

House _____ Amendment NO. _____

Offered By _____

1 AMEND Senate Bill No. 601, in the Title, Line 3 by deleting the phrase "an income tax deduction
2 for"; and

3
4 Further amend said bill, Section 143.121, Page 5, Line 149, by inserting after all of said section and
5 line the following:

6
7 "393.1075. 1. This section shall be known as the "Missouri Energy Efficiency Investment
8 Act".

9 2. As used in this section, the following terms shall mean:

10 (1) "Commission", the Missouri public service commission;

11 (2) "Demand response", measures that decrease peak demand or shift demand to off-peak
12 periods;

13 (3) "Demand-side program", any program conducted by the utility to modify the net
14 consumption of electricity from the utility on the retail customer's side of the electric meter,
15 including but not limited to energy efficiency measures, load management, demand response, and
16 interruptible or curtailable load;

17 (4) "Energy efficiency", measures that reduce the amount of electricity required to achieve a
18 given end use;

19 (5) "Interruptible or curtailable rate", a rate under which a customer receives a reduced
20 charge in exchange for agreeing to allow the utility to withdraw the supply of electricity under
21 certain specified conditions;

22 (6) "Total resource cost test", a test that compares the sum of avoided utility costs and
23 avoided probable environmental compliance costs to the sum of all incremental costs of end-use
24 measures that are implemented due to the program, as defined by the commission in rules.

25 3. It shall be the policy of the state to value demand-side investments equal to traditional
26 investments in supply and delivery infrastructure and allow recovery of all reasonable and prudent
27 costs of delivering cost-effective demand-side programs. In support of this policy, the commission
28 shall:

29 (1) Provide timely cost recovery for utilities;

30 (2) Ensure that utility financial incentives are aligned with helping customers use energy
31 more efficiently and in a manner that sustains or enhances utility customers' incentives to use energy
32 more efficiently; and

33 (3) Provide timely earnings opportunities associated with cost-effective measurable and
34 verifiable efficiency savings.

35 4. The commission shall permit electric corporations to implement commission-approved
36 demand-side programs proposed pursuant to this section with a goal of achieving all cost-effective

Action Taken _____ Date _____

1 demand-side savings. Recovery for such programs shall not be permitted unless the programs are
2 approved by the commission, result in energy or demand savings and are beneficial to all customers
3 in the customer class in which the programs are proposed, regardless of whether the programs are
4 utilized by all customers. The commission shall consider the total resource cost test a preferred
5 cost-effectiveness test. Programs targeted to low-income customers or general education campaigns
6 do not need to meet a cost-effectiveness test, so long as the commission determines that the program
7 or campaign is in the public interest. Nothing herein shall preclude the approval of demand-side
8 programs that do not meet the test if the costs of the program above the level determined to be
9 cost-effective are funded by the customers participating in the program or through tax or other
10 governmental credits or incentives specifically designed for that purpose.

11 5. To comply with this section the commission may develop cost recovery mechanisms to
12 further encourage investments in demand-side programs including, in combination and without
13 limitation: capitalization of investments in and expenditures for demand-side programs, rate design
14 modifications, accelerated depreciation on demand-side investments, and allowing the utility to
15 retain a portion of the net benefits of a demand-side program for its shareholders. In setting rates the
16 commission shall fairly apportion the costs and benefits of demand-side programs to each customer
17 class except as provided for in subsection 6 of this section. Prior to approving a rate design
18 modification associated with demand-side cost recovery, the commission shall conclude a docket
19 studying the effects thereof and promulgate an appropriate rule.

20 6. The commission may reduce or exempt allocation of demand-side expenditures to
21 low-income classes, as defined in an appropriate rate proceeding, as a subclass of residential service.

22 7. Provided that the customer has notified the electric corporation that the customer elects
23 not to participate in demand-side measures offered by an electrical corporation, none of the costs of
24 demand-side measures of an electric corporation offered under this section or by any other authority,
25 and no other charges implemented in accordance with this section, shall be assigned to any account
26 of any customer, including its affiliates and subsidiaries, meeting one or more of the following
27 criteria:

28 (1) The customer has one or more accounts within the service territory of the electrical
29 corporation that has a demand of five thousand kilowatts or more;

30 (2) The customer operates an interstate pipeline pumping station, regardless of size; or

31 (3) The customer has accounts within the service territory of the electrical corporation that
32 have, in aggregate, a demand of two thousand five hundred kilowatts or more, and the customer has
33 a comprehensive demand-side or energy efficiency program and can demonstrate an achievement of
34 savings at least equal to those expected from utility-provided programs.

35 8. Customers that have notified the electrical corporation that they do not wish to participate
36 in demand-side programs under this section shall not subsequently be eligible to participate in
37 demand-side programs except under guidelines established by the commission in rulemaking.

38 9. Customers who participate in demand-side programs initiated after August 1, 2009, shall
39 be required to participate in program funding for a period of time to be established by the
40 commission in rulemaking.

41 10. Customers electing not to participate in an electric corporation's demand-side programs
42 under this section shall still be allowed to participate in interruptible or curtailable rate schedules or
43 tariffs offered by the electric corporation.

44 11. The commission shall provide oversight and may adopt rules and procedures and
45 approve corporation-specific settlements and tariff provisions, independent evaluation of
46 demand-side programs, as necessary, to ensure that electric corporations can achieve the goals of this
47 section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under
48 the authority delegated in this section shall become effective only if it complies with and is subject to

1 all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536
2 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536
3 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held
4 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after
5 August 28, 2009, shall be invalid and void.

6 12. Each electric corporation shall submit an annual report to the commission describing the
7 demand-side programs implemented by the utility in the previous year. The report shall document
8 program expenditures, including incentive payments, peak demand and energy savings impacts and
9 the techniques used to estimate those impacts, avoided costs and the techniques used to estimate
10 those costs, the estimated cost-effectiveness of the demand-side programs, and the net economic
11 benefits of the demand-side programs.

12 13. Charges attributable to demand-side programs under this section shall be clearly shown
13 as a separate line item on bills to the electrical corporation's customers.

14 14. [(1) Any customer of an electrical corporation who has received a state tax credit under
15 sections 135.350 to 135.362 or under sections 253.545 to 253.561 shall not be eligible for
16 participation in any demand-side program offered by an electrical corporation under this section if
17 such program offers a monetary incentive to the customer, except as provided in subdivision (4) of
18 this subsection.

19 (2) As a condition of participation in any demand-side program offered by an electrical
20 corporation under this section when such program offers a monetary incentive to the customer, the
21 commission shall develop rules that require documentation to be provided by the customer to the
22 electrical corporation to show that the customer has not received a tax credit listed in subdivision (1)
23 of this subsection.

24 (3) The penalty for a customer who provides false documentation under subdivision (2) of
25 this subsection shall be a class A misdemeanor.

26 (4) The provisions of this subsection shall not apply to any low-income customer who would
27 otherwise be eligible to participate in a demand-side program that is offered by an electrical
28 corporation to low-income customers.

29 15.] The commission shall develop rules that provide for disclosure of participants in all
30 demand-side programs offered by electrical corporations under this section when such programs
31 provide monetary incentives to the customer. The disclosure required by this subsection may
32 include, but not be limited to, the following: the name of the participant, or the names of the
33 principles if for a company, the property address, and the amount of the monetary incentive
34 received."; and
35

36 Further amend said bill by amending the title, enacting clause, and intersectional references
37 accordingly.