

FIRST REGULAR SESSION

HOUSE BILL NO. 882

95TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES KRAUS (Sponsor), BIVINS, YATES, LeVOTA, TALBOY,
HOLSMAN, LARGENT, JONES (117) AND ZIMMERMAN (Co-sponsors).

2133L.01I

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 393, RSMo, by adding thereto one new section relating to energy efficiency investments by electric and gas corporations.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 393, RSMo, is amended by adding thereto one new section, to be
2 known as section 393.1124, to read as follows:

**393.1124. 1. This section shall be known as the "Missouri Residential and Small
2 Business Energy Efficiency Investment Act".**

**3 2. The public service commission shall permit electric and gas corporations to
4 implement commission-approved energy efficiency programs proposed under this section.
5 Recovery for such programs shall not be permitted unless the programs provide benefits
6 to all customers in the customer class for which the program is proposed, regardless of
7 whether the program is utilized by all customers.**

**8 3. The commission shall develop cost recovery mechanisms that value energy
9 efficiency investments equal to or better than traditional supply side investments. Such
10 mechanisms shall include the capitalization of investments in and expenditures for energy
11 efficiency programs and a recovery of lost sales attributable to approved energy efficiency
12 programs. The commission may also develop cost recovery mechanisms to further
13 encourage investments in energy efficiency including, in combination and without
14 limitation: an incentive rate of return higher than the rate of return on other investments,
15 accelerated depreciation on energy efficiency investments, allowing the utility to retain a**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

16 portion of the net benefits of an energy efficiency program for its shareholders, allowing
17 the utility a fixed investment recovery mechanism to recover lost margins, and a cost
18 adjustment clause for collection of costs associated with energy efficiency programs.

19 4. The commission may reduce or exempt allocation of energy efficiency
20 expenditures to low income classes, as defined in an appropriate rate proceeding, as a
21 subclass of residential service. No customer in any rate class shall pay more than five
22 thousand dollars a month to support programs authorized under this section; provided,
23 however, for any customer consuming more than one million five hundred thousand
24 megawatts per hour of electricity per year, the maximum monthly payment for programs
25 authorized under this section shall be the greater of one percent of the average monthly
26 cost of electricity over the previous three years or five thousand dollars. No customer shall
27 receive excessive benefits from any energy efficiency program. The cap shall not include
28 any charges associated with customer-specific energy efficiency programs mutually agreed
29 to by the customer and the utility. Notwithstanding any other statute or commission rules,
30 this section explicitly provides the commission authority to approve low income tariffs.

31 5. The commission shall provide oversight and may adopt rules and procedures and
32 approve corporation-specific settlements and tariff provisions, as necessary, to ensure that
33 electric and gas corporations can achieve the goals of this section. Any rule or portion of
34 a rule, as that term is defined in section 536.010, RSMo, that is created under the authority
35 delegated in this section shall become effective only if it complies with and is subject to all
36 of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This
37 section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the
38 general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or
39 to disapprove and annul a rule are subsequently held unconstitutional, then the grant of
40 rulemaking authority and any rule proposed or adopted after August 28, 2009, shall be
41 invalid and void.

42 6. Each electric and gas corporation shall submit an annual report to the
43 commission describing the energy efficiency programs implemented by the utility in the
44 previous year. The report shall document program expenditures, including incentive
45 payments, peak demand and energy savings impacts and the techniques used to estimate
46 those impacts, avoided costs and the techniques used to estimate those costs, the estimated
47 cost-effectiveness of the energy efficiency programs, and the net economic benefits of the
48 energy efficiency programs.

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