

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Union Electric Company d/b/a)
Ameren Missouri's 3rd Filing to Implement) File No. EO-2018-0211
Regulatory Changes in Furtherance of Energy)
Efficiency as Allowed by MEEIA.)

STIPULATION AND AGREEMENT

COME NOW Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or the "Company"), Staff of the Missouri Public Service Commission ("Staff"), the Office of the Public Counsel ("OPC"), Missouri Division of Energy ("DE"), Consumers Council of Missouri, Renew Missouri Advocates d/b/a Renew Missouri, National Housing Trust, and Tower Grove Neighborhood Community Development Corporation, (collectively referred to as "Signatories"), and submit this *Stipulation and Agreement* ("*Stipulation*") for approval by the Missouri Public Service Commission ("Commission"). All parties to this proceeding have either signed this *Stipulation* or have indicated they will not oppose this *Stipulation*.¹

In support of this *Stipulation*, the Signatories respectfully state as follows:

BACKGROUND

1. On June 4, 2018, Ameren Missouri filed its *Application to Approve DSIM and Demand-Side Management Portfolio and Plan, Request for Variances, and Motion to Adopt Procedural Schedule*, ("*Application*") together with a report, including associated appendices, entitled, *Ameren Missouri's 2019-24 Energy Efficiency Plan* (the "*Report*") in this case under the Missouri Energy Efficiency Investment Act ("MEEIA") and the Commission's MEEIA rules for

¹ Midwest Energy Consumers Group, Natural Resources Defense Council, Kansas City Power and Light Company, KCP&L Greater Missouri Operations Company, and Spire Missouri, Inc. have indicated that while they are not Signatories to *Stipulation*, they do not oppose its approval.

approval of its proposed MEEIA Cycle 3 plan. Notice of the *Application* was given and numerous parties intervened in the proceeding. An Amended Procedural Schedule was approved by the Commission on August 1, 2018, under which certain parties submitted pre-filed rebuttal and surrebuttal testimony, and a five-day evidentiary hearing was scheduled to begin on October 15, 2018.

2. After the submission of pre-filed testimony in this case, the parties conferred to see if an agreement could be reached in order to provide an appropriate resolution to this matter. This *Stipulation* reflects the results of those efforts, and presents the Commission with a third cycle of MEEIA programs that will allow Ameren Missouri to continue to promote demand-side programs, including energy efficiency and demand response programs. As described in more detail in the *Revised Ameren Missouri's 2019-21 Energy Efficiency Plan* (the "*Revised Report*"), its associated appendices, and this *Stipulation* (collectively, "MEEIA 2019-21 Plan"),² the Signatories recommend that the Commission approve the MEEIA 2019-21 Plan, a high-level summary of which follows:

- The low-income programs available under the MEEIA 2019-21 Plan will be implemented over a nearly six-year period (70 months), from March 1, 2019, to December 31, 2024.
- All other programs offered under the MEEIA 2019-21 Plan will operate over a nearly three-year period (34 months), from March 1, 2019, to December 31, 2021.
- The 34-month portion of the MEEIA 2019-21 Plan (which includes the first 34 months of the low-income programs) will operate on a budget of approximately \$195 million.
- The MEEIA 2019-21 Plan will consist of the demand-side programs shown in the following table:

² The Revised Report supersedes and replaces the original *2019-24 MEEIA Energy Efficiency Plan* document and its associated appendices filed June 4, 2018.

Low-Income Programs	Residential Programs	Business Programs
Multifamily Low-Income Single Family Low-Income Business Social Services	Appliance Recycling Efficient Products Energy Efficiency Kits Home Energy Reports HVAC Lighting Multifamily Market Rate Demand Response Residential Education	Custom New Construction Retro-Commissioning Small Business Direct Install Standard Business Demand Response Business Education

3. In light of the foregoing, the Signatories to this *Stipulation* agree to the following terms and conditions.

SPECIFIC TERMS AND CONDITIONS

4. Complete Settlement of the Case.³ As a result of extensive settlement discussions, the Signatories have agreed that implementation of the MEEIA 2019-21 Plan attached to this *Stipulation*, on and subject to the terms and conditions set forth herein, constitutes a full and final resolution of all issues in this case. This MEEIA 2019-21 Plan is solely the result of compromise in the settlement process for this matter and does not serve as precedent beyond this *Stipulation*.

5. Approval of Plan. Subject to the terms and conditions contained herein, the Signatories recommend the Commission grant approval for Ameren Missouri to implement a third cycle of demand-side programs ("MEEIA Programs" or "Programs") and the Demand-Side Investment Mechanism ("DSIM") as described in the *Revised Report*, and in light of the additional agreements contained in this *Stipulation*. The following table summarizes revisions made to the original appendices, as reflected in the appendices to the *Revised Report*:

³ Unless otherwise specifically defined, the terms used in this *Stipulation* are defined in the Commission's MEEIA rules, specifically 4 CSR 240-20.092.

Appendix	Rationale
Appendix A: Summary Tables	Revised to reflect agreements reached by the Signatories
Appendix B: Program Templates	Revised to reflect agreements reached by the Signatories
Appendix C: Avoided Costs	Only revised to reflect new MEEIA 2019-21 Plan title.
Appendix D: Incentive Ranges	Revised to reflect updates contained in Surrebuttal Testimony
Appendix E: Sample Evaluation Plans	Revised to reflect agreements reached by the Signatories
Appendix F: Deemed Savings Table	Only revised to reflect new MEEIA 2019-21 Plan title; subject to further revision as described in Paragraph 13.
Appendix G: Technical Resource Manual ("TRM") Volume 1	Only revised to reflect new MEEIA 2019-21 Plan title.
Appendix H: TRM Volume 2	Only revised to reflect new MEEIA 2019-21 Plan title; subject to further revision as described in Paragraph 13.
Appendix I: TRM Volume 3	Only revised to reflect new MEEIA 2019-21 Plan title; subject to further revision as described in Paragraph 13.
Appendix J: Exemplar Tariffs	Revised to reflect agreements reached by the Signatories
Appendix K: Customer DSIM Explanation	Only revised to reflect new MEEIA 2019-21 Plan title. ⁴
Appendix L: Customer Bill Examples	Only revised to reflect new MEEIA 2019-21 Plan title.
Appendix M: Accounting	Only revised to reflect new MEEIA 2019-21 Plan title

⁴ Since customer notice has already been published, it cannot be retroactively revised.

6. Budget variance. The variance of up to 20% between the budget approved by the Commission and the amount actually spent by the Company, which is allowed by 4 CSR 240-20.094(5), will be set at 5% for the length of the MEEIA 2019-21 Plan.

7. Integrated Resource Plan ("IRP"). As part of its triennial IRP compliance filing in 2020, Ameren Missouri will analyze demand-side resources included within alternative resource plans (including all performance metrics) both in its traditional manner and with "dynamically optimized portfolios." Such portfolios will be based on logical groupings of measures and the associated adoption curves from the potential study. The dynamically optimized portfolios will be built from the bottom up, based on capacity shortfall and needs to add enough demand-side resources to meet capacity needs using a timeline consistent with adoption curves from an updated potential study that includes new primary research. Also through its 2020 IRP, the Company will perform additional analyses to support its avoided transmission and distribution estimates that will be utilized in its next cycle MEEIA programs.

8. Demand Response. The Signatories will engage in collaborative discussions to explore how to keep demand response implemented in the market for the long-term. The collaborative effort will explore topics such as engaging in long-term agreements (with specific off-ramps) for certain budget levels as well as standardized earnings opportunity and throughput disincentives.⁵ The Company will host at least three collaborative meetings on this topic and, within 12 months of a Commission order approving this *Stipulation*, the Company will file in this docket a report summarizing the issues explored in these collaborative meetings and potential recommendations, including any rule revisions identified as necessary.

⁵ The Signatories recognize that the Commission's MEEIA rules provide a general framework for program costs, throughput disincentive, and earnings opportunity.

9. Energy Efficiency Equity Baseline Data. Within 60 days of the approval of this *Stipulation*, Ameren Missouri will file updated participation data by zip code for Schedule WRD-SR6 to the surrebuttal testimony of Company witness Bill Davis to include program-level participation data within this docket. Further, the following information will be included in the annual EM&V reports for MEEIA 2019-21:

- Aggregated participation data by program and by zip code;⁶ and
- Aggregated energy consumption data by zip code.

10. Multifamily Low-Income Program. The Signatories agree that the following shall apply to the implementation of the Multifamily Low-Income Program as described in the *Revised Report* and associated appendices:

- a. The Company will post information about the types of projects and the types of customer measures that could qualify under the Multifamily Low-Income Program, as well as applicable case studies, on its website.
- b. The Company will share its experiences, as they develop, regarding the implementation of long-lead time projects implemented in MEEIA 2016-18 in the collaborative process described below to determine the best way to accommodate substantial rehabilitation projects. While that evaluation is ongoing, the Company will provide up to a 12-month funding commitment within the implementation period of the MEEIA 2019-21 Plan and will accommodate extensions and Low-Income Housing Tax Credit timelines when possible.
- c. The Signatories recognize that the ramp rate for a new program design in the low-income multifamily market is unpredictable and agree that the presented budgets are not to be treated as annual budget caps. In support of this, the Company's contract with its implementation contractor for this program will incentivize the contractor to meet and exceed performance savings goals as well as explicitly allow

⁶ The Company will provide this information based on 5-digit zip codes, but will evaluate the feasibility and practicality of expanding this reporting to 5+4 zip codes.

shifting budgets from future years to fund higher than planned participation levels in earlier years. In the event customer participation sustainably and significantly exceeds approved budget levels over the first 18 months, the Company will present those findings to stakeholders and explore recommended responsible actions, including the potential to request Commission approval for increased budgets.

11. Collaborative Meetings to Explore Additional Opportunities. No later than June 1, 2020, Ameren Missouri will file in this docket a report summarizing collaborative discussions between the Signatories similar to its MEEIA 2016-18 Collaborative Report. The objective of this collaborative effort is to systematically explore additional savings opportunities with the intention to impact possible changes to MEEIA 2019-21 programs and/or to provide a foundation for new and/or modified programs for a proposed MEEIA Cycle 4. The Company will host at least four meetings, with no more than six months in between the meetings.

As part of the annual EM&V review process, the Company will host at least one separate meeting to specifically review and discuss the process evaluation results for each program to assess potential changes to improve MEEIA 2019-21 programs as well as gain feedback on future research areas of process evaluation.

12. Prepaid Electric Service Programs under MEEIA. The Company agrees not to seek approval of a prepaid electric service program under MEEIA similar to the Flex Pay program proposed in File No. EO-2015-0055 before 2025. The Company agrees that if it files a non-MEEIA prepaid electric service program before 2025, it will meet with the Signatories three months in advance of the filing.

13. Technical Resource Manual ("TRM") and Deemed Savings Table Updates. By December 31, 2018, the Company will file for Commission approval of an updated TRM and an updated Deemed Savings Table to reflect the results of MEEIA 2016-18 Program Year 2017 evaluation results. The updates will also include fixed incremental cost calculations identified

while investigating Staff's concerns about the cost-effectiveness of certain measures. The updated TRM will include new sections, as written below, regarding demand response to provide more specificity on the determination of energy and demand savings:

- *Business demand response*: For demand and energy savings associated with calling a demand response event, a customer baseline load ("CBL") approach will be used. A CBL approach applies a model or algorithm to develop customer-specific baselines for each event that are used to estimate load impacts for each hour of the event. Demand impacts will be estimated from the average of the hours over all event periods. Energy savings impacts will be estimated from comparing the 24 hours of the CBL for each event day to the 24 hours of actual kWh consumption for each event day.
- *Residential demand response*: For demand and energy savings associated with calling a demand response event, smart thermostat program participants will be randomly partitioned into two groups. In this scenario, on an event day, participants in one group receive a signal to initiate activity on the thermostat, while the other group of participants would not receive this signal. As a result, the participants who receive the signal will serve as the treatment group, and the participants who do not receive a signal will serve as the control group. Demand impacts will be estimated from the average of the hours over all event periods. Energy savings impacts will be estimated from comparing the 24 hours of the control group for each event day to the 24 hours of actual kWh consumption for each event day.

14. Testimony admitted into evidence. The Signatories ask the Commission to enter the pre-filed testimony submitted in this case into the record in support of the settled MEEIA 2019-21 Plan.

15. Waivers. The Signatories agree that the following waivers are appropriate for implementation of MEEIA 2019-21 and should be granted:

Waiver Requested from:	Rationale	Justification
4 CSR 240-20.094(4)(I)3	Rule 4 CSR 240-20.094(4)(I)3 states, in relevant part, the Commission can approve demand-side programs or program plans that it finds have met the filing and submission requirements of the MEEIA rules and "[a]re included in the electric utility's preferred plan or have been analyzed through the integration process required by 4 CSR 240-22.060 to determine the impact of the demand-side program and program plans on the net present value of revenue requirements of the electric utility." While the 2017 IRP preferred resource plan does include analyses of demand-side resource options, those analyses were based on the best information available at that time.	Good cause for this waiver exists because requiring the revision of the 2017 IRP preferred resource plan analyses to accommodate this filing does not warrant the time and effort that would be required to complete that revision.
4 CSR 240-20.094(2)	Rule 4 CSR 240-20.094(2) prescribes guidelines to review progress toward the expectation an electric utility's demand-side programs can achieve a goal of overall cost-effective demand-side savings. However, the rule expressly states that the prescribed guidelines are not mandatory and no penalty or other adverse consequence will result if a utility is unable to achieve annual savings goals specified in those guidelines.	To eliminate any confusion regarding whether Ameren Missouri's MEEIA 2019-21 programs are required to meet those "soft" goals related to kWh and kW load reductions, the Company seeks a waiver of this rule. Alternatively, the Commission could include a statement in its final order approving the MEEIA 2019-21 Plan that Ameren Missouri will not be penalized in any way if it fails to meet goals expressed in the rule's guidelines.
4 CSR 240-14.030(3)	Rule 4 CSR 240-14.030(3) states, in relevant part, an electric utility is prohibited from implementing any new promotional practice until after a tariff related to that practice has been filed with the Commission. The MEEIA 2019-21 Plan anticipates the Company will be required to change certain elements of its promotional practices – most notably incentive payments – to reflect marketplace changes.	Requiring Ameren Missouri to file tariffs before such changes can be implemented would be burdensome and would prevent the Company from quickly addressing conditions the promotional practice changes were designed to address. A waiver of this rule is necessary to give Ameren Missouri administrative flexibility necessary to timely address marketplace changes.

GENERAL PROVISIONS

16. This *Stipulation* is being entered into solely for the purpose of settling the issues specifically set forth above, and represents a settlement on a mutually-agreeable outcome without resolution of specific issues of law or fact. This *Stipulation* is intended to relate *only* to the specific

matters referred to herein; no Signatory waives any claim or right which it may otherwise have with respect to any matter not expressly provided for herein. No party will be deemed to have approved, accepted, agreed, consented, or acquiesced to any substantive or procedural principle, treatment, calculation, or other determinative issue underlying the provisions of this *Stipulation*. Except as specifically provided herein, no Signatory shall be prejudiced or bound in any manner by the terms of this *Stipulation* in any other proceeding, regardless of whether this *Stipulation* is approved.

17. This *Stipulation* has resulted from extensive negotiations, and the terms hereof are interdependent. If the Commission does not approve this *Stipulation*, approves it with modifications or conditions to which a party objects, or issues an order in another Commission case that negates its approval or conditions or modifies the *Stipulation* in a manner to which any party objects, then this *Stipulation* shall be null and void, and no Signatory shall be bound by any of its provisions.

18. If the Commission does not approve this *Stipulation* unconditionally and without modification, and notwithstanding its provision that it shall become void, neither this *Stipulation*, nor any matters associated with its consideration by the Commission, shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with Section 536.080 RSMo 2016 or Article V, Section 18 of the Missouri Constitution, and the Signatories shall retain all procedural and due process rights as fully as though this *Stipulation* had not been presented for approval, any suggestions or memoranda, testimony or exhibits that have been offered or received in support of this *Stipulation*, shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as

part of the administrative or evidentiary record before the Commission for any further purpose whatsoever.

19. If the Commission unconditionally accepts the specific terms of this *Stipulation* without modification, the Signatories waive, with respect only to the issues resolved herein: their respective rights (1) to call, examine and cross-examine witnesses pursuant to Section 536.070(2), RSMo 2016; (2) their respective rights to present oral argument and/or written briefs pursuant to Section 536.080.1, RSMo 2016; (3) their respective rights to seek rehearing pursuant to Section 386.500, RSMo 2016; and (4) their respective rights to judicial review pursuant to Section 386.510, RSMo 2016. These waivers apply only to a Commission order respecting this *Stipulation* issued in this above-captioned proceeding, and do not apply to any matters raised in any prior or subsequent Commission proceeding, or any matters not explicitly addressed by this *Stipulation*.

20. This *Stipulation* contains the entire agreement of the Signatories concerning the issues addressed herein.

21. This *Stipulation* does not constitute a contract with the Commission and is not intended to impinge upon any Commission claim, right, or argument by virtue of the *Stipulation's* approval. Acceptance of this *Stipulation* by the Commission shall not be deemed as constituting an agreement on the part of the Commission to forego the use of any discovery, investigative or other power which the Commission presently has or as an acquiescence of any underlying issue. Thus, nothing in this *Stipulation* is intended to impinge or restrict in any manner the exercise by the Commission of any statutory right, including the right to access information, or any statutory obligation.

22. The Signatories agree that this *Stipulation*, except as specifically noted herein, resolves all issues related to these topics, and that the agreement should be received into the record without the necessity of any witness taking the stand for examination.

WHEREFORE, the Signatories respectfully request that the Commission approve the settled MEEIA 2019-21 Plan, comprised of this *Stipulation*, together with the *Revised Report* and its associated appendices. Additionally, the Signatories request the Commission approve the waivers requested herein, so that Ameren Missouri may implement MEEIA 2019-21 programs beginning March 1, 2019, and grant any other and further relief as it deems just and equitable.

Respectfully submitted,

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For NATIONAL HOUSING TRUST and
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CORPORATION

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing was served on all parties of record via electronic mail (e-mail) on this 25th day of October, 2018.

/s/ Paula N. Johnson

Paula N. Johnson