

# BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Consideration and )  
Implementation of Section 393.1075, the ) **File No. EW-2010-0265**  
Missouri Energy Efficiency Investment Act )

## **ORDER ESTABLISHING FILING DEADLINE FOR PROPOSED RULE**

Issue Date: March 30, 2010

Effective Date: March 30, 2010

On March 25, 2010, the Commission established a separate file for this matter and directed that the workshops to be held in conjunction with the workshops in EW-2009-0291 continue. Section 393.1075, RSMo, Cum Supp. 2009, (SB 376), the Missouri Energy Efficiency Investment Act ("Act") has several provisions outlining requirements for Commission rulemaking. Those portions provide:

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5. To comply with this section the commission may develop cost recovery mechanisms to further encourage investments in demand-side programs including, in combination and without limitation: capitalization of investments in and expenditures for demand-side programs, rate design modifications, accelerated depreciation on demand-side investments, and allowing the utility to retain a portion of the net benefits of a demand-side program for its shareholders. In setting rates the commission shall fairly apportion the costs and benefits of demand-side programs to each customer class except as provided for in subsection 6 of this section. Prior to approving a rate design modification associated with demand-side cost recovery, the commission shall conclude a docket studying the effects thereof and promulgate an appropriate rule.

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11. The commission shall provide oversight and may adopt rules and procedures and approve corporation-specific settlements and tariff provisions, independent evaluation of demand-side programs, as necessary, to ensure that electric corporations can achieve the goals of this section. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the authority delegated in this section shall become

effective only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2009, shall be invalid and void.

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15. The commission shall develop rules that provide for disclosure of participants in all demand-side programs offered by electrical corporations under this section when such programs provide monetary incentives to the customer. The disclosure required by this subsection may include, but not be limited to, the following: the name of the participant or the names of the principles if for a company, the property address, and the amount of the monetary incentive received.

While these subsections provide direction to the Commission for promulgating rules, other portions of Section 393.1075 may also require clarification through the Commission's rulemaking to fully implement the Act.

Because the State has declared that its policy is "to value demand-side investments equal to traditional investments in supply and delivery infrastructure and allow recovery of all reasonable and prudent costs of delivering cost-effective demand-side programs,"<sup>1</sup> the Commission would like to move as expeditiously as possible on rules related to the Missouri Energy Efficiency Investment Act, which became effective on August 28, 2009. Therefore, the Commission would like to review a draft rulemaking by June 30, 2010.

#### **THE COMMISSION ORDERS THAT:**

1. The Staff of the Missouri Public Service Commission shall file a draft rule to implement Section 393.1075, RSMo Cum. Supp. no later than June 30, 2010.

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<sup>1</sup> Section 393.1075.3, RSMo, Cum. Supp. 2009.

2. This order shall become effective immediately upon issue.

**BY THE COMMISSION**

A handwritten signature in black ink, appearing to read 'S. C. Reed', is positioned above the printed name and title.

Steven C. Reed  
Secretary

( S E A L )

Harold Stearley, Senior Regulatory Law Judge,  
by delegation of authority pursuant to  
Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,  
on this 30<sup>th</sup> day of March, 2010.