

**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            )       File No. EO-2015-0055  
Regulatory Changes in Furtherance of Energy        )  
Efficiency as Allowed by MEEIA.                        )

**STIPULATION AND AGREEMENT REGARDING CYCLE 2 TRANSITION PLAN  
FOR CERTAIN LONG-LEAD PROJECTS UNDER THE MEEIA CYCLE 2 PROGRAM**

COME NOW Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or “the Company”), Staff of the Missouri Public Service Commission (“Staff”), Office of Public Counsel (“OPC”), Department of Economic Development – Division of Energy (“DE”) and Renew Missouri Advocates d/b/a Renew Missouri (“Renew Missouri”), (collectively “Signatories”), and present to the Missouri Public Service Commission (“Commission”), for approval this Stipulation and Agreement Regarding Cycle 2 Transition Plan For Certain Long-Lead Projects Under the MEEIA Cycle 2 Program (“Cycle 2 Transition Stipulation”), which establishes the Signatories’ agreement on a process for long-lead energy efficiency projects’ implementation and completion; impact measurement and verification (“IM&V”);<sup>1</sup> and demand-side programs investment mechanism treatment. In support of this Cycle 2 Transition Stipulation, the Signatories respectfully state as follows:

**BACKGROUND**

1. On December 22, 2014, Ameren Missouri filed its application in this case under the Missouri Energy Efficiency Investment Act (“MEEIA”) and the Commission’s MEEIA rules. On February 5, 2016, Ameren Missouri, together with several other parties, submitted to the Commission for approval a Unanimous Stipulation and Agreement (“2016 Stipulation”) related

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<sup>1</sup> IM&V means the determination of ex-post net energy and demand savings for Long-Lead Projects through application of a net-to-gross ratio, but does not include a cost effectiveness analysis.

to the Company's implementation of MEEIA. The Commission issued an Order approving the 2016 Stipulation on February 10, 2016.<sup>2</sup>

2. Paragraph 15 of the 2016 Stipulation states:

15. Transition Between MEEIA Cycles. While the Stipulation does not include a specific transition plan for MEEIA Cycle 2, the Signatories agree that such a plan will likely be needed for the Business Custom Program or other Programs with lead times longer than 30 days, whether or not there is a MEEIA Cycle 3. Therefore, the Company will propose a transition plan to the Signatories at least one (1) year prior to the end of MEEIA Cycle 2. The Signatories will use best efforts to agree on a transition plan at least nine (9) months prior to the end of MEEIA Cycle 2. Any MEEIA Cycle 2 transition plan will require application to and approval by the Commission in accordance with 4 CSR 240-20.094(4).

The Signatories agree that the terms and conditions contained in this Cycle 2 Transition Stipulation are propounded in compliance with Paragraph 15 above and any relevant portions of Commission rule 4 CSR 240-20.094(4).

3. Ameren Missouri presented to stakeholders a proposed framework for a transition plan to accommodate the needs of customers who may have long-lead projects requiring up to two years beyond the end of MEEIA Cycle 2<sup>3</sup> for the issuance of a final rebate check as a result of completed long-lead projects; with additional time beyond the two year extension to complete IM&V and demand-side programs investment mechanism treatment for the long-lead projects. The Signatories have collaborated on the details of a transition plan embodied in this stipulation which is limited to certain BizSavers programs and which is expected to result in overall benefits for Ameren Missouri and for all of its non-residential customers who have not been approved for opt-out of participation in MEEIA programs. Accordingly, the Signatories have entered into this

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<sup>2</sup> On February 23, 2016, the Commission issued an Order Nunc Pro Tunc correcting the Earnings Opportunity contained in the original order.

<sup>3</sup> Ameren Missouri's MEEIA Cycle 2 programs started March 1, 2016 and will terminate February 28, 2019 but for the pending completion of long-lead projects which will occur after February 28, 2019 as set forth in this Cycle 2 Transition Stipulation and the DSIM Rider.

Cycle 2 Transition Stipulation to allow long-lead projects to qualify under the approved Cycle 2 energy efficiency programs and the approved Cycle 2 Rider EEIC.

### **SPECIFIC TERMS AND CONDITIONS**

In light of the foregoing, the Signatories to this Cycle 2 Transition Stipulation agree to the following terms and conditions:

4. Long-Lead Projects Applicability. The transition plan for long-lead projects that is set forth in paragraphs 5 through 10 below shall apply to long-lead projects in the following Cycle 2 BizSavers programs:

- Standard that require preapproval based on program guidelines;
- Custom;
- New Construction; and
- Retro-commissioning.

5. Savings Targets and Budget. Energy and demand savings targets and program budgets for MEEIA Cycle 2 will not change due to long-lead projects. Ameren Missouri will continue to file an application with the Commission for modification of demand-side programs by filing information and documentation required by Commission rules when there is a variance of twenty percent (20%) or more in the approved demand-side plan three (3)-year budget. The total amount of all program costs<sup>4</sup> for all long-lead projects is capped at \$4 million.

6. Expanded Eligibility. Within MEEIA Cycle 2, Ameren Missouri shall commit incentives to customers for eligible long-lead projects, within the \$4 million cap noted above, which have estimated project completion dates not later than January 31, 2021. Customer incentive payments, whether in the form of the standard incentive offered under the respective

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<sup>4</sup> Program costs, as they relate to long-lead projects, include incentive payments made to customers, contract payments made to program administrators, and costs for IM&V. There will be no portfolio-level costs allocated to long-lead projects.

Cycle 2 program or in terms of \$/kWh and \$/kW, will remain at the levels provided for in the respective Cycle 2 program at the time of a long-lead project's approval of application and commitment of incentives to the applicant.

7. Deadlines for Long-Lead Project Customer Applications, Commitments, Project Completion and Final Payment. 1) The customer applicant must submit its project application to the program administrator no later than November 30, 2018; 2) The customer applicant must submit a signed energy efficiency incentive commitment offer to the program administrator no later than January 31, 2019; 3) the customer applicant must certify completion of its long-lead project and submit all required project completion paperwork no later than January 31, 2021;<sup>5</sup> and 4) the last date for the Company to issue the final rebate check<sup>6</sup> is February 28, 2021. The Signatories agree to the tariff revisions set out in Appendix A, which are also being simultaneously submitted for Commission approval.

8. Impact Measurement and Verification. An approved long-lead project that is completed after the end of MEEIA Cycle 2 shall receive annual IM&V<sup>7</sup> (including determination of ex-post net-to-gross factors at the project level) by Ameren Missouri's independent evaluator based on the terms for IM&V contained in the Cycle 2 EM&V plan for each long-lead project's demand-side program identified in paragraph 4 above. The evaluator shall produce two IM&V annual reports that include the results of the IM&V for long-lead projects completed during the annual IM&V period and/or the progress/status of all approved long-lead projects not yet completed. Each IM&V annual report shall include project costs and ex-post gross and net energy and demand savings calculations for all completed long-lead projects. The Company's

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<sup>5</sup> Please note that program guidelines may require a deadline earlier than January 31, 2021.

<sup>6</sup> The Company shall pay all rebates for long-lead projects by issuing a check to the customer. No bill credits will be allowed.

<sup>7</sup> Annual IM&V shall be for long-lead projects completed in March 2019 through February 2020 and for long-lead projects completed in March 2020 through February 2021.

independent evaluator shall provide a draft of its long-lead projects annual reports to all stakeholders and the Commission auditor not later than May 31, 2020, and May 31, 2021. Stakeholders and the Commission auditor may provide comments on the draft long-lead projects annual reports no later than June 20, 2020, and June 20, 2021. The Company shall file its final long-lead project annual reports no later than June 30, 2020, and June 30, 2021. The Commission's auditor shall file its long-lead projects final annual reports no later than July 15, 2020, and July 15, 2021. Stakeholders may file with the Commission requests for change to the ex-post net energy and demand savings in the evaluator's long-lead projects final annual reports. Such change requests shall be filed not later than July 31, 2020, and July 31, 2021.

9. Program Costs, Throughput Disincentive ("TD"), and Earnings Opportunity ("EO"). All program costs and TD associated with long-lead projects' energy and demand savings for all completed long-lead projects will be included in the Program Cost Reconciliation and TD Reconciliation in keeping with the express terms of the Cycle 2 Rider EEIC. Any additional EO impacts associated with long-lead projects will also be included in the calculations in keeping with the express terms of the Cycle 2 Rider EEIC. All reconciliation calculations for program costs, TD, and EO resulting from long-lead projects will be based on 1) the Cycle 2 Rider EEIC and 2) the ex-post net energy and demand savings in the evaluator's long-lead projects final annual reports or, any Commission approved changes to the ex-post net energy and demand savings which result from a timely filed stakeholder change request.

10. Additional Reporting. Ameren Missouri shall include certain data for each long-lead project in its quarterly reporting to stakeholders. The data shall include estimated energy and demand savings and costs for each long-lead project, and data reporting the status of the long-lead project budget cap. At the time of the Cycle 2 Rider EEIC filing that includes the last

of the completed MEEIA Cycle 2 long-lead projects, the Company shall issue a report to stakeholders summarizing the benefits and costs of Cycle 2 long-lead projects.

#### **GENERAL PROVISIONS**

11. This Cycle 2 Transition 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 Cycle 2 Transition Stipulation is intended to relate *only* to the specific matters referred to herein; no Party 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 Cycle 2 Transition Stipulation. Except as specifically provided herein, no Signatory shall be prejudiced or bound in any manner by the terms of this Cycle 2 Transition Stipulation in any other proceeding, regardless of whether this Cycle 2 Transition Stipulation is approved.

12. This Cycle 2 Transition Stipulation has resulted from extensive negotiations, and the terms hereof are interdependent. If the Commission does not approve this Cycle 2 Transition 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 Cycle 2 Transition Stipulation in a manner to which any Party objects, then this Cycle 2 Transition Stipulation shall be null and void, and no Party shall be bound by any of its provisions.

13. If the Commission does not approve this Cycle 2 Transition Stipulation unconditionally and without modification, and notwithstanding its provision that it shall become void, neither this Cycle 2 Transition 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 2000 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 Cycle 2 Transition Stipulation had not been presented for approval, and any suggestions or memoranda, testimony or exhibits that have been offered or received in support of this Cycle 2 Transition 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.

14. If the Commission unconditionally accepts the specific terms of this Cycle 2 Transition 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 2000; (2) their respective rights to present oral argument and/or written briefs pursuant to Section 536.080.1, RSMo 2000; (3) their respective rights to seek rehearing pursuant to Section 386.500, RSMo 2000; and (4) their respective rights to judicial review pursuant to Section 386.510, RSMo Supp. 2011. These waivers apply only to a Commission order respecting this Cycle 2 Transition 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 Cycle 2 Transition Stipulation.

15. This Cycle 2 Transition Stipulation contains the entire agreement of the Signatories concerning the issues addressed herein.

16. This Cycle 2 Transition 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 Cycle 2 Transition Stipulation's approval. Acceptance of this Cycle 2 Transition 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 Cycle 2 Transition 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.

17. The Signatories agree that this Cycle 2 Transition 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.

18. Parties to this proceeding have been apprised of this Cycle 2 Transition Stipulation by e-mail to Counsel of Record for Cycle 2 Transition participants. Brightergy, LLC, Kansas City Power & Light Company ("KCP&L"), Midwest Energy Consumers Group ("MECG"), Sierra Club, and National Resources Defense Council ("NRDC"), have indicated that they do not object.

WHEREFORE, the Signatories respectfully request that the Commission approve this Cycle 2 Transition Stipulation, so that Ameren Missouri may move forward on these provisions, and grant any other and further relief as it deems just and equitable.

Respectfully submitted,

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