BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of Union Electric Company d/b/a	)	
Ameren Missouri's 2023 Utility Resource Filing	)	Case No. EO-2024-0020
Pursuant to 20 CSR 4240 – Chapter 22	)	

COMMENTS

Comes Now Homes for All St. Louis ("Homes for All"), pursuant to 20 CSR 4240-22.080(8) and submits the following comments concerning Ameren Missouri's ("Ameren" or the "Company") 2023 Integrated Resource Plan (the "IRP" or the "Plan").

Deficiency 1: The Company failed to address the lower uptake of its energy efficiency programs by its low-income customers, which it includes as Demand-Side Resources in the IRP.

The Company has failed to achieve sufficient uptake of its energy efficiency programs by qualified low-income customers, yet includes such programs as a part of its Demand-Side Resources in its IRP analysis. Missouri law provides that the Company must develop demand-side programs "designed to deliver an appropriate selection of end-use measures to each market segment." 20 CSR 4240-22.050(3). Further, the Company must "[d]esign a marketing plan and delivery process to present the menu of end-use measures to the members of each market segment and to persuade decision-makers to implement as many of these measures as may be appropriate to their situation." 20 CSR 4240-22.050(3)(E). While Homes for All appreciates that Ameren has developed several demand-side programs expressly for the benefit of its low-income customers, the Company has failed to successfully market these programs to such customers, or to persuade the target audience to sign up for the programs. This is clear from a review of the Company's own data, which demonstrates that uptake of energy-efficiency programs by the Company's low-income customers, especially those located in the City of St. Louis, is significantly lower than other classes of customers.[1]

Homes for All is uniquely situated to observe and confirm these trends first-hand. Homes for All is a nonprofit corporation working in the St. Louis metropolitan area to improve housing quality and to create a renter-friendly environment by catalyzing tenant associations and advocating for fair, affordable and equitable housing. Homes for All's constituents, many of whom qualify as low-income using the criteria Ameren has established[2], report a lack of awareness of or access to Ameren's energy efficiency programs specifically designed for and made available to them, as well as a perceived frustration that more programs are not available to them. Many of Homes for All's constituents also report a perception that these energy efficiency programs generate little of benefit for them, instead providing benefit to Ameren's contractors

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[1] Ameren's Response to MPSC Data Request 0089, Residential participation by zip code for 2013-2018, 2020, and 2021 attachments.

[2] *See,* Ameren's Responses to MPSC Data Requests 0078 and 0092 for description of low-income qualifying criteria.

who administer the programs. Homes for All suggests that one potential reason for the observed discrepancy in uptake is that the Company's energy-efficiency programs have not been made sufficiently visible to or appropriately marketed towards Ameren's low-income customers. Many of such customers lack access to a computer, may not speak or read English proficiently, or otherwise lack the time or resources to search out and implement the programs in their own households. Ameren may need to consider utilizing different types of marketing channels to reach these customers, such as advertisement through churches, neighborhood schools and community groups, as well as social media and printed flyers.

Ameren should conduct further study on this issue in order to better understand the source of the problem, and to develop solutions. Ameren should partner with relevant organizations such as the St. Louis Association of Community Organizations ("SLACO") or Homes for All to better determine the scope and causes of the problem, and solutions for how to increase uptake of energy efficiency and community solar projects by these communities.

Deficiency 2: The Company failed to address the regulatory risks of the disproportionate burden its services and programs represent to its low-income customers.

Ameren's analysis in this IRP is devoid of any discussion of the discrepancies in the financial burdens its customers face purchasing energy services from the Company and in enrolling in its myriad demand-side programs. Missouri utility law makes it improper for a utility to "give undue or unreasonable preference to any person … or subject any person … to any undue or unreasonable prejudice or disadvantage in any respect whatsoever." Mo. Rev. Stat. § 393.130.3. It is well-established that the energy burden[3] of Ameren's low-income customers, particularly those living in the City of St. Louis, is significantly higher than for its middle or upper-income customers.[4] This discrepancy in relative energy cost constitutes an undue or unreasonable prejudice or disadvantage, that the Company must, as a matter of law, rectify. The Company fails to address this potential regulatory liability in this IRP. Ameren should undertake further examination and study of this important issue, in order to quantify and understand the scope of the program, as well as to investigate and develop possible solutions, such as those identified by the U.S. Department of Energy,[5] or by expanding its low-income energy efficiency programs.

Deficiency 3: The Company failed to address the regulatory risks of the disparate impact its subscription-based programs have on Ameren's low-income customers.

The disparities in energy burdens faced by Ameren's low-income customers presents a further issue for many of the Company's subscription or pay for play demand-side programs, such as the subscription Community Solar program. Because customers must pay additional

[3] Energy burden is defined as "the percentage of gross household income spent on energy costs." U.S. Department of Energy, *Low-Income Community Energy Solutions,* Office of State and Energy Programs, located at https://www.energy.gov/scep/slsc/low-income-community-energy-solutions.
[4] Greenlink Analytics, *St. Louis, MO 6 Years of Energy Burden Impacts,* Feb. 2021.
[5] *See, e.g.*, U.S. Department of Energy, *Low-Income Community Energy Solutions,* Office of State and Energy Programs, located at https://www.energy.gov/scep/slsc/low-income-community-energy-solutions; Oak Ridge National Laboratory, *Low-Income Energy Affordability: Conclusions from a Literature Review,* located at https://info.ornl.gov/sites/publications/Files/Pub124723.pdf.

amounts to participate in these programs, the burden of entry for these programs is higher for low-income customers, and thus, discriminates against them in violation of Mo. Rev. Stat. § 393.130.3. Ameren fails to analyze the discriminatory impact of these subscription programs in the IRP. Likely this discriminatory impact is reflected in lower participation by the Company's low-income customers. Ameren should study this issue to determine if such a discriminatory impact is occurring, and develop mechanisms to increase accessibility for such programs for low-income customers.

Deficiency 4: The Company has failed to quantify the probable environmental costs of its non-renewable power sources, especially its coal-fired power plants, and to incorporate those costs into its supply-side ranking and risk analysis.

The Plan fails to properly value the environmental costs of its operations. In particular, the Plan fails to address recent and impending regulatory changes or changes to the nonattainment status of the St. Louis region. This violates the requirements of 22.010(2)(C)2 to consider "risks associated with new or more stringent legal mandates that may be imposed at some point within the planning horizon," as well as the requirements of 22.040(2)(B) that "the probable environmental costs of each potential supply-side resource option shall be quantified by estimating the cost to the utility to comply with additional environmental legal mandates that may be imposed at some point within the planning horizon." Ameren must take a closer look at the impacts and costs these likely future regulatory changes will have on its operations.

These changes include EPA's finalized Good Neighbor Rule, designed to protect against harmful ground-level smog pollution. This rule would likely mandate the installation of selective catalytic reduction ("SCR") pollutions controls on several of the Company's coal-fired units, a potentiality the Company failed to properly study in the IRP. In addition, compliance with the proposed Mercury and Air Toxics Standards may mandate the Company install more advanced particulate matter ("PM") controls in order to comply with more stringent PM limits, a possibility which the Plan fails to consider. The Plan also fails to consider the impact of more stringent PM NAAQS on the Company's operations. EPA's final rule lowers the primary annual NAAQS $PM_{2.5}$ standard from 12 micrograms per cubic meter ("$\mu g/m^3$") to 9 µg/m. Parts of the St. Louis metro area are projected to be in non-attainment for these new, lower NAAQS.[6] Further, the Plan fails to examine the costs of installing carbon capture and sequestration ("CCS") equipment at the Company's coal plants, an outcome EPA may mandate as part of new greenhouse gas limits under Section 111(d) of the Clean Air Act. The Company also fails to examine the possibility of new, more restrictive SO_2 regulations being issued by EPA as part of EPA's Regional Haze Rule, or through updated NAAQS. Such rules would likely impose significant additional costs on continued operation of the Company's coal plants. Finally, the St. Louis region was recently bumped from marginal to moderate nonattainment for ozone, imposing additional regulatory requirements on Ameren's power facilities located in the area. The St. Louis region's exceedances appear likely to continue, as the region exceeded ozone limits in 2023. The Plan fails to address the consequences of the additional regulatory requirements that will accompany this bump-up, including the likelihood of additional emissions restrictions placed on the Company's fossil-fuel powered plants.

[6] *See* Congressional Research Service, Air Quality: EPA's 2023 Proposed Changes to the Particulate Matter (PM) Standard, dated August 2023 at p. 11 (showing a map of projected non-compliance counties).

Deficiency 5: The Plan places too great of reliance on nonrenewable forms of power.

The IRP fails to comply with the requirement of 20 CSR 4240-22.010(2) that "the fundamental objective of the resource planning process at electric utilities shall be to provide the public with energy services that are safe, reliable, and efficient, at just and reasonable rates, in compliance with all legal mandates, and in a manner that serves the public interest and is consistent with state energy and environmental policies." The Plan continues to rely heavily on fossil fuels for energy generation, and in so doing, does not comply with this requirement. Energy derived from fossil fuels causes climate change, generates air and water pollution, triggers asthma attacks and respiratory disease, worsens air quality, and contributes to more frequent, destructive, costly and deadly extreme weather events. These conditions disproportionately affect minority low-income communities in Missouri and throughout the nation. Black American children are eight times as likely as white American children to die from asthma, and five times more likely to be admitted to the hospital for an asthma attack.[7] Black adults are more likely to die of lung cancer than white adults, even though they are less likely to smoke.[8] Similar trends are found in the City of St. Louis, where black residents have a shorter life-expectancy, suffer a higher incidence of cancer and are four times more likely to visit the emergency room for asthma-related conditions.[9] Ameren should continue to push for more clean, renewable energy into the Missouri plan in order to adequately protect these interests. Ameren should also undertake further study of the impacts of its operations on air pollution and health outcomes in these neighborhoods.

Deficiency 6: The Plan offers insufficient investment in renewable and energy efficiency projects in low-income minority communities in the City and County of St. Louis.

The IRP also fails to comply with the requirements of 20 CSR 4240-22.010(2) by failing to include in the Plan adequate direct investment in clean, renewable energy in the low-income, minority communities that have been most impacted by Ameren's operations. Missouri law expressly permits the Company to extend its energy-efficiency offerings to its low-income customers, even if such programs do not meet a cost-effectiveness test.[10] These investments should take the form of new energy efficiency projects, especially projects targeted towards renters and eligible low-income customers; additional job training programs in renewable installation technology, and additional infrastructure upgrades to renewable sources of power, especially in the low-income neighborhoods of the City of St. Louis.

Examples of additional potential efforts that Ameren could undertake include:

[7] U.S. Department of Health and Human Services Office of Minority Health, "Asthma and African Americans."
[8] NAACP, *Coal Blooded Action Toolkit.*
[9] Ekenga, et al., "Cancer risk for air toxics in relation to neighborhood isolation and sociodemographic characteristics: A special analysis of the St. Louis metropolitan area, USA", *Environmental Research* 179 (2019); Cambria et al., *Segregation in St. Louis: Dismantling the Divide,* (2018); Missouri Department of Health and Senior Services, MOHIPMS Environmental Public Health Tracking Program.
[10] Mo. Rev. Stat. § 393.1075.

- Ameren should undertake building envelope efficiency measures, making such measures meaningfully available not just to property owners but also to renters. Renters do not share the same property interests as owners, and are often either ineligible for energy efficiency programs or experience greater financial barriers to participation in them. In addition, property owners and tenants have distinctly different needs and abilities to take advantage of incentives. In undertaking such measures Ameren should rely on the policies and solutions set forth in the Energy Efficiency for All campaign.
- Ameren should set aside funds to study and support people who suffer from pollution-related illnesses such as asthma and cancer as a result of Ameren's operations.
- Ameren should provide funds for tree planting, preferably through a local community forestry organization such as Forest ReLeaf of Missouri or the City of St. Louis Forestry Department. As Ameren's own research has determined, low-income minority neighborhoods are often at least five degrees warmer in the summer than other areas because of lack of green space and tree cover.[11] This is particularly true for many low-income City of St. Louis neighborhoods.
- Ameren should provide job training services for displaced workers as it shutters Missouri coal plants, while also ensuring that people of color, who traditionally have had minimal access to good paying energy-related jobs, benefit from these job training services as well. These people are prime candidates for training in renewable energy fields.
- As mentioned above, as Ameren undertakes marketing of any additional direct investment projects targeting low-income minority Missourians, Ameren should be sure to be thoughtful about its audience. Many such residents do not have access to a computer, may not read or speak English well, and have limited time and resources to search out and implement such projects. Ameren may need to utilize different types of marketing channels to reach the residents of these communities, such as advertisements through churches, neighborhood schools and community groups, as well as social media and printed flyers. SLACO and Homes for All are two potential partners Ameren could explore partnerships with.

<u>/s/ Sarah W. Rubenstein</u>
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[11] Cusak, Daniel, "Past Racist "Redlining" Practices Increased Climate Burden on Minority Neighborhoods," *Scientific American,* Jan. 21, 2020. *See also,* Ameren Response to Homes for All Data Request 10, The Urban Heat Island in the St. Louis Region – Preliminary Analysis.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was filed on EFIS and sent by email on this 28th day of February, 2024, to all parties on the Commission's service list in this case.

/s/ Sarah W. Rubenstein