



## MISSOURI SENATE

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August 17, 2010

Robert M Clayton III  
Chairman  
Missouri Public Service Commission  
200 Madison Street  
Jefferson City, MO 65101

RE: Senate Bill 376 Rulemaking, EX-2010-0368

Dear Chairman Clayton:

I know that the Commission has been working diligently on the rulemaking that goes along with the passage of SB 376. I appreciate the effort and hard work of all of the Commissioners and staff involved.

I am, however, concerned that the goals and purposes of the legislation are not being fully represented in the current draft of the rules. The objective of the Missouri Energy Efficiency Investment Act was to encourage further investment by utilities and customers in future energy efficiency projects. The statute specifically states that the Commission shall: (1) Provide timely cost recovery for utilities; (2) 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; and (3) Provide timely earnings opportunities associated with cost-effective measurable and verifiable efficiency savings.

I firmly believe that the rules must address the issues of lost revenues and reasonable earnings opportunities to ensure that utilities are made whole for advancing these historically under-utilized resources. As currently proposed, the rules set aggressive goals without assurance of the alignment of such financial incentives to utilities. If the rules include energy savings goals, it is even more imperative that any such goals be in combination with appropriate, comprehensive recovery mechanisms. Additionally, I believe the current goals should be further reviewed as they appear to be significantly aggressive. Ultimately, goals will be most effective if they are reasonable and achievable.

We all know that energy efficiency is one of the easiest and most cost effective options to reduce carbon and also control customer bills. Across our state, we have a great opportunity to improve and expand our investment in energy efficiency. I hope that we can continue working on the rules of this ground-breaking legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Brad Lager".  
Brad Lager  
12<sup>th</sup> District State Senator