

Joint NRDC/Wal-Mart Statement (Missouri)

May 17, 2010

S.B. 376 says that “the commission shall ... Ensure that utility financial incentives are aligned with helping customers use energy more efficiently and in a manner that sustains or enhances utility customers’ incentives to use energy more efficiently.” (Emphasis added). Moreover, the statute gives the Commission authority to “adopt cost recovery mechanisms to further encourage investments in demand-side programs including ... rate design modifications. “

Capturing the benefits of cost-effective demand side investments is a very high priority for both NRDC and Wal-Mart, and to that end we have developed a joint statement including the following key points that are particularly relevant to this proceeding:

- Electric and natural gas utilities should recognize cost-effective energy efficiency as part of their resource planning requirement and should recognize energy efficiency as the highest priority in the hierarchy of their resource procurement strategy and regulatory policy should ensure that such acquisition is done in a least-cost manner that maximizes net-benefits (maximizes savings and minimizes costs).
- The applicable state regulatory authority should seek to implement, in appropriate proceedings for each electric and gas utility, a policy that ensures that utilities are given the opportunity to recover authorized fixed costs, in a way that sustains or enhances utility customers' incentives to use energy more efficiently. This can be accomplished through the adoption of an appropriate revenue collection mechanism, or rate design principle for each customer class of the utility.