

HB 921 -- Energy-Efficiency and Demand-Response Programs

Sponsor: Brown (73)

This bill requires gas and electrical corporations to file energy-efficiency and demand-response programs with the Missouri Public Service Commission which must review, approve, and re-approve the programs. To be approved, a program must, if implemented, acquire all cost-effective, energy-efficiency and demand-response resources available in the utility's service territory; and new or updated programs must be filed at least every three years. A program must be implemented within six months of the effective date of the tariff authorizing the program.

Before approving any program, the commission must determine that it is cost-effective using the total resource cost test; but low-income programs do not need to pass that test. The commission must authorize the utility to recover the total costs of energy-efficiency programs through rate increases. The commission may authorize the costs to be recovered as an ongoing expense or may allow the utility to capitalize all or a portion of the costs. The commission must provide utilities an opportunity to earn a profit on energy-efficiency programs.

The commission may provide an application process in which a utility can apply to decouple revenue from sales. The bill specifies the requirements for the approval of an application.

A utility is required to submit an annual report about its actions to comply with the provisions of the bill. The report must include documentation of expenditures, participation levels, estimated energy savings, demand reductions, customer monetary savings resulting from the programs, evaluation of the cost-effectiveness of expenditures, a qualitative assessment of program effectiveness, and any other information the commission requires by rule. A utility must also submit, at least every three years, a comprehensive evaluation, measurement, and verification report prepared by an independent program evaluator. The bill specifies the requirements of the annual report and the independent evaluation.

The commission may adopt inverted rate structures to encourage energy conservation.