

**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                )        File No. EO-2015-0055  
Energy Efficiency as Allowed by MEEIA.                )

**RENEW MISSOURI’S REPLY TO AMEREN MISSOURI’S  
RESPONSE TO COMMISSION ORDER**

COMES NOW Earth Island Institute d/b/a Renew Missouri (“Renew Missouri”), by and through its undersigned counsel, and for its *Reply to Ameren Missouri’s Response to Commission Order*, states as follows:

**I. Introduction**

1. In its September 9, 2015 Agenda meeting, Commissioners raised two issues with the June 30, 2015 Non-Unanimous Stipulation and Agreement filed in the above styled case by Ameren Missouri, Division of Energy (“DE”) and other parties (“June 30 Stipulation”). Those issues were the absence of retrospective Evaluation, Measurement and Verification (“EM&V”) in calculating the throughput disincentive, and the absence of a component of supply side investment reduction in calculating the performance incentive. The Commission’s Order directed parties to report back whether further negotiations that address those issues could be productive in reaching some agreement on a Cycle 2 MEEIA Plan.

2. After several rounds of discussion and negotiations with the parties and multiple approved extensions, Ameren Missouri filed its Response to Commission Order on September 25, 2015 in which it stated its belief that further discussion would not lead to a negotiated plan.<sup>1</sup>

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<sup>1</sup> Ameren Missouri, *Response to Commission Order*, September 25, 2015, p. 1.

In its Response, the Company described three additional modifications to the June Agreement to address the Commission’s concerns, and encouraged the Commission to approve the June 30 Stipulation with those additional modifications.

3. Ameren Missouri included the following modifications in its September 25 filing, which it offered in response to the concerns raised in the Commission’s September 9 agenda meeting and subsequent Order:

a. Retrospective Evaluation, Measurement and Verification (“EM&V”) of the net shared benefits received to address the Company’s throughput disincentive (“TD-NSB”), with any over-recovery credited against the Performance Incentive. In addition, Ameren Missouri proposed using the results of retrospective EM&V to annually update the Company’s technical resource manual (“TRM”);

b. Inclusion of a demand-based metric for the performance incentive component, resulting in 25% of the performance incentive being based on demand reductions;

c. The Company proposed an industry-wide workshop be established to examine alternatives to the TD-NSB approach.

4. Since Ameren Missouri’s September 25 filing, the Company has participated in discussions with Renew Missouri, the National Housing Trust (“NHT”), and Tower Grove Neighborhoods Community Development Corporation (“Tower Grove”). Following those conversations, on October 1, 2015, Ameren Missouri’s Director of Energy Efficiency and Demand Response – Dan Laurent – signed a notarized affidavit committing to modify the Company’s proposed MEEIA Plan with several additional terms (see attached *Affidavit of Daniel G. Laurent*). Those additional terms include:

a. Further commitment to work with stakeholders to identify additional cost-effective energy savings strategies by agreeing to file a status report with the Commission in June 2016 regarding the discussions of the parties and the specific energy savings strategies to be employed by the Company;

b. Agreement that low-income multifamily customers and buildings under the Company's 1(M) Service Classification will be eligible to participate in the Multifamily Low-Income program and utilize the 25% bonus incentive;

c. Agreement that participants receiving low-income energy audits through the Multifamily Low-Income program and one-stop-shop approach will be provided available information of how to estimate costs.

**II. Renew Missouri Supports Approval of the June 30 Stipulation as Modified by the Company's September 25 Response and the Affidavit of Dan Laurent.**

5. Renew Missouri today offers its support for Commission approval of the June 30, 2015 Stipulation and Agreement, as modified by Ameren Missouri's September 25 filing and the attached Affidavit of Dan Laurent. Renew Missouri opposed the June 30 Stipulation when it was filed by Ameren Missouri and other parties to this case. We believe Ameren Missouri has since made meaningful compromises and significant efforts to respond to the Commission's concerns raised in its September 9 Order.

6. Approval of the modified programs will result in energy efficiency savings that will have immediate benefits for Ameren Missouri's business and residential customers, smooth Ameren Missouri's glide path for compliance with the Clean Power Plan, improve access to energy efficiency for low-income and multifamily customers, and lay the groundwork for continued progress toward a more efficient future for Missouri.

7. Crucially, we believe the commitments made in the attached affidavit will lead to more serious participation by the Company in working with stakeholders to identify ways of achieving far greater savings during the 2016-2018 cycle. In addition, the affidavit commits the Company to offering a Multifamily Low-Income program that expands eligibility for a large number of low-income and multifamily buildings.

8. Ameren Missouri's Plan as modified still falls well short of what we believe to be an ambitious and meaningful DSM portfolio that treats energy efficiency as an essential resource. We continue to believe that Ameren Missouri – like other similar utilities in the Midwest and the nation demonstrate – is capable of much more energy and demand savings, with wider participation and measures that result in deep, long-lasting reductions in usage. Ameren Missouri's own IRP analysis shows that it could reduce energy consumption by as much as 1.8% simply by instituting a rate design that encourages conservation.<sup>2</sup> Finally, we continue to believe that revenue decoupling offers a more sensible way of aligning utility incentives than the proposed DSIM or lost revenue mechanism in the Company's modified proposal.

7. The above being said, Renew Missouri cannot agree with Staff's opinion that Ameren's customers would be better off with no utility-run energy efficiency programs.<sup>3</sup> We believe that energy efficiency is a vital resource for our state's future, and that discontinuing availability of programs would be detrimental to the customer education, branding, and other important gains that have been made over the last three years in Ameren Missouri's service

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<sup>2</sup> Ameren Missouri, 2014 Integrated Resource Plan, Volume 8, pg. 76: "Ameren Missouri studies to date show that demand-side rates, specifically rates with inclining block structures, would likely reduce energy consumption by up to 1.8% per year."

<sup>3</sup> The Staff for the Commission, *Reply to Ameren Missouri's Response to Commission Order*, October 1, 2015, p. 2, ¶3: ("Should the Commission narrow its decision to either rejecting or approving the Utility Stipulation with or without Ameren's latest modifications, Staff's opinion remains that Ameren's customers are better off with no utility-run energy efficiency programs at this time than the minimally effective, high-cost MEEIA programs under the Utility Stipulation.")

territory. Despite the issues with Ameren Missouri's modified proposal, we strongly support Ameren Missouri having an approved energy efficiency portfolio under MEEIA rather than none at all.

8. Accordingly, Renew Missouri recommends that the Commission approve the June 30, 2015 Non-Unanimous Stipulation and Agreement filed in this case by Ameren Missouri, the Division of Energy, the Natural Resources Defense Council, and United for Missouri, provided that it be modified by the Company's September 25, 2015 Response to Commission Order and by the attached Affidavit of Daniel G. Laurent.

WHEREFORE, Renew Missouri requests that the Commission accept its *Reply to Ameren Missouri's Response to Commission Order* for inclusion in this case.

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 2nd day of October, 2015.

/s/ Andrew J. Linhares  
Andrew J. Linhares