

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Union Electric Company d/b/a)
Ameren Missouri's 2nd Filing to Implement)
Regulatory Changes in Furtherance of) **File No. EO-2015-0055**
Energy Efficiency as Allowed by MEEIA.)

STAFF STATEMENTS OF POSITION

COMES NOW the Staff of the Missouri Public Service Commission, and files this *Staff Statements of Position* with the Missouri Public Service Commission stating the following:

LIST OF ISSUES

1. Should the Commission approve, reject or modify Ameren Missouri's MEEIA Cycle 2 Plan (hereafter the "Plan")?

Staff believes the Commission should reject the Plan because it fails to comply with statutory requirements of the Missouri Energy Efficiency Investment Act¹ ("MEEIA"). The Plan does not demonstrate progress towards achieving a goal of all cost-effective demand-side savings; it is not expected to be beneficial to all customers in the customer class in which the programs are proposed; it will likely result in over-recovery of the throughput disincentive; and it does not propose an earnings opportunity which is associated with cost-effective measurable and verifiable savings.

2. Do the programs in the Plan, and associated incremental energy and demand savings, demonstrate progress toward achieving all cost-effective demand-side savings consistent with state policy (as established by MEEIA)?

¹ 393.1075, RSMo, Supp. 2013.

No. *The Plan's kWh and kWh per \$ savings are less than half the actual achieved levels of kWh and a kWh per \$ during Ameren Missouri's pre-MEEIA programs (2009 – 2011) and MEEIA Cycle 1 programs to date (2013 – 2014).*

3. If the Commission approves a Plan, what are the components of the demand-side programs investment mechanism and how will each of the components be administered?

There should be three components:

- a) Net program costs component as defined in and administered through the proposed Rider EEIC;*
- b) Lost revenue component of a DSIM as defined in the MEEIA rules; and*
- c) Utility incentive component of a DSIM as defined in the MEEIA rules; however, the specifics of this component will depend upon the final programs and energy and demand savings targets approved for each program.*

4. If the Commission approves a Plan, what variances from Commission rules based on a showing of good cause are necessary?

Because Staff recommends the Commission reject Ameren Missouri's Plan, Staff has no position concerning variances at this time. Staff recommends the Commission allow all parties the opportunity to address the need for any variances of the Commission rules if the Commission does not reject the plan outright, but instead makes a determination on all issues related to DSM programs, DSIM and TRM.

Office of the Public Counsel's Issues:

1. If the Commission approves a plan, should the total resource cost test be applied uniformly when calculating net shared benefits?

No. The rule definition of annual net shared benefits² makes it clear that participants' costs to install high efficiency measures and/or a utility incentive award amount are not costs when calculating annual net shared benefits.

2. If the Commission approves a demand-side programs investment mechanism that includes a performance incentive, should the performance incentive be included as a cost when calculating the net shared benefits?

No. The rule definition of annual net shared benefits makes it clear that participants' costs to install high efficiency measures and/or a utility incentive award amount are not costs when calculating annual net shared benefits.

Sierra Club's Issue:

In assessing the cost-effectiveness of demand-side programs, should Ameren Missouri consider the results of the utility cost test?

Yes. As a result of its Rule 4 CSR 240-20.094(3)(C), the Commission has chosen to use both the TRC and the UCT as preferred cost-effectiveness tests in its MEEIA rules.

Missouri Division of Energy's Issue:

If the Commission modifies Ameren Missouri's MEEIA Cycle 2 Plan what modifications should the Commission adopt?

The best path forward is for Ameren Missouri and the parties to request suspension of the current procedural schedule in order to concentrate their

² 4 CSR 240-3.163(1)(A), 4 CSR 240-20.093(1)(C), 4 CSR 240-20.094(1)(C).

energies more productively on using a collaborative technical working process to explore ways, if possible, to deliver to the Commission a modified Plan that satisfies the requirements of MEEIA and the MEEIA rules.

WHEREFORE, the Staff files this *Staff Statements of Position* and prays the Commission accept this pleading as set forth above.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing were mailed, electronically mailed, or hand-delivered to all counsel of record this **11th day of May, 2015**.

/s/ Marcella L. Mueth