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Missouri Public Service Commission
200 Madison Street, PO Box 360
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Members of the Commission:

Honeywell is an international leader in energy products and services, with nearly 50% of its portfolio enabling greater energy efficiency and smarter energy use. From catalytic converters improving vehicle fuel economy to process controls driving manufacturing efficiencies to programmable thermostats managing residential energy consumption, Honeywell is continuously engaged in cutting edge research to advance energy technology and independence.

In fact, if Honeywell's existing portfolio of energy efficiency technologies were immediately and comprehensively adopted, the U.S. could reduce its energy demand by 20-25%. These energy savings can be achieved without reducing services to end customers and will result in a reduction in Green House Gas emissions commensurate with the reduction in energy consumption. For the past 30 years, Honeywell Utility Solutions has successfully implemented demand side management programs with electric and gas utilities across the country.

In Missouri, Honeywell works directly with utilities and their customers to help them save energy and lower their costs. We are writing to express our support for the utilities and their efforts to provide energy efficiency programs and services to Missouri ratepayers while providing an alternative for the utilities to building new power plants. Energy efficiency must be an attractive business investment for Missouri utilities. It is imperative that they receive timely program cost recovery and timely earnings opportunities associated with cost-effective energy efficiency savings. Since 2010, Honeywell Utility Solutions has implemented the Multifamily Income-Qualified Program together with Ameren Missouri and collectively we have served more than 9,000 customers. This program provides valuable energy efficiency measures to low-income communities throughout the Ameren Missouri service territory including seniors, disabled customers and others who would otherwise not participate in energy efficiency programs. Since 2005, Honeywell has installed more than 30,000 "smart thermostats" in the state of Missouri, for KCP&L, and more than 1.3 million nationwide which provide customers with a user-friendly interface and utilities with the ability to efficiently reduce peak load. These customers all benefit from a reduction in their energy bills and increased comfort in their homes.

Demand side programs take time to implement and savings are realized over time. Implementers like Honeywell commit significant resources to ramp up and deliver programs with the expectation that program funding will continue. Frequent changes stemming from interpretation of legislation or rulemaking, unclear or unattainable goals or intermittent programs impede progress and significantly undermine the demand side momentum in the marketplace. Additionally, intermittency of the programs undermines the trust and confidence of the ratepayers in their utility services.

In reference to File No. EW-2011-0372, energy efficiency is clearly a good near-term investment and should be considered as the first fuel when it comes to utility regulation. Commensurate with that emphasis on energy efficiency, utilities should be properly incentivized for the costs associated with their energy efficiency and demand response programs to enhance their overall energy efficiency portfolio. Providing cost effective efficiency programs not only help consumers, but will also help achieve Missouri's overall goals of increasing energy efficiency and furthering the objectives of SB 376.

Thank you for your consideration and please feel free to contact me with any questions. Honeywell looks forward to attending and participating in the Workshop.

Sincerely,

A handwritten signature in black ink, appearing to read "Samantha A. Omev", with a stylized flourish at the end.

Samantha A. Omev
Vice President, Honeywell Government Relations