**List of Suggested Adjustments to Ameren Plan for Analysis**

**To Explore Potential – and Trade-Offs – of Getting Closer to Statutory Electric Goals**

Ameren has suggested that it cannot achieve the statutory savings targets for 2018 through 2021 and has developed a straw program portfolio proposal that has it achieving approximately 20-30% less savings than the statutory goals. NRDC, the AG and other parties have requested that Ameren analyze an alternative portfolio that attempts to get as close to statutory goals as possible. Given the lumpiness of the goals for each year over the four-year period, our request of Ameren is to focus on developing an alternative portfolio that would achieve the same level of cumulative persisting annual savings the law requires at the end of 2021 (i.e. smoothing out the lumpiness).

As Ameren requested, the NRDC and AG consultants have identified an initial list of options for changes to its straw proposal that we believe would increase savings (relative to what Ameren has most recently estimated for that straw proposal) and which we would like Ameren to analyze. Note that this is not necessarily a definitive proposal for changes to Ameren’s current draft portfolio. Rather, we believe it is important to analyze what the portfolio embodying these changes would look like (including how much more savings would be achieved) so that we can understand any potential trade-offs between it and the portfolio Ameren is currently supporting. Note also that this is not necessarily an exhaustive list of ways in which portfolio savings could be increased within the statutory spending cap. It is just our initial list. We would welcome other ideas Ameren may have for achieving the same objective.

**Change Options to Analyze**

* Reduce R&D spending to $1 million/year and move balance into lowest cost/kWh saved business programs.
* Electric-Gas budget allocations:
	+ Allocate gas/electric budgets for dual-fuel programs based on Btu’s of each fuel saved (for measure rebates and non-incentive program costs), determine how much electric subsidy of gas is needed as a result and claim gas savings resulting from the subsidy as electric equivalents per law
	+ Start with low income program. Go to other programs only if there’s more headroom in the statutory limit
	+ If not enough headroom to cover all electric subsidies of gas, then need to cut gas measures/programs
* Public buildings:
	+ Public buildings can be attracted at essentially the same incentive levels as private buildings. That is the experience in other jurisdictions, and Com Ed is making the same assumption.
	+ If public building incentives are to remain considerably higher than for private buildings, reduce Public Buildings budgets to 7% of program spending, including proportional allocation of portfolio level costs. That allows a more than $1 million reduction (current Ameren plan has $7.8 million, including public housing, out of a program budget of $80 million, or about 10%). Allocate budget reduction to Business Standard/Custom programs
* Residential Lighting
	+ Ensure lighting savings “die off” projections are correct
		- per TRM there’s no die off until 1/1/21
		- still get to claim about 30% of standard lighting savings post-2021 per TRM – not clear that Ameren has done this as we haven’t seen detailed calcs
	+ Change 2018 and 2019 bulb mix so that the volume of savings from specialty lamps is as high as in 2020 and 2021 (i.e. about 2.5 times what Ameren had for 2018 and 2019); reduce standard LEDs to enable same total lighting budget in those years. This will result in much lower levels of savings die-off that need to be addressed in 2021.
* Better align yields for programs with historical averages (e.g. PY8).
	+ Our analysis suggests that the savings yields per electric dollar are lower – in many cases dramatically lower (i.e. worse) – for virtually all programs in the draft portfolio Ameren has developed for 2018-2021 than were achieved in PY8. In many cases, they are even substantially worse than the yields in the plan Ameren filed just last Fall.
* Low Income:
	+ Shift focus of low income to all electric homes – make 50% of participants all electric
	+ Reduce low income budgets to the 2016 plan levels (excluding DCEO) of $15.4 million – i.e. about a $6 million reduction – and move the money to programs with much greater savings per dollar
		- This should be possible with little effect on savings as the 2016 plan had nearly identical savings as in Ameren’s current straw proposal but with much lower budget (i.e. about $6 million lower, all of which seems to be in lower non-incentive program costs)