

**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.)

**MISSOURI DIVISION OF ENERGY'S REPLY TO AMEREN MISSOURI'S RESPONSE
TO COMMISSION ORDER**

COMES NOW the Missouri Division of Energy ("DE"), by and through the undersigned counsel, and for its *Reply to Ameren Missouri's Response to Commission Order*, states:

1. In the September 9, 2015¹ Agenda meeting, Commissioners raised two issues with the non-unanimous stipulation filed in the above styled case by Ameren, DE and other parties on June 30 ("June Agreement"). Specifically, 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.
2. Also on September 9, the Commission in its *Order Directing Filing* directed the parties to report back whether further negotiations that address those issues could be productive in reaching some agreement on a Cycle 2 MEEIA Plan, and if so, whether the Commission should issue a revised procedural schedule.²
3. On September 15, Ameren Missouri filed its *Response to Commission Order*, in which Ameren describes three additional modifications to the June Agreement to address the Commission's concerns.

¹ All dates herein refer to the year 2015 unless otherwise stated.

² The Commission extended its original filing date twice moving the filing date to September 25.

4. Over the past several months parties have met multiple times to discuss settlement of numerous issues including the issues of concern in the Commission's September 9 *Order Directing Filing*. Parties including DE and the Natural Resources Defense Council were able to reach agreement with Ameren Missouri on issues including significant increases to targeted energy savings. National Housing Trust and Tower Grove Neighbors, who did not sign the June Agreement, were also able to convince Ameren Missouri to add a low-income multi-family energy efficiency program. While the issues that were not resolved were highly contested, negotiations between the parties have been productive even though consensus could not be reached within the time available.
5. As a signatory to the June Agreement, DE supports the modifications to the June Agreement to include retrospective EM&V analysis of throughput disincentive-net shared benefits, annual updates to the Technical Resource Manual values, and implementation of a demand-based performance metric as described in Ameren Missouri's *Response to Commission Order* in an effort to address the Commission's concerns.
6. Rejection of the June Agreement as modified would lead to the discontinuation of the Company's energy efficiency portfolio, poor public policy outcomes, and would be detrimental to the public interest. Most critically, rejection of the June Agreement would lead to the need for increased future capacity additions at greater expense to the ratepayers, as well as a failure to value supply-side and demand-side resources on an equal basis as required by statute. Even a temporary lapse in program availability would, at the very least, result in significant uncertainty for customers,

program administrators, contractors and the Company while drastically eroding the potential markets for energy efficiency in Missouri in the short term.

7. Rejection of the June Agreement as modified will not only jeopardize the continuation of utility sponsored energy efficiency programs in Ameren Missouri's service territory and damage the foundation of the Company's MEEIA programs, but may also impact the continuation of utility sponsored energy efficiency programs in Missouri as a whole.
8. MEEIA programs foster economic development in Ameren Missouri's service territory through a network of trade allies, retailers and business partners who assist in the delivery of MEEIA programs. Ameren Missouri's MEEIA programs have been successful in providing energy efficiency benefits to its customers and continued success should not be reduced or eliminated.
9. The June Agreement as modified represents significantly greater movement towards the goal of achieving all cost-effective demand-side savings compared to both the original filing and the alternative of having no MEEIA portfolio in the Company's Missouri service territory. While the June Agreement increases total program costs more than the July Agreement the increasing costs per unit of energy saved for the majority of the programs specified in the June Agreement are indicative of increased progress towards achieving all cost-effective energy efficiency programs.³ Also, the modifications to the June Agreement described in the Company's *Response to Commission Order* will provide added benefits to all Ameren Missouri ratepayers by providing additional assurance that Ameren Missouri is only compensated for the

³ Exhibit 202, DE witness Hyman Supplemental Rebuttal, p. 7, ll. 1-6.

actual energy savings it produces and is incentivized for quantifiable demand savings achieved.

WHEREFORE, DE respectfully files its *Reply to Ameren Missouri's Response to Commission Order* and requests that the Commission approve the June Agreement as modified by Ameren Missouri's *Response to Commission Order* filed on September 25.

Respectfully submitted,

/s/ Alexander Antal

Alexander Antal

Associate General Counsel

Missouri Bar No. 65487

Department of Economic Development

P.O. Box 1157

Jefferson City, MO 65102

Phone: 573-522-3304

Fax: 573-526-7700

alexander.antal@ded.mo.gov

Attorney for Missouri Division of Energy

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been emailed to the certified service list this 28th day of September, 2015.

/s/ Alexander Antal