

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

In the Matter of Union Electric Company d/b/a)
Ameren Missouri's 2nd Filing to Implement)
Regulatory Changes in Furtherance of) **File No. EO-2015-0055**
Energy Efficiency as Allowed by MEEIA.)

MISSOURI DIVISION OF ENERGY'S STATEMENT OF POSITIONS

COMES NOW the Missouri Division of Energy (DE), by and through the undersigned counsel, and for it *Statement of Positions* states:

1. *Should the Commission approve, reject or modify Ameren Missouri's MEEIA Cycle 2 Plan1 (hereafter the "Plan")?*

DE recommends that the Commission not reject Ameren Missouri's MEEIA Cycle 2 Plan, but instead adopt with specific modifications, including those discussed below. While Ameren Missouri's MEEIA Cycle 2 Plan is far from ideal, an outright rejection of the Plan would lead to poor public policy outcomes and be detrimental to the public interest. Discontinuation of an energy efficiency portfolio would, at the very least, create major uncertainty for customers, program partners, and the Company while drastically reducing the potential markets for energy efficiency in Missouri in the short term. Rejection of the Company's proposed MEEIA portfolio would also lead to the need for increased future capacity additions.

If the Commission does decide to reject Ameren Missouri's MEEIA Cycle 2 Plan, DE would support as an alternative a non-MEEIA portfolio similar to the current portfolio, with costs accumulated in a deferred account and recovered in base rates.

2. *Do the programs in the Plan, and associated incremental energy and demand savings, demonstrate progress toward achieving all cost-effective demand-side savings consistent with state policy (as established by MEEIA)?*

DE does not believe the Plan as proposed demonstrates adequate progress toward achieving all cost-effective demand-side savings. DE supports modifying and expanding the portfolio consistent with the recommendations presented in the testimony of DE witnesses Alex Schroeder and Martin Hyman. DE opposes Staff's narrow interpretation of §373.1075.4 RSMo and 4 CSR 240-20.093(2)(C) and the apparent preference by Staff of a cost-effectiveness test other than the TRC which too narrowly focuses on rate impacts.

3. *If the Commission approves a Plan, what are the components of the demand-side programs investment mechanism and how will each of the components be administered?*

DE did not file testimony regarding the specific components and administration of the DSIM and will develop a final position following testimony presented at hearing. DE notes that rejection of the proposed DSIM absent the allowance for a proposed alternative – or the explicit allowance of the continuation of the current DSIM – may prohibit the cost recovery of prudently incurred MEEIA-related expenses should the current DSIM also be allowed to lapse. DE also notes that the Commission may order the filing of an interim DSIM under 4 CSR 240-20.093(4), which would allow for MEEIA and/or energy efficiency program continuity.

4. *If the Commission approves a Plan, what variances from Commission rules based on a showing of good cause are necessary?*

DE did not file testimony on the proposed variances and will develop a final position following testimony presented at hearing.

Office of the Public Counsel's Issues:

1. *If the Commission approves a plan, should the total resource cost test be applied uniformly when calculating net shared benefits?*

DE did not file testimony on this issue and will develop a final position following testimony presented at hearing.

2. *If the Commission approves a demand-side programs investment mechanism that includes a performance incentive, should the performance incentive be included as a cost when calculating the net shared benefits?*

DE did not file testimony on this issue and will develop a final position following testimony presented at hearing. While DE has no specific recommendation regarding the inclusion of a performance incentive in the calculation of the net shared benefits, to the extent that a performance incentive is included in the calculation of net shared benefits, it should not affect the inclusion of other potential costs and or benefits.

Sierra Club's Issue:

In assessing the cost-effectiveness of demand-side programs, should Ameren Missouri consider the results of the utility cost test?

DE opposes use of the utility cost test for cost-effectiveness. DE recommends the use of the societal cost test as a preferred cost-effectiveness test as discussed in DE's rebuttal and surrebuttal testimony.

Missouri Division of Energy's Issue:

If the Commission modifies Ameren Missouri's MEEIA Cycle 2 Plan what modifications should the Commission adopt?

DE recommends that the Commission order the Company to make, at the very least, the following modifications to its proposal as a condition of its acceptance:

- Revise the market potential estimate of its lighting program to account for the actual market penetration of energy-efficient lighting technologies;
- Expand the pool of eligible participants in its multifamily program to include unsubsidized housing based on a commonly-accepted measure of need (e.g., an income equivalent to 200 percent of the Federal Poverty Level);
- Include more co-delivered programs with natural gas utilities;
- Include Combined Heat and Power as an eligible demand-side program, as per §393.1075.2(3) RSMo; and,
- Consult with stakeholders to reassess the RAP claimed by the Company.

Respectfully submitted,

/s/ Alexander Antal

Alexander Antal

Associate General Counsel

Missouri Bar No. 65487

Department of Economic Development

P.O. Box 1157

Jefferson City, MO 65102

Phone: 573-522-3304

Fax: 573-526-7700

alexander.antal@ded.mo.gov

Attorney for Missouri Division of Energy

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been emailed to the certified service list this 11th day of May, 2015.

/s/ Alexander Antal