Title 4 – DEPARTMENT OF ECONOMIC DEVELOPMENT
Division 240 – Public Service Commission
Chapter 3 – Filing and Reporting Requirements

4 CSR 240-3.164 Electric Utility Demand-Side Programs Filing and Submission Requirements

~~*Purpose*~~*PURPOSE*: *This rule sets forth the information that an electric utility must provide when it seeks approval, modification or discontinuance of demand-side programs.*

(1) As used in this rule, the following terms mean:

(A) Average rate means

(B) Avoided cost means the cost savings obtained by substituting demand-side resources for existing and new supply-side resources. Avoided costs include: avoided utlity costs resulting from energy savings and demand cost savings associated with generation, transmission and distribution facilities and avoided probable environmental costs.

(C) Baseline energy and demand forecasts means

(D) Customer means any person, firm, partnership, corporation, municipality, cooperative, organization, governmental agency, etc., that accepts financial and other responsibility in exchange for services provided by one (1) or more public utilities.

(E) Demand means the rate of electric power use measured in kilowatts (kW).

(F) Demand-side program means any program conducted by the utility to modify the net consumption of electricity on the retail customer's side of the meter including, but not limited to, energy efficiency measures, load management, demand response, and interruptible or curtailable load.

(G) Economic potential means

(H) Electric utility or utility means~~.~~ any electric corporation as defined in section 386.020, RSMo which is subject to the jurisdiction of the commission.

(I) Energy means the total amount of electric power that is used over a specified interval of time measured in kilowatt-hours (kWh).

(J) Evaluation, measurement and verification or (EM&V) means the performance of studies and activities intended to evaluate the process of and to estimate the energy and demand savings and other effects from demand-side programs.

(K) Market potential study means

(L) Maximum achievable potential means

(M) Measure means~~.~~

(N) Net to gross factor means

(O) Participant test means

(P) Penetration rate means

(Q) Portfolio or portfolio of programs means

(R) Realistic achievable potential means

(S) Societal test means

(T) Technical potential mean

(U) Total resource cost test means the test of the cost-effectiveness of demand-side programs that compares the sum of avoided utility cost plus avoided probable environmental costs to the sum of all incremental costs of end-use measures that are implemented due to the program (including both utility and participant contributions), plus utility costs to administer, deliver and evaluate each demand-side program to quantify the net savings obtained by substituting the demand-side programs for supply-side resources.

(V) Utility cost test means. The test of the cost-effectiveness of demand-side programs that compares the avoided utility costs to the sum of all utility incentive payments, plus utility costs to administer, deliver and evaluate each demand-side program to quantify the net savings obtained by substituting the demand-side program for supply-side resources.

(2) When an electric utility files for approval of demand-side programs as described in 4 CSR 240-20.093(3), the electric utility shall file or reference the following information and all models and spreadsheets shall be provided as executable versions in native format with all formulas intact:

(A) A current market potential study. The current market potential study shall use primary data and analysis for the utility service territory and shall be updated for primary data and analysis no less frequently than every other 4 CSR 240-22 triennial compliance filing or every six (6) years. The current market potential study shall be prepared by an independent third party and shall include at least the following:

1. Complete documentation of all assumptions, definitions, methodologies, sampling techniques, and other aspects of the current market potential study;

2. All applicable workpapers and all models and spreadsheets shall be provided as executable versions in native format with all formulas intact:

3. Clear description of the process used to identify the broadest possible list of measures and groups of measures for consideration;

4. Clear description of the process used to determine technical potential, economic potential, maximum achievable potential and realistic achievable potential for a 20-year planning horizon for major end-use groups (e.g., lighting, space heating, space cooling, refrigeration, motor drives, etc.) for each market segment (e. g., residential, commercial and industrial); and

5. Identification and discussion of the 20-year baseline energy and demand forecasts. If the baseline energy and demand forecasts in the current market potential study differ from the baseline forecasts in the utility's most recent 4 CSR 240-22 triennial compliance filing, the current market potential study shall provide a comparison of the two sets of forecasts and a discussion of the reasons for any differences between the two sets of forecasts. The 20-year baseline energy and demand forecasts shall account for the following:

A. Discussion of the treatment of all of the utility's customers who have received an acceptance to opt-out;

B. Changes in building codes and/or appliance efficiency standards

C. Changes in customer combined heat and power applications; and

~~C.~~D. Third party and other naturally occurring demand-side savings.

~~(B)~~E. Demonstration of cost-effectiveness shall:

1. Be for each demand-side program and for the total of all demand-side programs;
2. Be based on the total resource cost test;
A. In instances where the calculation of the total resource cost test does not demonstrate cost-effectiveness, the utility shall include calculations for the utility cost test, the participant test and the societal test;
3. Include a detailed description of the utility's avoided cost calculations and all assumptions used in the calculation. To the extent that the portfolio of programs fails to meet the TRC test, the utility shall examine whether the failure persists if it considers a reasonable range of uncertainty in the assumptions used to calculate avoided costs.
4. Average rates shall be calculated but shall not constitute the cost effectiveness test.

~~(C)~~(B) Detailed description of each proposed demand-side program to include at least:

1. Customers targeted;
2. Measures included;
3. Customer incentives;
4. Proposed promotional techniques;
5. Projected gross and net annual energy savings;
6. Projected gross and net annual demand savings;
7. Net-to-gross factors;
8. Size of the potential market and projected penetration rates;
9. EM&V plan including at least the proposed evaluation schedule and the proposed approach to achieving the evaluation goals pursuant to 4 CSR 240-3.164(7) and 4 CSR 240-20.092(8);
10. Budget information in the following categories:
    A. Administrative costs;
    B. Program incentive costs;
    C. Estimated equipment costs;
    D. Estimated installation costs; and
    E. Evaluation costs;
11. Description of any strategies used to minimize free riders; and
12. Description of any strategies used to maximize spillover.

~~(D)~~(C) Demonstration and explanation in quantitative and qualitative terms of how the proposed demand-side programs are expected to achieve all cost-effective demand-side savings over the life of the programs. Should the expected demand-side savings fall short of the following incremental annual demand-side savings goals specified in 4 CSR 240-20.093(2), the utility shall provide detailed explanation of why the incremental annual demand-side savings goals cannot be expected to be achieved, and the utility shall bear the burden of proof.

~~(E)~~(D) Tariff sheets.

~~(F)~~(E) General education campaigns. The budget for general education campaigns shall not exceed 5 percent of total demand-side portfolio budget.

~~(G)~~(F) Designation of pilot programs. For pilot programs, the utility shall provide as much of the information required under subsections (C), (E) and (F) as is practical and shall include explicit questions that the pilot will address, the means and

methods by which the utility proposes to address the pilot's questions, a provisional cost-effectiveness evaluation, a proposed geographic area and duration for the pilot.

~~(H)~~(G) Designation of joint demand-side programs which are demand-side programs which are supported by the electric utility and at least one other energy utility.

(3) When an electric utility files to modify demand-side programs as described in 4 CSR 240-20.093(3), the electric utility shall file the following information and all models and spreadsheets shall be provided as executable versions in native format with all formulas intact:

(A) Complete documentation of the modifications being proposed;

(B) ADD TO THE LIST

(4) When an electric utility files to discontinue demand-side programs as described in 4 CSR 240-20.093(4), the electric utility shall file the following information and all models and spreadsheets shall be provided as executable versions in native format with all formulas intact:

(A) ADD TO THE LIST

(5) Variances. Upon request and for good cause shown, the commission may grant a variance from any provision~~s~~ of this rule.

(6) Rule review. The commission shall review the effectiveness of this rule by no later than December 31, 2014, and may, if it deems necessary, initiate rulemaking proceedings to revise this rule.