

In the Matter of The Empire District Electric  
Company's 2017 Annual Update Report Filing  
Pursuant to 4 CSR 240-22.080(3)

COMES NOW the Missouri Department of Economic Development – Division of Energy (“DE”) before the Public Service Commission of the State of Missouri (“Commission”),<sup>1</sup> and for its comments in the above-captioned matter states as follows:

2. At the workshop, DE provided input on several aspects of the IRP update, including: Empire’s description of the Missouri Energy Efficiency Investment Act (“MEEIA”) filing required under the stipulation and agreement between Empire, DE, and Renew Missouri Advocates d/b/a Renew Missouri in EM-2016-0213; the demand-side

<sup>1</sup> The Division of Energy was transferred from the Department of Natural Resources to the Department of Economic Development on August 29, 2013 by Executive Order 13-03. The Order transfers “[A]ll authority, powers, duties, functions, records, personnel, property, contracts, budgets, matters pending, and other pertinent vestiges of the Division of Energy from the Missouri Department of Natural Resources to the Missouri Department of Economic Development...”

management (“DSM”) programs required under the stipulation in ER-2016-0023; and, the Company’s treatment of the Special Contemporary Issue regarding the “soft costs” of deploying distributed generation (e.g., “net metering limitations, interconnection procedures, and billing practices for solar customers,” per page 36 of the IRP update report).

3. As indicated in Empire’s workshop report, the Company stated that it would take steps to provide additional details in its response to the “soft cost” Special Contemporary Issue. DE appreciates Empire’s willingness to more fully address all of the barriers listed in the Special Contemporary Issue. However, the additional language on page 36 of the Company’s amended IRP update report does not include sufficient detail as to the “billing system improvements for net metered customers” under evaluation by Empire. This page of the amended report also does not include any discussion of how net metering requirements for small-scale distributed generation (i.e., systems smaller than 100 kW) may hinder additional deployment. DE requests that Empire include additional details as to its plans for evaluating billing system improvements, as well as a discussion of the barriers posed by current net metering requirements.

4. Regarding the filing of a MEEIA program, on page 30 of the IRP update Empire quotes the language of the EM-2016-0213 stipulation at section (1), which reads:

Empire will work with DE, the Staff of the Commission (‘Staff’), the Office of Public Counsel (‘OPC’) and other parties through the existing DSM Advisory Group to review and consider the viability of adopting additional energy efficiency programs for its customers. Within one year of the Commission’s finding of substantial compliance of the Empire Integrated

Resource Plan that follows Commission approval of a Statewide Technical Reference Manual (TRM), Empire will develop and submit an application for approval of a portfolio of DSM programs under the Missouri Energy Efficiency Investment Act (MEEIA), so long as any such portfolio is a part of Empire's adopted preferred resource plan in its Integrated Resource Plan, or has been analyzed through the integration process required by 4 CSR 240-22.060, and the portfolio and any DSIM submitted in the application is fully compliant with the MEEIA statute and applicable regulations.

DE notes that the final version of the first edition of the statewide TRM was officially released on March 31, 2017.<sup>2</sup> Following Commission approval of the TRM, it is expected – as Empire tentatively acknowledges on page 30 of its IRP update – that the statewide TRM will facilitate MEEIA program planning and evaluation. Based on DE's understanding of the above language from the stipulation in EM-2016-0213, the Company would then be required to file a MEEIA portfolio after the triennial IRP following Commission approval of the statewide TRM, i.e., sometime in the 2019-2020 time frame. To the extent that Empire analyzes a DSM portfolio per the requirements of the Commission's IRP rules, the Company would have to file a MEEIA application based on this integrated analysis regardless of whether or not MEEIA programs are contained in its preferred plan.

5. On page 12 of the IRP update, Empire states that the DSM programs agreed to in ER-2016-0023, "... will be active for 2017-2018." However, a closer reading of the

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<sup>2</sup> See <https://energy.mo.gov/energy/about/trm>.

stipulation and agreement in ER-2016-0023 shows that, “Signatories agree that the programs implemented on July 1, 2017, or as soon as possible after January 1, 2017, will have a term of not less than two (2) years.”<sup>3</sup> The tariffs implementing such programs were suspended until June 1, 2017 as a result of a dispute between Empire and the Office of the Public Counsel as to on-bill financing-related issues;<sup>4</sup> however, this dispute may be resolved through the agreement filed on May 3, 2017.<sup>5</sup> Given the delay in implementation, Empire’s DSM programs under the agreement in ER-2016-0023 are likely to last beyond 2018 in order to allow the Company to offer them for *at least* two years. DE requests that Empire clarify its discussion of the DSM program timeline to account for this issue.

6. Lastly, DE commends Empire’s decision (as described on pages 11-12 of its IRP update) to evaluate potential new renewable resources in the wake of (1) recent information received by the Company and (2) its recent merger with Liberty Utilities. DE looks forward to seeing the report and engaging in further dialogue with Empire about the results of the Company’s study, and to reviewing applications for additional renewable resources in Missouri. Additionally, DE is available to offer assistance with Empire’s endeavor.

WHEREFORE, DE submits these comments for consideration by the Commission.

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<sup>3</sup> Missouri Public Service Commission Case No. ER-2016-0023, *In the Matter of the Empire District Electric Company for Authority to File Tariffs Increasing Rates for Electric Service Provided to Customers in the Company’s Missouri Service Area*, Stipulation and Agreement, June 20, 2016, page 7.

<sup>4</sup> Missouri Public Service Commission Case No. ER-2016-0023, *In the Matter of the Empire District Electric Company for Authority to File Tariffs Increasing Rates for Electric Service Provided to Customers in the Company’s Missouri Service Area*, Order Extending Suspension of Tariff Sheets, April 28, 2017.

<sup>5</sup> Missouri Public Service Commission Case No. ER-2016-0023, *In the Matter of the Empire District Electric Company for Authority to File Tariffs Increasing Rates for Electric Service Provided to Customers in the Company’s Missouri Service Area*, Stipulation and Agreement Regarding DSM Tariffs, May 3, 2017.

Respectfully submitted,

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Development - Division of Energy**

### **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been served electronically on all  
counsel of record this 12<sup>th</sup> day of May, 2017.

/s/ Angela Burke

Angela Burke