

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

In the Matter of Union Electric Company)
d/b/a Ameren Missouri’s Electrical Service) **File No. ER-2023-0178**
Tariffs Adjustment Relating to MEEIA EEIC Rider) Tracking No. JE-2023-0097

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and for its *Recommendation* in this matter states as follows:

1. On December 1, 2022, Union Electric Company d/b/a Ameren Missouri (Ameren Missouri) filed a *Tariff Revision* bearing an issue date of December 1, 2022, and an effective date of February 1, 2023, along with the *Direct Testimony of Antonio M Lozano* with the Missouri Public Service Commission (Commission) seeking to make revisions to its Energy Efficiency Investment Clause (EEIC) Rider in its tariffs. According to the testimony, the rates would be adjusted to reflect the actual and forecasted costs of Ameren Missouri’s energy efficiency programs.

2. Commission rule 20 CSR 240-20.094(4)(D) addresses Applications for Approval of Electric Utility Demand Side Programs or Portfolios. The rule allows an electric utility to file an application with the Commission for approval of a demand-side portfolio under the provisions of the rule and 20 CSR 4240-2.060 and Section 393.1075, RSMo. Subsection (4)(D) of the rule specifically governs the requirements of what must be included in the application regarding the description of each program and the workpapers featuring models and spreadsheets with itemized elements included. 20 CSR 4240-20.093(4)(B) requires that any demand-side investment mechanism filing is to either take effect by operation of law within sixty (60) days of the filing or should be ordered by the Commission in an interim rate adjustment to take effect in sixty (60) days.

3. Staff conducted a full review of the tariff revisions and accompanying testimony. The total proposed Rider EEIC rates reflect the sum of the remaining Missouri Energy Efficiency Investment Act (MEEIA) 2016-2018 Energy Efficiency Investment Rate (EEIR) components and the currently effective MEEIA 2019-2021 components, along with a small portion of forecasted program costs and throughput disincentive from the extended MEEIA Cycle 3 programs approved in Case No. EO-2018-0211. Staff's Memorandum, attached to this pleading as Attachment A, provides information regarding the MEEIA cycles approved for Ameren Missouri and their associated costs.

4. After discussions with Ameren Missouri about the rebase adjustment and general calculations, Staff recommends the tariff sheet be found in compliance with the Commission's Rules and the terms of the Rider EEIC.

5. Staff has verified that Ameren Missouri is not delinquent on any assessment and has filed its Annual Report. Staff is not aware of any other matter before the Commission that affects or is affected by this filing. Staff's recommendation for approval of the EEIC Rider rate changes in this case is solely based on the accuracy of Ameren Missouri's calculations and is not indicative of prudence.

WHEREFORE, Staff recommends that the Commission issue an order that permits the tariff sheet, bearing an issue date of December 1, 2022, to take effect on and after February 1, 2023; and grant such other and further relief as is just in the circumstances.

Respectfully submitted,

/s/ Carolyn H. Kerr

Missouri Bar Number 45718

Senior Staff Counsel

Missouri Public Service Commission

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Attorney for Staff of the

Missouri Public Service Commission

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 13th day of January, 2023, to all counsel of record.

/s/ Carolyn H. Kerr

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. ER-2023-0178, Tariff Tracking No. JE-2023-0097

FROM: Nancy L. Harris, Utility Regulatory Auditor
Krishna L. Poudel, PhD, Economist

/s/ Nancy L. Harris 1/13/23
Utility Regulatory Auditor / Date

/s/ Carolyn Kerr 1/13/23
Staff Counsel's Office / Date

SUBJECT: Staff Recommendation To Approve Union Electric Company d/b/a Ameren Missouri's ("Ameren Missouri") Proposed Tariff Sheet(s) for its Rider Energy Efficiency Investment Charge ("Rider EEIC")

DATE: January 13, 2023

AMEREN MISSOURI FILING

On December 1, 2022, Ameren Missouri filed one tariff sheet with the Commission to be effective on and after February 1, 2023. The tariff changes adjust the Missouri Energy Efficiency Investment Act ("MEEIA") Rider EEIC rates. Ameren Missouri's filing also included the Direct Testimony of Antonio Lozano. As filed, Ameren Missouri's overall Rider EEIC rate will collect approximately \$101.8 million, increasing Rider EEIC rates by approximately \$9.9 million, or 10.8%.¹

BACKGROUND

The total proposed Rider EEIC rates are the sum of the remaining MEEIA 2016-18 Energy Efficiency Investment Rate ("EEIR") Components (MEEIA Cycle 2)² and the currently effective MEEIA 2019-21 EEIR Components (MEEIA Cycle 3). Additionally, the total Rider EEIC rates also include a small portion of forecasted program costs and throughput disincentive for the extended MEEIA Cycle 3 programs approved in EO-2018-0211. The MEEIA Cycle 1 programs ended on December 31, 2015, and have been fully recovered.

Ameren Missouri's first MEEIA programs were approved in EO-2012-0142. Further, Ameren Missouri's second three-year MEEIA cycle was approved in EO-2015-0055, and Ameren Missouri's third three-year MEEIA cycle was approved in Case No. EO-2018-0211. Lastly, Ameren Missouri's MEEIA Cycle 3 was extended for a fourth year through the end of 2022 and for a fifth year through the end of 2023, in Case No. EO-2018-0211.

¹ Ameren Missouri's filing proposes to increase the MEEIA revenue requirement from \$91.9 million to \$101.8 million.

Below is a summary of the program costs, throughput disincentive, earnings opportunity, and kWh saved for all three MEEIA cycles to date.

	MEEIA Cycle 1	MEEIA Cycle 2	MEEIA Cycle 3	MEEIA Cycle 3 Projected (extended through 2023)	Total
Program Cost	\$135,502,214	\$156,952,216	\$271,927,995	\$74,004,575	\$638,387,000
Through Disincentive Earnings	\$173,275,815	\$90,235,713	\$68,578,565	\$19,944,548	\$352,034,641
Earning Opportunity/Performance	\$28,246,579	\$42,889,494	\$15,701,260	\$11,747,489	\$98,584,822
Total Cost	\$337,024,608	\$290,077,424	\$356,207,819	\$105,696,612	\$1,089,006,463
Gross kWh Saved	1,152,915,000	955,297,948	1,348,564,638		
Evaluated kWh Saved		888,229,823			
Avg. cost per avoided kWh	\$0.29	\$0.33	\$0.26		

Ameren Missouri is projecting that the MEEIA Cycle 3 extension program costs, throughout disincentive, and earnings opportunity will be approximately \$105.7 million through December 2023. Therefore, as shown in the table above, Ameren Missouri is projecting to have recovered from ratepayers through December 2023, approximately \$1.1 billion for energy efficiency programs since MEEIA programs began in January 2013.

The Rider EEIC charge is reflected in one line item on the customer’s bill labeled “Energy Efficiency Invest. Chg.”. The proposed Rider EEIC rate changes are applicable to all kilowatt- hours (“kWh”) of energy supplied to customers served by Ameren Missouri under service classifications rate schedules 1(M) - Residential Service; 2(M) - Small General Service; 3(M) - Large General Service; 4(M) - Small Primary Service; 11(M) - Large Primary Service; and 12(M) - Large Transmission Service, excluding kWh of energy supplied to “opt-out” customers.

STAFF REVIEW

The table below provides the current Rider EEIC rate and the Company’s proposed rate.

Rate Class	Current	Proposed
	MEEIA Rate/kWh	MEEIA Rate/kWh
1(M)-Residential Service	\$0.003757	\$0.003665
2(M)-Small General Service	\$0.003430	\$0.003469
3(M)-Large General Service	\$0.003262	\$0.004571
4(M)-Small Primary Service	\$0.003227	\$0.004014
11(M)-Large Primary Service	\$0.002980	\$0.003845
12(M)-Large Transmission Service	\$0.000000	\$0.000000

All else being equal, the average residential change pursuant to Rider EEIC will decrease by approximately 2.45% or \$0.09 per month. A residential customer, using 1,000 kWh will have a total EEIC charge of approximately \$3.67 month or \$43.98 annually. Rider EEIC business rates per class vary due to projected costs, incentives, and customer opt outs per class of customer. The Small General Service rate will increase by approximately 1.14% or \$0.04 per month per 1,000 kWh; the Large General Service rate will increase by approximately 40.1% or \$1.31 per month per 1,000 kWh; the Small Primary Service rate will increase by approximately 24.4% or \$0.79 per month per 1,000 kWh; and the Large Primary Service rate will increase by approximately 29% or \$0.87 per month per 1,000 kWh. The estimated monthly rate charge per 1,000 kWh are also given in the chart below for each rate class.

Rate Class	Rate Change	Cost of		Proposed	
		Change per x1,000 kWh	% of Change	MEEIA Rate/kWh	Rate / 1,000 kWh
1 (M) -Residential Service	(\$0.000092)	\$ (0.09)	-2.45%	\$0.003665	\$3.67
2 (M) -Small General Service	\$0.000039	\$ 0.04	1.14%	\$0.003469	\$3.47
3 (M) -Large General Service	\$0.001309	\$ 1.31	40.13%	\$0.004571	\$4.57
4 (M) -Small Primary Service	\$0.000787	\$ 0.79	24.39%	\$0.004014	\$4.01
11 (M) -Large Primary Service	\$0.000865	\$ 0.87	29.03%	\$0.003845	\$3.85

STAFF RECOMMENDATION

The Commission Staff’s Tariff / Rate Design Department (“Staff”) has reviewed the filed tariff sheet. Staff recommends the Commission issue an order approving the following tariff sheet, as filed on December 1, 2022, for service on and after February 1, 2023, the requested effective date:

P.S.C. MO. No. 6

Third Revised Sheet No. 91.23 cancelling the Second Revised Sheet No. 91.23

Staff has verified that Ameren Missouri is not delinquent on any assessment and has filed its Annual Report. Staff is not aware of any other matter before the Commission that affects or is affected by this filing. Staff’s recommendation for approval of the EEIC Rider rate changes in this case are solely based on the accuracy of Ameren Missouri’s calculations and is not indicative of prudence.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Union Electric Company)	
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EEIC Rider)	
)	

AFFIDAVIT OF NANCY L. HARRIS

STATE OF MISSOURI)	
)	ss.
COUNTY OF COLE)	

COMES NOW NANCY L. HARRIS, and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

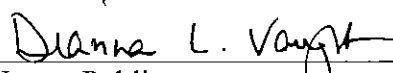


 NANCY L. HARRIS

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 10th day of January, 2023.

DIANNA L VAUGHT Notary Public - Notary Seal STATE OF MISSOURI Cole County My Commission Expires: July 18, 2023 Commission #: 15207377
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 Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

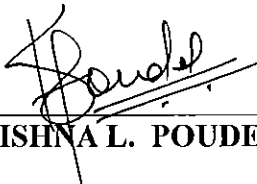
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EEIC Rider)	
)	

AFFIDAVIT OF KRISHNA L. POUDEL, PhD

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

COMES NOW KRISHNA L. POUDEL, PhD, and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

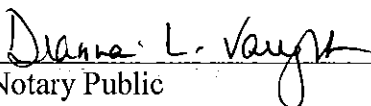


KRISHNA L. POUDEL, PhD

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 10th day of January, 2023.

DIANNA L VAUGHT Notary Public - Notary Seal STATE OF MISSOURI Cole County My Commission Expires: July 18, 2023 Commission #: 15207377
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Notary Public