Denny Hoskins

Secretary of State / Administrative Rules

RULE TRANSMITTAL

894

Administrative Rules Stamp

RECEIVED

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

JCAR Stamp

RECEIVED

By JCAR at 4:47 pm, Aug 28, 2026

Rule number **20 CSR 4240-20.094**

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 Program 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
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 4240-20.094 Demand-Side Programs

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 and 393.1075.15, 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

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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 4240-20.094 Demand-Side Programs

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.

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

Nancy Dippell
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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 4240-20.094, 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
General Counsel
Public Service Commission

Subscribed and sworn to before me this 26th day of August, 2024, 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 4240-20.094 Demand-Side Programs. The Public Service Commission is amending sections (1), (4), and (6); subsections (4)(M), (5)(A), (7)(C), and (9)(A); and paragraphs (4)(B)3., (4)(C)3., (4)(D)13., (4)(I)3., and (7)(I)2.

PURPOSE: This amendment updates citation references from the originally filed rule of 4 CSR 240-2.060, 20 CSR 4240-2.075, 4 CSR 240-2.135, 20 CSR 4240-20.092, 4 CSR 240-20.093, 4 CSR 240-20.094, 4 CSR 240-22.060, and 4 CSR 240-22, which were moved on August 28, 2019. Paragraph (4)(D)13. is also amended to update the correct subsection.

(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.

(4) Applications for Approval of Electric Utility Demand-Side Programs or Portfolio. 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 may file an application with the commission for approval of a demand-side portfolio.

(B) As part of its application for approval of demand-side programs, the electric utility shall file or provide a reference to the commission case that contains any of the following information. All models and spreadsheets shall be provided as executable versions in native format with all links and formulas intact:

1. A current market potential study. If the market potential study of the electric utility that is filing for approval of demand-side programs or a demand-side portfolio encompasses more than just the utility's service territory, the sampling methodology shall reflect the utility's service territory and shall provide statistically significant results for that utility:

A. Complete documentation of all assumptions, definitions, methodologies, sampling techniques, and other aspects of the current market potential study;

B. Clear description of the process used to identify the broadest possible list of measures and groups of measures for consideration;

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2. Clear description of the process and assumptions used to determine technical potential, economic potential, maximum achievable potential, and realistic achievable potential for a twenty- (20-) year planning horizon for major end-use groups (e.g., lighting, space heating, space cooling, refrigeration, motor drives, etc.) for each customer class; and

3. Identification and discussion of the twenty- (20-) year baseline energy and demand forecasts. If the baseline energy and demand forecasts in the current market potential study differ from the baseline forecasts in the utility's most recent *[4 CSR 240-22]* **20 CSR 4240-22** triennial compliance filing, the current market potential study shall provide a comparison of the two (2) sets of forecasts and a discussion of the reasons for any differences between the two (2) sets of forecasts. The twenty- (20-) year baseline energy and demand forecasts shall account for the following:

A. Discussion of the treatment of all of the utility's customers who have opted out;

B. Future changes in building codes and/or appliance efficiency standards;

C. Changes in naturally occurring customer combined heat and power applications;

D. Third party and other naturally occurring demand-side savings; and

E. The increasing efficiency of advanced technologies.

(C) Demonstration of cost-effectiveness for each demand-side program and for the total of all demand-side programs of the utility. At a minimum, the electric utility shall provide all workpapers, with all models and spreadsheets provided as executable versions in native format with all links and formulas intact, and include:

1. The total resource cost (TRC) test and a detailed description of the utility's avoided costs calculations and all assumptions used in the calculation;

2. The utility shall also include calculations for the utility cost test, the participant test, the RIM test, and the societal cost test;

3. The impacts on annual revenue requirements and net present value of annual revenue requirements as a result of the integration analysis in accordance with *[4 CSR 240-22.060]* **20 CSR 4240-22.060** over the twenty- (20-) year planning horizon; and

4. The impacts from all demand-side programs included in the application on any postponement of new supply-side resources and the early retirement of existing supply-side resources, including annual and net present value of any lost utility earnings related thereto.

(D) Detailed description of each proposed demand-side program, including all workpapers with all models and spreadsheets provided as executable versions in native format with all links and formulas intact, to include at least:

1. Customers targeted;

2. Measures and services included;
3. Customer incentives ranges;
4. Proposed promotional techniques;
5. Specification of whether the demand-side program will be administered by the utility or a contractor;
6. Projected gross and net annual and lifetime energy savings;
7. Proposed energy savings targets;
8. Projected gross and net annual demand savings;
9. Proposed demand savings targets;
10. Net-to-gross factors;
11. Size of the potential market and projected penetration rates;
12. Any market transformation elements included in the demand-side program and an evaluation, measurement, and verification (EM&V) plan for estimating, measuring, and verifying the energy and demand savings that the market transformation efforts are expected to achieve;
13. EM&V plan including at least the proposed evaluation schedule and the proposed approach to achieving the evaluation goals pursuant to *[4 CSR 240-20.093(7)]* **20 CSR 4240-20.093(8)**;
14. Budget information in the following categories:
A. Administrative costs listed separately for the utility and/or program administrator;
B. Demand-side program incentive costs;
C. Estimated equipment and installation costs, including any customer contributions;
D. EM&V costs; and E. Miscellaneous itemized costs, some of which may be an allocation of total costs for overhead items such as the market potential study or the statewide technical reference manual;
15. Description of all strategies used to minimize free riders;
16. Description of all strategies used to maximize spillover; and
17. For demand-side program plans, the proposed implementation schedule of individual demand-side programs.

(I) The commission shall consider the TRC test a preferred cost-effectiveness test. For demand-side programs and program plans that have a TRC test ratio greater than one (1), the commission shall approve demand-side programs or program plans, budgets, and demand and energy savings targets for each demand-side program it approves, provided it finds that the utility has met the filing and submission requirements of this rule and the demand-side programs—

1. Are consistent with a goal of achieving all cost-effective demand-side savings;

2. Have reliable evaluation, measurement, and verification plans; and

3. Are included in the electric utility's preferred plan or have been analyzed through the integration process required by *[4 CSR 240-22.060]* **20 CSR 4240-22.060** to determine the impact of the demand-side programs and program plans on the net present value of revenue requirements of the electric utility.

(M) The commission shall simultaneously approve, approve with modification acceptable to the utility, or reject the utility's DSIM proposed pursuant to *[4 CSR 240-20.093]* **20 CSR 4240-20.093**.

(5) Applications for Approval of Modifications to Electric Utility Demand-Side Programs.

(A) 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—

1. Shall file an application with the commission for modification of demand-side programs when there is a variance of twenty percent (20%) or more in the budget approved by the commission under subsection (4)(I) or other commission order(s) and/or any demand-side program design modification which is no longer covered by the approved tariff sheets for the demand-side program;

2. The application shall include a complete, reasonably detailed, explanation for and documentation of the proposed modifications to each of the filing requirements in section (3). All models and spreadsheets shall be provided as executable versions in native format with all links and formulas intact;

3. The electric utility shall serve a copy of its application to all parties to the case under which the demand-side programs were approved;

4. The parties shall have thirty (30) days from the date of filing of an application to object to the application to modify;

5. If no objection is raised within thirty (30) days, the commission shall approve, approve with modification acceptable to the electric utility, or reject such applications for approval of modification of demand-side programs within forty-five (45) days of the filing of an application under this section, subject to the same guidelines as established in subsection (4)(I);

6. If objections to the application are raised, the commission shall provide the opportunity for a hearing.

(6) Applications for Approval to Discontinue Electric Utility Demand-Side Programs. 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 may file an application with the commission to discontinue demand-side programs.

(7) Provisions for Customers to Opt-Out of Participation in Utility Demand-Side Programs.

(C) Any confidential business information submitted as documentation shall be clearly designated as such in accordance with *[4 CSR 240-2.135]* **20 CSR 4240-2.135**.

(I) Timing and Effect of Opt-Out Provisions.

1. A customer notice of opt-out shall be received by the utility no earlier than September 1 and not later than October 30 to be effective for the following calendar year.

2. For that calendar year in which the customer receives acknowledgement of opt-out and each successive calendar year until the customer revokes the notice pursuant to subsection (7)(K), or the customer is notified that it no longer satisfies the requirements of paragraphs (7)(A)1., 2., or 3., none of the costs of approved demand-side programs of an electric utility offered pursuant to *[4 CSR 240-20.093, 4 CSR 240-20.094]* **20 CSR 4240-20.093, 20 CSR 4240-20.094**, or by other authority and no other charges implemented in accordance with section 393.1075, RSMo, shall be assigned to any account of the customer, including its affiliates and subsidiaries listed on the customer's written notification of opt-out.

(9) Collaborative Guidelines.

(A) Utility-Specific Collaboratives. Each electric utility and its stakeholders shall form a utility-specific advisory collaborative for input on the design, implementation, and review of demand-side programs as well as input on the preparation of market potential studies. This collaborative process may take place simultaneously with the collaborative process related to demand-side programs for *[4 CSR 240-22]* **20 CSR 4240-22**. Collaborative meetings are encouraged to occur at least once each calendar quarter. In order to provide appropriate and informed input on the design, implementation, and review of demand-side programs, the stakeholders will be provided drafts of all plans and documents prior to meeting with adequate time to review and provide comments. In addition, all stakeholders will be provided opportunity to inform and suggest agenda items for each meeting and to present presentations and proposals. All participants shall be given a reasonable period of time to propose agenda items and prepare for any presentations.

*AUTHORITY: sections 393.1075.11 and 393.1075.15, RSMo [2016]**Supp. 2025**.* This rule originally filed as 4 CSR 240-20.094. Original rule filed Oct. 4, 2010, effective May 30, 2011. Amended: Filed Dec. 27, 2016, effective Oct. 30, 2017. Moved to 20 CSR 4240-20.094, 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.