." Report and Order, EO-2015-0055, p.18.

"Simply put, the Commission would approve a MEEIA plan if non-participating ratepayers would be better off paying to help some ratepayers reduce usage than they would be paying a utility to build a power plant." Report and Order, EO-2015-0055, p.16-17.

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The Proposal Falls Short of Compliance

- The Company has not proposed ***all*** cost-effective measures, because it is ignoring the one that provides the majority of its savings.
- The plan will not cause significant energy or demand savings.
  - Freeridership does not result in new savings.

All commercial and industrial customers will not benefit.

Many schools and churches will be immediately priced out of the efficiency retrofit market.

Because ratepayers will be paying for more freeriders, they wi

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The Largest Part of the Program is at Risk

- KCP&L's own testimony shows you the importance of the Custom C&I program.
  - It is "the lion's share" of the energy savings in the program portfolio.
  - 41% of GMO's realized energy savings
  - 55% of KCP&L's realized savings
  - "It is a key program to the Company's success in MEEIA to reaching its energy targets."
    - Kim Winslow Direct Testimony, p. 4: 3-10.

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What the Market is Telling Us

- The market responds to incentives. The proposal incentivises short-term thinking by rewarding only first-year savings over higher quality and long lasting projects.
- KCP&L saw this when it received a flood of applications after the change was announced.
- "The Company has had a significant number of applications that have been coming in daily to review in anticipation of the program ending December 31, 2015."
  - Kim Winslow Direct, P. 13, lines 14

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The Market Result of the Proposal

Because the payback time will be increased, fewer schools, hospitals, businesses, and municipalities will invest in efficiency measures.

The Commission's goals of more value for all customers will not be reached.

Jobs will be lost, directly because of fewer installations, and those potential investors will be spending more money on electricity and less on employment and other improvements.

There will be more freeriders than under MEEIA I, and thus fewer benefits to all ratepayers.

What is the Proposed Change?

Under Cycle I, an individual project had to pass a cost-benefit test, and the incentive could not exceed 50% of project cost or result in less than a two year payback on the investment.

Under Cycle II, KCPL is proposing to pay a flat rate per kwh of first year savings for each project no matter what the payback is

Case Study - Large Kansas City Hospital

Annual savings: $67,238

Project Price: $450,000

	Cycle I	Stipulation
Total Rebate	$225,000	$69,738
Payback	3.3 years	5.7 years

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Case Study - Municipal - KCATA

Annual savings: $40,793

Project Price: $344,036

	Cycle I	Stipulation
Total Rebate	$172,018	$37,211
Payback	4.2 years	7.5 years

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Case Study - School District - Adrian

Annual savings: $4,993
Project Price: $28,000

	Cycle I	Stipulation
Total Rebate	$14,000	$5,093
Payback	2.8 years	4.6 years

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KCP&L's Rationale

- KCP&L has argued that other regional utilities have programs more similar to the Cycle II proposal.
  - In reality, several utilities offer a program virtually the same or nearly identical to the Cycle I program.
  - KCP&L has recognized its effectiveness.
- Secondly, the Company argues that this will be simpler to explain to customers.
  - It may certainly be easier to process an application under the Cycle II proposal, but that should not be the deciding factor.
  - We can tell you unequivocally that this is not a difficult concept to explain to customers.

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Regulatory Flexibility

The company has asked for authority to implement a "Nuclear Option," allowing them to cancel the entire program with 30 days' notice.

This is a voluntary program, but once the company makes the commitment and goes through the process to begin a program its ratepayers will depend on, it should be required to see it through.

Nuclear option creates significant business uncertainty and sends a negative message about Missouri's commitment to energy efficiency.

The Commission's Rule requires the company to ask for permission to cancel the program.

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Conclusion

To be approved, a MEEIA plan must utilize ***all*** cost-effective measures.

The Cycle I program was cost-effective, why make such a material change?

To be approved, a MEEIA plan ***must*** result in energy savings.

Because there will be more freeriders, the program will not save as much energy as represented.

To be approved, a MEEIA plan must benefit ***all*** customers in the customer class in which it is proposed.

The proposal will price many ratepayers out of the market that would otherwise complete cost effective projects under Cycle 1 incentive levels. Nonparticipants will be paying for more freeriders.

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Request for Relief

The issues raised are serious enough to warrant further consideration. A lot of money could be wasted over the next three years.

Inform KCP&L that the Commission is concerned enough that the company should go back to the parties and look for a solution.

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Any Questions?

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