Denny Hoskins
Secretary of State / Administrative Rules
RULE TRANSMITTAL

1019

Administrative Rules Stamp

RECEIVED
By Administrative Rules at 4:51 pm, Sep 21, 2026

JCAR Stamp

RECEIVED
By JCAR at 4:05 pm, Sep 21, 2026

Rule number **20 CSR 4240-21.050**

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:

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

September 18, 2026

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

Re: 20 CSR 4240-21.050 Demand-Side Resource Analysis Requirements

Dear Director Schappe,

CERTIFICATION OF ADMINISTRATIVE RULE

I do hereby certify that the attached is an accurate and complete copy of the proposed rule 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 rule 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 rule 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 rule either does not affect small business or the small business requirements do not apply pursuant to section 536.300.4, RSMo.

Statutory Authority: *sections 386.040, 386.250, 386.610, 393.140, RSMo 2016, and section 393.1900, RSMo Supp. 2025.*

If there are any questions regarding the content of this proposed rule, 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

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JOHN P. MITCHELL
Commissioner

VACANT
Commissioner

September 18, 2026

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

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Nancy Dippell

Nancy Dippell
Secretary

Enclosures

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

September 16, 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 New rulemakings for the following regulations:

- **20 CSR 4240-21.030** Load Forecasting Requirements
- **20 CSR 4240-21.035** Supply-Side Resource Analysis Requirements
- **20 CSR 4240-21.040** Transmission and Distribution Analysis Requirements
- **20 CSR 4240-21.050** Demand-Side Resource Analysis Requirements

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

AFFIDAVIT

PUBLIC COST

STATE OF MISSOURI)
)
COUNTY OF COLE)

I, Rodney Massman, General Counsel of the Public Service Commission, do declare that it is my opinion that the cost of proposed rule 20 CSR 4240-21.050 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 9th day of September, 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 21 - Resource Planning for Electric Utilities

PROPOSED RULE

20 CSR 4240-21.050 Demand-Side Resource Analysis Requirements

PURPOSE: This rule establishes the minimum standards for the scope and level of detail required for the demand-side resource analysis.

(1) Demand-side resources optimization.

(A) In order to properly optimize the amount of demand-side resources, the electric utility shall designate all Missouri jurisdictional demand-side resources as candidate resource options in its capacity expansion model on the basis of estimated seasonal energy, seasonal demand savings, and expected program costs.

1. For purposes of calculating avoided cost for use in 20 CSR 4240-20.092, the electric utility shall compare the capacity expansion model of its preferred resource plan with the same model excluding all demand-side resources as resource options in the first four (4) years.

2. The electric utility's avoided demand cost calculation shall specify generation, transmission, or distribution investments that can be reduced, deferred, or avoided as a result of demand-side program implementation.

(B) The electric utility shall model Missouri Energy Efficiency Investment Act (MEEIA) demand-side resource options separately from non-MEEIA demand-side resource options.

(C) For determining the optimal amount of demand-side resources, the electric utility shall exclude distributed energy resources (DERs) that are included in the 20 CSR 4240-21.055 analysis as a demand-side resource.

(D) The electric utility shall explain and document the assumptions concerning the change in baseline conditions, due to the adoption of energy efficiency measures by customers or consumers outside of any utility-sponsored programs, new housing and commercial building starts, measure saturations, employment growth, federal standards, building codes, and other relevant factors.

(E) The electric utility shall provide an estimate of all changes in peak consumption and energy consumption, separately, due to the factors in subsection (1)(D) by calendar month consistent with 20 CSR 4240-21.030 and the assumed program costs in each year of the planning horizon for each potential demand-side program.

(2) Non-MEEIA demand-side resources.

(A) The electric utility shall identify potential demand-side resources from which demand-side candidate resource options will be selected for the purposes of developing the alternative resource plans. A potential demand-side resource consists of a demand-side program designed to deliver one (1) or more energy efficiency measures, or energy

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management measures, including demand response programs. For each potential demand-side resource, the electric utility shall provide:

1. The targeted class of customers;
2. A list of proposed measures and, if applicable;
   A. Expected life of the measure and duration of impact;
   B. All major end-uses, including the end-uses which are to be considered in the electric utility's load pursuant to 20 CSR 4240-21.030; and
3. An itemized list of all expected program costs of the planning horizon, including, but not limited to, incentives, administration, and evaluation by year.

(B) The electric utility shall document the assumptions in subsection (2)(A), including any prior evaluations.

(C) The electric utility shall describe all demand response programs registered with the electric utility's appropriate regional transmission organization or independent system operator (RTO/ISO).

(3) MEEIA demand-side resources.

(A) The electric utility shall conduct market research studies, customer surveys, test marketing programs, and other activities as necessary to estimate the potential impacts of demand-side resource options; and describe and document the results.

(B) The electric utility shall develop the information necessary to design and implement cost-effective demand-side programs, including:

1. Design research activities to produce reliable information, applicable to the electric utility, about how and by whom energy-related decisions are made, and about the most appropriate and cost-effective methods of influencing these decisions in favor of greater long-run energy efficiency and energy management impacts;
2. Compile existing data or adopt data developed by other entities, including government agencies and other utilities, as long as the adopted data is applicable to its service territory; the electric utility may incorporate and, if incorporated, it shall justify non-energy benefits, other measurable benefits, or the results of other demand side evaluations or tests;
3. Document completed market research studies, customer surveys, pilot programs, pilot rates, test marketing programs, and other studies and identify studies that are planned or in progress and the scheduled completion dates;
4. Identify the time periods of energy and demand savings that are most likely to coincide with reductions, deferrals, or avoided investments;
5. Identify demand-side program savings for the season where there is a near-term need; and
6. Complete an assessment of how the interactions between end-use measures, when bundled with other end-use measures in the potential demand-side program, would affect the stand-alone end-use measure impact estimates.

(C) The electric utility shall identify potential demand-side resources from which demand-side candidate resource options will be selected for the purposes of developing the alternative resource plans. A potential MEEIA demand-side resource consists of a demand-side program designed to modify the net consumption of electricity on the retail customer's side of the electric meter, including but not limited to, energy efficiency measures, rate management, demand response, and interruptible or curtailable load. For each MEEIA demand-side resource, the electric utility shall document:

1. The targeted class of customers;
2. A list of proposed measures and rates, if applicable;
3. The expected life of the measure and duration of impact;
4. All major end-uses, including the end-uses which are to be considered in the electric utility’s load pursuant to 20 CSR 4240-21.030;
5. An itemized list by year of all expected costs of the program, including, but not limited to, incentives, administration, and evaluation;
6. An estimate of revenue impacts on the electric utility of the demand-side resource, excluding the impacts of a Demand-Side Investment Mechanism; and
7. An estimate of the rate impacts including earnings opportunity and throughput disincentive for program participants and non-participants, separately and by year.

(D) The electric utility shall document any prior evaluations, to substantiate the assumptions in subsection (3)(B).

(E) The electric utility shall describe all demand response programs registered with the electric utility’s appropriate RTO/ISO.

(4) The electric utility shall describe and document the evaluation of each potential demand-side program developed pursuant to sections (2) and (3), including:

(A) For each year of the planning horizon, calculations of the benefits of each potential demand-side program as the cumulative seasonal coincident peak demand reduction multiplied by the seasonal avoided demand costs plus the cumulative energy savings multiplied by the avoided energy costs. The electric utility shall perform the calculations both with and without the avoided probable environmental compliance costs. The electric utility shall describe and document the methods, data, and assumptions used to develop the avoided costs.

(B) The electric utility’s avoided demand cost shall correspond to the expected costs of specific generation, transmission, or distribution investments that can be reduced, deferred, or avoided as a result of demand-side program implementation.

(C) The electric utility’s avoided energy cost shall include the fuel costs, emission allowance costs, and other variable operation and maintenance costs of generation facilities, adjusted to reflect energy losses on the transmission and distribution systems, or the corresponding market-based equivalents of those costs.

(D) The electric utility’s avoided probable environmental compliance costs shall include the effects of the probable environmental compliance costs calculated pursuant to subsection (4)(A), on the electric utility avoided demand cost and the electric utility avoided energy cost.

AUTHORITY: sections 386.040, 386.250, 386.610, 393.140, RSMo 2016, and section 393.1900, RSMo Supp. 2025. Original rule filed ________, 2026.

PUBLIC COST: This proposed rule will not cost state agencies or political subdivisions more than five hundred dollars ($500) in the aggregate.

PRIVATE COST: This proposed rule is estimated to cost private entities up to nine hundred thousand dollars ($900,000) in the aggregate in year-one and up to six hundred thousand dollars ($600,000) annually for the remaining life of the rule.

NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: Anyone may file comments in support of or in opposition to this proposed rule 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 December 2, 2026, and should include a reference to Commission Case No. EX-2027-0085. 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 rule is scheduled for December 15, 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 rule 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.

FISCAL NOTE
PRIVATE COST

I. Department Title: Title 20--DEPARTMENT OF COMMERCE AND INSURANCE
Division Title: Division 4240—Public Service Commission
Chapter Title: Chapter 21— Resource Planning for Electric Utilities

Rule Number and Title:	20 CSR 4240-21.050 Demand-side Resource Analysis Requirements
Type of Rulemaking:	Proposed Rule

II. SUMMARY OF FISCAL IMPACT

Estimate of the number of entities by class which would likely be affected by the adoption of the rule:	Classification by types of the business entities which would likely be affected:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
4	Investor-Owned Electrical Corporations	$0 to $900,000 in year one and $0 to $600,000 annually for the remaining four-year (4-year) life of the rule.

III. WORKSHEET

The rule will likely affect four (4) electrical corporations (investor-owned electric utilities). Staff requested input on the anticipated cost to implement the proposed rule from the affected electrical corporations. The feedback that was received was that the proposed rule would have a $0 to $900,000 cost for the electrical corporations to implement.

IV. ASSUMPTIONS

Staff relied on the input from the four (4) electrical corporations to determine the estimated fiscal impact of this proposed rule.

In accordance with the Commission's May 22, 2026, order, all four utilities submitted rule comments and estimated costs to comply. The low estimate assumes zero incremental cost to the rule. The high estimate is based on Ameren's response assuming the cost is comparable to all four electric utilities.

Ameren submitted rule comments and cost of compliance information through the Commission's electronic filing system on June 22, 2026. Staff carefully considered Ameren's rule comments and made significant responsive changes to the rule language. On July 31, 2026, Ameren emailed Staff updated cost estimates based on the revised rule language.

Liberty-Empire submitted rule comments and cost of compliance information through the Commission's electronic filing system on June 22, 2026. Liberty-Empire stated that it could not estimate the cost of a process that has never been undertaken, but the prescriptiveness of the new requirements will result in a significantly higher cost to comply. Staff carefully considered Liberty-Empire's rule comments and made significant responsive changes to the rule language.

Evergy submitted rule comments and cost of compliance information through the Commission's electronic filing system on June 22, 2026. Evergy stated that the prescriptiveness of the new requirements will drive significant costs to comply. Staff carefully considered Evergy's rule comments and made significant responsive changes to the rule language.

Costs for this rule are associated with proposed 20 CSR 4240-21.050(3)(C)7 that contemplates a rate impact analysis related to Missouri Energy Efficiency Investment Act (MEEIA) demand-side programs. Demand-side planning occurs during integrated resource planning. The MEEIA statute (section 393.1075, RSMo.) provides an opportunity for electric utilities to collect additional incentives through rates that are not available in non-MEEIA DSM programs, providing that the programs are "beneficial to all customers in the customer class…regardless of whether the programs are utilized by all customers". Section 393.1900, RSMo, requires the electrical corporation's integrated resource plan filing to include projections of rate impacts, and for the Commission to balance rate impacts as a factor.

Assumptions:

- Rule life: 5 years.
- Annual labor cost: $0 - $200,000
- One-time software cost: $0 - $100,000
- Number of electric utilities: 3 (Ameren Missouri, Evergy, Liberty-Empire)

Calculation:

Low total cost for all 3 utilities = $0

High total cost for all 3 utilities = 3($200,000 + $100,000) = $900,000 year one

High total cost for all 3 utilities = 3($200,000) = $600,000 annually years 2-5