

**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 AMENDED STATEMENT OF POSITIONS

COMES NOW the Office of the Public Counsel (“Public Counsel”) and submits its amended¹ 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 288,989 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:

93.21%	of the savings recommended in Staff’s change request (310,041);
89.67%	of the savings identified by the Commission’s auditor (322,296);
78.22%	of the savings reflected in the black box proposal (369,465);
74.09%	of the savings identified by Ameren’s evaluator (390,039);
72.70%	of the savings advocated by Ameren’s change request (397,499).

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

Gross Savings of LightSavers	227,132
Free Ridership Adjustment of Ameren’s Evaluator	(47,698)
Participant Spillover Adjustment of Commission’s Auditor	17,035
Nonparticipant Spillover Adjustment of Ameren’s Evaluator	1,611
No Credit for Market Effects Adjustment (Staff’s Change Req)	0
Rebound Effect Adjustment	<u>(20,442)</u>

¹ Commission Rule 4 CSR 240-2.080(18) provides that “[a]ny pleading may be amended within ten (10) days of filing...” Public Counsel filed its Statement of Positions on December 31, 2014. Because the tenth day after filing falls on a Saturday, the period of time to amend is extended until Monday January, 12, 2015. 4 CSR 240-2.045(1). This amended position statement is filed to reflect corrections made to testimony sponsored by Public Counsel. The corrections to testimony are explained more fully in Public Counsel’s motion to accept amended corrected testimony of Dr. Geoff Marke filed this date.

NET LIGHTSAVERS SUBTOTAL	177,638
Other MEEIA program results (uncontested)	<u>111,351</u>
NET TOTAL	288,989

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 227,132 MWh of savings. The free ridership adjustment offered by Ameren’s own evaluator requires **subtraction of 47,698 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 17,035 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 position of Ameren's evaluator and **adds 1,611 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 40,884 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 20,442 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 288,989 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 **\$78,151,728**, 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 amended statement of positions to replace its previously filed statement of positions.

Respectfully,

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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 12th day of January 2015:

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