

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

In the Matter of Union Electric Company)
d/b/a Ameren Missouri's 3rd Filing to)
Implement Regulatory Changes in Furtherance) File No. EO-2018-0211
of Energy Efficiency as allowed by MEEIA.)

JOINT RESPONSE TO COMMISSION QUESTIONS

COMES NOW Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") and the Staff of the Missouri Public Service Commission ("Staff") and jointly submit this response to the *Order Directing Responses to Commission Questions* ("*Order Directing Responses*") issued by the Missouri Public Service Commission ("Commission") on July 23, 2020. In support of this *Joint Response to Commission Questions* ("*Joint Response*"), the Company and Staff state as follows:

1. On July 9, 2020, Ameren Missouri, Staff, and the Office of the Public Counsel ("OPC") submitted an *Agreement in Lieu of Change Requests* ("*Agreement in Lieu*") in this matter, which resolved matters related to the evaluation, measurement, and verification ("EM&V") of the Company's MEEIA 2016-18 plan. The following day, on July 10, 2020, Ameren Missouri, Staff, OPC, Consumers Counsel of Missouri ("CCM"), Renew Missouri Advocates d/b/a Renew Missouri ("Renew Missouri"), and National Housing Trust ("NHT") submitted a *Unanimous Stipulation and Agreement Regarding the Implementation [of] Certain MEEIA Programs Through Plan Year 2022* ("*Unanimous Stipulation*"). No party submitted an objection to either agreement. Subsequently, the Commission issued its *Order Directing Responses* "[i]n order to understand the agreements fully..."¹ The questions posed, and the responses thereto, are as follows:

¹ *Order Directing Responses*, p. 1.

A. With regard to the *Agreement in Lieu of Change Requests*, paragraph 7 states that Ameren Missouri agrees to a \$200,000 reduction to its Program Year 2019 earnings opportunity. Was this reduction due to the difference between the projected and actual earnings opportunity? Or was it a negotiated amount?

2. The \$200,000 Ameren Missouri agreed to in its *Agreement in Lieu* represents a negotiated amount. While there were a variety of issues discussed through the evaluation process, parties determined this outcome as a whole was reasonable.

B. With regard to the Unanimous Stipulation and Agreement, paragraph 7, PAYS® program:

i. How was the 4% participant finance cost determined? Will this rate change over time?

3. The 4% is based on input from implementers and others with PAYS® experience, and was agreed upon as part of the settlement process. The 4% will remain fixed for the 2021 and 2022 program years, and once a participant utilizes this financing, the rate will remain fixed for the life of the participant's financing period.

B. With regard to the Unanimous Stipulation and Agreement, paragraph 7, PAYS® program:

ii. What is the pre-tax [Plant]-in-Service Accounting (PISA) rate? Will this rate change over time?

4. The current pre-tax PISA rate used by Ameren is 9.04%, and is subject to change in a general rate case.

C. With regard to the Unanimous Stipulation and Agreement, paragraph 11:

i. Explain the [rationale] for a feasibility study when Ameren Missouri and other utilities have already completed research related to on-bill financing programs.

5. The feasibility study referenced in paragraph 11 is entirely focused on Urban Heat Island opportunities. The last element of paragraph 7 was to conduct a PAYS® market potential study. So these items are actually unrelated. We apologize for any confusion.

C. With regard to the Unanimous Stipulation and Agreement, paragraph 11:

ii. What new information will be gained from this feasibility study?

6. The feasibility study addressing the urban heat island effect could result in new measures for energy efficiency programs (e.g. cool roofs) and/or additional grant opportunities to advance strategies to mitigate urban heat island effects.

A PAYS® market potential study centers on developing a forecast of how much the PAYS® program could expand over a longer planning horizon, as well as understanding important overlaps and implications to the continuation of the existing energy efficiency rebate programs.

WHEREFORE, for the reasons outlined above, Ameren Missouri and Staff request the Commission take these responses under advisement and approve the two settlements as filed.

Respectfully submitted,

/s/ Paula N. Johnson

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**Attorneys for Staff Of
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing was served on the Staff Counsel of the Commission and the Office of the Public Counsel via electronic mail (e-mail) on this 27th day of July, 2020.

/s/ Paula N. Johnson

Paula N. Johnson