

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

In the Matter of an Investigation into the)
Coordination of State and Federal Regulatory)
Policies for Facilitating the Deployment of all)
Cost-Effective Demand-Side Savings to)
Electric Customers of All Classes Consistent)
With the Public Interest)

File No. EW-2010-0187

STAFF REPORT

Comes now the Staff of the Missouri Public Service Commission (“Staff”) through the Office of the Staff Counsel and files in File No. EW-2010-0187 its Report in response to the January 13, 2010 Procedural Order of the Missouri Public Service Commission (“Commission”) in File Nos. EW-2009-0290, EW-2009-0291, and EW-2009-0292 relating to the Public Utility Regulatory Policies Act of 1978 (“PURPA”) Section 111(d)(16) - (19) standards, as established by Sections 532 and 1307 of the Energy Independence and Security Act of 2007 (“EISA”). The Commission in its January 13, 2010 Procedural Order in File Nos. EW-2009-0290, EW-2009-0291, and EW-2009-0292 directed the Staff to file no later than January 27, 2010 a schedule of workshops for File Nos. EW-2009-0291 and EW-2009-0292. Since File No. EW-2009-0291 and File No. EW-2010-0187 are interrelated, the Staff submits as its first Report in File No. EW-2010-0187 the following:

1 The Staff notes that the Commission established the instant File No. EW-2010-0187 on December 21, 2009 and issued an Order Opening Case To Investigate Implementation Of Various Demand-Side Programs on January 6, 2010 to investigate how the Commission may achieve its new responsibilities under the Missouri Energy Efficiency Investment Act (“MEEIA,” “Senate Bill 376,” or “SB 376”), within the background of Federal Energy

Regulatory Commission (“FERC”) policies that eliminate barriers to demand response and that direct the Midwest Independent Transmission System Operator, Inc. (“MISO”) and the Southwest Power Pool, Inc. (“SPP”) to accommodate state policy regarding retail customer demand-side activity.

2. Reflecting upon the Commission’s January 13, 2010 Procedural Order in File Nos. EW-2009-0290, EW-2009-0291, and EW-2009-0292, the Staff thought that many of the likely participants to the workshops directed by the Commission would be attending the public hearing scheduled for January 25, 2010 in File No. EW-2009-0412, the Chapter 22 Electric Utility Resource Planning Rules revision public hearing. As a consequence, the Staff decided that it would attempt to convene a meeting, scheduled to occur after the January 25, 2010 File No. EW-2009-0412 public hearing, of potential participants to proceedings respecting PURPA Section 111(d)(16) - (19) standards and MEEIA. The Staff wanted to be solicitous of the thinking of likely participants and those that had previously participated in File Nos. EW-2009-0290, EW-2009-0291, EW-2009-0292, and EW-2009-0293, as how best to proceed based on the Commission’s January 13, 2010 Procedural Order in these files and its January 6, 2010 Order Opening Case To Investigate Implementation Of Various Demand-Side Programs in File No. EW-2010-0187.

3. On January 21, 2010, the Staff sent an e-mail to its e-mail list of Chapter 22 revision and Renewable Energy Standard (“Proposition C”) rules workshops possible participants, regarding a meeting to address the Commission’s January 13, 2010 Procedural Order to commence at 1:00 p.m., or 90 minutes after the public hearing in File No. EW-2009-0412 concluded, on January 25, 2010. A meeting was convened at approximately 1:00 p.m. on January 25, 2010. Those in attendance included Union Electric Company d/b/a AmerenUE,

Kansas City Power & Light Company, KCP&L Greater Missouri Operations Company, The Empire District Electric Company, Office of the Public Counsel, Missouri Department of Natural Resources, Midwest Independent Transmission System Operator, Inc., Southwest Power Pool, Inc., and National Resources Defense Council.

4. The attendees appeared to agree with the Commission's January 13, 2010 Procedural Order that Commission consideration of the PURPA Section 111(d)(16) Integrated Resource Planning standard should continue in the context of File No. EW-2009-0412 and the rulemaking that will follow from the File No. EW-2009-0412 workshops regarding the revision of Chapter 22.

5. As for the other new PURPA standards established by EISA (PURPA Section 111(d)(17) / File No. EW-2009-0291, and PURPA Section 111(d)(18) and PURPA Section 111(d)(19) / File No. EW-2009-0292), there appeared to be agreement that rather than trying on the spot to attempt to fashion schedules of workshops that met the parameters set by the Commission in its January 13, 2010 Procedural Order, the Staff would call a workshop for February 22, 2010 (Governor Office Building, 4th Floor Ballroom) for the purpose of reaching agreement on a schedule of workshops for the remaining PURPA standards, some or possibly all of the requirements of SB 376, and FERC Orders 719 and 719-A.

6. The February 22, 2010 workshop ultimately may result in a recommendation from the Staff on behalf of itself and other participants and/or recommendations from other participants regarding whether there should be a consolidation of any part of File No. EW-2010-0187 and File No. EW-2009-0291.

7. The Staff asked the participants in attendance on January 25, 2010 to review the questions in the Commission's January 6, 2010 Order Opening Case To Investigate

Implementation Of Various Demand-Side Programs issued in File No. EW-2010-0187. In particular, the Staff asked the electric utilities to submit written responses to the questions in the Commission's January 6, 2010 Order Opening Case To Investigate Implementation Of Various Demand-Side Programs. The Staff would encourage all participants to review the questions and submit electronically written responses to as many questions as possible by February 17, 2010, so that the responses may be reviewed in advance of the February 22, 2010 workshop. These responses should be useful in (a) determining how the subject matter and subjects of the various proceedings interrelate and (b) developing proposals for how to proceed in File Nos. EW-2009-0291, EW-2009-0292, EW-2010-0187, and any related files or cases.

8. The Staff proposes to submit another Report to the Commission on February 25, 2010 which will relate the results of the February 22, 2010 workshop for File Nos. EW-2009-0291, EW-2009-0292, and EW-2010-0187, including proposed schedules of workshops for each of the files.

Wherefore the Staff submits this Report and proposes to submit another Report to the Commission on February 25, 2010 which will relate the results of the February 22, 2010 workshop for File Nos. EW-2009-0291, EW-2009-0292, and EW-2010-0187, including proposed schedules of workshops for each of the files.

Respectfully submitted,

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record and individuals and entities on the Staff's electronic mail list of interested individuals and entities this 27th day of January 2010.

/s/ Steven Dottheim