

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED
February 04, 2016
Data Center
Missouri Public
Service Commission

In re: Union Electric Company's)
2014 Utility Resource Filing pursuant to) Case No. EO-2015-0084
4 CSR 240 – Chapter 22.)

JOINT FILING

COME NOW Union Electric Company d/b/a Ameren Missouri (Ameren Missouri), the Staff of the Missouri Public Service Commission (Staff), the Office of the Public Counsel (OPC), the Missouri Division of Energy (DE), Natural Resources Defense Council (NRDC), Sierra Club (SC), Renew Missouri (RM), United for Missouri (UFM), and Comverge, Inc. (Comverge), and state as follows:

1. Ameren Missouri made its Chapter 22 Integrated Resource Plan (IRP) filing on October 1, 2014.

2. On or before March 2, 2015, parties in this case filed pleadings alleging certain deficiencies and raising concerns regarding the compliance of Ameren Missouri's October 1 filing with Rule 4 CSR 240-22.010 et seq. The parties filing comments were the Staff, OPC, DE, NRDC, Sierra Club, Renew Missouri and Comverge. There were other parties to this case that did not file a report or identify any deficiencies in, or concerns with, Ameren Missouri's IRP filing.

3. Rule 4 CSR 240-22.080(9) provides:

If the staff, public counsel or any intervenor finds deficiencies in or concerns with a triennial compliance filing, it shall work with the electric utility and the other parties to reach, within sixty (60) days of the date that the report or comments were submitted, a joint agreement on a plan to remedy the identified deficiencies and concerns. If full agreement cannot be reached, this should be reported to the commission through a joint filing as soon as possible, but no later than sixty (60) days after the date on which the report or comments were submitted. The joint filing should set out in a brief narrative description those areas on which agreement cannot

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be reached. The resolution of any deficiencies and concerns shall also be noted in the filing.

4. Ameren Missouri and the other parties, including parties that did not file reports raising concerns and alleging deficiencies, have reached a joint agreement on a plan to remedy some of the alleged deficiencies and concerns, as set forth herein. Also set forth herein is a listing and brief narrative descriptions of those areas on which agreement has not been reached.

Issues Resolved

5. The parties have also agreed that the following alleged deficiencies and concerns are resolved based on further discussion of information included in Ameren Missouri's IRP filing and workpapers that may have been overlooked:

- a. Present worth of utility revenue requirements with and without any rate of return or financial performance incentives for demand-side resources not included in the filing. (OPC Deficiency 2; 4 CSR 240-22.060(2)) – Ameren Missouri has directed OPC to the location of this information in the filing.
- b. Present worth of out-of-pocket costs to participants in demand-side programs and demand-side rates not included in the filing. (OPC Deficiency 3; 4 CSR 240-22.060(2)) – Ameren Missouri has directed OPC to the location of this information in the filing.
- c. Forecast capacity balance spreadsheets for the preferred plan and each candidate resource plan not included in the filing. (OPC Deficiency 5; 4 CSR 240-22.060(4)(B)9 and 4 CSR 240-22.060(2)(D)) – Ameren Missouri has directed OPC to the location of this information in the filing.
- d. Administrative costs should not be applied at the measure level. (NRDC Concern) – Ameren Missouri has indicated to NRDC that administrative costs were not applied at the measure level.
- e. Lack of demand response (DR) commitment since AMI installation start is uncertain, and Ameren Missouri has not shown that AMI is required for residential direct load control. (Comverge Concern C) – Ameren Missouri has indicated to Comverge that AMI installation is not critical for DR other than price responsive DR.
- f. An indication of whether resources are renewable resources eligible for compliance with the RES on the LCOE table in Chapter 6 (page 35) of the IRP filing should be included. (DE Deficiency 5; 4 CSR 240-22.040(2)(C)1) – Ameren Missouri has directed DE to information in the filing that addresses this issue.
- g. Ameren Missouri should indicate for each of the 15 load forecast scenarios described in Chapter 3 of the IRP filing whether the existing Demand-Side Management (DSM) portfolio continues unchanged. (DE Concern 6) – Ameren Missouri has directed DE to information in the filing that addresses this issue.

- h. Secondary sources used the development of demand-side potential should be listed in the IRP filing. (DE Concern 7) – Ameren Missouri has directed DE to information in the filing that addresses this issue.
 - i. Ameren Missouri should elaborate on its exclusion of DSM in its base load forecasts. (DE Concern 8) – Ameren Missouri has directed DE to information in the filing that addresses this issue.
6. The parties further agree to resolve the following alleged deficiencies and/or concerns as set forth below. Fulfillment of the remedies on these issues means they are no longer active issues in this IRP case.
- a. Ameren Missouri’s coal plant retrofit and retirement analysis is deficient because it inadequately considers the likelihood of increasingly stringent environmental regulations directly affecting the Company’s fleet. (SC Deficiency 2) – Ameren Missouri shall include in a supplemental filing to be made no later than May 29, 2015, a discussion of its consideration of flue gas desulfurization (FGD) and selective catalytic reduction (SCR) retrofits for its existing coal-fired generating fleet. Sierra Club shall file any comments with respect to Ameren Missouri’s discussion of FGD and SCR retrofits in its supplemental filing no later than two weeks from the date on which Ameren Missouri makes its supplemental filing. All parties reserve the right to make subsequent comments.
 - b. Demand Response should play a greater role in Ameren Missouri’s IRP. (Comverge Concern A) – Ameren Missouri shall meet with Comverge to exchange perspectives on demand response potential following the conclusion of Ameren Missouri’s current MEEIA case.
 - c. Ameren Missouri’s DSM potential study indicates that substantial amounts of DR are cost-effective. (Comverge Concern B) – Ameren Missouri shall meet with Comverge to exchange perspectives on demand response potential following the conclusion of Ameren Missouri’s current MEEIA case.
 - d. Ameren Missouri should commit to implement DR programs in the 2016-2018 period and to substantially grow demand response during the 20-year Planning Horizon. (Comverge Concern D) – Ameren Missouri shall meet with Comverge to exchange perspectives on demand response potential following the conclusion of Ameren Missouri’s current MEEIA case.

Issues Unresolved

7. At this time, the following concerns and alleged deficiencies remain unresolved:
- a. Ameren Missouri has not included any suggestions or analysis on the feasibility of delivering statewide marketing and outreach programs, joint programs with natural gas utilities, upstream market transformation programs, and other activities. (OPC Deficiency 4; 4 CSR 240-22.050(3)(F)).

- b. Ameren Missouri should consider how a revised supplementary service rider would impact combined heat and power (CHP) potential. (DE Concern 1).
- c. Ameren Missouri should provide support for its estimated 10% benefits adder and lower discount rate used for estimating values for the societal cost test (SCT) for each demand-side program. (DE Concern 2).
- d. Low-income and educational programs cannot be included in a portfolio level cost effectiveness test because such programs are not required to meet a cost-effectiveness test on a stand-alone basis. Low-income and educational programs should be removed from the portfolio level cost-effectiveness test to the extent these programs were included in Ameren Missouri's portfolio level cost-effectiveness test. (DE Concern 3).
- e. A discussion of Renewable Energy Standard (RES) portfolio requirements and how each existing renewable resources contribute to meeting them should be included. (DE Concern 4).
- f. Ameren Missouri should provide information regarding current solar installation rates to support its estimated annual long-term installation total of 5 MW per year. (DE Concern 9).
- g. Energy efficiency savings potential is significantly lower than the amount available in other jurisdictions and based on other potential studies. (NRDC Concern 1).
- h. The maximum take rates in Ameren Missouri's DSM potential study are lower than what is currently being achieved. (NRDC Concern 2).
- i. Reductions to measure-level potential to reflect program potential are inappropriate. (NRDC Concern 3).
- j. Downward adjustments to program potential due to EM&V, avoided costs, and codes and standards are inappropriate. (NRDC Concern 4).
- k. Ameren Missouri's risk assumptions for the maximum achievable potential (MAP) DSM portfolio are inappropriate, and Ameren Missouri has included a higher cost realistic achievable potential (RAP) DSM portfolio in its preferred resource plan. (NRDC Concern 5).
- l. The cost and energy savings assumptions for Ameren Missouri's "Mid DSM" portfolio are inappropriate. (NRDC Concern 6).
- m. Ameren Missouri has not included demand side rate options in its alternative resource plans. (NRDC Concern 7).
- n. Ameren Missouri has not sufficiently considered the potential for targeted DSM. (NRDC Concern 8).
- o. Ameren Missouri's program designs could be improved to capture greater savings. (NRDC Concern 9).
- p. Ameren Missouri's assumptions regarding carbon regulations are inappropriate. (SC Deficiency 1).
- q. Ameren Missouri should pursue the highest levels of cost-effective energy savings from demand-side resources. (SC Concern 3).
- r. Ameren Missouri has not correctly performed the calculation of the 1% retail rate impact limitation in the Missouri RES. (RM Deficiency 1; 4 CSR 240-22.100(5)).
- s. Ameren Missouri has not sufficiently considered purchasing RECs from customers with distributed generation. (RM Deficiency 2).

- t. Ameren Missouri's preferred resource plan fails to comply with the U.S. EPA's proposed Clean Power Plan. (RM Deficiency 3; 4 CSR 240-22.060(3)(A)).
- u. Ameren Missouri has failed to consider compliance with the Missouri RES because it is required to continue paying solar rebates. (RM Deficiency 4; 4 CSR 240-22.010(2)(A) and 4 CSR 240-22.060(3)(A)1).
- v. Ameren Missouri has not appropriately considered distributed generation options as a supply side resource. (RM Deficiency 5; 4 CSR 240-22.040(1)).
- w. Support for the 400 MW of wind generation included in Ameren Missouri's "Balanced" renewable portfolio is insufficient. (RM Deficiency 6; 4 CSR 240-22.060(3)(A)5).
- x. Incremental annual energy savings expected from Ameren Missouri's realistic achievable potential ("RAP") portfolio for the MEEIA Cycle 2 (2016 – 2018) may be vastly underestimated, since the kWh and kWh per \$ savings are less than half the actual achieved levels of kWh and of kWh per \$ during Ameren Missouri's pre-MEEIA programs (2009 – 2011) and MEEIA Cycle 1 programs to date (2013 – 2014) (Staff Concern A, DE Concern 10).
- y. Incremental and cumulative annual energy savings expected from Ameren Missouri's RAP portfolio during the long-term planning horizon may be vastly underestimated, since the Ameren Missouri savings are approximately one-half the incremental and cumulative annual energy savings of the IRP RAP portfolios of Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company. (Staff Concern B, DE Concern 10).
- z. Adjustments made to Ameren Missouri's potential study results using YouGov market research may be inappropriate. (OPC Concern 1).

8. Rule 4 CSR 240-22.080(10) provides:

If full agreement on remedying deficiencies is not reached, then within sixty (60) days from the date on which the staff, public counsel or any intervenor submitted a report or comments relating to the electric utility's compliance filing, the electric utility may file a response and the staff, public counsel and any intervenor may file comments in response to each other. The commission will issue an order which indicates on what items, if any, a hearing will be held and which establishes a procedural schedule.

WHEREFORE, the undersigned parties to this Joint Filing ask the Commission to accept this pleading as fulfilling the requirements of 4 CSR 240-22.080(9).

Respectfully submitted,

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d/b/a Ameren Missouri

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Joint Filing was served on all parties of record via electronic mail (e-mail) on this 1st day of May, 2015.

/s/ Wendy K. Tatro

Wendy K. Tatro