

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

In the Matter of the Application of Union)	<u>Case No. ET-2021-0020</u>
Electric Company d/b/a Ameren Missouri for)	Tracking No. JE-2024-0131
Approval of Efficient Electrification Program)	

STAFF RECOMMENDATION TO REJECT TARIFF SHEETS

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”), by and through the undersigned counsel, and for its *Staff Recommendation to Reject Tariff Sheets* respectfully states:

1. On March 28, 2024, Union Electric Company d/b/a Ameren Missouri (“Ameren”) filed the following tariff sheets to extend its Charge-Ahead Business Solutions pilot program (“Program”) an additional two years, bearing an effective date of April 27, 2024:

P.S.C. MO. No. 6

1st Revised Sheet No. 164.4 Canceling Original Sheet No. 164.4

2nd Revised Sheet No. 164.5 Canceling 1st Revised Sheet No. 164.5

No testimony was filed explaining or identifying the requested tariff revisions, and only a one page informational letter accompanied the tariff filing. The letter stated that the proposed changes would extend the Program an additional two years “due to the extended timeframes that customers need to make conversion decisions and secure the budget to implement.”

2. The Commission issued its *Order Directing Staff to File Tariff Recommendation and Setting Time for Comments* (“Order”) the following day, March 29, 2024. The Order directed Staff to file a recommendation regarding Ameren’s tariff sheets no later than April 10, 2024.

3. As more fully detailed in Staff's *Memorandum*, attached hereto as Appendix A and incorporated herein by reference, Staff recommends that the Commission reject the tariff filing.

4. A *Unanimous Stipulation and Agreement* ("Stipulation") was filed in this docket on February 24, 2021, and approved by the Commission on April 9, 2021. Page 4, paragraph 11 of the Stipulation outlined the reporting requirements for the Program, which required Ameren to file reports at the program term midpoint, and a final report at the end of the Initial Period. Ameren filed its midpoint report on December 15, 2022, but the final report has yet to be filed. This midpoint report is the most recent information Staff has been provided concerning Ameren's spend on the Program.

5. At this time, an extension of the Program is inconsistent with Ameren Missouri's pending MEEIA application¹, and extending the Program before Staff has begun, let alone completed, a thorough analysis of the efficacy of the Program is not in the public interest. Staff recommends that the Commission reject the tariff sheets filed by Ameren on March 28, 2024.

6. However, if the Commission does not wish to reject the tariff sheets at this time, Staff recommends that the Commission suspend the tariff sheets in order to allow Ameren to file the final report required under the Stipulation, as well as any other supporting documentation for Staff and other stakeholders to review and conduct discovery. Supporting documentation should include direct testimony, identifying customers "in the

¹ See Case No. EO-2023-0136.

pipeline,” estimated completion dates for those customers, and evidence that those customers will not proceed with equipment acquisition but-for the Charge-Ahead Business Solution pilot incentive.

WHEREFORE, Staff recommends that the Commission reject the following proposed tariff sheets Ameren filed on March 28, 2024, or in the alternative suspend the proposed tariff sheets until Ameren has shared a final report with Staff and stakeholders pursuant to paragraph 11 of the Stipulation, and Staff and stakeholders have had time to review that report and conduct related discovery:

P.S.C. MO. No. 6

1st Revised Sheet No. 164.4 Canceling Original Sheet No. 164.4

2nd Revised Sheet No. 164.5 Canceling 1st Revised Sheet No. 164.5

Respectfully submitted,

/s/ Travis J. Pringle

Travis J. Pringle

Missouri Bar No. 71128

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CERTIFICATE OF SERVICE

I certify that copies of the foregoing have been electronically mailed to all parties and/or counsel of record on this 10th day of April, 2024.

/s/ Travis J. Pringle

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. ET-2021-0020, Tariff Tracking No. JE-2024-0131
In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri
for Approval of Efficient Electrification Program

FROM: Sarah L.K. Lange, Economist, Tariff/Rate Design Department

/s/ Sarah L.K. Lange / 04-10-2024
Industry Analysis Division / Date

SUBJECT: Staff recommendation to reject tariff sheet

DATE: April 10, 2024

Ameren Missouri Filing

On March 28, 2023, Union Electric Company, d/b/a Ameren Missouri (“Ameren Missouri”) filed tariff sheets to extend its Charge-Ahead “Business Solutions” pilot program an additional two years. Ameren Missouri’s tariff sheets bear an effective date of April 27, 2024. Ameren Missouri did not file any testimony identifying or explaining the tariff revisions sought.

Ameren Missouri provided a filing letter which states:

The purpose of the proposed tariff revisions is to extend the Charge-Ahead pilot program for an additional two years due to the extended timeframes that customers need to make conversion decisions and secure the budget to implement. File No. ET-2021-0020 is the file in which the tariff sheets were originally approved.

The proposed tariff sheets were shared with Commission Staff prior to filing.

Staff’s knowledge of this filing is derived solely from an email dated March 26, from Ameren Missouri to the manager of the rate and tariff department, which consisted of the following:

The Charge Ahead – Business Solutions pilot program is currently set to expire May 30. On 3/28, Ameren Missouri anticipates filing a tariff revision that would extend the program for two years. There would not be any change in the budget as a result of the tariff change.

Ameren Missouri provided 14 high capacity lift truck demos during 2023 which we consider to be a strong level of interest. The nature of this program is that the timing of each customer's decision making

and budgetary commitment is long. Ameren Missouri anticipates that one or more customers will implement a conversion that qualifies for the program if it is extended but that they will not be able to qualify before the current expiration date of May 30.

I've attached a redline version of the changes to be filed which include the expiration date change and removing the reference to Rate 12M that no longer exists.

Please let me know if you have any questions or would like to have a discussion pertaining to the filing.

Staff did not have time for discussion on the single day Ameren Missouri afforded for discussion prior to its tariff filing. Staff did not anticipate that Ameren Missouri would fail to provide any further explanation of the need for Ameren Missouri's requested extension. The interval permitted to Staff for this memorandum does not allow time for any data requests.

Background of Charge-Ahead "Business Solutions" Pilot Program

The Business Solutions program had originally been included in Ameren Missouri's February 22, 2018 tariff submissions in ET-2018-0132, where it was subject to extensive opposition in pre-filed testimony and at hearing. The Commission determined that the Business Solutions program as it was proposed at that time was not just and reasonable or in the public interest.¹

Parties to the ET-2018-0132 docket continued discussions and ultimately Ameren Missouri refiled a modified version of the Business Solutions program in this docket on October 27, 2020. Ameren Missouri filed for approval of a pilot program to expand its Charge-Ahead electrification program to include truck refrigeration units ("TRUs") and Class I Electric Lift trucks with a capacity greater than 6,000 pounds, denominated "Business Solutions." On February 24, 2021, Ameren Missouri, the Staff of the Missouri Public Service Commission, the Office of the Public Counsel, and Renew Missouri Advocates, d/b/a Renew Missouri filed a Stipulation and Agreement ("Stipulation") resolving the matter through the recommended adoption of modified tariffs which included specified end dates for the pilot. The Commission approved the Stipulation though its order effective April 9, 2021, and ordered Signatories to comply with its terms.

¹ Report and Order effective February 16, 2019, in File No ET-2018-0132 at page 41.

Paragraph 11 of the Stipulation resolving the Business Solutions pilot set out the following reporting obligations:

Ameren Missouri will submit a report at the program term midpoint, as well as a final report at the end of the Initial Period, to the Commission in this docket, and with operable workpapers (as applicable) provided to all signatories, files or reports containing the following information (as available) set forth below (portions of which may be designated as confidential when appropriate):

- Program information, by type of equipment (TRU, High Capacity Lift Trucks):
 - o Physical address, account number, and account billing schedule, as well as (as applicable) locations of the participating customers' affiliated entities also participating in the incentive program;
 - o Incentives paid; and
 - o Equipment power levels;
- Direct load/revenues by location for separately metered program measures;
- Estimated direct load/revenues by location for program measures that are not separately metered, with workpapers;
- Total administrative cost breakdown including a detailed description of advertising and education activities to date; and
- To the extent allowed by the available equipment and associated data, an analysis of any correlation of equipment usage with customer billing demands, system coincident peak loads as well as non-coincident peak loads, including equipment impact on customer loads during peak and off-peak periods.

On December 15, 2022, Ameren Missouri filed its “Midpoint Report,” concerning the Business Solutions pilot, the program Ameren Missouri seeks to extend in the instant tariff filing. This is the most recent information Staff has been provided concerning Ameren Missouri’s spend on the pilot program, and the relevant slide is reproduced below:

Expenditure Review



Category	Vendor	Amount (As of 12/1/2022)
Incentives		\$5,000
Administration (Portal)	Applied Energy Group	\$55,878
Education and Marketing	Reach Strategies	\$28,063
Total		\$88,941

- Applied Energy Group costs are for application portal build and on-going monthly hosting fees
- Reach Strategies helped design marketing and education handouts as well as overall marketing strategy guidance
- Monthly breakdown can be found in the spreadsheet "Off road spend as of 12-1-2022.xls"

Staff recommends that the Commission reject the tariff filing that aims to extend the expiration date of the pilot program. Extension of this load building program is contrary to Ameren Missouri's pending MEEIA Application in EO-2023-0136, and is inconsistent with energy and capacity needs Ameren Missouri has asserted across dockets.² Further, the final report has not been created and shared with the stakeholders to determine the reasonableness of the program's implementation and its effect of Ameren Missouri's ratepayers to date. The concept of creating a pilot program with requirements to provide analysis of the efficacy of the program should be allowed to run its course before any extension of the original pilot is granted. Thus, it is Staff's recommendation that the program be allowed to expire.

If the Commission does not want to fully reject the tariff, Staff recommends that the Commission suspend the tariff for a period of time to allow for Ameren Missouri to file its required

² Steve Wills' testimony in this case, filed October 27, 2020 speaks directly to the goal of the Business Solution pilot – increased sales of energy – in his testimony at page 6, stating "Business customers that adopt such measures as a result of the Program will consume more electricity than they otherwise would, which will result in retail charges on their bills for that electricity."

final report and other supporting documentation and for Staff and other stakeholders to complete any necessary discovery to review the appropriateness of adding years to the program life.

Recommendation

1. Staff recommends that the Commission reject the tariff sheets in Tracking No. JE-2024-0131;
2. Staff's alternative recommendation is that if the Commission does not reject the tariff sheets in Tracking No. JE-2024-0131 that the Commission suspend the revised tariff sheets in order for;
 - a. Ameren Missouri to file the report "at the end of the Initial Period," and to provide all supporting documentation, including direct testimony, identifying customers "in the pipeline," estimated completion dates for those customers, and evidence that those customers will not proceed with equipment acquisition but-for the Business Solution pilot incentive and provide Staff and all stakeholders sufficient time to review that report and complete any related discovery.

Staff has verified that Ameren Missouri is not delinquent on any assessment and has filed its Annual Report for 2022. Ameren Missouri has not filed its Annual Report for 2023 as of the time of this writing.

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OF THE STATE OF MISSOURI

In the Matter of the Application of Union) Case No. ET-2021-0020
Electric Company d/b/a Ameren Missouri for) Tracking No. JE-2024-0131
Approval of Efficient Electrification Program)

AFFIDAVIT OF SARAH L.K. LANGE

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW SARAH L.K. LANGE and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Sarah L.K. Lange

SARAH L.K. LANGE

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 9th day of April 2024.

DIANNA L. VAUGHT Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: July 18, 2027 Commission Number: 15207377

Dianna L. Vaughn

Notary Public