

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. EO-2012-0142, Tariff Tracking No. YE-2014-0473
Union Electric Company d/b/a Ameren Missouri

FROM: Hojong Kang, Regulatory Economist III

/s/ John Rogers 06/06/2014 /s/ Jennifer Hernandez 06/06/2014
Energy Resource Analysis Unit / Date Staff Counsel's Office / Date

SUBJECT: Staff Recommendation For **Approval** Of Tariff Sheet For the Residential Energy Star[®] New Homes Program

DATE: June 6, 2014

On May 22, 2014, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri") filed one (1) proposed tariff sheet bearing an effective date of June 21, 2014. The Commission assigned the tariff sheet Tariff Tracking No. YE-2014-0473. With this tariff sheet, Ameren Missouri proposes to modify its Energy Star[®] New Homes Program to limit its availability to builders of single family homes that reserved a rebate prior to the effective date of the proposed tariff sheet—June 21, 2014. Ameren Missouri made this tariff filing because The Cadmus Group, Inc. ("Cadmus"), Ameren Missouri's evaluation, measurement and verification ("EM&V") contractor for its residential MEEIA¹ programs, states in its independent EM&V report that it has determined the program is not cost-effective. Further, Ameren Missouri expects that it cannot make the program cost effective by redesigning it. Staff generally agrees with both Cadmus and Ameren Missouri and recommends approval of the proposed tariff sheet.²

The Energy Star[®] New Homes Program was designed to encourage home builders to build energy efficient homes, typically Energy Star[®] certified homes. However, based on the EM&V report³ results for Program Year 2013, the savings associated with this program were considerably lower than those expected. The program's very low Total Resource Cost test score, 0.18, results from Cadmus' findings, presented in its EM&V report, that 72% of the gross energy savings reported from the program resulted from measures installed by participating builders

1 The Missouri Energy Efficiency Investment Act ("MEEIA"), Section 393.1075, RSMo, Supp. 2012. On August 1, 2012, the Commission approved Ameren Missouri's MEEIA Programs' 3-year plan including its Energy Star[®] New Homes Program. On May 15, 2014, Ameren Missouri filed Cadmus' initial EM&V reports, subsequently revised on May 28, 2014.

2 Under the Stipulation and Agreement approved by the Commission on August 1, 2012 in File No. EO-2012-0142, any stakeholder, as well as the Commission's EM&V auditor, have until 21 days after Ameren Missouri files final EM&V reports to review the reports and file any request with the Commission to request a change to the impact evaluation portion of a final EM&V report. The impact evaluation includes estimations of annual energy savings in kWh and net benefits for each MEEIA Program and for the MEEIA plan.

3 On May 28, 2014, Cadmus' revised its 2013 EM&V reports for all Ameren Missouri's residential energy efficiency programs. Ameren Missouri and Staff continue to work together to identify areas of the EM&V Reports that Cadmus should perform additional work on. Staff understands that Cadmus will produce a new final set of EM&V reports for filing.

who were already building efficient homes without the program's incentives and are, therefore, free riders.

STAFF RECOMMENDATION

Staff has reviewed the tariff sheet, as filed on May 22, 2014, Ameren Missouri's report and the Cadmus EM&V report, and recommends the Commission approve the following tariff sheet to go into effect on June 21, 2014, the requested effective date:

MO.P.S.C. SCHEDULE NO. 6

1st Revised Sheet No. 197 Cancelling Original Sheet No. 197

Staff has verified that Ameren Missouri has filed its 2013 annual report and is not delinquent on any assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Union Electric)
Company d/b/a Ameren Missouri's)
Filing to Implement Regulatory)
Changes Furtherance of Energy)
Efficiency as Allowed by MEEIA)

Case No. EO-2012-0142
File No. YE-2014-0473

AFFIDAVIT OF HOJONG KANG

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Hojong Kang, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.



Hojong Kang

Subscribed and sworn to before me this 6th day of June, 2014.

SUSAN L. SUNDERMEYER
Notary Public - Notary Seal
State of Missouri
Commissioned for Callaway County
My Commission Expires: October 03, 2014
Commission Number: 10942086



Notary Public