

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Union Electric Company d/b/a Ameren)
Missouri's Filing to Implement Regulatory Changes in) File No. EO-2012-0142
Furtherance of Energy Efficiency as allowed by MEEIA.)

NOTIFICATION

COMES NOW Union Electric Company d/b/a Ameren Missouri (Ameren Missouri or Company) and, pursuant to the terms of the *Unanimous Stipulation and Agreement Resolving Ameren Missouri's MEEIA Filing (Stipulation)*, submits the following:

1. The *Stipulation* requires Ameren Missouri to file a notice in this case no less than five business days prior to making a change in its measure and/or incentive amount offering.¹

2. Concurrently with filing this Notification Ameren Missouri is making a tariff filing relating to its Energy Star® New Homes Program that is designed to limit its availability to those homes that reserve a rebate prior to the effective date of the new tariff (June 21, 2014). This tariff filing is being made because it has been determined that the Program is not cost-effective. A copy of the Company's report discussing the lack of cost-effectiveness of the Program is included with this Notification.

3. Consequently, the Company's currently-on-file Residential Energy Efficiency Measures and Incentive listing has been modified to delete the information relating to the Energy Star® New Homes Program effective June 21, 2014. A copy of the revised listing is included with this filing.

4. In addition, the Company's web pages for energy efficiency will be modified (effective June 21, 2014) to remove pages or make other modifications necessary to reflect the

¹ File No. EO-2012-0142, *Unanimous Stipulation and Agreement Resolving Ameren Missouri's MEEIA Filing*, p. 14.

Ameren Exhibit No. 119
Date 7-22-15 Reporter TU
File No. EO-2015-005-5

discontinuance of the Program. Copies of the web pages as they will appear starting June 21, 2014 are also included with this Notification.

4. The foregoing has been discussed with the Staff, Public Counsel and the Division of Energy who have expressed their support of these changes.

WHEREFORE, Ameren Missouri respectfully files this *Notice* in compliance with the terms of the *Unanimous Stipulation and Agreement Resolving Ameren Missouri's MEEIA Filing*.

Respectfully submitted,

UNION ELECTRIC COMPANY,
d/b/a Ameren Missouri

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**ATTORNEYS FOR UNION ELECTRIC
COMPANY d/b/a AMEREN MISSOURI**

CERTIFICATE OF SERVICE

The undersigned certifies that true and correct copies of the foregoing have been e-mailed to the service list of record this 22nd day of May, 2014.

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/s/ James B. Lowery _____

James B. Lowery

Notification contains the information required in (A). Information for (B) and (C) is not attached as part of the *Notification*, but other filings in this case contain the information.³

6. Staff has reviewed the initial EM&V report and the additional analysis of the cost-effectiveness of the Energy Star® New Homes Program provided by Ameren Missouri. The initial EM&V report and analysis determined the program is not cost-effective, with a total resource cost test score of 0.18. In other words, 72% of the gross energy savings reported from the program resulted from measures installed by participating builders who were already building efficient homes without the program's incentives and are, therefore, free riders. Free Riders are defined as those participants who most likely would have adopted the energy efficiency measure on their own without a utility incentive.

7. One of the decision points for the Commission's approval of a MEEIA program plan under Rule 4 CSR 240-20.094(3)(A) is whether the program has a total resource cost test ratio greater than one (1), indicating the program's cost effectiveness. While the EM&V reports are not yet finalized, Staff generally agrees with the results and recommends the Commission approve Ameren Missouri's filing to discontinue the Energy Star® New Homes Program and approve the tariff sheet, both conditioned on Ameren Missouri providing an affidavit to support its *Notification*.

8. The *Notification* does not provide the general background information or an affidavit to verify the information contained in the application as required by Rule 4 CSR 240-2.060. Staff is not opposed to a limited waiver of Rule 4 CSR 240-2.060 should Ameren Missouri provide the affidavit requirement prior to a Commission order

³ EM&V reports are filed in this case as EFIS # 150 and 154; EFIS # 157, *Notice Regarding Change Request*, discusses when Ameren Missouri and Staff expect final EM&V reports.

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been emailed this 6th day of June, 2014 to all parties of record in this proceeding.

/s/ Jennifer Hernandez

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. EO-2012-0142, Tariff Tracking No. YE-2014-0473
Union Electric Company d/b/a Ameren Missouri

FROM: Hojong Kang, Regulatory Economist III

/s/ John Rogers 06/06/2014 /s/ Jennifer Hernandez 06/06/2014
Energy Resource Analysis Unit / Date Staff Counsel's Office / Date

SUBJECT: Staff Recommendation For **Approval** Of Tariff Sheet For the Residential Energy Star[®] New Homes Program

DATE: June 6, 2014

On May 22, 2014, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri") filed one (1) proposed tariff sheet bearing an effective date of June 21, 2014. The Commission assigned the tariff sheet Tariff Tracking No. YE-2014-0473. With this tariff sheet, Ameren Missouri proposes to modify its Energy Star[®] New Homes Program to limit its availability to builders of single family homes that reserved a rebate prior to the effective date of the proposed tariff sheet—June 21, 2014. Ameren Missouri made this tariff filing because The Cadmus Group, Inc. ("Cadmus"), Ameren Missouri's evaluation, measurement and verification ("EM&V") contractor for its residential MEEIA¹ programs, states in its independent EM&V report that it has determined the program is not cost-effective. Further, Ameren Missouri expects that it cannot make the program cost effective by redesigning it. Staff generally agrees with both Cadmus and Ameren Missouri and recommends approval of the proposed tariff sheet.²

The Energy Star[®] New Homes Program was designed to encourage home builders to build energy efficient homes, typically Energy Star[®] certified homes. However, based on the EM&V report³ results for Program Year 2013, the savings associated with this program were considerably lower than those expected. The program's very low Total Resource Cost test score, 0.18, results from Cadmus' findings, presented in its EM&V report, that 72% of the gross energy savings reported from the program resulted from measures installed by participating builders

1 The Missouri Energy Efficiency Investment Act ("MEEIA"), Section 393.1075, RSMo, Supp. 2012. On August 1, 2012, the Commission approved Ameren Missouri's MEEIA Programs' 3-year plan including its Energy Star[®] New Homes Program. On May 15, 2014, Ameren Missouri filed Cadmus' initial EM&V reports, subsequently revised on May 28, 2014.

2 Under the Stipulation and Agreement approved by the Commission on August 1, 2012 in File No. EO-2012-0142, any stakeholder, as well as the Commission's EM&V auditor, have until 21 days after Ameren Missouri files final EM&V reports to review the reports and file any request with the Commission to request a change to the impact evaluation portion of a final EM&V report. The impact evaluation includes estimations of annual energy savings in kWh and net benefits for each MEEIA Program and for the MEEIA plan.

3 On May 28, 2014, Cadmus' revised its 2013 EM&V reports for all Ameren Missouri's residential energy efficiency programs. Ameren Missouri and Staff continue to work together to identify areas of the EM&V Reports that Cadmus should perform additional work on. Staff understands that Cadmus will produce a new final set of EM&V reports for filing.

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

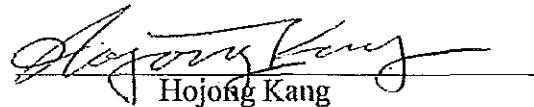
In the Matter of Union Electric)
Company d/b/a Ameren Missouri's)
Filing to Implement Regulatory)
Changes Furtherance of Energy)
Efficiency as Allowed by MEEIA)

Case No. EO-2012-0142
File No. YE-2014-0473

AFFIDAVIT OF HOJONG KANG

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Hojong Kang, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.


Hojong Kang

Subscribed and sworn to before me this 16th day of June, 2014.

SUSAN L. SUNDERMEYER
Notary Public - Notary Seal
State of Missouri
Commissioned for Callaway County
My Commission Expires: October 03, 2014
Commission Number: 10942086


Notary Public

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 19th day of
June, 2014.

In the Matter of Union Electric Company d/b/a)	
Ameren Missouri's Filing to Implement Regulatory)	<u>File No. EO-2012-0142</u>
Changes in Furtherance of Energy Efficiency)	Tariff No. YE-2014-0473
as Allowed by MEEIA)	

**ORDER APPROVING TERMINATION OF ENERGY STAR
NEW HOMES PROGRAM, AND APPROVING TARIFF**

Issue Date: June 19, 2014

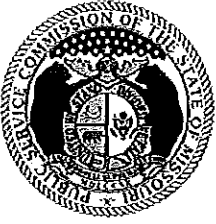
Effective Date: June 21, 2014

On May 22, 2014, Union Electric Company, d/b/a Ameren Missouri, filed a Notification indicating its intent to terminate its Energy Star New Homes Program. At the same time, it issued a revised tariff sheet to implement that change. The revised tariff carries an effective date of June 21. Staff filed a recommendation on June 6, advising the Commission to approve the company's termination of the program and to approve the implementing tariff.

Staff's recommendation explains that the Energy Star New Homes Program was intended to encourage home builders to build energy efficient homes. However, an independent evaluation of the program for Program Year 2013 showed that the program was not cost efficient. Essentially, the program has paid builders to incorporate energy-efficient elements that they would have incorporated even without the incentive program.

3. This order shall become effective on June 21, 2014.

BY THE COMMISSION



Morris L. Woodruff

Morris L. Woodruff
Secretary

R. Kenney, Chm., Stoll, W. Kenney
Hall, and Rupp, CC., concur.

Woodruff, Chief Regulatory Law Judge