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May 1, 2024

Arkansas Public Service
Commission 1000 Center Street
PO Box 400
Little Rock, AR 72203-0400

Re: Docket No. 07-076-TF
Annual SARP Filing

The Empire District Electric Company hereby submits its Standardized Annual Report Packet for 2023 for filing in the above-referenced docket.

If you have any questions about the filing, please do not hesitate to contact the undersigned.

Thank you for your assistance with this matter.

Sincerely,

Timothy Walls

Timothy Walls
Program Manager Energy Efficiency

THE EMPIRE DISTRICT ELECTRIC COMPANY

ENERGY EFFICIENCY ANNUAL REPORT

Filed May 1, 2024

1.0 EXECUTIVE SUMMARY

1.1 Brief historical background of the EE portfolio

The Empire District Electric Company (“Liberty” or “Company”) began its Quick Start Energy Efficiency (“EE”) portfolio in 2007 as directed by the Arkansas Public Service Commission’s (“Commission” or “APSC”) Rules for Conservation and Energy Efficiency Programs approved in Order No. 18 of Docket No. 06-004-R. This initial portfolio consisted of participation in the two state-wide programs, Energy Efficiency Arkansas (“EEA”) and the Arkansas Weatherization Program (“AWP”). Liberty also implemented a Central Air Conditioner (“CAC”) Tune-up rebate program and Commercial & Industrial (“C&I”) Prescriptive rebate program.

In 2010, the Commission approved the addition of a high-efficiency central air conditioner replacement component to the existing CAC tune-up rebate program, along with a rebate for a programmable thermostat. The Commission also approved the Interruptible Program, a voluntary curtailment program for large commercial and industrial customers.

In the spring of 2011, Liberty filed for approval of a High-efficiency Residential Lighting Program and a Home Energy Comparison Program to supplement its portfolio. However, in July 2011 the Commission requested Liberty re-file its portfolio to incorporate data for the 2012 and 2013 program years. During this time, Liberty, with the help of its demand-side consultant Applied Energy Group (AEG), decided to completely overhaul the existing portfolio to increase customer participation and overall savings levels. As a result of the Commission’s order and Liberty’s new portfolio expansion, the primary focus was dedicated to the new portfolio and the September 2011 filing deadline. The new portfolio was filed in September 2011. The new portfolio became active on January 1, 2012. It excluded the AC tune-up program and added a Residential Lighting Program, C&I Custom program, Energy Star® Appliance Program, and Small Business Lighting Program.

On December 28, 2012, Liberty filed with the APSC to add two new programs: Residential AC Tune-up and Duct Repair and an independent, contractor-driven Residential Weatherization. These programs leverage the design and contractors of a similar program designed and successfully implemented by Oklahoma Gas & Electric (“OG&E”). These programs were funded using re-appropriated budgets from underperforming programs in Liberty’s Arkansas EE portfolio.

In 2016, Liberty filed a new energy efficiency portfolio for 2017-2019. This new portfolio sought to streamline the inefficiencies and alleviate the program's shortcomings. The new portfolio focused on eliminating underperforming programs and focusing on programs with proven success. In doing so, it also set budgets at a reasonably achievable level, which helped abate Liberty’s potential for over-recovering the costs associated with these programs.

In 2019, Liberty filed a new energy efficiency portfolio for 2020-2022. The new portfolio initially featured the reluctant discontinuation of the Weatherization Program, which was not found to be cost-effective in the initial analysis. The portfolio without the Weatherization Program was approved for 2020; alongside a request that Liberty sought through Independent Evaluation Monitor (“IEM”) and Parties Working Collaboratively (“PWC”) to integrate new variables for cost-effectiveness within its

analysis of the Weatherization program. This modification pushed the Weatherization program into cost-effectiveness, and the addition of this program was approved to be re-introduced for 2021 and 2022. In 2022, this portfolio was extended through 2023.

This annual report provides the portfolio results for the 2023 program year.

Table 1.1

2023 Portfolio Summary							
Net Energy Savings		Costs			Cost-Effectiveness		
Demand MW	Energy MWh	Actual Expenditures	LCFC	Performance Incentives	TRC Net Benefits (NPV)	TRC Ratio	PAC Ratio
0	31	\$35,266	\$90,699	N/A	\$(18)	0.28	1.28

1.2 2023 Portfolio Overview

In 2023, Liberty’s portfolio captured 31 MWh of energy or annual savings. This represents a significant improvement over 2022 but the portfolio was still challenged to meet spending and savings targets. The underperformance was attributable to several factors, including:

- A limited number of evaluations of commercial and industrial projects that did not convert to actual projects.
- The postponement of several commercial projects due to budget constraints at customer locations.
- Lack of participation in the weatherization program due to contractor unavailability.

Liberty continues to try to address factors leading to underperformance in 2023 and has made program changes to the portfolio beginning in the 2024 portfolio.

Table 1.2

EE Portfolio Expenditures by Program					
Program Name	Target Sector	Program Type	2023		% of Budget
			Budget (\$)	Actual (\$)	
Residential Products	Residential	Consumer Product Rebate	21,725	11,400	52%
School-Based Energy Education	Residential	Consumer Product Rebate	14,175	12,019	85%
Weatherization	Residential	Whole Home	42,000	-	0%
Commercial and Industrial (Custom)	Commercial & Industrial	Custom	8,747	-	0%
Commercial and Industrial (Prescriptive)	Commercial & Industrial	Prescriptive/Standard Offer	17,922	-	0%
Marketing	All Classes	Other	2,000	2,052	103%
Online Energy Calculator	All Classes	Behavior/Education	2,000	5,790	290%
Regulatory	-	-	3,000	2,196	73%
Total			119,869	35,266	29%

1.3 Goals and Objectives for EE Portfolio

For its 2023 energy efficiency portfolio, Liberty planned for annual estimated energy savings of 423,858 kWh and for annual estimated demand savings of 56 kW.

Table 1.3

EE Portfolio Expenditure Summary by Cost Type				
Cost Type	2022 Total Expenditures			
	% of Total	Budget (\$)	Actual (\$)	% of Total
Planning / Design	0%	-	-	0%
Marketing & Delivery	92%	109,978	7,842	22%
Incentives / Direct Install Costs	0%	-	23,419	66%
EM&V	6%	6,891	1,809	5%
Administration	0%	-	-	0%
Regulatory	3%	3,000	2,196	6%
	100%	119,869	35,266	100%

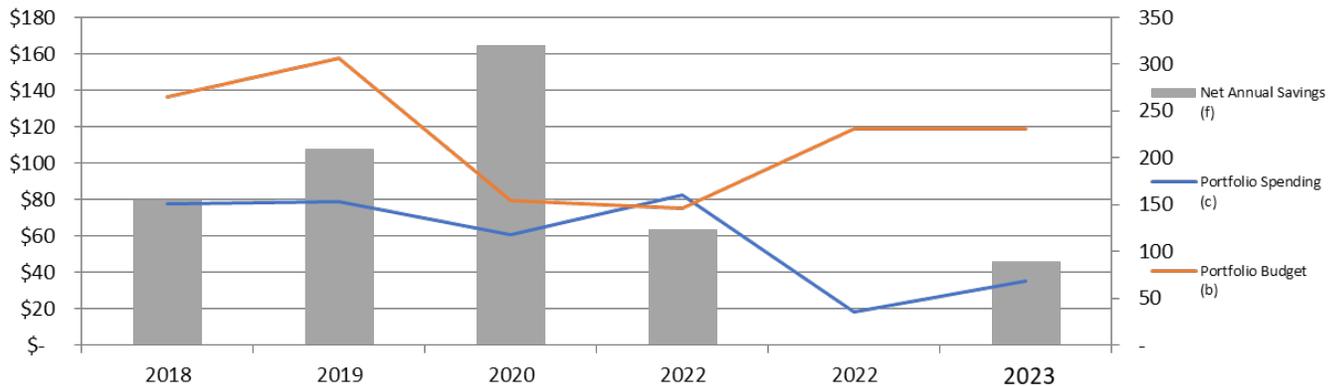
1.4 Progress achieved versus goals and objectives

Since 2012, Liberty has experienced consistent participation in its energy efficiency programs for Arkansas, despite well-documented service territory difficulties (See Section 1.6 – *What’s Working and What’s Not*). Liberty attempted to set more reasonable savings goals and budgets, allowed by the exemptions to the savings targets, as directed by Order No. 62 in Docket No. 07-076-TF (“Order No. 62”). In 2020, the first year of Liberty’s current energy efficiency portfolio, Liberty achieved 20 kW or 13 percent of its demand savings goal. Liberty also achieved 134,484 kWh or 44 percent of its overall energy savings goal. As stated, the Liberty portfolio did not realize kW or kWh savings in 2022. In 2023, Liberty achieved 31,067 kWh of savings representing 7 percent of the energy savings target.

Table 1.4

Company Statistics										
Program Year	Revenue and Expenditures					Energy				
	Total Revenue (a) (\$000's)	Budget		Actual		Total Annual Energy Sales (d) (MWh)	Plan		Evaluated	
		Portfolio Budget (b) (\$000's)	% of Revenue (% = b/a)	Portfolio Spending (c) (\$000's)	% of Revenue (% = c/a)		Net Annual Savings (e) (MWh)	% of Energy Sales (% = e/d)	Net Annual Savings (f) (MWh)	% of Energy Sales (% = f/d)
2019	\$ 16,599	\$ 157	0.9%	\$ 79	0.5%	175,630	228	0.13%	210	0.12%
2020	\$ 15,625	\$ 80	0.5%	\$ 61	0.4%	175,461	229	0.13%	320	0.18%
2021	\$ 15,846	\$ 75	0.5%	\$ 82	0.5%	164,927	419	0.25%	123	0.07%
2022	\$ 17,798	\$ 119	0.7%	\$ 18	0.1%	169,635	419	0.25%	-	0.00%
2023	\$ 22,288	\$ 119	0.5%	\$ 35	0.2%	172,735	311	0.18%	89	0.05%

Chart 1.4



Liberty acknowledges there is still a large gap in underspending. In 2023, Liberty made progress to address underspending and filed a new portfolio of programs designed to reduce barriers and increase participation.

1.5 Discussion of Program Performance

In 2021, Liberty displayed strong participation in the residential programs, achieving 75 percent of its participation targets. This included the distribution of 397 3-packs of LED bulbs, resulting in evaluated savings of 30,717 kWh. This program is typically marketed to customers in the summer, with participation beginning in late Q3 and Q4. In 2022, Liberty used the same marketing tactic in the form of a bill insert and received no response from the customer base. Due to the lead time required for mail-based promotions, we were unable to implement a second mailing, which would have resulted in savings for 2022. In 2023, Liberty moved the promotion cycle to begin earlier in the year and employed additional marketing strategies to encourage program participation. These included emails, social media, and sharing information through the customer newsletter. Liberty evaluated the promotion's performance in June and continued additional promotions through the end of July 2023, responding to and distributing 475 3-packs of LED bulbs.

The Liberty C&I program also had a strong performance in 2021. In 2022, the program struggled to identify viable projects for evaluation and only reviewed two opportunities for inclusion in the

program. Liberty's service territory is predominately residential and rural, limiting the opportunities for C&I projects. As discussed in section 1.6, What's Working and What's Not, this creates a very small pool for project engagement. Additionally, the C&I program is one that relies on the ability of the energy efficiency program manager to recruit projects into the program via customers and contractors. The energy efficiency team is leanly staffed and internal movement of Liberty staff along with new program additions in the Central Region taxed the team. The longer lead time needed for C&I projects further compounded the struggles. Liberty worked to strengthen the C&I pipeline for 2023 to meet savings targets. The energy efficiency team is fully staffed, and the Program Manager assigned to Arkansas is fully engaged in recruiting projects and working with them throughout the project lifecycle. Liberty recruited a small number of C&I projects in 2023. These were postponed by the customers due to increases in material costs and general financial concerns.

Liberty typically addresses weatherization when contractors have excess capacity after other IOUs have met their goals, as Liberty does not have a dedicated contractor network. Liberty is currently in the process of vacating this practice and identifying contractors available to do a limited amount of work within the Liberty service territory throughout the year. The Program Manager had discussions with a contractor who lives within a thirty-minute drive of the Liberty service territory. Liberty worked with the contractor to identify weatherization opportunities for completion, and the customers decided to delay their upgrades until the next program cycle. For 2023, Liberty had no participation.

Liberty resumed the distribution of school kits in the fall of 2023. The Program Manager coordinated the kit content and outreach plans for teachers and school superintendents throughout Liberty's service territory. For 2023, Liberty shifted program recruitment to the beginning of school on the first of August to identify early recruitment opportunities by having accurate student enrollments.

1.6 What's Working and What's Not

According to the comments of the IEM, "it is unlikely that Liberty's program portfolio will ever reach its participation goals due to the challenges it faces in its service territory¹." Liberty has expanded on these challenges in various filings over the last three years, beginning with its response to Order No. 40 in APSC Docket 07-076-TF². A summary of these were filed in support of Liberty's 2013 Energy Efficiency Cost Recovery Rider re-determination filing. These barriers described below remain in place today.

Liberty serves a very small number of customers in Arkansas (about 4,300) in a predominately rural and relatively remote area with a few small towns ranging in size of roughly 100 to 3,158 residents. The Commission has recognized that due to the size and other demographics that Liberty faces a challenge unique among the public utilities subject to the required EE achievement targets. As outlined in Liberty's other energy efficiency filings, some of these hurdles include:

- *Energy efficiency overhead costs - administrative/regulatory costs must be recovered over a small customer base*
- *Size of operations - by customer count Liberty is less than one-tenth the size of the next smallest IOU in Arkansas*
- *Rural service territory - Liberty's service territory includes no urban population centers that can offer economic activity and diversity*
- *Scope of operations - by population, Liberty serves only about 3.7% of the only Arkansas County that it provides service*
- *Composition of customer base - Liberty's Arkansas service territory is comprised of about 82% residential customers*
- *Service territory demographics - based on 2010 U.S. Census Data about 42% of the citizens in Liberty's Arkansas service territory live in renter-occupied housing*
- *Industrial/Commercial customer base - nearly half of Liberty's electric sales in Arkansas come from two large commercial/industrial customers³*
- *Service territory economy - nationwide franchises and big box stores that may fill the landscape of high commerce areas are virtually nonexistent in Liberty's Arkansas service territory*
- *Service territory media - limited cost-effective media outlets for this specific rural area are available to promote Liberty's energy efficiency programs⁴*

¹ APSC Docket 07-076-TF, Doc. 192. Filed June 3, 2013.

² APSC Docket No. 07-076-TF, Doc. 169. Filed September 14, 2012.

³ Liberty's two-largest industrial customers—which comprise nearly half of its Arkansas sales—are cited above as hard-to-reach customers upon whom the portfolio's success will inevitably depend. Both customers are now exempt as Self-Direct Opt Out customers, which is still a large barrier to Liberty's energy efficiency success, but in a different way.

⁴ APSC Docket No. 13-002-U, Doc. 40. Filed May 15, 2013.

Liberty's 2017-2019 and 2020-2023 energy efficiency portfolios were configured in an attempt to remedy this issue. The 2020-2023 portfolio features six programs. This effort is supported by the variances granted to Liberty by Order No. 62⁵. Order No. 62 granted Liberty the following variances.

- Liberty shall set realistically achievable program plans and budget levels;
- Current mechanisms for collecting LCFC and any utility performance incentive shall remain in place, as described in Section 7 of the C&EE Rules;
- Liberty is granted the flexibility listed above from specific items in the Comprehensiveness Checklist described in Order No. 17 in Docket No. 08-144-U in order to streamline program offerings and best serve its customers with programs primarily aimed at cost-effectiveness;
- Pursuant to Section 4.B of the C&EE Rules and Rule 2.05 of the Commission's Rules of Practice and Procedure, the Commission finds that it is in the public interest and good cause has been shown to grant Liberty an exemption from Section 9 of the C&EE rules concerning annual reporting and it is instead required to file this information during each program design cycle, which is anticipated to be a three-year cycle;
- Liberty is required to continue to market its EE programs to the best of its ability and resources.

1.7.1 Comprehensiveness Checklist Factors

Per Order No. 62, Liberty is exempt from strict compliance with the Comprehensiveness Checklist, established by Order No. 17 in APSC Docket No. 08-144-U. In its report on 2018 EM&V, the IEM recommends, "Liberty should start tracking its progress in meeting the Commission Comprehensiveness Checklist Factors to the extent possible⁶." Liberty agrees that these recommendations are appropriate as a best practice and a benchmark, and in the following section, in compliance with the IEM's recommendation, details each item in the checklist followed by a description of Liberty's progress toward it.

Whether the programs and/or portfolio provide, either directly or through identification and coordination, the education, training, marketing, or outreach needed to address market barriers to the adoption of cost-effective energy efficiency measures;

The School-Based Energy Education program features an education curriculum designed to increase the energy awareness of middle schoolers. The goal of this program is for students to take home the awareness and enthusiasm for energy efficiency gained through their participation and share it with their families. To further encourage this, the students are equipped with direct install measures and educational materials to bring home to share what they have learned. Liberty is considering adding new measures to this program for 2023 to make it even more comprehensive and cost-effective.

The Residential Products Program, which primarily offers lighting measures to Liberty customers, promotes future penetration of high-efficiency lighting by offering what will amount

⁵ APSC Docket No. 07-076-TF, Doc. 267, filed May 3, 2016.

⁶ APSC Docket No. 07-076-TF, Doc. 368, filed July 5, 2019.

to a “sample” of LED Lighting. This, theoretically, will lead to further adoption of this technology by dispelling misinformation regarding this technology and other high-efficiency products.

The reintegration of the Weatherization program into Liberty’s energy efficiency portfolio increases the overall comprehensiveness of the program, as it includes both informational items throughout the audit program, as well as a diverse mix of direct-install and home-envelope measures that address the whole home, as well as consumer behavior.

Whether the programs and/or portfolio, have adequate budgetary, management, and program delivery resources to plan, design, implement, oversee, and evaluate energy efficiency programs;

Due to the economies gained by leveraging implementation contractors of other Investor-Owned Utilities (“IOUs”) in Arkansas, and from using the same EM&V Consultant in ADM Associates, Liberty is able to continually offer energy efficiency programs that test as cost-effective. The cost-effectiveness of the portfolio overall improved with reintegration of the Weatherization program in 2021—as approved by Order No. 86 in APSC Docket No. 07-076-TF—should continue to improve as Liberty continues to seek expansion for the items in its direct-install kits to capture richer and deeper energy savings.

Whether the programs and/or portfolio, reasonably address all major end-uses of electricity or natural gas, or electricity and natural gas, as appropriate;

The reintroduction of the Weatherization program in 2021 dramatically increased the diversity of Liberty’s residential portfolio end-uses. The Residential Products Program replaced the Residential Lighting Program in 2020, by adding LivingWise Energy Savings kits to customers. These include water-saving measures, which increase the diversity of end-uses available through this program. Liberty also plans to continually improve the diversity of its offerings by reconsidering the direct install items included in the kits provided as part of the School-Based Energy Education and Residential Products Programs. The commercial program features a wide array of prescriptive measures for its customers, as well as custom rebates in order to address any conceivable end-use for which cost-effective energy savings can be demonstrated. For these reasons, Liberty believes it is delivering a wide array of end-uses that are reasonably achievable in the interest of its customers.

Whether the programs and/or portfolio, to the maximum extent reasonable, comprehensively address the needs of customers at one time, in order to avoid cream-skimming and lost opportunities;

Liberty’s energy efficiency programs are focused on giveaways, and kits, in order to minimize the cash investment requirements for its economically depressed service territory. The Residential Products Program, Weatherization Program, and the School-Based Energy Education are offered completely free to participants, and feature as diverse and as many direct install energy efficiency measures as can be cost-effectively delivered. They are designed to be as comprehensive as they can cost-effectively be, offering the customers the greatest value possible.

Whether such programs take advantage of opportunities to address the comprehensive needs of targeted customer sectors (for example, schools, large retail stores, agricultural

users, or restaurants) or to leverage non-utility program resources (for example, state or federal tax incentives, rebate, or lending programs);

Due to the well-established challenges of its service territory, it would not be cost-effective for Liberty to offer a wide variety of programs targeted at specific economic sectors. Particularly, the size of its customer base would make segmented programs inefficient. Within its service territory, Liberty has fewer than 700 commercial customers across all sub-sectors. For example, Liberty has 3 school districts in its entire service territory. Offering a commercial program specifically designed for schools is not justified. Instead, Liberty offers one commercial rebate program designed to be as inclusive as possible, both in terms of the types of customers and the types of end uses that can be eligible.

Whether the programs and/or portfolio enables the delivery of all achievable, cost-effective energy efficiency within a reasonable period of time and maximizes net benefits to customers and to the utility system; and

Liberty believes it has complied with this item through the following actions:

- Placing emphasis on direct install measures, meaning savings begin immediately,
- Incentivizing customers to perform as many energy efficiency measures as can cost-effectively be done through its Weatherization Program and School-based Energy Education Programs,
- Incentivizing customers to change energy usage habits through its School-based Energy Education program and Weatherization Program, meaning savings are both instantaneous and long-term,
- Offering numerous residential programs at no cost to the customer.

Whether the programs and/or portfolio, have evaluation, measurement, and verification ("EM&V") procedures adequate to support program management and improvement, calculation of energy, demand and revenue impacts, and resource planning decisions.

By committing to return to annual EM&V where appropriate, and by leveraging ADM Associates, which provides services to other IOUs in Arkansas, Liberty has utilized the available resources to optimize cost levels and precision in its evaluations; ensuring annual cost-effectiveness throughout its programs.

1.7 Planned changes to programs or budgets

Liberty made no modifications to the budgets as approved in 2022, which also was extended for 2023.

1.8 Estimation of EE Resource Potential

Liberty has not conducted a Potential Study solely for its Arkansas service territory, as less than three percent of Liberty's Central Region electric customers reside in Arkansas. Liberty is participating in the current Statewide Potential Study that will be completed in 2024 and used in subsequent planning cycles.

1.9 Training Achievements

Liberty did not offer any trade ally training sessions in 2023.

2.0 Portfolio Programs

2.1 Residential Products Program

2.1.1 Program Description

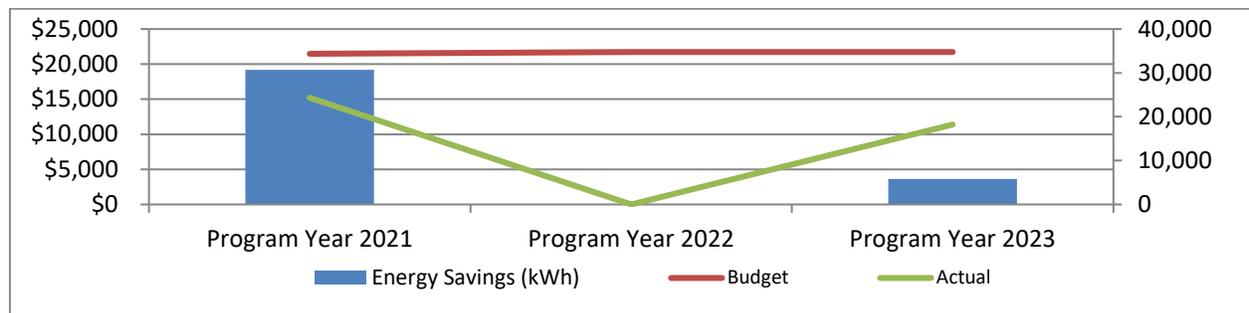
Customers who responded to a pre-paid postcard inserted into their bills received a 3-pack of LED Light bulbs to achieve instant savings.

2.1.2 Program Results

This program did not meet the expected performance for 2023.

2.1.3 Program Budget, Savings & Participants

Residential Products												
Program	Expenditures			Energy Savings (kWh)			Demand Savings (kW)			Participants		
	Budget	Actual	%	Plan	Evaluated	%	Plan	Evaluated	%	Plan	Actual	%
Program Year 2021	\$21,473	\$15,208	71%	86,759	30,717	35%	10	5	50%	525	304	58%
Program Year 2022	\$21,725	\$0	0%	90,732	0	0%	10	0	0%	550	0	0%
Program Year 2023	\$ 21,725	\$ 11,400	52%	90,732	5,849	6%	10	1	10%	550	475	86%



2.1.4 Description of Participants

Liberty defines a participant for this program as a distributed lighting or direct-install kit.

2.1.5 Challenges & Opportunities

The delivery method of this program is rare, as the standard choice tends to be a point-of-purchase program. However, Liberty's lack of a big-box retail store within its service territory makes such a delivery impossible. Liberty has successfully delivered light-by-mail for 10 years. Liberty was able to keep this program viable and cost-effective despite its challenges.

2.1.6 Planned or Proposed Changes to Program & Budget

Liberty made no modifications to the program's budget in 2022. In 2023, Liberty introduced this program to customers earlier in the year and identified its continued viability for 2023. Liberty has introduced an online marketplace in other hard-to-serve regions as an alternative to mail-in fulfillment programs. Liberty is looking to bring this delivery channel to the Arkansas portfolio during the next program cycle.

2.2 School-Based Energy Education

2.2.1 Program Description

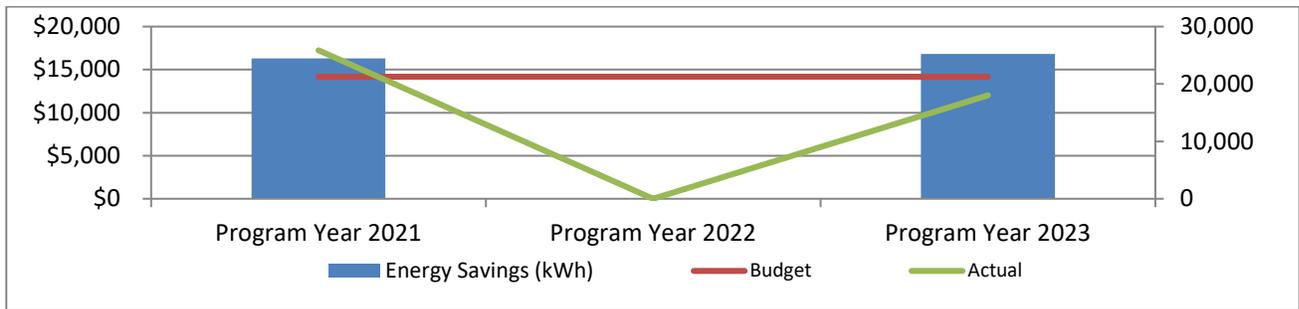
Liberty provides educational kits with low-cost energy-saving items and information to middle school children ⁷.

2.2.2 Program Highlights

Liberty did distribute school kits in 2023, and this program is planned to continue to distribute school kits in future planned programs.

2.2.3 Program Budget, Savings & Participants

School-Based Energy Education												
Program	Expenditures			Energy Savings (kWh)			Demand Savings (kW)			Participants		
	Budget	Actual	%	Plan	Evaluated	%	Plan	Evaluated	%	Plan	Actual	%
Program Year 2021	\$14,175	\$17,244	122%	92,418	24,444	26%	9	3	33%	315	304	97%
Program Year 2022	\$14,175	\$0	0%	92,418	0	0%	9	0	0%	315	0	0%
Program Year 2023	\$ 14,175	\$ 12,019	85%	92,418	25,218	27%	9	9	100%	315	350	111%



2.2.4 Description of Participants

A participant in this program is defined as a sixth-grade student receiving an EnergyWise® kit.

2.2.5 Challenges & Opportunities

The number of customers that can be reached by this program is limited by the number of school districts in Liberty’s service territory. Liberty seeks to educate young customers in new ways of energy conservation.

2.2.6 Planned or Proposed Changes to Program & Budget

Liberty made no modifications to this program’s budget in 2023. In 2020 and 2021, Liberty modified the kit in accordance with recommendations of the AG’s office⁸, which called into question Liberty’s reliance on Non-Energy Benefits (“NEBs”) provided by water-saving measures, decreased the *quantity* of kWh savings, but aimed to increase the *quality* of savings by lessening the number of kWh derived from NEBs. However, in line with ADM’s 2021 Evaluation and the IEM’s recommendation, Liberty reintroduced the low-flow showerhead into the kits.

⁷ APSC Docket 07-076-TF, Doc. 121. Filed September 30, 2011.

⁸ Direct Testimony of Christina L. Baker, APSC Docket 07-076-TF, Doc. 396. Filed July 17, 2020.

2.3 Weatherization Program

2.3.1 Program Description

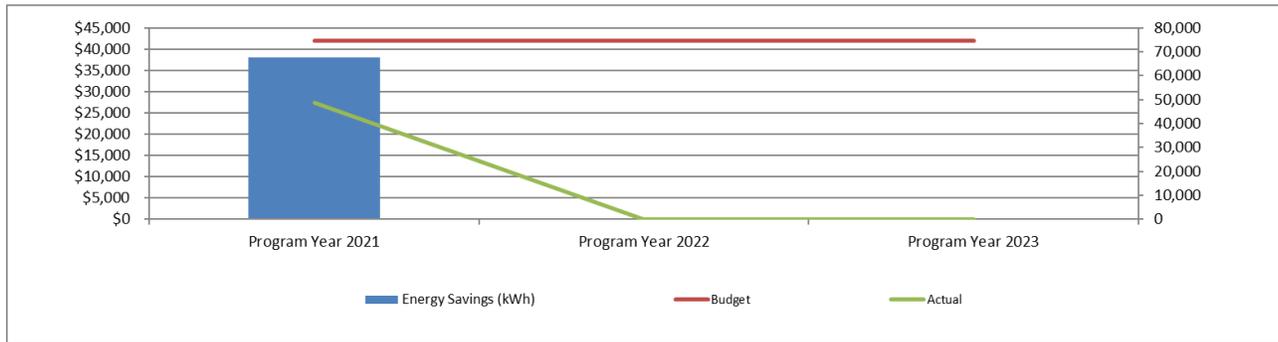
Liberty’s Weatherization Program utilizes contractors to perform energy audits and subsequently perform energy efficiency upgrades to qualifying homes.

2.3.2 Program Highlights

The program was reintroduced in 2021. There was no participation in this program in 2023.

2.3.3 Program Budget, Savings & Participants

Weatherization												
Program	Expenditures			Energy Savings (kWh)			Demand Savings (kW)			Participants		
	Budget	Actual	%	Plan	Evaluated	%	Plan	Evaluated	%	Plan	Actual	%
Program Year 2021	\$42,000	\$27,388	65%	102,270	67,429	66%	14	24	171%	20	17	85%
Program Year 2022	\$42,000	\$0	0%	102,270	0	0%	14	0	0%	20	0	0%
Program Year 2023	\$ 42,000	\$ -	0%	102,270	0	0%	14	0	0%	20	0	0%



2.3.4 Description of Participants

A participant for this program is defined as a single home.

2.3.5 Challenges & Opportunities

There are inherent challenges in creating the right amount of demand for a program with small participation goals. Traditional marketing campaigns to our Arkansas customers have yielded response rates of around ten percent. Even the most conservative response rate of five percent (roughly 4,300 customers) could create unmanageable demand for the program based on its current budget. Moreover, Liberty does not mass market this program. Participating customers come to us directly through the application on the Liberty website, through word-of-mouth, or by participation in one of Liberty’s other energy efficiency programs. Due to the underperformance of this program in 2023, Liberty has worked in identifying contractors who can serve our customers in partnership with the natural gas service provider within Liberty’s Service Area.

2.3.6 Planned or Proposed Changes to Program & Budget

Liberty did not make any changes to the approved budget for 2023.

2.4 Commercial and Industrial (Custom)

2.4.1 Program Description

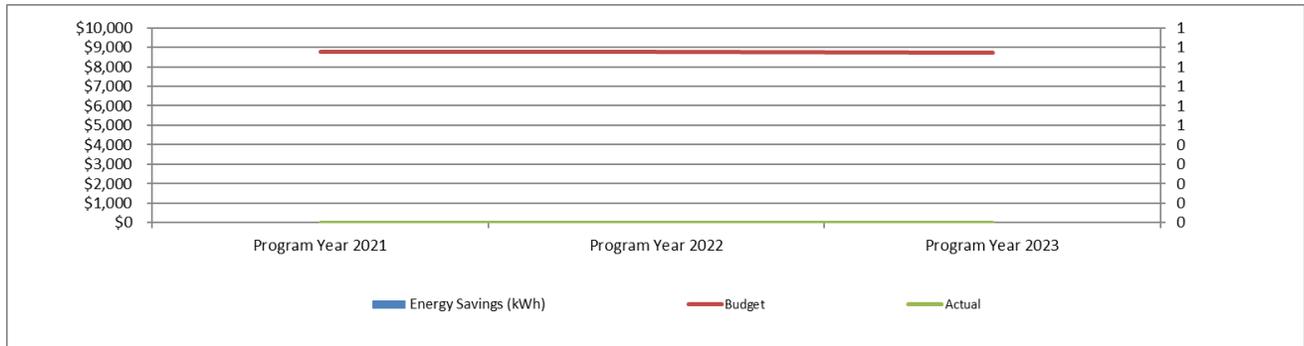
C&I customers receive rebates for the installation or replacement of cost-effective, efficient measures not included in the C&I prescriptive program.

2.4.2 Program Highlights

- This program had no participation in 2023.
- School projects were evaluated but did not develop due to budgetary constraints.

2.4.3 Program Budget, Savings & Participants

Commercial and Industrial (Custom)												
Program	Expenditures			Energy Savings (kWh)			Demand Savings (kW)			Participants		
	Budget	Actual	%	Plan	Evaluated	%	Plan	Evaluated	%	Plan	Actual	%
Program Year 2021	\$8,748	\$0	0%	25,929	0	0%	6	0	0%	1	0	0%
Program Year 2022	\$8,748	\$0	0%	25,929	0	0%	6	0	0%	1	0	0%
Program Year 2023	\$ 8,748	\$ -	0%	25,929	0	0%	6	0	0%	1	0	0%



2.4.4 Description of Participants

Liberty defines a “participant” for this program as a qualifying customer receiving a rebate. A single customer can receive a rebate for more than one measure.

2.4.5 Challenges & Opportunities

As Liberty described at length in its response to Commission Order No. 40 in APSC Docket No. 07-076-TF⁹, and briefly above in Section 1.6 - *What’s Working and What’s Not*, there are various challenges to successful implementation of energy efficiency programs in its Arkansas service territory. This concern was echoed by the IEM in her 2013 EM&V Report¹⁰.

⁹ APSC Docket No. 07-076-TF, Doc. 169. Filed September 14, 2012.

¹⁰ APSC Docket 07-076-TF, Doc. 192. Filed June 3, 2013

Because Liberty contracts Applied Energy Group to process applications for this program, and not all preapproved projects will be completed by the customer, sometimes administrative costs are borne that do not directly result in energy savings. These administrative costs, along with website and application maintenance, resulted in administrative costs within a program year that resulted in zero savings.

2.4.6 Planned or Proposed Changes to Program & Budget

Liberty did not make any changes to the approved budget for 2023.

2.5 Commercial and Industrial (Prescriptive)

2.5.1 Program Description

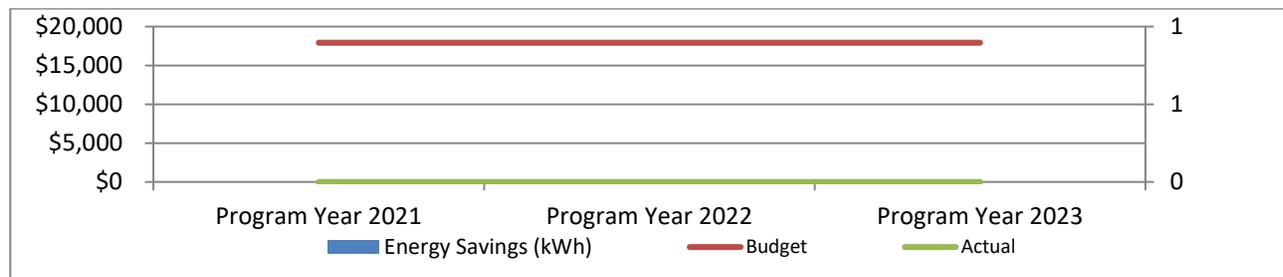
C&I customers receive rebates for the installation, replacement, or retrofit of qualifying electric savings measures.

2.5.2 Program Highlights

This program saw no participation in 2023.

2.5.3 Program Budget, Savings & Participants

Commercial and Industrial (Prescriptive)												
Program	Expenditures			Energy Savings (kWh)			Demand Savings (kW)			Participants		
	Budget	Actual	%	Plan	Evaluated	%	Plan	Evaluated	%	Plan	Actual	%
Program Year 2021	\$17,922	\$0	0%	99,582	0	0%	19	0	0%	4	0	0%
Program Year 2022	\$17,922	\$0	0%	99,582	0	0%	19	0	0%	4	0	0%
Program Year 2023	\$ 17,922	\$ -	0%	99,582	0	0%	19	0	0%	4	0	0%



2.5.4 Description of Participants

Liberty defines a “participant” for this program as a qualifying customer receiving a rebate. A single customer can receive incentives for more than one measure.

2.5.5 Challenges & Opportunities

The program counts on contractors from nearby metropolitan areas because few commercial energy efficiency vendors have offices in Liberty’s service territory. Finding vendors is a consistent struggle, especially since there are few commercial customers in this area. During the program year 2023, projects were canceled by several customers due to budget restraints.

2.5.6 Planned or Proposed Changes to Program & Budget

Liberty did not make any changes to this program’s approved budget for the 2023 program year.

2.6 Online Energy Calculator

2.6.1 Program Description

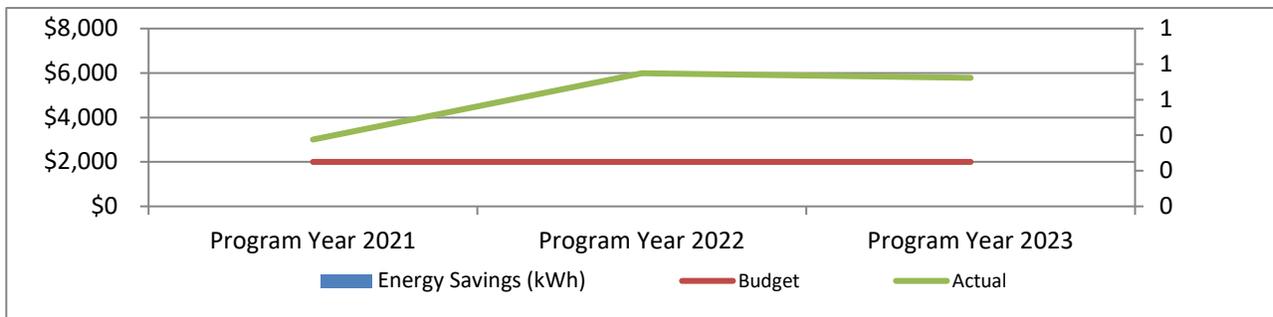
Liberty customers can conduct an online energy assessment, use the online energy calculator, and sign up for regular energy efficiency tips and information regarding reducing their bills through Liberty’s partnership with Apogee.

2.6.2 Program Highlights

This program is well-used but does not directly provide measurable energy savings.

2.6.3 Program Budget, Savings & Participants

Online Energy Calculator												
Program	Expenditures			Energy Savings (kWh)			Demand Savings (kW)			Participants		
	Budget	Actual	%	Plan	Evaluated	%	Plan	Evaluated	%	Plan	Actual	%
Program Year 2021	\$2,000	\$3,006	150%	0	0	-	0	0	-	0	0	-
Program Year 2022	\$2,000	\$5,990	300%	0	0	-	0	0	-	0	0	-
Program Year 2023	\$ 2,000	\$ 5,790	290%	0	0	-	0	0	-	0	0	-



2.6.4 Description of Participants

Liberty does not measure specific participants at a level attributable to its Arkansas jurisdiction.

2.6.5 Challenges & Opportunities

While Liberty is confident in the spillover effects of this program, which would lead participants to other programs and energy efficiency upgrades, there is no way to calculate this at its current level of evaluation. Liberty is continually evaluating ways to utilize this program better.

2.6.6 Planned or Proposed Changes to Program & Budget

Liberty did not make any changes to this program’s approved budget for the 2023 program year.

2.7 Energy Efficiency Arkansas

2.7.1 Program Description

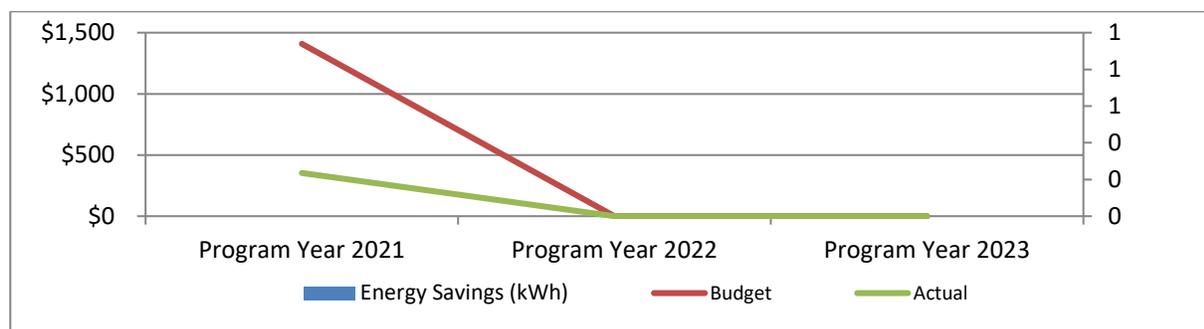
This program provides education to residential customers and technical training to contractors and business customers¹¹.

2.7.2 Program Highlights

- Liberty is pleased to cooperate with the Arkansas Energy Office on this program.
- This program is a statewide education and awareness campaign and does not produce measurable demand or energy savings.
- There were no expenses assigned to Liberty for this program in 2023.

2.7.3 Program Budget, Savings, & Participants

Energy Efficiency Arkansas												
Program	Expenditures			Energy Savings (kWh)			Demand Savings (kW)			Participants		
	Budget	Actual	%	Plan	Evaluated	%	Plan	Evaluated	%	Plan	Actual	%
Program Year 2021	\$1,409	\$353	25%	0	0	-	0	0	-	0	0	-
Program Year 2022	\$0	\$0	-	0	0	-	0	0	-	0	0	-
Program Year 2023	\$ -	\$ -	-	0	0	-	0	0	-	0	0	-



2.7.4 Description of Participants

This program is a statewide education and awareness program and does not measure participation.

2.7.5 Challenges & Opportunities

Liberty does not implement any of these programs and, thus, does not face any challenges.

2.7.6 Planned or Proposed Changes to Program & Budget

There were no changes to this budget in 2023.

3.0 Supplemental Requirements

¹¹ APSC Docket 07-076-TF, Doc. 121. Filed September 30, 2011.

3.1 Staffing

Liberty has additional staff that support energy efficiency. This includes management, marketing, regulatory, customer service, and analysts.

As of the time of this report, the energy efficiency team in the Central Region is fully staffed.

3.2 Stakeholder Activities

Liberty participates in frequent meetings of the Parties Working Collaboratively (“PWC”). This includes discussions of the TRM, Statewide Potential Studies, Weatherization Collaboratives, and other collectives. Liberty generally participates via phone and/or webinars as a means to minimize administrative and travel costs.

3.3 Information Provided to Consumers to Promote EE

Because Liberty operates within a dramatically smaller and more rural customer base than any of its peers—described at length in its response to Commission Order No. 40 in APSC Docket No. 07-076-TF¹² and other subsequent filings—customer surveys and experience have shown that direct mail is the preferred method of communication with Liberty’s Arkansas customers. Alongside these communications, the proliferation of social media has allowed Liberty new opportunities to reach its customers. Liberty continues learning how to utilize social media to raise awareness of its energy efficiency programs. Liberty occasionally makes presentations on the programs available to community organizations in its service territory. Liberty also attends community events to meet with customers and answer questions. Liberty coordinates with the Arkansas Energy Office for as many of these appearances as possible to better inform its customers. Lastly, as a part of a larger corporation in the Liberty family, Liberty has access to its peers' knowledge, resources, and practices in other regions of Liberty.

CERTIFICATE OF SERVICE

This is to certify that the undersigned has served a copy of the foregoing instrument via email, to all parties of record on this 1st day of May, 2024.

/s/ Angela Cloven

Angela Cloven