

Company explained in its April 30th response, low-income programs are not required to be cost effective and Ameren Missouri has no intention of using the portfolio TRC to restrict spending on low-income programs. The portfolio TRC is merely a measure of the cost-benefit performance for the overall portfolio of programs. DE has offered no evidence that the Company has constrained program spending in the manner it says it fears. The simple reason for that is that no such evidence exists. The Company has appropriately applied cost testing at the measure and program levels and has provided useful information as to the overall cost-benefit performance of its portfolio of programs. Further, Ameren Missouri has now filed its Missouri Energy Efficiency Investment Act plan for 2019 – 2024, and if DE is still concerned about this matter, it is more appropriately dealt with in that filing.

6. The Sierra Club's response continues to promote its view that the Sierra Club, and not the management of Ameren Missouri, has the better view of what is reasonable and probable when it comes to assumptions about future environmental regulations and other market conditions that affect the performance of the Company's resource portfolio. The Sierra Club cites the Company's recognition of the possibility of more stringent regulations than the Company has assumed as evidence of a deficiency, disregarding that the Company is tasked with assessing what is probable. The Company's management has indicated through the 2017 IRP filing what it believes is probable, as it is required to do according to the Commission's IRP rules. It is not a failure to comply with Commission regulations just because a party would use a different value or probability than Ameren Missouri used, as long as Ameren Missouri's assumptions are not unreasonable. A difference of opinion does not equate to a deficiency (failure to comply with the IRP rules) and the Commission should reject Sierra Club's deficiency allegation in this filing.

7. The Sierra Club's response likewise seeks to dictate the assumptions used by the Company for pricing carbon dioxide emissions. The Sierra Club cites its understanding of the

IHS-Cera carbon price scenario used by the Company as an indication of a deficiency, claiming that the Company is somehow restricted in its use of third-party information. That is, according to the Sierra Club, the Company may only use third-party assumptions if it agrees without exception with the probabilities used by said third party. The Sierra Club ignores the Company's consideration of a study for the Natural Resources Defense Council by M.J. Bradley, showing carbon prices that are similar in magnitude to the IHS-Cera scenario used by the Company. Contrary to the Sierra Club's implication, the Company was deliberate in its consideration of carbon price assumptions and has appropriately reflected its own views on carbon price in the development and use of the scenarios it constructed for its IRP analysis. Again, a disagreement with an assumption is not a deficiency unless the assumption made by the company is unreasonable. Clearly, Ameren Missouri's assumption here is reasonable and should be accepted by the Commission, even if it differs from that which would be used by the Sierra Club.

8. The Sierra Club also claims that the Company has ignored market drivers that challenge the economics of coal-fired generators, stating that the Company, "...seems to believe that its own aging coal units will be magically untouched by the same economic realities." Sierra Club seems to miss the fact that the Company has addressed all of the conditions that Sierra Club raises in the Company's IRP analysis. The Company has 1) used a wide range of internally-consistent scenarios for gas and power prices, load growth, coal retirements, and carbon prices, 2) included assumptions that represent the probable costs of environmental compliance for the duration of the planning horizon, 3) included detailed projections of capital and operating costs for its coal-fired fleet, and 4) evaluated multiple plans that include early retirement of coal-fired energy centers. The Company's preferred resource plan reflects retirement of over 50% of the Company's remaining coal-fired generation, which is consistent with the Company's assumptions for nationwide coal-fired retirements used in its price scenarios for risk analysis. This is far from

the "magical" thinking alleged by the Sierra Club. Rather, it is simple and straightforward economic analysis based on a range of reasonable assumptions.

9. The Sierra Club claims that the Company is deficient in its consideration of renewable resources, noting that the Company acknowledged the potential for even more renewable resources than were included in its preferred resource plan. On this point, it is important to note that wind generation provides relatively little capacity benefit at the time of peak demand, typically around 15% of its maximum rated output in MISO, so its role in capacity planning is very limited. Beyond that, wind has proven to be an attractive source of electric energy and, with increased customer interest in cleaner forms of energy, there may be a movement towards more wind development. We are still in the early stages of identifying this market. (If the Company changes its Preferred Plan to significantly increase the amount of wind generation, it will modify its Preferred Plan as required by the rules.) The price scenarios previously mentioned assume greater levels of wind penetration in MISO, thus allowing us to account for the impacts of wind generation on the economics of our existing resources, regardless of who owns the wind resources. The simple recognition of the potential for deployment of greater levels of wind generation by Ameren Missouri does not mean that the Company has somehow failed to adequately evaluate the viability of its existing resources, nor that the Company has foreclosed the option of expanding its renewable portfolio. Stating otherwise belies a lack of understanding of the IRP process and the nature of the underlying analysis. Again, Ameren Missouri's analysis complies with the IRP rules and the Sierra Club has not identified a deficiency.

10. Finally, the Sierra Club appeals to the Commission to consider expanding the robust stakeholder process already embodied in the Commission's IRP rules which were revised a mere seven years ago, and under which Ameren Missouri has made only two triennial compliance filings. The Commission's rules allow any party to apply to intervene in the Company's IRP

dockets and participate in this stakeholder process. Only one new party to Ameren Missouri's IRP process, NAACP, availed themselves of this opportunity following the filing of the Company's 2017 IRP. If there is a strong unmet need for engagement in the IRP process by other parties representing other interests, the evidence of it is scant at best. That said, the Company is willing to take part in any discussions on this topic the Commission may deem worthwhile.

11. In summary, the Company has, through its 2017 IRP filing and its response to alleged deficiencies, provided evidence that it has complied with the Commission's rules and engaged in a robust and reasonable process for planning to meet its customers' long-term electric energy needs in a safe, reliable, and cost-effective manner.

WHEREFORE, Ameren Missouri submits its Response to Comments of Missouri Division of Energy and the Sierra Club in Reply to Ameren Missouri's Response to Alleged Deficiencies and Concerns for consideration by the Commission, and asks that they find the September 25, 2017, IRP filing complies with the requirements of 4 CSR 240-22 and acknowledge the Company's Preferred Resource Plan as reasonable at this time.

Respectfully submitted,

UNION ELECTRIC COMPANY,
d/b/a AMEREN MISSOURI

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Response of Ameren Missouri to Comments of Missouri Division of Energy and Sierra Club in Reply to Ameren Missouri's Response to Alleged Deficiencies and Concerns was served on all parties of record via electronic mail (e-mail) on this 11th day of June, 2018.

/s/ Wendy K. Tatro

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