

2007 IRP DSM IMPLEMENTATION PLAN

From the current DSM portfolio, Empire has six energy efficiency programs implemented and the remaining two are scheduled to be implemented in 2008. The table below shows the status of each program in its five year plan.

Program	2006	2007	2008	2009	2010	2011	2012
Low Income Weatherization	x	x	X e	x	x		
Change a Light	x	x	X e	x	x		
Low Income New Homes		x	x	X e	x	x	
Central AC		x	x	X e	x	x	
C&I Rebate		x	x	X e	x	x	
BOC			x	x	X e	x	x
Home Perform w/ES			Planned start	x	X e	x	x
ES Homes			Planned start	x	X e	x	x

x = program implemented

X e = evaluation year based on portfolio plan

Based on the Preferred Plan of the 2007 IRP, most of these programs will be expanded and a C&I Peak Load Reduction program will be added.

The Low Income Weatherization program was not selected as part of the IRP since it is an affordability program and does not pass the benefit cost tests. The Low Income New Homes program is a very small program (7.2 kW annually) and was not selected in the IRP. Empire intends to continue these programs beyond 2010 at the current portfolio year five levels until otherwise instructed by the Missouri Public Service Commission.

Funding for the Change a Light program will be increased, and discussions with Midwest Energy Efficiency Alliance (“MEEA”), the program administrator, will continue on ways to further enhance the program design. The budget can be found at Volume IV page 60. The Customer Programs Collaborative (“CPC”) will be deciding on the direction of the evaluation in 2008. The evaluator selected will be used in the evaluation of all Empire DSM programs.

The Central Air Conditioner Rebate (“CAC”) program has been favorably received; however to reach the higher level of participation, Empire will need to reach additional market segments. This will be accomplished through continued direct mail contact with the customer, but also with contact through the retail and wholesale trade. The training being provided to the contractors increases their awareness of both the utility’s interest in energy efficiency and the program details for their customers. Contact and education with the supplier side of the market will also help in maintaining the inventory of appropriate equipment and passing on the knowledge of the rebate. The budget can be found at Volume IV page 64.

The Commercial & Industrial Rebate (“C&I”) Program has been increasing in participation and will continue to grow. Wholesale and retail trade contact is also planned for this program and will overlap somewhat with the CAC Rebate program mentioned above. The Energy Services Representatives and the Construction Designers have received training on this program and assist in the promotion to customers and contractors. The budget can be found at Volume IV page 72.

The Building Operator Certification (“BOC”) program has just begun. Letters were recently mailed to selected customers notifying them of this program and providing instructions on signing up for the first series of Level 1 classes. The plan is to host at least one additional Level 1 series before offering the Level 2 series. Research will be conducted to determine demand for the Level 2 offering. Empire has a verbal agreement with other area electric utilities offering this program to allow Empire customers to participate in their class offerings on a seat-available basis. The BOC program will continue to be promoted to those customers that can benefit from this type of training. The budget can be found at Volume IV page 77.

The Home Performance with ENERGY STAR® is to be implemented in 2008. Discussions with DNR-EC are in the early stages to determine the level of existing infrastructure and program support. It is anticipated that Empire will need to assist in providing accessible training opportunities to facilitate contractors in obtaining BPI certification. The budget for this program can be found at Volume IV page 56.

The ENERGY STAR® Homes program has a planned implementation for 2008. As with the Home Performance with ENERGY STAR, Empire is beginning discussions with DNR-EC to determine the best options for program implementation. Discussions with other utilities in close proximity to Empire are also being held because of the need for certified Raters when this program begins. Hopefully, with several utilities pursuing this or similar programs, this program will be successful in southwest Missouri. The budget is located at Volume IV page 68.

The new program resulting from the 2007 IRP is a peak load reduction program for commercial and industrial customers. On March 4, 2008, a team consisting of Brad Beecher, Mike Palmer, Kelly Walters, Rick McCord, Bill Eichman, Brian Berkstresser, and Sherry McCormack met to begin the process of determining the type and timing of demand response program(s) appropriate for Empire. Research is ongoing to determine what programs are available and what mix of these programs would work best in our service territory. Applied Energy Group (“AEG”) has been asked to assist in this project. Results of the first round of research will be reviewed by the group with next steps being developed. Budget for the Base Scenario is located at Volume IV pages 81 and 82.

Empire plans to bring to the CPC the new programs being considered and the modifications to existing programs that are being considered. Empire is also active in a regional utility collaborative which provides the opportunity for both formal and informal program partnerships.