

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

In the Matter of a Working Case to Consider)
Proposals to Create a Revenue Decoupling)
Mechanism for Utilities) Docket No. AW-2015-0282

COMMENTS OF BRIGHTERGY, LLC

Brightergy will limit its comments to the second point requested in Staff’s July 30, 2015 Motion in this docket.

Private companies and Commissions across the country are actively seeking ways to help encourage innovation among Investor-Owned Utilities.¹ Brightergy has consistently encouraged the Commission to adopt policies aimed at allowing utilities to experiment with new markets, most recently by arguing that the Commission should allow KCP&L to include costs related to its Clean Charge Network in its rate base.

Decoupling is another tool the Commission can use to begin to give Missouri’s utilities some flexibility in promoting new programs and adapting to changing business realities. As the Commission has seen in the docket for Ameren’s most recent MEEIA filing,² the debate surrounding how and when costs for specific programs can be recouped by a utility can quickly eclipse broader policy questions, including how to design individual programs for maximum impact and evaluating the success of previous programs.

Instead, parties to the docket spent an extraordinary amount of time and effort debating the merits of competing versions of the TD-NSB. Given the current regulatory framework, this is a debate which was probably unavoidable. Were the Commission to adopt a framework allowing revenues to be decoupled from specific efficiency services, it would save the Commission and all interested stakeholders the bandwidth to focus on the effectiveness of specific programs.

MEEIA looks to remove the disincentive the utilities have in selling less of their product. Decoupling would help take away that disincentive and allow the utilities to put in strong conservation measures. These measures allow for individual customers to save on their own bills,

¹ See, e.g. Trabish, Herman, “Why Can’t Utilities Innovate Like Startups?” Utility Dive, August 21, 2015. <http://www.utilitydive.com/news/why-cant-utilities-innovate-like-startups/404045/>

² See EO-2015-0055.

allow for the deferment of large capital investments to expand infrastructure, and allow for the retirement of older, dirtier generation sources.

In the context of distributed generation, a utility's ability to decouple revenue from actual kWh sold will make it more indifferent to alternative forms of generation, which may help a utility pursue public policy goals and further the goals of compliance with federal mandates.

Brightergy encourages the Commission to make a detailed examination of the various types of decoupling mechanisms highlighted in the Regulatory Assistance Project's publication, Revenue Regulation and Decoupling, a Guide to Theory and Application. A decoupling mechanism for the State of Missouri does not need to be a one-size fits all solution, and could be tailored to help achieve various goals in renewable energy, efficiency and infrastructure investment across the utility service types.

Decoupling also brings rate stabilization to the utilities and bill certainty to customers. As revenue becomes more stable, the ability for the utility to obtain capital at relatively low cost is increased. As the Commission knows, competition for capital is intense among similarly situated utilities across the country. Missouri utilities are already at a slight disadvantage due to the perception by investors that Missouri has a challenging regulatory environment due to its statutory prohibitions on construction work in progress and the use of a historic test year. Instituting a decoupling mechanism would begin to change the perception of that challenging environment and allow access to lower-cost capital. That capital in turn can be used to invest in newer technologies, renewable energies and infrastructure replacement at a much lower cost to consumers than would exist today. Those investments would not only be cheaper in the short term, but would allow the utilities to operate more efficiently in the long term.

Brightergy is pleased to see the Commission address this issue and hopes it will continue to look for opportunities to ensure utilities are prepared to serve customers in an advanced energy environment.

WHEREFORE, Brightergy respectfully asks the Commission to consider implementing a revenue decoupling mechanism as a regulatory tool to promote innovation and encourage utilities to implement aggressive efficiency measures.

Dated September 1, 2015

Respectfully submitted,

/s/ Andrew J. Zellers

Andrew J. Zellers #57884

General Counsel/Vice President for Regulatory Affairs

Brightergy, LLC

1712 Main Street, 6th Floor

Kansas City, MO, 64108

(816) 866-0555 Telephone

(816) 511-0822 Fax

Email: andy.zellers@brightergy.com

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been filed on EFIS this 1st day of September, 2015, and is available to all parties on the Commission's service list in this docket.

/s/ Andrew J. Zellers