

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

In the Matter of Union Electric Company d/b/a)
Ameren Missouri's 2nd Filing to Implement) File No. EO-2015-0055
Regulatory Changes in Furtherance of Energy)
Efficiency as Allowed by MEEIA.)

NOTIFICATION

COMES NOW Union Electric Company d/b/a Ameren Missouri (Ameren Missouri or Company) and, pursuant to the terms of the *Non-Unanimous Stipulation and Agreement (Stipulation)* filed in this case, submits the following:

1. The *Stipulation* requires Ameren Missouri to file a notice in this case no less than five business days prior to making a change in its measure and/or incentive amount offering.¹

2. Ameren Missouri is clarifying and/or modifying the eligibility criteria and changing the incentive level for the Custom Incentive, the New Construction Incentive, and Retro-commissioning Incentive Guidelines, as well as modifying the Retro-commissioning Incentive process.

3. Ameren Missouri is providing notice of these changes. Attached to this pleading are copies of the revised Custom, New Construction, Retro-Commissioning Incentive Guidelines with the changes highlighted for ease of identifying where changes occurred.

4. Ameren Missouri notes that, unfortunately, these revisions were implemented as of May 20, without the benefit of being first filed with the Commission. The instant Notice is intended to correct that omission. Ameren Missouri sincerely apologizes for this error, and requests a process exception in this singular instance to avoid any harm to its customers.

¹ File No. EO-2015-0055, Non-Unanimous Stipulation and Agreement, p. 4.

5. Per the *Stipulation*, if there are any notices of changes to measures and/or incentive amounts, Ameren Missouri should file a notice no less than five (5) business days prior to implementing the changes. Unfortunately, in this isolated instance, this 5-day filing requirement was missed. However, despite this omission, Ameren did otherwise successfully complete the 11-step change process required by its Tariff. Ameren Missouri discussed all of these changes with the stakeholder group prior to implementation of these revisions. During this stakeholder process, Ameren Missouri proposed a May 20 implementation date for the revisions. Ameren Missouri received no negative feedback during the revisions, and no objection to implementing the revisions on May 20.

6. Unfortunately, Ameren Missouri inadvertently omitted the submission of the revisions in accordance with the 5-day filing requirement. Instead, the revisions were publicly released on actonenergy.com and implemented on May 20 without the requisite notice. We apologize sincerely for this oversight. Ameren Missouri acknowledges that the *Stipulation*, at page 4, directs implementation of measures on file with the Commission over measures appearing on actonenergy.com. However, Ameren Missouri respectfully requests that a one-time exception to this *Stipulation* term be made in this particular instance. Ameren Missouri believes there is good cause for a variance pursuant to 4 CSR 240-2.060(4) in this matter because:

- a. All stakeholders were appropriately involved in the discussion and vetting of these revisions;
- b. The stakeholders were informed of, and did not object to, the intended May 20 implementation date;
- c. No harm will be caused to any member of the stakeholder group due to the May 20 implementation of the revisions;
- d. Ameren Missouri's customers who are applying for incentives would likely be relying on the actonenergy.com for the incentive amounts;

- e. Harm may result to Ameren Missouri's customers, through confusion and/or changes in incentives received, by not implanting these revisions as of their May 20 publication;
- f. Ameren Missouri's customer relationships could suffer if it had to retract incentives that it began processing on May 20.

7. Ameren Missouri's primary concern lies with the reliance of its customers on the May 20 implementation date and their satisfaction with energy efficiency programming. Under any other convergence of circumstances – for example, if any other portion of the 11-step process had been omitted or if any member of the stakeholder group had disputed the revisions throughout the 11-step process - Ameren Missouri would be exploring alternative actions to the request for a variance from the *Stipulation*.

8. While Ameren Missouri has proposed this action, it is open to any other suggestions regarding other appropriate remedies for this situation that would provide its customers with the certainty they require under the affected incentive guidelines.

WHEREFORE, Ameren Missouri respectfully files this *Notification*, and requests the Commission accept this notice and, to the extent necessary, grant a variance from compliance with the five (5) day notice requirement contained at page 4 of the *Non-Unanimous Stipulation and Agreement*.

Respectfully submitted,

UNION ELECTRIC COMPANY,
d/b/a Ameren Missouri

/s/ Wendy K. Tatro _____

Wendy K. Tatro, #60261

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**ATTORNEYS FOR UNION ELECTRIC
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CERTIFICATE OF SERVICE

The undersigned certifies that true and correct copies of the foregoing have been e-mailed to counsel of record in this case on this 15th day of June, 2016.

/s/ Wendy K. Tatro

Wendy K. Tatro



Custom Incentive Guidelines Information

Program Objectives:

The Custom Incentive Program provides energy efficiency expertise, services, and financial incentives to encourage the installation of new, higher efficient equipment retrofits, process improvements, and/or building system upgrades. A "Custom Incentive" is a direct payment or bill credit to a Participant for installation of Measures that are part of Projects that have been pre-approved by Ameren Missouri.

Eligibility:

- Incentives are available for equipment purchased and installed after **March 1, 2016**, and all completion paperwork (completed applications, invoices, documentation) is postmarked no later than **January 31st 2019**.
- Installed equipment with little or no reduction in peak coincident demand are not eligible for incentives. The following is a list of examples:
 - Exterior "dusk to dawn" lighting
 - Electric Space Heating equipment
- Installed equipment that does not have a useful life (based on industry averages) that meets or exceeds 2023 are not eligible for incentives. The following is a list of examples:
 - PC Power Management
 - Strip Curtains
 -
- Installed equipment must achieve a level of energy savings (kWh) in order to pass the cost benefit test within the application.
 - ~~Eligible Customers are commercial electric customers of Ameren Missouri that are classified under one of the following rates: Small General Service Rate 2(M), Large General Service Rate 3(M), Small Primary Service Rate 4(M), and Large Primary Service Rate 11(M).~~
- Eligible Customers are commercial electric customers of Ameren Missouri that are classified under one of the following rates: Small General Service Rate 2(M), Large General Service Rate 3(M), Small Primary Service Rate 4(M), and Large Primary Service Rate 11(M).
- Equipment may not be purchased or installed prior to the customer signing and returning the receiving-incentive application pre-approval ~~from the program~~.
- Projects must be completed within 12 months of the incentive offer being signed by the customer in order to be eligible for an incentive.

Process:

1. All custom projects will be submitted via a custom application to Ameren Missouri for engineering review
2. Projects with incentives greater than \$10,000 will require a pre-inspection.
3. Submitted Custom incentive application will be reviewed to ensure that the measures satisfy the following program requirements:
 - a. Calculate energy savings and demand reduction potential
 - b. Verify project, measure, and installation cost estimates
 - c. Determine the value of the incentive offer
 - d. A Cost Test to verify the energy efficiency impact of the measure(s)

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- e. A simple payback that is greater than **18 months**
- 4. Incentive Applications for energy efficient measures will only be approved for reliable and cost-effective energy savings potential in the proposed use and site.
- 5. Once the project is reviewed, Ameren Missouri will send an incentive offer to the customer for their review and signature.
 - a. **The customer must sign and return the offer to the Ameren Missouri within 30 days and prior to the purchase and installation of the equipment, to signify acceptance of the offer.**
 - b. The customer will indicate on the written offer the following:
 - i. Estimated start date
 - ii. Installation completion date
 - iii. Final completion paperwork submittal date for the project, **which shall not exceed 12 months from the date the offer is signed**
 - c. **A change in scope may result in recalculation or disqualification of the incentive offer.**

Incentive Values and Caps:

- Custom Incentives are based on the estimated energy savings after completion and verification of the approved energy efficiency project.

~~The incentive is \$0.07 per kWh for non-lighting measures and \$0.06 per kWh for lighting measures. Reference the incentive table below for incentive rates by technology:~~

<u>End Use</u>	<u>\$/kWh Incentive Rate</u>
<u>Cooling</u>	<u>\$0.150</u>
<u>Building Shell</u>	<u>\$0.080</u>
<u>HVAC (Ventilation)</u>	<u>\$0.080</u>
<u>Cooking</u>	<u>\$0.080</u>
<u>(Interior) Lighting</u>	<u>\$0.075</u>
<u>Water Heating</u>	<u>\$0.075</u>
<u>Air Comp</u>	<u>\$0.070</u>
<u>Motors</u>	<u>\$0.070</u>
<u>Process</u>	<u>\$0.070</u>
<u>Miscellaneous</u>	<u>\$0.060</u>
<u>Refrigeration</u>	<u>\$0.060</u>

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- Implementation of pre-approved measures may be reimbursed up to a **maximum of 50% of the total project cost or 100% of incremental cost based upon the chart below.**

Type of Upgrade	Incentive Max. per measure
Early Replacement – Existing equipment has not yet reached the end of its useful life (EUL).	50% of total project cost

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End of Life Replacement – Existing equipment has reached end of its useful life (EUL) or has been deemed obsolete.	100% of incremental project cost
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- Customers must install measures achieving a minimum total incentive of **\$150** per application and total incentives across all programs shall be capped at **\$3,000,000** per customer per this cycle defined as March 1, 2016 through February 28, 2019.

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New Construction Incentive Guidelines Information

Program Objectives:

New Construction Incentives are designed to help fund the cost of increasing the energy efficiency potential for construction projects. The New Construction Incentive Program will capture energy and demand reductions from new construction projects by interacting with building owners and designers during the design and/or construction process. The Program encourages building owners and designers to evaluate and install systems with higher energy efficiencies than the standard or planned systems through training, design incentives, and installation incentives.

Eligibility:

- Incentives are available for equipment purchased and installed after **March 1, 2016**, and all completion paperwork (completed applications, invoices, documentation) is due within 180 days of project completion but no later than January 31, 2019.
- Customers must install measures achieving a minimum total incentive of \$150 per application and total incentives across all programs shall be capped at \$3,000,000 per customer per this cycle defined as March 1, 2016 through February 28, 2019.
- Customers that had a Design Team Meeting between January 2, 2013 and December 31, 2015 will be eligible to maintain the design baseline that was established at the time of the meeting. Those applicants will be eligible for the Installed Interior Lighting (LPD) Incentive using the baseline that was established at the Design Team Meeting.
- **Eligible Customers** are commercial electric customers of Ameren Missouri that are classified under one of the following rates: Small General Service Rate 2(M), Large General Service Rate 3(M), Small Primary Service Rate 4(M), and Large Primary Service Rate 11(M).
- **New construction project examples include any of the following:**
 - New building projects wherein no structure or site footprint presently exists.
 - Addition or expansion of an existing building or site footprint.
 - A gut rehab for a change of purpose requiring replacement of all electrical systems/equipment.
 - "Warm Shell" projects, where the building envelope, central mechanical system and core lighting systems are included in the design but future build out work or tenant improvements are permitted separately.

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Process:

1. The customer will submit a New Construction application that will provide the preliminary site, customer, and project information.
 - a. **Note: The baseline for the project will be established based on program and site specific codes unless design effort has already been performed and is higher than required code compliance. Please contact the program office as early in the process as possible.**
2. After Ameren Missouri receives this application, the New Construction representative will contact the customer to set up the design team meeting to accomplish the following activities:
 - a. Review the application process for ~~the three types of new construction~~ incentives.
 - b. Establish a project baseline for ~~a project for~~ calculating energy impacts and financial incentives.



- c. Identify energy savings and demand reduction potential.
 - d. Assign a New Construction Program representative to assist the customer throughout the term of the project.
3. Since the state of Missouri does not have a statewide building code **the building design baseline will be established on a case-by-case basis**. The baseline will be the most stringent of:
- a. ASHRAE 90.1-2001
 - b. The facility's completed design, if the design is 100% complete at the time of the Design Team Meeting
 - b. The ASHRAE 90.1 standard complying with the current local energy code or building code
 - c. Any legal or contractual construction requirements
4. After the design team meeting has occurred, the New Construction representative at Ameren Missouri will provide the customer with the incentive options.
5. All New Construction projects will receive a post-installation inspection.

New Construction Incentive Options:

1. **Whole Building Performance Incentive**

- o Provides design incentives to fund Technical Analysis Studies.
- o The Technical Analysis Study must satisfy the requirements outlined in the New Construction Energy Efficiency Program handbook.
- o The Whole Building Performance Incentive cap is **\$50,000** per site, per program year.
- o The customer designates the recipient of Whole Building Performance Incentives.

Incentives range between \$0.02/kWh - \$0.04/kWh based on the level of energy efficiency designed and installed below the established baseline as follows:

From Baseline	Whole Building (Design)
0-19% energy savings	\$0.02/kWh
20-29% energy savings	\$0.03/kWh
30% energy savings and above	\$0.04/kWh

2. **Installed Interior Lighting Incentives**

- o Incentives are available for lighting systems where the installed interior lighting power density (watt per square foot) is lower than the baseline-allowed lighting power density (LPD) by **at least 10%**.
- o Baseline LPD is established during the Design Team Meeting and will equal the LPD established by the applicable ASHRAE 90.1 standard.
- o Incentives will be capped at **50%** of total costs.
- o The incentive offered is based on **\$0.40** per watt below the wattage required under the ASHRAE standard multiplied by the associated area measured in square feet.

3. **Standard Incentives**

- o Non Lighting Standard Incentives are approved for purchase and installation following the Design Team

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Meeting.

- o Participants will apply for non-lighting standard measures upon construction completion.
- o Standard Incentives are capped at 100% of total cost.

Standard Incentives for new construction projects can be viewed [on the Standard Incentives list.](#)

2-4. Custom Incentives

- o New Construction projects are eligible for the Custom program incentives, with the exception of interior lighting.

Custom incentives are available for specific equipment or systems other than installed interior lighting and standard measures. The Custom Program rules and current incentive rates can be viewed in the Custom Incentive Guidelines.

Custom incentives for new construction are capped at 100% of incremental cost.

Incentive Values and Caps:

- o Custom incentives are based on the calculated energy savings of the installed energy efficiency project. Incentives rates are shown in the table below:

Measure Type	Incentive Rate
Exterior Lighting	\$0.06/kWh
Non-Lighting	\$0.07/kWh

- o The New Construction Program offers incentives as shown in the table below:

From-Baseline	Whole-Building (Design)	Custom (non-lighting)
10-19% energy savings	\$0.02/kWh	\$0.07/kWh
20-29% energy savings	\$0.03/kWh	\$0.07/kWh
30% energy savings and above	\$0.04/kWh	\$0.07/kWh

- The Whole-Building-Design incentive payment is determined by the amount of kWh savings of the completed building over baseline represented in each respective savings range above. The Whole-Building-Performance incentive cap is \$50,000 per site per program year.
- Customers must install measures achieving a minimum total incentive of \$150 per application and total incentives across all programs shall be capped at \$3,000,000 per customer per this cycle defined as March 1, 2016 through February 28, 2019.

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Retro-commissioning (RCx) Incentive Guidelines Information

Eligibility:

- Incentives are available for equipment purchased and/or installed after **March 1, 2016**, and all completion paperwork (completed applications, invoices, documentation) is postmarked no later than **November 30th, 2018**.
- RCx Incentives can help fund the cost of an RCx Technical Analysis Study, measurement and verification efforts, the purchase and implementation of upgrades, and implementation of re-commissioning practices.
- Customers must install measures achieving a minimum total incentive of **\$150** per application and incentives shall be capped at **\$3,000,000** per customer per program cycle.
- Eligible Customers are commercial electric customers of Ameren Missouri that are classified under one of the following rates: Small General Service Rate 2(M), Large General Service Rate 3(M), Small Primary Service Rate 4(M), and Large Primary Service Rate 11(M).
- The facility must also meet the following qualifications:
 1. At least one of the following conditions:
 - a. Higher than average electric energy intensities(kWh/ft²); or
 - b. Minimum of 100,000 ft² of conditioned space; or
 - c. Presence of an energy management system (EMS);
 2. Mechanical equipment in relatively good condition; and
 3. Will yield cost-effective energy savings according to a Retro-Commission
 4. Presence of an Energy Management System with Direct Digital Controls (DDC) for a Buildings project.
 5. Mechanical equipment in relatively good operating order.
 6. No existing commitment made to complete the project.

Process:

- ~~RCx Incentives can help fund the cost of an RCx Technical Analysis Study, measurement and verification efforts, the purchase and implementation of upgrades, and implementation of re-commissioning practices.~~
- The customer, or an approved RCx Service Provider (RSP), must submit the Ameren Missouri RCx Program application **and receive written approval for the proposed project from the Program office.**
 - The completed application must outline the proposed scope of the RCx Study.
 - The study must compare estimated post-project energy consumption against the most recent actual annual usage history and/or a baseline model.
 - Upon confirmation of eligibility and approval of study cost, the customer and the RCx Service Provider will be notified that they can proceed with the RCx Study.
 - The completed study must be submitted with the proposed measures itemized on the RCx tab(s) of the Ameren Missouri application tool.
 - Program engineers will evaluate the RCx study and verify estimated annual energy savings and eligibility of measures for incentive payment.



- The customer will receive a written incentive offer following engineering review of the proposed RCx project.
- The customer must sign and return the offer to the Program office prior to the purchase and installation of the equipment to signify acceptance of the offer (.). The customer must indicate on the written offer an estimated completion date for the project, which shall not exceed 6 months from the date the offer, and must include the customer's signature.
- Upon written acceptance of the offer, the customer may proceed with purchase and installation of the project.
- When the project has been completed, the customer should contact the Program office to receive an RCx Incentive Completion Form.
 - The customer must complete and return the RCx Incentive Completion Form and the project invoice(s), noting any equipment change or deviation from the approved project. **A change of scope or equipment may result in a recalculation of the incentive offer or even disqualification of the project.**
- Submitted RCx Incentive Completion Forms will be reviewed by Program Engineers to:
 - Verify project implementation
 - Calculate the estimated energy savings from the completed project
 - Determine the total final value of the incentive.
- Projects that include multiple measures across several incentive types will be inspected based on the measure with the most stringent inspection criteria. RCx incentive projects will be inspected as follows:

	Pre-Inspection	Post-Inspection	Random
RCx	Appropriately detailed and illustrated study may serve as pre-inspection at Program discretion. Pre-inspection may be required.	100%	Up to 25% per quarter

● **Incentive Values and Caps**

RCx Incentives are based on the estimated energy savings after completion of the approved energy efficiency project. [The RCx program utilizes the Custom program incentive rates by end use technology categories. The custom incentive rates can be viewed in the Custom Incentive Guidelines.](#)

○ ~~The incentive for implementation is \$0.07 per estimated annual kWh saved.~~

Participants are eligible to receive an incentive up to 100% of the Program approved study cost, based on the incentive rates shown in the table below. The Study Incentive is payable when the recommended measures identified in the study have been installed and verified.

Total Verified Annual kWh Saved	RCx Study Incentive Tracks & Rates			Verification Type
	Compressed Air	Refrigeration	Buildings	
≤ 500,000 kWh	\$0.01/ kWh	\$0.01/ kWh	\$0.02/ kWh	Installation
> 500,000 kWh	\$0.02/ kWh	\$0.02/ kWh	\$0.03/ kWh	Operational

Implementation of pre-approved RCx measures may be reimbursed up to a **maximum of 100% of the project cost.**