

To: Missouri PSC staff

From: Rebecca Stanfield, NRDC

Date: June 14, 2010

Re: Language regarding collaboratives

Background: Currently, each of the investor-owned utilities in Missouri conducts stakeholder collaboratives to review progress toward the energy savings goals for which ratepayer funds have been or will be allocated. However, many states, including Michigan, Illinois and Indiana, have concluded that additional economies of scale can be made through a statewide, rather than utility-specific collaboratives. Some of the benefits include:

- The statewide collaborative provides a forum for shared learning on how programs are performing in the field and what mid-course corrections have worked and could be exported to neighboring utilities;
- Utilities with smaller DSM staff can benefit from utilities that have more staff and resources to design and run programs;
- It provides a forum for stakeholders to discuss and make recommendations on statewide policy matters, including such things as developing a framework for application of net-to-gross ratios;
- It provides a forum for bringing all stakeholders up to speed on new program designs that have met with success in other states. For example, guest speakers from the U.S. DOE, or organizations like O-Power can present new program opportunities to all utilities and stakeholders together;
- For stakeholders with smaller staffing resources, it allows for more effective use of existing staff time and more effective participation overall;
- The benefit of having an independent facilitator, who will set the agenda for each meeting based on input from all members, and will ensure that all materials are circulated well in advance, that it can lead to a better sense of ownership of the forum among the various members of it and better preparation for active participation.

Whether the commission decides on a statewide or individual collaboratives, or a combination, it is important that the commission set specific guidelines and expectations for what kind of input the collaborative should have regarding a utility filing, and what the members of the collaborative have a right to expect from the utilities. We urge the inclusion of language in the rule, specifying that there will be a statewide collaborative, that it will be independently facilitated, and setting out the specific functions to include at a minimum:

- (1) To recommend new programs for inclusion in the utility program plans, and to review program designs in advance of plan filings;

- (2) To establish agreed-upon performance metrics for measuring portfolio and program performance;
- (3) To review Plan progress against metrics and against the performance targets set out in the rule;
- (4) To review program budget shifts between programs where the change exceeds 20% of the budget.
- (5) To explore joint programs where doing so would reduce program costs and increase savings;
- (6) To monitor the work being carried out by the independent evaluators.

Further, we recommend that each utility offering programs under S.B. 376 should be required to participate fully in the statewide collaborative, and that any other interested party be invited to participate. Finally, the collaborative should be managed and facilitated by an independent contractor paid for by the utilities in proportion to their sales to end use customers in Missouri in the past two calendar years.