



Missed Opportunities: The Impact of Recent Policies on Energy Efficiency Programs in Midwestern States

MISSOURI

In 2018 and 2019, the Missouri Public Service Commission (PSC) staff recommended the Commission substantially reduce Ameren Missouri and Evergy's energy efficiency portfolio proposals (reduction of roughly 75 - 80%). At the time, staff cited lack of avoided capacity costs and non-participant benefits as part of the rationale for this recommendation. The programs were ultimately approved as proposed.

MEEA commissioned a study to understand the impact of the staff's recommendations. In other words, what if the utility portfolios were pared down, as proposed by PSC staff?

\$160 MILLION
Lost net benefits



\$435 MILLION

Additional costs from carbon emissions

\$3 - 6 MILLION
Health damage costs



\$43 MILLION
Net income loss
783 Jobs lost

\$70 MILLION
Lost net benefits for non-participants

Net Impact on EE Benefits



If the MO PSC staff's recommendations were adopted, Missouri would have undermined energy efficiency's statewide value. **Annually, Missouri would miss \$160 million in benefits.** These benefits include bill savings and lower utility costs.

Social Costs of Carbon



The MO PSC's staff recommendations would have dramatically reduced utility energy efficiency programs, resulting in increased energy use and associated carbon emissions. The social cost of the additional carbon emissions is approximately **\$435 million.**

Health Impacts



Missouri would have faced **\$3 to \$6 million in health care costs** if the MO PSC adopted the staff proposal. These come from premature mortalities, illnesses and lost workdays from the electric generation air pollution that EE would have avoided.

Macroeconomic Impacts



If programs were pared down, Missourians would have fewer job opportunities. The staff's proposal would have resulted in **783 less full-time equivalent jobs** and a **net income loss of \$43 million.**

Non-Participant Benefits



EE programs provide benefits to all customers, even those who have not participated. The regressive policy change would have eliminated **\$70 million in nonparticipant rate relief.**



Synapse
Energy Economics, Inc.



PREPARED BY:

Synapse Energy Economics, Inc.

PREPARED FOR:

Midwest Energy Efficiency Alliance

CONTACT:

Greg Ehrendreich
Senior Analyst, MEEA
gehrendreich@mwalliance.org

MEEA's policy team released a report with the help of researchers from Synapse Energy Economics. "**Missed Opportunities**" estimates the impacts of recent energy efficiency policy rollbacks in six Midwestern states: Illinois, Indiana, Iowa, Ohio, Missouri and Wisconsin.

The findings underscore the immense value of utility-run energy efficiency programs by quantifying the benefits they provide to society at large - from economic to environmental and health.

View the full report: https://www.mwalliance.org/sites/default/files/meea-research/missed_opportunities_-_midwest_ee_policy_impacts.pdf?current=/taxonomy/term/11