In the Matter of Ameren Missouri's   )
2017 Utility Resource Filing Pursuant to   )   **File No. EO-2018-0038**
4 CSR 240 – Chapter 22   )

**MISSOURI DIVISION OF ENERGY'S RESPONSE TO THE UNION ELECTRIC
COMPANY d/b/a AMEREN MISSOURI'S RESPONSE TO ALLEGED
DEFICIENCIES**

COMES NOW the Missouri Department of Economic Development – Division of Energy ("DE") before the Missouri Public Service Commission ("Commission"), and for its response to the response of Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") to the alleged deficiencies with its *2017 Integrated Resource Plan* ("IRP") in the above-captioned matter states as follows:

1. On September 25, 2017, Ameren Missouri submitted its IRP as required by the Commission's Electric Utility Resource Planning rules, 4 CSR 240-22.080.

2. Commission rule 4 CSR 240-22.080(8) grants interveners an opportunity to file comments in response to an IRP. On February 29, 2018, DE filed a report alleging certain deficiencies, raising concerns, and making comments regarding the compliance of Ameren Missouri's September 25, 2017 filing with Rule 4 CSR 240-22.

3. Ameren Missouri and the other parties reached a joint agreement on April 30th on a plan to remedy some of the alleged deficiencies and concerns. On the same date, Ameren Missouri filed its response to the alleged deficiencies and concerns that remain unresolved. Per the Commission's May 1, 2018 order providing an opportunity to respond to Ameren Missouri's response, DE hereby provides its response to Ameren Missouri regarding DE's remaining unresolved deficiency.

4. Since low-income and educational demand-side management programs do not need to meet a cost-effectiveness test (pursuant to § 393.1075.4 RSMo), concerns remain around the Company's incorporation of such programs in the portfolio Total Resource Cost ("TRC") test calculation. If the inclusion of such programs in the TRC test is not intended to preclude consideration of the programs, then it is unclear as to why the programs are in any manner included in the test in the first place. The IRP rules found within 4 CSR 240-22.080(3)(A)5 require that the Company, "… optimally comply with legal mandates for demand-side resources," which would include the statutory language of the Missouri Energy Efficiency Investment Act ("MEEIA") – in this case, that low-income and education programs do not have to be cost-effective per Section 393.1075.4 RSMo.

5. Including such programs in the TRC test for the Company's MEEIA program portfolio implicitly subjects low-income and general education programs to cost-testing, which contravenes the language of the MEEIA statute. This "back-door" cost-effectiveness test risks lowering the overall portfolio TRC test score, which could drive the Company to increase portfolio cost-effectiveness by either limiting the deployment of low-income and general education programs or reducing the scope of other cost-effective programs. Either outcome would fail to meet the, "… goal of achieving all cost-effective demand-side savings" in that same section of statute.

6. Regarding the related issue of increasing the size of its portfolio because of the high TRC test score, the Company states that it would not be prudent to assume different incentive levels to impact cost-effectiveness due to those assumptions being built into the portfolios. DE notes that it may then be necessary to modify the portfolios' incentive levels to achieve additional cost-effective savings.

WHEREFORE, DE submits these comments for consideration by the Commission.

Respectfully submitted,

/s/ Marc Poston

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been served electronically on all counsel of record this 29th day of May, 2018.

/s/ Marc Poston

Marc Poston