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 Regulatory Changes in Furtherance of Energy Efficiency as Allowed by MEEIA	))))	**File No. EO-2015-0055**

<u>RENEW MISSOURI'S STATEMENT OF POSITION</u>

COMES NOW Earth Island Institute d/b/a Renew Missouri ("Renew Missouri"), by and through the undersigned counsel, pursuant to the Missouri Public Service Commission's ("Commission") April 8, 2015 *Order Granting Revised Motion to Modify Procedural Schedule*, and hereby submits its Statement of Position in the above-captioned case. The issues addressed herein are numbered according to the *List of Issues*[1] filed by the Commission Staff on May 4, 2015. Renew Missouri reserves the right to modify the positions provided herein and to take additional positions as the case proceeds.

1. Should the Commission approve, reject or modify Ameren Missouri's MEEIA Cycle 2 Plan (hereafter the "Plan")?

The Commission should modify Ameren Missouri's MEEIA Cycle 2 Plan ("the Plan") to include a significantly higher savings target that aims to achieve "all cost-effective demand-side savings" pursuant to the goal in the MEEIA statute (§ 393.1075, RSMo). At a minimum, the Commission should modify the Plan so that the annual savings goals meet or exceed the minimum targets in the Commission's rule at 4 CSR 240-20.094(2)(A). (See response to Issue 2 below.) In addition, Ameren Missouri should reexamine its 2013 Market Potential Study and improve its underlying analysis, particularly with respect to the take rate assumptions that are discussed in Phil Mosenthal's rebuttal testimony on behalf of NRDC.

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[1] See File No. EO-2015-0055, *List of Issues, Order of Opening Statements, Order of Witnesses, and Order of Cross-Examination*. May 4, 2015.

In furtherance of this savings target increase, the Commission should also modify Ameren Missouri's Plan to include all programs and measures shown to be cost-effective by the Company's own Market Potential Study, including but not limited to a Small Business Direct Install program. The Commission should also modify Ameren Missouri's Plan to expand the Residential Low Income program so that the savings target and budget exceed that of the Company's Cycle 1 program. The Company's Low Income program should also be expanded to reach multifamily tenants and building owners (both subsidized and non-subsidized), and the Company should strive to implement a one-stop-shop format with a dedicated program coordinator to deal with all low income and multifamily-related measures and incentives.

2. Do the programs in the Plan, and associated incremental energy and demand savings, demonstrate progress toward achieving all cost-effective demand-side savings consistent with state policy (as established by MEEIA)?

No, Ameren Missouri's 2015-2017 Plan as proposed does not demonstrate progress toward achieving all cost-effective demand-side savings consistent with the goal set forth in the MEEIA statute (§393.1075, RSMo.). Although the MEEIA statute does not define "all cost-effective," the MEEIA rules are instructive:

> The commission shall use the greater of the annual realistic achievable energy savings and demand savings as determined through the utility's market potential study or the… incremental annual demand-side savings goals as a guideline to review progress toward an expectation that the electric utility's demand-side programs can achieve a goal of all cost-effective demand-side savings…

Thus, the annual demand-side savings goals at 4 CSR 240-20.094(2)(A) represent a *minimum* level of efficiency that the Commission should consider as all cost-effective savings. Because 2013 was the first calendar year of the Company's Cycle 1 MEEIA portfolio (the MEEIA rules' savings goals start in 2012), it is reasonable to consider the following annual savings goals as in compliance with the MEEIA Rules targets: 0.9% for 2015; 1.1% for 2016; and 1.3% for 2017.

Ameren's current target in its Plan is 0.4% annual demand-side savings. This would represent a step backward from what the Company has achieved already under its Cycle 1 portfolio. So far in this case, not a single other party has filed testimony supporting the savings levels proposed by Ameren's Plan. A majority of the testifying parties in this case – including Staff, OPC, DE, NRDC, NHT, TGNCDC, and Sierra Club – agree that the Plan does not represent progress toward achieving all cost-effective demand-side energy savings. Ameren Missouri has insisted in testimony that its 2013 Market Potential Study is an accurate and reliable reflection of what is all cost-effective, taking into account avoided cost rates and expected participation rates. However, these conclusions are belied by the success of efficiency programs in other states that continue to achieve far beyond Missouri utilities, and by Kansas City Power & Light's own Potential Study which identifies far greater savings potential than Ameren Missouri.

In addition, Ameren Missouri's Plan on its face cannot be considered as demonstrating "all-cost effective demand-side savings" because it does not include all of the programs and measures identified as cost-effective in the Company's own Market Potential Study. For example, Ameren's Plan does not include a Small Business Direct Install program, despite being identified as cost-effective. The Company has also made no proposal to specifically target non low-income multifamily tenants and building owners, customers which have been identified elsewhere as having significant savings potential. (See the 2014 Optimal Energy Potential Study for Affordable Multifamily Housing, attached with Phil Mosenthal's Surrebuttal Testimony in this case.)

3. If the Commission approves a Plan, what are the components of the demand-side programs investment mechanism and how will each of the components be administered?

Renew Missouri recognizes the stated aim of the MEEIA statute, which is to "value demand-side investments equal to traditional investments in supply and delivery infrastructure and allow recovery of all reasonable and prudent costs of delivering cost-effective demand-side programs." This has traditionally translated into compensating utilities in ways that address the so-called "three legs of the stool:" 1) program cost recovery, 2) recovery of the throughput disincentive (or lost revenues), and 3) earning opportunity (or performance incentive).

Beyond the above recognition as to the policy of the MEEIA statute, Renew Missouri takes no position on this issue and reserves the right to present a position as the case proceeds.

4. If the Commission approves a Plan, what variances from Commission rules based on a showing of good cause are necessary?

Renew Missouri takes no position on this issue and reserves the right to present a position as the case proceeds.

Office of the Public Counsel's Issues:

1. If the Commission approves a plan, should the total resource cost test be applied uniformly when calculating net shared benefits?

Renew Missouri takes no position on this issue and reserves the right to present a position as the case proceeds.

2. If the Commission approves a demand-side programs investment mechanism that includes a performance incentive, should the performance incentive be included as a cost when calculating the net shared benefits?

Renew Missouri takes no position on this issue and reserves the right to present a position as the case proceeds.

Sierra Club's Issue:

1. In assessing the cost-effectiveness of demand-side programs, should Ameren Missouri consider the results of the utility cost test?

Renew Missouri takes no position on this issue and reserves the right to present a position as the case proceeds.

Missouri Division of Energy's Issue:

1. If the Commission modifies Ameren Missouri's MEEIA Cycle 2 Plan what modifications should the Commission adopt?

Renew Missouri refers the Commission to our response to Issue 1 on pg. 1-2.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct PDF version of the foregoing was filed on EFIS and electronically mailed to all counsel of record on this 11th day of May, 2015.

/s/ Andrew J. Linhares
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