Denny Hoskins

Secretary of State / Administrative Rules

RULE TRANSMITTAL

893

Administrative Rules Stamp

RECEIVED
By Administrative Rules at 5:00 pm, Aug 28, 2026

JCAR Stamp

RECEIVED
By JCAR at 4:46 pm, Aug 28, 2026

Rule number **20 CSR 4240-20.093**

Use a SEPARATE rule transmittal sheet for EACH individual rulemaking.

Name of person(s) Administrative Rules can contact with questions about this rule:
Content Nancy Dippell Phone 573-751-8518 Fax 573-526-6010
Email address Nancy.Dippell@psc.mo.gov

Data Entry Kayla Kliethermes Phone 573-751-4256 Fax 573-526-6010
Email address Kayla.Kliethermes@psc.mo.gov

Interagency mailing address Public Service Commission, 9th Floor Gov. Office Bldg, JC, MO

TYPE OF RULEMAKING ACTION TO BE TAKEN

☐ Emergency rulemaking > ☐ Rule ☐ Amendment ☐ Rescission ☐ Termination
Effective date for the emergency ______

☒ Proposed rulemaking > ☐ Rule ☒ Amendment ☐ Rescission

☐ Rule Action Notice
☐ In Addition
☐ Rule Under Consideration
☐ Request for Non-Substantive Change
☐ Statement of Actual Cost

☐ Order of Rulemaking > ☐ Withdrawal ☐ Adoption ☐ Amendment ☐ Rescission
Effective date for the order ______
☐ Statutory 30 days OR ☐ Specific date ______

Does the Order of Rulemaking contain changes to the rule text? ☐ NO
☐ YES—LIST THE SECTIONS/SUBSECTIONS WITH CHANGES:

State Capitol
201 W. Capitol Avenue, Room 216
Jefferson City, Missouri 65101

(573) 751-3222
www.governor.mo.gov

Mike Kehoe
Governor
State of Missouri

August 21, 2026

Kayla Hahn, Chair
Missouri Public Service Commission
P O Box 360
Jefferson City MO 65102

Dear Ms. Hahn:

Our office has received the Proposed Amendment rulemakings for the following regulations:

- **20 CSR 4240-20.092** Definitions for Demand-Side Programs and Demand-Side Progran Investment Mechanisms
- **20 CSR 4240-20.093** Demand-Side Programs Investment Mechanisms
- **20 CSR 4240-20.094** Demand-Side Programs

Executive Order 25-13 requires this office's approval before state agencies release proposed regulations for notice and comment, amend existing regulations, or adopt new regulations. After our review, we approve submission of the rule and the regulatory impact report (if required) to JCAR and the Secretary of State.

Sincerely,

Lowell Pearson

Lowell Pearson
General Counsel

Missouri Public Service Commission

MAIDA J. COLEMAN
Commissioner

GLEN KOLKMEYER
Commissioner

KAYLA HAHN
Chair

POST OFFICE BOX 360
JEFFERSON CITY, MISSOURI 65102
573-751-3234
573-751-1847 (Fax Number)
http://psc.mo.gov

JOHN P. MITCHELL
Commissioner

VACANT
Commissioner

August 28, 2026

Denny Hoskins
Secretary of State
Administrative Rules Division
600 West Main Street
Jefferson City, Missouri 65101

Re: 20 CSR 4240-20.093 Demand-Side Programs Investment Mechanisms

Dear Secretary Hoskins,

CERTIFICATION OF ADMINISTRATIVE RULE

I do hereby certify that the attached is an accurate and complete copy of the proposed amendment lawfully submitted by the Missouri Public Service Commission.

The Public Service Commission further certifies it has conducted an analysis of whether or not there has been a taking of real property pursuant to section 536.017, RSMo, that the proposed amendment does not constitute a taking of real property under relevant state and federal law.

The Public Service Commission has determined and hereby also certifies that if the proposed amendment does affect small business pursuant to sections 536.300 to 536.310, RSMo, a small business impact statement has been filed as required by those sections. If no small business impact statement has been filed the proposed amendment either does not affect small business or the small business requirements do not apply pursuant to section 536.300.4, RSMo.

Statutory Authority: *section 393.1075.11, RSMo.*

If there are any questions regarding the content of this proposed amendment, please contact:

Nancy Dippell
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
200 Madison Street
P.O. Box 360
Jefferson City, MO 65102
(573) 751-8518
Nancy.Dippell@psc.mo.gov

Nancy Dippell

Nancy Dippell
Secretary

Enclosures

Missouri Public Service Commission

MAIDA J. COLEMAN
Commissioner

GLEN KOLKMEYER
Commissioner

KAYLA HAHN
Chair

POST OFFICE BOX 360
JEFFERSON CITY, MISSOURI 65102
573-751-3234
573-751-1847 (Fax Number)
http://psc.mo.gov

JOHN P. MITCHELL
Commissioner

VACANT
Commissioner

August 28, 2026

Sarah Schappe
Director
Joint Committee on Administration Rules
State Capitol, Room B8A
Jefferson City, Missouri 65101

Re: 20 CSR 4240-20.093 Demand-Side Programs Investment Mechanisms

Dear Director Schappe,

CERTIFICATION OF ADMINISTRATIVE RULE

I do hereby certify that the attached is an accurate and complete copy of the proposed amendment lawfully submitted by the Missouri Public Service Commission.

The Public Service Commission further certifies it has conducted an analysis of whether or not there has been a taking of real property pursuant to section 536.017, RSMo, that the proposed amendment does not constitute a taking of real property under relevant state and federal law.

The Public Service Commission has determined and hereby also certifies that if the proposed amendment does affect small business pursuant to sections 536.300 to 536.310, RSMo, a small business impact statement has been filed as required by those sections. If no small business impact statement has been filed the proposed amendment either does not affect small business or the small business requirements do not apply pursuant to section 536.300.4, RSMo.

Statutory Authority: *section 393.1075.11, RSMo.*

If there are any questions regarding the content of this proposed amendment, please contact:

Nancy Dippell
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
200 Madison Street
P.O. Box 360
Jefferson City, MO 65102
(573) 751-8518
Nancy.Dippell@psc.mo.gov

Nancy Dippell

Nancy Dippell
Secretary

Enclosures

AFFIDAVIT

PUBLIC COST

STATE OF MISSOURI)
)
COUNTY OF COLE)

I, Rodney Massman, General Counsel of the Public Service Commission, first being duly sworn, on my oath, state that it is my opinion that the cost of proposed amendment, 20 CSR 4240-20.093, is less than five hundred dollars in the aggregate to this agency, any other agency of state government or any political subdivision thereof.

Rodney Massman
Rodney Massman
General Counsel
Public Service Commission

Subscribed and sworn to before me this 26th day of August, 2026. I am commissioned as a notary public within the County of Cole, State of Missouri, and my commission expires on June 29, 2029.

KAYLA DANAE KLIETHERMES
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: June 29, 2029
Commission Number: 25746700

Notary Public

Title 20—DEPARTMENT OF
COMMERCE AND INSURANCE
Division 4240—Public Service Commission
Chapter 20—Electric Utilities

PROPOSED AMENDMENT

20 CSR 4240-20.093 Demand-Side Programs Investment Mechanisms. The Public Service Commission is amending sections (1), (2), and (8); subsections (2)(F), (2)(G), (2)(H), (2)(I), (15)(B), and (15)(C); and paragraphs (2)(H)1., (2)(I)1., (2)(I)2., (8)(D)2., (9)(B)3., (9)(B)11.

PURPOSE: This amendment updates citation references from the originally filed rule of 4 CSR 240-2.060, 20 CSR 4240-2.075, 20 CSR 4240-20.092, 4 CSR 240-20.093, 4 CSR 240-20.094, and 4 CSR 240-22, which were moved on August 28, 2019. Subsection (15)(B) is also amended to reflect an agency organizational change.

(1) The definitions of terms used in this section can be found in *[4 CSR 240-20.092]* **20 CSR 4240-20.092** Definitions for Demand-Side Programs and Demand-Side Programs Investment Mechanisms.

(2) Applications to establish, continue, or modify a Demand-Side Programs Investment Mechanism (DSIM). Pursuant to the provisions of this rule, *[4 CSR 240-2.060]* **20 CSR 4240-2.060**, and section 393.1075, RSMo, an electric utility shall file an application with the commission to establish, continue, or modify a DSIM in a utility's filing for demand-side program approval.

(F) In determining to approve a request to establish, modify, or continue a DSIM, the commission may consider, but is not limited to only considering, the expected magnitude of the impact of the utility's approved demand-side programs on the utility's costs, revenues, and earnings, the ability of the utility to manage all aspects of the approved demand-side programs, the ability to measure and verify the approved demand-side programs' impacts, any interaction among the various components of the DSIM that the utility may propose, and the incentives or disincentives provided to the utility as a result of the inclusion or exclusion of DSIM components as defined in *[4 CSR 240-20.092(N)]* **20 CSR 4240-20.092(1)(N)**. In this context the word "disincentives" means any barrier to the implementation of a DSIM. There is no penalty authorized in this section.

(G) Any cost recovery component of a DSIM shall be based on costs of demand-side programs approved by the commission in accordance with *[4 CSR 240-20.094]* **20 CSR**

RECEIVED
By Administrative Rules at 5:00 pm, Aug 28, 2026
RECEIVED
By JCAR at 4:46 pm, Aug 28, 2026

4240-20.094 Demand-Side Programs. Indirect costs associated with demand-side programs, including but not limited to, costs of evaluation, measurement, and verification (EM&V), and/or utility's portion of statewide technical reference manual, shall be allocated to demand-side programs and thus shall be eligible for recovery through an approved DSIM. The commission shall approve any cost recovery component of a DSIM simultaneously with the programs approved in accordance with *[4 CSR 240-20.094]* **20 CSR 4240-20.094** Demand-Side Programs.

(H) Any throughput disincentive component of DSIM shall be based on energy or energy and demand savings from utility demand-side programs approved by the commission in accordance with *[4 CSR 240-20.094]* **20 CSR 4240-20.094** Demand-Side Programs and will be determined as a result of energy and demand savings determined through EM&V.

1. The commission shall order any throughput disincentive component of a DSIM simultaneously with the demand-side programs approved in accordance with *[4 CSR 240-20.094]* **20 CSR 4240-20.094** Demand-Side Programs.

2. In a utility's filing in which a throughput disincentive component of a DSIM is considered, there is no requirement for any implicit or explicit utility throughput disincentive component of a DSIM or for a particular form of a throughput disincentive component of a DSIM.

3. Any explicit throughput disincentive component of a DSIM shall be implemented on a prospective basis.

(I) Any earnings opportunity component of a DSIM shall be based on the performance of demand-side programs approved by the commission in accordance with *[4 CSR 240-20.094]* **20 CSR 4240-20.094** Demand-Side Programs and shall include a methodology for determining the utility's earnings opportunity amount for individual demand-side programs based upon program performance relative to commission-approved performance metrics for each demand-side program.

1. Energy and demand savings targets approved by the commission for use in the earnings opportunity component of a DSIM are not necessarily the same as the incremental energy and demand savings goals and cumulative energy and demand savings goals specified in *[4 CSR 240-20.094(2)]* **20 CSR 4240-20.094(2)**.

2. The commission shall order any earnings opportunity component of a DSIM simultaneously with the approval of the demand-side programs in accordance with *[4 CSR 240-20.094]* **20 CSR 4240-20.094** Demand-Side Programs.

3. Any earnings opportunity component of a DSIM shall be implemented on a retrospective basis and all energy and demand savings used to determine a DSIM earnings opportunity amount must be measured and verified through EM&V.

(8) Evaluation, Measurement, and Verification (EM&V) of the Process and Impact of Demand-Side Programs. Each electric utility shall hire an independent contractor to perform and report EM&V of each commission-approved demand-side program in accordance with *[4 CSR 240-20.094]* **20 CSR 4240-20.094** Demand-Side Programs. The utility shall provide oversight and guidance to the independent EM&V contractor, but shall not influence the independent EM&V contractor's report(s). The commission shall hire an independent contractor to audit and report on the work of each utility's independent EM&V contractor. The commission staff shall provide oversight and guidance to the independent commission contractor, but shall not influence the independent contractor's audit(s). Staff counsel shall provide legal representation to the independent contractor in the event the independent contractor is required to testify before the commission.

(D) EM&V final reports from the utility's contractor of each approved demand-side program shall—

1. Document, include analysis, and present any applicable recommendations for at least the following. All models and spreadsheets shall be provided as executable versions in native format with all links and formulas intact:

A. Process evaluation and recommendations, if any; and

B. Impact evaluation—

(I) The annual gross and net demand savings and energy savings achieved under each demand-side program and the techniques used to estimate annual demand savings and energy savings;

(II) For demand-side programs subject to cost-effectiveness tests, include total resource cost test, societal cost test, utility cost test, participant cost test, and nonparticipant cost test of each demand-side program; and

(III) Determine the net benefits achieved for each demand-side program subject to cost-effectiveness tests and for the portfolio of such programs using the utility cost test (UCT) methodology;

2. Be completed by the EM&V contractor on a schedule approved by the commission at the time of demand-side program approval in accordance with *[4 CSR 240-20.094(4)]* **20 CSR 4240-20.094(4)**; and

3. Be filed with the commission in the case in which the utility's demand-side program approval was received and delivered simultaneously to the utility and the parties of the case in which the demand-side program was approved.

(9) Demand-Side Program Annual Report. Each electric utility with one (1) or more approved demand-side programs shall file an annual report by no later than ninety (90) days after the end of each program year, make a public version available for publication on the commission's website, and serve a copy on each party to the case in which the

demand-side programs were last established, modified, or continued. Interested parties may file comments with the commission concerning the content of the utility's annual report within thirty (30) days of its filing. Annual reports shall include at a minimum the following information, and all models and spreadsheets shall be provided as executable versions in native format with all links and formulas intact:

(B) A list of all approved demand-side programs and the following information for each approved demand-side program:

1. Actual amounts expended by year, including customer incentive payments;

2. Peak demand and energy savings impacts and the techniques used to estimate those impacts;

3. A comparison of the estimated actual annual peak demand and energy savings impacts to the annual demand and energy savings targets approved by the commission under *[4 CSR 240-20.094(4)(I) or 4 CSR 240-20.094(5)(A)5.]* **20 CSR 4240-20.094(4)(I) or 20 CSR 4240-20.094(5)(A)5.**;

4. For market transformation demand-side programs, a quantitative and qualitative assessment of the progress being made in transforming the market;

5. A comparison of actual and budgeted demand-side program costs, including an explanation of any increase or decrease of more than twenty percent (20%) in the cost of a demand-side program;

6. The avoided costs and the techniques used to estimate those costs;

7. The estimated cost-effectiveness of the demand-side program and a comparison to the estimates made by the utility at the time the demand-side program was approved;

8. The estimated net benefits of each demand-side program and the demand-side portfolio;

9. For each demand-side program where one (1) or more customers have opted out of demand-side programs pursuant to section 393.1075.7, RSMo, a listing of the customer(s) who have opted out of participating in demand-side programs;

10. As part of its annual report, the electric utility shall file or provide a reference to the commission case that contains a copy of the EM&V report for the most recent annual reporting period; and

11. Demonstration of relationship of the demand-side programs to demand-side resources in latest filed *[4 CSR 240-22]* **20 CSR 4240-22** compliance filing.

(11) Prudence Reviews. A prudence review of the costs subject to the DSIM shall be conducted no less frequently than at twenty-four- (24-) month intervals.

(15) Party status and providing to other parties affidavits, testimony, information, reports, and workpapers in related proceedings subsequent to the utility's filing for demand-side program approval, modification, or continuation of a DSIM.

(B) Affidavits, testimony, information, reports, and workpapers to be filed or submitted in connection with a subsequent related annual DSIM rate adjustment proceeding or utility's filing for demand-side program approval to modify, continue, or discontinue the same DSIM shall be served on or submitted to all parties from the prior related demand-side program approval proceeding and on all parties from any subsequent related periodic rate adjustment proceeding or utility's filing for demand-side program approval to modify, continue, or discontinue the same DSIM, concurrently with filing the same with the commission or submitting the same to the manager of the *[energy resource analysis section]* **energy resources department** of the staff and public counsel.

(C) A person or entity not a party to the utility's filing for demand-side program approval in which a DSIM is approved by the commission may timely apply to the commission for intervention, pursuant to *[4 CSR 240-2.075(2) through (4)]* **20 CSR 4240-2.075(2) through (4)** of the commission's rule on intervention, respecting any related subsequent periodic rate adjustment proceeding or, pursuant to *[4 CSR 240-2.075(1) through (5)]* **20 CSR 4240-2.075(1) through (5)**, respecting any subsequent utility's filing for demand-side program approval to modify, continue, or discontinue the same DSIM.

AUTHORITY: section 393.1075.11, RSMo [2016] ***Supp. 2025****.* This rule originally filed as 4 CSR 240-20.093. Original rule filed Oct. 4, 2010, effective May 30, 2011. Amended: Filed Dec. 27, 2016, effective Oct. 30, 2017. Moved to 20 CSR 4240-20.093, effective Aug. 28, 2019.* ***Amended: Filed, effective****.*

**Original authority: 393.1075, RSMo 2009.*

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars ($500.00) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars ($500.00) in the aggregate.

NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: Anyone may file comments in support of or in opposition to this proposed amendment with the Missouri Public Service Commission, Nancy Dippell, Secretary of the Commission, P.O. Box 360, Jefferson City, MO 65102. To be considered, comments must be received at the commission's offices on or before November 2, 2026, and should include a reference to

Commission Case No. EX-2027-0060. Comments may also be submitted via a filing using the commission's electronic filing and information system at https://psc.mo.gov/General/Submit_Comments. A public hearing regarding this proposed amendment is scheduled for November 5, 2026, at 10 a.m., in Room 310 of the Governor Office Building, 200 Madison St., Jefferson City, MO. Interested persons may appear at this hearing to submit additional comments and/or testimony in support of or in opposition to this proposed amendment and may be asked to respond to commission questions. Any persons with special needs as addressed by the Americans with Disabilities Act should contact the Missouri Public Service Commission at least ten (10) days prior to the hearing at one (1) of the following numbers: Consumer Services Hotline 1-800-392-4211 or TDD Hotline 1-800-829-7541.