

**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) **Case No. EO-2012-0142**
Allowed by MEEIA.)

PUBLIC COUNSEL’S STATEMENT OF POSITIONS

COMES NOW the Office of the Public Counsel (“Public Counsel”) and submits its statement of positions:

Issue 1: What is the PY2013 annual energy savings attributable to Ameren Missouri’s energy efficiency programs?

OPC Position:

Using Public Counsel’s recommendations for the sub-issues below, the PY2013 annual energy savings **total 279,959 MWh**, which is a just and reasonable outcome supported by the substantial and competent evidence which will come before the Commission.

OPC’s position credits Ameren with:

90.30%	of the savings recommended in Staff’s change request (310,041);*
86.86%	of the savings identified by the Commission’s auditor (322,296);*
75.77%	of the savings reflected in the black box proposal (369,465);* ¹
71.77%	of the savings identified by Ameren’s evaluator (390,039);
70.43%	of the savings advocated by Ameren’s change request (397,499).

As further discussed below, OPC arrives at this recommendation using the following calculation:

¹ *Due to a late-discovered methodological error, the savings estimates built into Staff’s change request, the report of the Commission’s auditor and the black box proposal appear to have been overstated. Accordingly, OPC’s position is several percentage points closer to those positions when those positions are calculated properly. However, because the proper calculations are not OPC’s calculations and are not OPC’s burden to demonstrate, the calculations actually in the parties’ pre-filed testimony are used for purposes of this position statement.

Gross Savings of LightSavers	223,302
Free Ridership Adjustment of Ameren's Evaluator	(53,593)
Participant Spillover Adjustment of Commission's Auditor	16,748
Nonparticipant Spillover Adjustment of Ameren's Evaluator	2,233
No Credit for Market Effects Adjustment (Staff's Change Req)	0
Rebound Effect Adjustment	<u>(20,097)</u>
NET LIGHTSAVERS SUBTOTAL	168,593
Other MEEIA program results (uncontested)	<u>111,366</u>
NET TOTAL	279,959

OPC's position is that all the parties can concur, and do concur, that Ameren performed well in PY2013 in its MEEIA portfolio; Ameren need not inflate the success of its efforts. Nor should this Commission afford Ameren its imprimatur in Ameren's attempt to do so. The ratepayers should not be required to compensate Ameren in the form of a performance incentive for phantom, unsupported energy savings.

Moreover, for point of comparison, the black box proposal advocated by Ameren and Staff, and negotiated exclusively among them, reflects an increase of 19.1% in MWh from Staff's position in favor of Ameren, but only a 7.1% reduction in MWh from Ameren's position. Despite the signatory parties' attempts at portraying it otherwise, the black box proposal is a lopsided agreement which will end up requiring customers to pay more in charges than is just and reasonable given the substantial and competent evidence which will be before the Commission.

The following sub-issues can help guide the Commission's inquiry as to Issue 1:

Issue 1A: Should the Commission adopt the free rider estimates of Ameren's evaluators for its energy efficiency programs?

OPC Position:

Yes, OPC agrees with Ameren's evaluator and this position results in *no change* from that report. OPC agrees with Ameren's evaluator that the LightSavers gross, or baseline, number is 223,302 MWh of savings. The free ridership adjustment offered by Ameren's own evaluator requires **subtraction of 53,593 MWh** from the LightSavers baseline.

Issue 1B: Should the Commission adopt the participant spillover adjustment offered by the Commission's auditor for the LightSavers program?

OPC Position:

Yes, the participant spillover adjustment of the Commission's auditor is preferred because it was based on the use of actual sales data. The participant spillover adjustment of the Commission's auditor results in **an increase of 16,748 MWh** to the LightSavers baseline.

Issue 1C: Should the Commission adopt the non-participant spillover estimates of Ameren’s evaluator?

OPC Position:

Yes, the non-participant spillover estimates of Ameren’s evaluator are the most accurate estimates for each program. This results in *no change* from the estimate of Ameren’s evaluator and **adds 2,233 MWh** to the LightSavers baseline.

Issue 1D: Should the Commission adopt a market effects adjustment for the residential LightSavers program?

OPC Position:

No, Ameren’s compact fluorescent lightbulb end use measures came too late and after too many other market actors had already moved the market for this adjustment to be appropriate. Further, the market effects adjustment proposed by Ameren uses experimental methodology and is a departure from industry best practices. This adjustment results in a *reduction of 44,660 MWh* from the estimate of Ameren’s evaluator, is the same position initially adopted by Staff in this matter, and requires **no positive or negative adjustment** to the LightSavers baseline.

Issue 1E. Should the Commission adopt a rebound effect adjustment for the residential LightSavers program?

OPC Position:

Yes, OPC witness Dr. Marke explains that the rebound effect is widely accepted and that the proposed adjustment is conservative. The rebound effect adjustment results in a **reduction of 20,097 MWh** from the LightSavers baseline.

When the uncontested energy savings from Ameren’s 10 additional MEEIA portfolio programs are totaled with the aforementioned adjustments to the LightSavers savings, the final net energy savings amounts to 279,959 MWh; a strong result.

Issue 2: What is the PY2013 annual net benefits amount for Ameren Missouri’s energy efficiency program?

OPC Position:

Using the Public Counsel’s recommendations for the sub-issues below, the PY2013 annual net benefits amount is **\$75,521,822**, which uses the total resource cost test and the performance incentive as a cost. This amount is a just and reasonable outcome supported

by the law and the substantial and competent evidence which will come before the Commission.

The following sub-issues can help guide the Commission's inquiry as to issue 2:

Issue 2A: Should the total resource cost test be used when calculating the annual net shared benefits amount?

OPC Position:

Yes, the total resource cost test should be used as expressed by the MEEIA statute and Commission's rules.

Issue 2B: Should the performance incentive be included in the net benefits calculation?

OPC Position:

Yes, the performance incentive is a cost borne by the customers and should be included in the total resource cost determination pursuant to the Commission's rules.

WHEREFORE, the Office of the Public Counsel respectfully submits the foregoing statement of positions.

Respectfully,

OFFICE OF THE PUBLIC COUNSEL

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 31st day of December 2014:

/s/ Tim Opitz
