

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

**STAFF RECOMMENDATION TO APPROVE THE DISCONTINUATION OF
PROGRAM AND APPROVE TARIFF SHEET**

COMES NOW Staff of the Missouri Public Service Commission, by and through the undersigned counsel, and files this Recommendation with the Missouri Public Service Commission to state as follows:

1. On July 5, 2012, Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri”) and the parties to this case filed (or did not object to) a *Unanimous Stipulation and Agreement Resolving Ameren Missouri’s MEEIA Filing* (“*Stipulation*”). The Commission approved the *Stipulation* by Order on August 1, 2012.

2. In part, the *Stipulation* provided for Ameren Missouri’s implementation of 11 Demand-Side Management Programs pursuant to the Missouri Energy Efficiency Investment Act (“MEEIA”)¹, including the Energy Star[®] New Homes Program. The *Stipulation* also requires Ameren Missouri to hire a contractor to complete Evaluation, Measurement and Verification (“EM&V”) reports on its MEEIA programs and file final EM&V reports 135 days after the end of each MEEIA program year.²

¹ Section 393.1075, RSMo (Supp. 2013).

² *Unanimous Stipulation And Agreement Resolving Ameren Missouri’s MEEIA Filing*, pp. 15-19. Ameren Missouri and Staff are currently working together to identify areas of the EM&V reports filed May 15, 2014, and revised May 28, 2014, where additional work needs to be performed by Ameren Missouri’s EM&V contractor, The Cadmus Group, Inc. Staff understands that Cadmus will produce a new set of EM&V reports for filing.

3. On May 22, 2014, Ameren Missouri filed a revised tariff sheet, assigned Tracking No. YE-2014-0473, along with a *Notification* to propose the discontinuance of its current Energy Star[®] New Homes Program. The language of the proposed tariff sheet limits the program's availability to builders of single family homes that reserve a rebate prior to June 21, 2014. As discussed in Staff's *Memorandum* attached and incorporated herein, Staff recommends the Commission approve the discontinuation of Ameren Missouri's Energy Star[®] New Homes Program and approve the tariff sheet to become effective June 21, 2014, conditioned as discussed below.

4. Rule 4 CSR 240-20.094 (5) sets forth a process for an electric utility to file to discontinue a MEEIA program. It provides

...an electric utility may file an application with the commission to discontinue demand-side programs by filing information and documentation required by 4 CSR 240-3.164(5). The commission shall approve or reject such applications for discontinuation of utility demand-side programs within thirty (30) days of the filing of an application under this section only after providing an opportunity for a hearing.

Rule 4 CSR 240-3.164(5), as mentioned above, provides the MEEIA filing requirements that are in addition to the general requirements for applications under Rule 4 CSR 240-2.060.

5. Rule 4 CSR 240-3.164(5) provides that when an electric utility files to discontinue a MEEIA program, it should also file the following information: "(A) Complete explanation for the utility's decision to request to discontinue a demand-side program. (B) EM&V reports for the demand-side program in question. (C) Date by which a final EM&V report for the demand-side program in question will be filed." The

Notification contains the information required in (A). Information for (B) and (C) is not attached as part of the *Notification*, but other filings in this case contain the information.³

6. Staff has reviewed the initial EM&V report and the additional analysis of the cost-effectiveness of the Energy Star[®] New Homes Program provided by Ameren Missouri. The initial EM&V report and analysis determined the program is not cost-effective, with a total resource cost test score of 0.18. In other words, 72% of the gross energy savings reported from the program resulted from measures installed by participating builders who were already building efficient homes without the program's incentives and are, therefore, free riders. Free Riders are defined as those participants who most likely would have adopted the energy efficiency measure on their own without a utility incentive.

7. One of the decision points for the Commission's approval of a MEEIA program plan under Rule 4 CSR 240-20.094(3)(A) is whether the program has a total resource cost test ratio greater than one (1), indicating the program's cost effectiveness. While the EM&V reports are not yet finalized, Staff generally agrees with the results and recommends the Commission approve Ameren Missouri's filing to discontinue the Energy Star[®] New Homes Program and approve the tariff sheet, both conditioned on Ameren Missouri providing an affidavit to support its *Notification*.

8. The *Notification* does not provide the general background information or an affidavit to verify the information contained in the application as required by Rule 4 CSR 240-2.060. Staff is not opposed to a limited waiver of Rule 4 CSR 240-2.060 should Ameren Missouri provide the affidavit requirement prior to a Commission order

³ EM&V reports are filed in this case as EFIS # 150 and 154; EFIS # 157, *Notice Regarding Change Request*, discusses when Ameren Missouri and Staff expect final EM&V reports.

granting the relief requested in the *Notification*. Rule 4 CSR 240-2.015 allows the Commission to waive a rule in Chapter 2 for good cause.

9. In regard to the hearing requirement mentioned in Rule 4 CSR 240-20.094 (5), the Commission need not hold a hearing if, after proper notice and opportunity to intervene, no party requests such a hearing.⁴

WHEREFORE, Staff files this Notice for the Commission's information and consideration and recommends the Commission (1) approve the discontinuance of Ameren Missouri's Energy Star[®] New Homes Program and approve the tariff sheet, both conditioned on Ameren Missouri providing an affidavit to support its *Notification*; and (2) grant any necessary waivers of the general information filing requirements of Rule 4 CSR 240-2.060.

Respectfully submitted,

/s/ Jennifer Hernandez

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⁴ *State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission*, 776 S.W.2d 494 (Mo. App. W.D. 1989).

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been emailed this 6th day of June, 2014 to all parties of record in this proceeding.

/s/ Jennifer Hernandez