

ActOnEnergy™

*Discussion of EM&V Contracting Approach
for Next 3-year Electric Plan*

EE Stakeholder Meeting - July 13, 2010



EM&V Contract History

Commission Order - Dockets 07-0539, 07-0540

CE argued for right to hire the evaluation contractor

Staff argued CE should be denied request to hire evaluator due to potential loss of evaluator independence

Commission agreed and denied CE right to hire EM&V contractor.



EM&V Contract History

Request for Rehearing - Dockets 07-0539, 07-0540

- **Utilities, in conjunction Staff, filed petition with ICC to reverse ruling and allow CE to hire evaluator**
- **AG & CUB filed joint response in agreement with utility petition**
- **AG & Cub also recommended procedure providing ICC with controls to fire evaluator.**
- **Utilities and Staff filed replies in support of recommendation proposed by AG and CUB**



EM&V Contract History

Order on Rehearing - Dockets 07-0539, 07-0540

ICC accepted proposed procedure as recommended by CUB & AG and supported by utilities

Procedure included:

- **Utilities develop RFP with input from SAG**
- **RFP filed with ICC**
- **Utilities select evaluator with input from SAG**
- **Utilities file contract with ICC with following provisions**
 - **Commission has right to reject or approve contract**
 - **Commission has right to direct utility to terminate contract**
 - **Commission must approve action by utility to fire evaluator**



EM&V Contract History

Key Events and Processes over Last 24 Months

- **SAG input to RFP**
- **SAG input to contracts between utilities and evaluators**
- **Contracts executed between utilities and evaluators**
- **Contracts filed with Commission**

Year 1 EM&V

- **Summit Blue, Opinion Dynamics, Cadmus, etc. performed evaluation work including:**
 - **Provided opportunities for EM&V contractor engagement with SAG**
 - **Developed work plans with SAG and utility input**
 - **Delivered draft reports to SAG, Staff & Utilities**
 - **Issued EM&V final reports**



EM&V Contracts – Next 3-Year Cycle

AIU Approach

- **Utilities continue to hold contract with evaluators**
- **SAG continue to provide input to evaluation plans**
- **Commission continue to retain right to:**
 - **Reject or approve contract**
 - **Direct utilities to terminate contract**
 - **Approve action by utility to fire evaluator**
- **Access to evaluators remains available through SAG process**



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Demand Response; Cycle 2

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Demand Response; Challenges

- **Ameren did not have an existing DR program to leverage**
 - Minimal purpose for DR as a MISO delivery service company
- **Developed E-Smart program; programmable, controllable thermostats with web portal for online programming**
- **Relatively costly and resource intensive:**
 - Call center, installation, controllable database, load management system, infrastructure, IT, paging, trouble shooting field technicians
- **Difficulty in achieving DR goal**
- **Limited customer value; Demand/energy savings is low**
- **Limited business opportunity;**
 - under 400KW and may become lower
 - Increasing alternate supply market decreases business DR customer base



Demand Response; Alternative

- **E-Smart annual costs and savings***
 - **\$1,575,000**
 - **4,300 customers**
 - **4.0 MW Savings**
 - **Cost per customer: \$370**
 - **Cost per KW: \$400**

- ***\$0.16 avg portfolio cost/kWh*****

- 1) Could be transferred to 30,000 MWH Cycle 2 savings**
- 2) Already occurring 40,000 MW annual peak demand savings from portfolio**
- 3) Provide DR to ARES supplied customers**

**excludes start-up **PY1-3*