

**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 in) File No. EO-2012-0142
Furtherance of Energy Efficiency as Allowed by MEEIA.)

APPLICATION FOR APPROVAL OF CHANGE REQUEST

COMES NOW Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri") and presents this Application for Approval of Change Request to the Missouri Public Service Commission ("Commission") and in support thereof respectfully states as follows:

1. On January 20, 2012, Ameren Missouri filed an application under the Missouri Energy Efficiency Investment Act ("MEEIA") and the Commission's MEEIA rules in File No. EO-2012-0142. On July 5th, 2012, Ameren Missouri together with other interested parties submitted to the Commission for approval a Unanimous Stipulation and Agreement ("Stipulation") related to the Company's implementation of MEEIA. The Commission issued an order approving the Stipulation on August 1, 2012 and as amended on December 19, 2012. The Stipulation contained provisions related to the evaluation, measurement and verification ("EM&V") of energy efficiency measures undertaken by Ameren Missouri, including procedures whereby a party may request changes to the Final EM&V Report for each year. In pertinent part, the report provides as follows:

Any stakeholder group participant who wants a change to the impact evaluation portion of a Final EM&V Report will have 21 days from the issuance of the Final EM&V Report to file a request with the Commission to make such a change ("Change Request"). Any stakeholder group participant filing a Change Request will set forth all reasons and provide support for the requested change in its initial Change Request filing. Responses to a Change Request may be filed by any stakeholder group participant and are due 21 days after the Change Request is filed. The response should set forth all reasons and provide support for opposing or agreeing with the

Change Request. Within two business days after the deadline for filing a Change Request (if a Change Request is filed), the Signatories agree that the stakeholder group participants will hold a conference call/meeting to agree upon a proposed procedural schedule that results in any evidentiary hearing that is necessary to resolve the Change Request to be completed within 60 days of the filing of the Change Request, and which will recommend to the Commission that the Commission issue its Report and Order resolving the Change Request within 30 days after the conclusion of such a hearing. The Signatories anticipate a hearing with live testimony may be required to resolve a Change Request, but if a hearing is not required, they agree to cooperate in good faith to obtain Commission resolution of a Change Request as soon as possible. The Signatories will be parties to a Change Request resolution proceeding without the necessity of applying to intervene. The procedural schedule for such a Change Request proceeding will provide that data request objections must be lodged within 7 days and responses will be due within 10 days (notifications that additional time is required to respond will also be due within 7 days). (Stipulation, p. 16-17)

2. Ameren Missouri has now completed the first year of energy efficiency measures, and the third party evaluators, Cadmus and ADM, have completed EM&V activities culminating in the filing of the Reports as revised on June 12, 2014 (Collectively referred to as "EM&V Reports" or "Reports").

3. According, Ameren Missouri hereby makes a formal Change Request with respect to the EM&V Reports. Specifically, Ameren Missouri seeks that the Reports be changed to correct the inaccurate measure (overstatement) of free ridership through the use of general survey questions, and also requests that the Report acknowledge the importance of market effects. The changes result in an increase of kWh savings by 4,649,977 for residential customers and 826,629 kWh for business customers. In aggregate, Ameren Missouri's Change Request would increase overall portfolio savings by 5,512,606 kWh, increasing the total portfolio savings to 395,996,803 kWh.

4. By and through the testimony of Ameren Missouri witness Mr. Richard Voytas, filed in support of this Application, Ameren Missouri demonstrates the need for changes to the Reports. As a whole, the Reports constitute good work product. However, the Reports nonetheless contain deficiencies that warrant correction. By correcting certain infirmities in measurement as identified by Mr. Voytas, the Reports can be improved and provide a more accurate and meaningful measurement of 2013 energy efficiency results for Ameren Missouri. In his testimony, Mr. Voytas expressly addresses the over-measurement of free ridership due to the use of surveys that introduce bias, and also the importance of including market effects in calculated program savings.

5. As detailed in Mr. Voytas' direct testimony, the use of generalized surveys introduces a bias into the EM&V Reporting in a manner that understates efficiency gains. By simply asking participants if they would have hypothetically engaged in energy efficient behavior if a program never existed, the calculation of free ridership is inflated. Like many worthwhile activities, people may plan to engage in energy efficiency but simply do not execute those plans absent marketing and incentives. Mr. Voytas explains that industry experts recognize the problems with surveys and the effect of bias on free ridership calculations. Mr. Voytas provides testimony that supports revised calculations to correct for the survey bias and more accurately calculate the free rider exclusion.

6. Mr. Voytas also sponsors testimony concerning the proper inclusion of market effects in the proper measurement of energy efficiency gains by virtue of energy efficiency programs in Ameren Missouri's service territory. By including market effects of energy efficiency programs, the measurement of energy efficiency savings is fully recognized. Energy efficiency programing and promotion undoubtedly has a transformative effect on the market

place, and failing to recognize this fact would sell short important gains made through energy efficiency programs. Although Ameren Missouri is not, in this case, proposing a specific change in kWh of energy savings due to market effects, it does believe it is appropriate for the Commission to also specifically find that market effects are an important component of EM&V, and further find that parties should collaborate on efforts to further accurate measurement of market effects.

7. By making the recommended changes supported by Mr. Voytas, the Commission will more accurately capture the full value of Ameren Missouri energy efficiency programs in 2013 for Ameren Missouri. Full and accurate EM&V accounting not only benefits Ameren Missouri, but also public policy; accurately calculating the full value of energy efficiency programs provides a complete perspective of the impact of such programming within the State of Missouri. Moreover, EM&V reporting will occur annually, and the decisions rendered in this proceeding will shape the future of energy efficiency programs undertaken by Ameren Missouri and other Missouri utilities.

WHEREFORE, Ameren Missouri respectfully requests that the Missouri Public Service Commission grant this Application for Approval of Change Request, incorporate the recommendations of Mr. Voytas in its Order, and grant any other and further relief as it deems just and equitable.

Respectfully submitted,

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**ATTORNEYS FOR UNION ELECTRIC
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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, transmitted by e-mail or mailed, First Class, postage prepaid, this 3rd day of July, 2014, to counsel for all parties on the Commission's service list in this case.

/s/ Matthew R. Tomc