

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

In the Matter of a Working Case to Review	)	
The Commission's Missouri Energy	)	
Efficiency Investment Act (MEEIA) Rules	)	<b><u>File No. EW-2015-0105</u></b>
4 CSR 240-3.163, 4 CSR 240-3.164,	)	
4 CSR 240-20.093, and 4 CSR 240-20.094	)	

Staff hereby files this *summary of stakeholder comments* as the agenda it will use to facilitate discussion at the January 15, 2015, workshop.

### **Opt out customers**

- Should there be an expiration/renewal date?
- Suggestion for annual reports quantifying energy savings achieved.
- Suggestion to change "customer" to "customer site" so participant cannot opt out because business sold.
- Suggestion to require opt-out customers to make an equivalent amount of investment in energy efficiency at their facility.
- Suggestion to require customers who opt out to pay under a different rate schedule that is not subsidized by customers who did participate in MEEIA programs.
- Suggestion to add more detail to the regulations on how eligibility will be determined by Staff.

### **Market Potential Studies**

- Should census data and GIS mapping analysis be required when conducting market potential studies?
- Suggestion to clarify what study results mean - that they provide goals or options rather than specifying targets.
- Suggestion to set clear guidelines and include instructions on how to perform market potential studies.
- Suggestion that rules should ensure all sectors, including multifamily housing, are addressed in studies.
- Suggestion that there be a definition of "all cost effective" for use in studies.

### **Prudence Reviews**

- Should the rules include guidelines for prudence reviews?

### **“Non-energy Benefits”(NEBs)**

- Suggestion to include NEBs as an adder to customer benefits in cost tests/avoided costs.
- Suggestion that NEBs include the following considerations: reduction of greenhouse gas emissions, increased customer satisfaction, ability to pay, reduced collection calls and termination/reconnection costs, improved health and reduced health care spending, increased comfort, reduced property maintenance costs, reduced water bills.
- Suggestion to add definition of NEB to regulations.

### **Alternatives to the Total Resource Cost (TRC) test and tweaks to the TRC test**

- Suggestion that rules specify the TRC is to be used for calculation of net shared benefits.
- Suggestion that rules list the specific inputs into the TRC.
- Suggestion that rules specify that avoided probable environmental compliance costs be included consistent with 393.1057.2(6).
- Suggestion that rules include flexibility to switch to Utility Cost Test instead of TRC.

### **Net Shared Benefits (NSBs)**

- Suggestion that NSBs be measured over the lifetime of the program rather than “annually”.
- Suggestion to revise regulations to calculate utility’s incentive based on NSB, rather than on annual demand and annual energy savings baseline.

### **Definitions to be added or revised**

- Non-Energy Benefits
- All cost effective – measures a utility can reasonably expect to achieve in the “real world”.
- Residential multifamily
- Low income customers
- Realistic Available Potential –all cost effective energy efficiency that can be achieved based on realistic assumptions regarding customer behavior.
- Lost Costs – expand to include throughput disincentive, so as to ensure full recovery of all costs lost by a utility as a result of MEEIA.
- Annual net shared benefits – amend to change ‘incentive’ to ‘utility performance incentive’ so as to differentiate between the terms incentive and end use measure.

## **Allow for prospective instead of retrospective recovery**

### **Net to Gross (NTG) determination**

- Suggestion that rules require that NTG formula “shall” include free ridership (including leakage), spillover, rebound effect, and market effects.

### **Statewide Collaborative/Technical Resource Manual (TRM)**

- Is the Statewide TRM a worthwhile goal?
- What changes should be made to the regulation?

### **Energy savings goals in 4 CSR 240-20.94(2)**

- Are the voluntary goals meaningful?
- If the goals are retained, how should they be modified?

### **Decoupling**

- Is decoupling allowed under Missouri law?
- Should rate decoupling be implemented?
- Suggestion that stakeholders consider full revenue decoupling.

### **Combined Heat and Power (CHP)**

- Suggestion that rules be modified to encourage further development of CHP
- Suggestion that rules include broader definitions of “energy efficiency” [4 CSR 240-20.093(1) (U)] and “demand response” [4 CSR 240-20.093 (1) (K)].

### **Enable pursuit of energy efficiency gains from “non-traditional sources”**

- Are diminishing returns affecting current efforts?
- What other energy efficiency programs should be pursued?

### **Increase flexibility to change energy efficiency offerings.**

- Suggestion to raise the 20% limit related to the requirement to file a complete explanation when 3-year budget or program design is modified.
- Suggestion that rules provide greater latitude for changes requiring commission approval.
- Suggestion that rules enable the reallocation of funds among program elements.

- Suggestion that rules allow changes to program delivery based on expert implementation contractor input.
- Suggestion that rules allow starting and stopping programs that are not working.
- Suggestion that incentives, program costs, and targets be adjusted in rule revision.
- Suggestion that load reduction goals to reflect customer opt out be adjusted in rule revision.
- Suggestion that rules specify what documentation is necessary for approval of changes related to flexibility.
- Suggestion that demand-side investment mechanism (DSIM) be adjusted annually instead of semi-annually.
- Suggestion that Commission approval of DSIM last more than 4 years.
- Suggestion that rules allow adjustments to DSIM for program costs, throughput disincentive, and performance incentive costs.

### **MEEIA reporting requirements**

- Are an annual report, surveillance monitoring report, quarterly DSM report, and EM&V reports really necessary?
- Discuss current variances to MEEIA rules/timing and calculation of recovery of net shared benefits.
- Suggestion to remove link between MEEIA and IRP processes.
- Suggestion that Low Income Housing Tax Credit changes in statute be incorporated into the regulations.

### **Market Effects/Transformation Studies**

- How should market effects/transformation studies be conducted so they can be considered in determining net to gross?
- Suggestion that before beginning a program, rules require a plan to be prepared, with agreement from stakeholders, on designated parameters and selected methodology.

### **Targeted incentives to high value customers**

- Suggestion to provide for targeted incentives to certain high value customers such as schools, cities, hospitals, etc. Is this currently allowed under the law?

### **Evaluation, Measurement & Verification (EM&V) Regulation**

- Should “statewide technical resource manual” be removed from EM&V contractor regulation since a statewide TRM is not anticipated in the near future?