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Witness: Shaylyn Dean  
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Sponsoring Party: Laclede Gas Company (LAC)  
Missouri Gas Energy (MGE)  
Case Nos.: GR-2017-0215  
GR-2017-0216  
Date Prepared: October 17, 2017

LACLEDE GAS COMPANY  
MISSOURI GAS ENERGY

GR-2017-0215  
GR-2017-0216

REBUTTAL TESTIMONY

OF

SHAYLYN DEAN

OCTOBER 2017

Laclede Exhibit No. 026  
Date 12-15-17 Reporter A.F.  
File No. GR-2017-0215, GR-2017-0216

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**SD-R1**

**REBUTTAL TESTIMONY OF SHAYLYN DEAN**

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**Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

A. My name is Shaylyn Dean and my business address is 7500 E. 35<sup>th</sup> Terrace, Kansas City, Missouri, 64129.

**Q. WHAT IS YOUR PRESENT POSITION?**

A. I am presently employed as Manager of Energy Efficiency Programs for Spire Missouri Inc., formerly known as Laclede Gas Company and referred to herein as “Laclede.”

**Q. PLEASE STATE HOW LONG YOU HAVE HELD YOUR POSITION AND BRIEFLY DESCRIBE YOUR RESPONSIBILITIES.**

A. I was recently promoted to Manager of Energy Efficiency Programs for Spire Missouri on September 8, 2017. Prior to my promotion I was the Energy Efficiency Program Specialist for the legacy Missouri Gas Energy (MGE) territory. I oversee the Energy Efficiency Portfolio which includes Residential, Commercial & Industrial, along with Co-Delivery rebate/incentive programs. I also represent the company at our quarterly EEC meetings with Staff, OPC, and the Division of Energy (DED/DE).

**Q. WHAT WAS YOUR EXPERIENCE WITH THE COMPANY PRIOR TO BECOMING MANAGER OF ENERGY EFFICIENCY PROGRAMS?**

A. I joined MGE in 2012 as a Customer & Community Relations Advisor working on Commission Complaint responses and with our community stakeholders on a host of programs such as the Low Income Home Energy Assistance Program (LIHEAP). Prior to joining MGE, I managed the LIHEAP Program at United Services Community Action Agency (United Services CAA) in Kansas City.

**Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?**

1 A. I received a Master's degree in Public Administration with an emphasis in Urban  
2 Administration and Policy from the University of Missouri-Kansas City (UMKC). I also  
3 received a Professional Certificate in Community Economic Development while at  
4 UMKC. Prior to UMKC, I received my Bachelor's degree from the University of Iowa.

5 **Q. WHAT EXPERIENCE DO YOU HAVE WITH ENERGY EFFICIENCY?**

6 A. My background with working in energy efficiency programs started while at United  
7 Services CAA, where I managed the LIHEAP program for over 3 years prior to working  
8 at MGE. Since coming to MGE, I have been a part of the Missouri Weatherization PAC,  
9 Energy Efficiency for All, Committee to Keep Missourians Warm, Kansas City and St.  
10 Louis Benchmarking Committees, Heartland Utilities for Energy Efficiency (HUEE), and  
11 a host of other groups concerned with energy efficiency programs around the State of  
12 Missouri. I have worked directly with Community Action Agencies in the MGE territory  
13 on Weatherization programs for the past three years. I have been overseeing the Energy  
14 Efficiency Programs since March of 2015 for the legacy MGE territory and the entire Spire  
15 Missouri territory since February of 2017. Over the past two and one-half years, I have  
16 worked with our 3<sup>rd</sup> party contractors to supervise existing natural gas energy efficiency  
17 programs and design new and enhanced ones.

18 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY BEFORE THIS COMMISSION?**

19 A. No.

20 **I. PURPOSE OF TESTIMONY**

21 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY IN THIS**  
22 **PROCEEDING?**

1 A. The purpose of my rebuttal testimony is to respond to direct testimony concerning energy  
2 efficiency filed on September 8, 2017 by OPC witness Lena Mantle, and on September 22,  
3 2017 by Staff witness Natelle Dietrich.

4 **II. OPC AND STAFF POSITIONS**

5 **Q. WHAT POSITIONS DID OPC AND STAFF TAKE IN THEIR TESTIMONIES?**

6 A. OPC witness Mantle recommended that the Commission suspend funding for all of the  
7 energy efficiency programs in both Laclede's Eastern Missouri service territory ("LAC")  
8 and its Western Missouri service territory ("MGE"), except for the Low Income  
9 Weatherization Assistance Program. Ms. Mantle recommended that each program be  
10 suspended until it demonstrates cost-effectiveness for both participating and non-  
11 participating customers. She speculated that, due to the decrease in the price of gas over  
12 the past 8 years, the programs are not likely to be cost-effective.

13 **Q. WHAT WAS STAFF WITNESS DIETRICH'S POSITION?**

14 A. Ms. Dietrich testified that it is awkward for Staff to vote on programs in which LAC and  
15 MGE are making investments in energy efficiency. She recommends that the Energy  
16 Efficiency Collaboratives ("EECs") convert from a voting member group to an advisory  
17 group where stakeholders can provide input, feedback and advice on utility programs,  
18 rather than vote, negotiate or reach consensus.

19 **RESPONSE TO OPC**

20 **Q. DID YOU EXPECT OPC TO ADVOCATE FOR THE SUSPENSION OF**  
21 **ENERGY EFFICIENCY PROGRAMS?**

22 A. No. Frankly, I am very surprised and disappointed.

23 **Q. WHY?**

1 A. Because OPC has been such an active member of the EEC since its inception, and has  
2 been a positive force for promoting effective energy efficiency programs. OPC has  
3 provided significant contributions to the success of our programs during the past several  
4 years, the very years that Ms. Mantle suggests the programs should have been eliminated.  
5 Therefore, I am at a loss to understand why an organization like OPC that has  
6 participated in the creation of a number of robust energy efficiency programs during that  
7 time suddenly wants to eliminate those programs based on a cursory assessment of  
8 current gas prices following an extremely warm winter.

9 **Q. HAS OPC WITNESS MANTLE BEEN ACTIVE IN THE LAC/MGE EECs?**

10 A. No. I don't believe she has attended any meetings of our natural gas efficiency group.  
11 Instead, OPC has been effectively represented at EEC meetings by Dr. Geoff Marke, who  
12 is very well respected and deserves credit for his role in the EECs accomplishments over  
13 the past several years. In fact, Dr. Marke is still a valuable participant in the LAC and  
14 MGE EECs.

15 **Q. HAVE THE EEC PROGRAMS BEEN TESTED SINCE THE DROP IN GAS  
16 PRICES?**

17 A. Yes. Despite Ms. Mantle's inferences, the EEC is well aware of the movement in gas  
18 prices over the past decade. Accordingly, the EEC reviewed its programs as recently as  
19 2015, when prices were similar if not lower than 2017, and found that they still passed a  
20 cost-effectiveness test. OPC, along with the other EEC members, were given details  
21 regarding our energy efficiency program portfolio cost-effectiveness at the EEC meeting  
22 on February 17, 2015. The February EEC minutes were approved on August 18, 2015 by  
23 consensus. Both minutes are attached hereto as Schedule SD-R1.

1 **Q. DO YOU BELIEVE THAT THE LAC AND MGE ENERGY EFFICIENCY**  
2 **PROGRAMS SHOULD BE SUSPENDED AND RETESTED?**

3 A. The programs should not be suspended. Energy efficiency programs are regularly subject  
4 to evaluation, but they are not treated as guilty until proven innocent. OPC witness  
5 Mantle's testimony seems to assume that the EEC wasn't aware of the state of gas prices  
6 and cost-effectiveness testing. As stated above, the EEC has been aware of gas costs,  
7 reviewed the cost-effectiveness of energy efficiency programs in 2015, and in fact is  
8 expecting the results of the most recent evaluation later this year.

9 **Q. OPC WITNESS MANTLE RELIED ON THE SPOT PRICE OF GAS. IS THIS**  
10 **THE RELEVANT MEASURE FOR A COST-EFFECTIVENESS TEST?**

11 A. No, it is not. The spot market price is only a volatile indicator of the immediate cost of  
12 natural gas. A long-term forecast of cost is necessary for cost-effectiveness analysis. For  
13 example, although gas prices were in the \$2.00/Mcf range during much of the winter of  
14 2015-16, they have since increased by a dollar or more, with December 2016 prices at  
15 over \$3.50, a 75% increase in less than a year on what is often described as the one of the  
16 most volatile commodities. Instead of the spot price, the analysis needs to include not  
17 only the firm supply costs, but also pipeline transportation and storage costs. These costs  
18 must be included in a multi-year forecast to accurately reflect the avoided cost of gas in  
19 cost-effectiveness analyses.

20 **Q. WHAT IS THE BASIS OF OPC WITNESS MANTLE'S OPINION THAT**  
21 **ENERGY EFFICIENCY PROGRAMS ARE LIKELY TO FAIL A COST-**  
22 **EFFECTIVENESS TEST?**

1 A. I am not totally certain, but OPC witness Mantle states on page 2 of her direct testimony,  
2 starting on line 9, that an energy efficiency program should be “cost effective to both  
3 participating and non-participating customers...” This implies that the Participant and  
4 Non-Participant (RIM) tests should be used to determine energy efficiency program cost-  
5 effectiveness. To my knowledge, the Participant and RIM tests are not the determining  
6 cost-effectiveness tests for Missouri utilities. As OPC knows, while the EEC has always  
7 performed several cost-effectiveness tests, the primary tests used have always been the  
8 Total Resource Cost (TRC) and/or the Societal Cost Test (SCT).

9 **Q. IS IT REASONABLE OR FAIR TO SUSPEND A PROGRAM IN THE MIDDLE**  
10 **OF ITS PERFORMANCE?**

11 A. EE programs are not suspended based on the possibility that cost-effectiveness might  
12 have changed in the middle of a program year. Like many long-term programs, the  
13 Energy Efficiency Portfolio cannot be suspended every time gas prices threaten to dip  
14 below a certain price. Again, gas prices can be very volatile, and are influenced by  
15 unpredictable weather, supply issues and growing utilization and exports. Such long-  
16 term programs designed to help create greater demand-side efficiency require a strong  
17 level of certainty and sustained effort in order to be successful. The purpose of  
18 evaluations is to guide future program planning, including cost-effectiveness, and as  
19 stated above, Spire’s programs are currently undergoing an evaluation. The EEC  
20 members are aware of this, and will receive evaluated results when those become  
21 available, including the general inputs for determining the cost effectiveness.

22 **Q. CAN YOU PROVIDE AN EXAMPLE OF AN ENERGY EFFICIENCY**  
23 **PROGRAM THAT WOULD BE PARTICULARLY HARMFUL TO SUSPEND?**



1 A. Yes. Good examples are the low-income co-delivery programs that LAC/MGE currently  
2 have under contract with Ameren, KCP&L and IPL. LAC/MGE recently provided the  
3 EEC, including OPC, with the cost effectiveness of the EEC-approved Ameren and  
4 KCP&L co-delivery programs. I would also point out what would seem to be obvious  
5 and significant policy issues with a decision that steers customers away from natural gas,  
6 whether from a promotional practices aspect, efforts to reduce pollutants and greenhouse  
7 gases, or just a common sense approach to help Missourians keep their energy costs low.  
8 Under Ms. Mantle's plan, electric companies will continue to enjoy very strong support  
9 for their MEEIA programs, while natural gas rebates and incentives designed to help  
10 Missourians be more energy efficient will be stripped away. This will create what may  
11 be an unintended, but very distinct competitive advantage for electric companies that  
12 seems to me to violate promotional practice concepts.

13 **Q. PLEASE SUMMARIZE YOUR POSITION REGARDING OPC'S**  
14 **RECOMMENDATION TO SUSPEND ALL EEC PROGRAMS.**

15 A. OPC's recommendation to suspend energy efficiency programs while at the same time  
16 evaluating, approving and encouraging meaningful EEC programs, is confounding, at  
17 best. I hope the commission will disregard a recommendation that is totally contrary to  
18 the contributions OPC has made to the EEC.

19 **RESPONSE TO STAFF**

20  
21 **Q. DO YOU AGREE THAT STAFF SHOULD BE ALLOWED TO WITHDRAW AS A**  
22 **VOTING MEMBER FROM THE EEC?**

23 A. We understand Staff's concerns, and while not fully agreeing with them, are willing to be  
24 supportive of their recommendation so long as we can work to develop a new structure that

1 1) doesn't create additional administrative burdens or unnecessary bureaucratic  
2 requirements; and 2) can provide the necessary and consistent support for decisions made  
3 by the EEC, whether through voting or advice, so that the regulation of these efforts  
4 continues to be efficient, effective and supportive of the long-term goals of improving  
5 energy efficiency for Missourians. Advising should be taken every bit as seriously as  
6 voting and advisory parties should carry the same level of responsibility to voice their  
7 opinion on matters being decided by the EEC; otherwise, the opportunity to flip-flop or  
8 backslide on decisions will create significant uncertainty in the program and impose an  
9 unreasonable level of risk of recoverability of energy efficiency costs and investments.

10 Q. **DOES THIS COMPLETE YOUR REBUTTAL TESTIMONY?**

11 A. Yes.

**Laclede / MGE Energy Efficiency Collaborative Meeting**  
**Location: Dept. of Economic Development – Division of Energy, Jefferson City, Missouri**  
**Tuesday, February 17, 2015; 10:00 AM – 3:00 PM**

**Participants:** Kory Boustead (MoPSC/Staff), Henry Warren (MoPSC/Staff), Geoff Marke (Office of Public Counsel), John Buchanan (Missouri DED/DE), Martin Hyman (Missouri DED/DE), Jim Hearing (Laclede Gas), Jim Travis (Laclede Gas), Mike Noack (Missouri Gas Energy)

**Absent:** Stuart Conrad (Midwest Gas Users' Association)

**1. Meeting /Conference Action Items / Consensus Reports**

- Comment / Approval of the November 19, 2014 Laclede/MGE EEC Meeting Minutes

Discussion:

Jim Travis provided a brief review of the November meeting minutes that were sent to the Laclede / MGE EEC on December 18th noting the completed Action Items.

Consensus:

EEC members approved the November 19, 2015 EEC meeting minutes.

**2. MGE Energy Efficiency Program Specialist – Position Status Update**

Discussion:

Jim Hearing provided an update on the status of filling the vacancy created with the retirement of Bob Painter at MGE. He explained interviews are taking place both internally and externally and that a decision is expected soon. John Buchanan asked how the responsibilities are currently being handled. Jim Hearing explained that work was being handled by a group of people including himself, Jim Travis and Mike Noack.

**3. EEC Quarterly Report Submission (1<sup>st</sup> Quarter PY 2015)**

Discussion:

Jim Hearing reviewed the MGE 1<sup>st</sup> quarter reports and described how the formatting now is consistent with Laclede reporting. He explained that residential activity is down from previous periods likely due to changes in processes and administration. He also discussed the low activity in the C&I program was expected since the program was just introduced to the MGE market. Jim noted that planned increases to marketing and education should ramp up the activity. Jim Hearing reviewed the Home Performance with Energy Star activity and the first quarter expenditures across all Program Categories. Jim Hearing pointed out the expenses in the Online Energy Info & Audit category was primarily the pre-payment of Apogee for the entire year. Geoff Marke asked which category HUEE was charged. Martin Hyman asked if HUEE will be a recurring membership. Jim Hearing believes that to be the intent for now. Jim Hearing explained the program and other similar charges will be placed under the Market Transformation & Education category and can be reviewed in more detail provided in the emailed reports sent to the MGE EEC on February 16th. Geoff Marke brought up other programs and organizations focused on energy efficiency in Kansas City, particularly catering to multifamily properties, that utilities could become involved. A discussion ensued with an outcome that more research should take place to maximize our involvement. The collaborative also held a general discussion on Empire programs and the challenge of a MEEIA filing and the throughput disincentive that exists, the result of which creates uncertainty over the overall EE portfolio including the LIWAP. John Buchanan asked if MGE can pull weatherization activity into the MGE reporting. Mike Noack responded that he will see if that can be done. Geoff Marke interjected the thought of MGE collaborating with KCPL on weatherization efforts due to very low weatherization taking place in the Kansas City area. John Buchanan conveyed the importance of the Program but the weakness in getting the allocated dollars out to the community.

Jim Travis summarized Laclede 1<sup>st</sup> quarter reports that were sent to the Laclede EEC on February 9. He described the brisk participation in the residential program and explained it was likely due to the seasonal timeframe. Jim Travis explained the C&I program continued to decline and pointed to the volatility in participation in the custom

rebates. Jim Travis noted that AEG developed automated tracking mechanisms that will enable Laclede and MGE see activity in more “real time”. On the residential low-income program, Jim Travis reported a high level of activity with 34 properties and 1,400 homes receiving services. On the other hand, Jim Travis reported the Urban League program was moving slower with challenges to gain interest with property owners that already received electric measures. A discussion pursued on the overall program and targets established at the beginning of the program. Geoff Marke stated that multifamily energy efficiency is a sector that garners much interest in the state and is a high priority to commissioners during rate case discussions. National Housing Trust is wrapping up the Dialog on Improving Energy Efficiency in Affordable Multifamily Housing in St. Louis and continues to intervene on the topic. Geoff stated there may likely be a push to move into the commercial areas of low income properties. Geoff advocated the joint delivery of programs with the expanded effort into this sector. Geoff offered suggestions to conduct pilot projects in this area but there are many challenges to making it happen. Henry Warren noted the DOE website is providing new content related to weatherization in the multifamily sector that fits in with the emphasis placed on it by National Housing Trust but is unsure how this will filter into federal and local programs.

Action Items:

MGE to engage organizational partners in Kansas City including the Kansas City Energy Project, Bridging the Gap, and scope out others that may have a focus on multi-family to further energy efficiency in the community.

MGE will investigate if weatherization activity can be pulled together and incorporated into quarterly reports.

**4. MGE Home Performance w/ Energy Star Program – progress update**

Discussion:

Jim Hearing updated EEC members on the HpwES program and the recent meeting with KCP&L. He described how the activity was impacted by the recent KCP&L decision to discontinue the program in the GMO area. Jim Hearing explained that KCP&L and MGE extended the contract with MEC to the end of 2015. Jim Hearing described KCP&L’s effort to design a replacement program in 2016 titled “Whole House Efficiency” and the potential for MGE to co-deliver. The new design places more emphasis to measures and less on the audit. Jim Hearing also updated EEC members on other potential co-delivered programs and sponsorships including a low-income direct install program, Building Operator Certification, United Services sponsorship, Bridging the Gap, Sustainability Circles, and the City of Kansas City low-income training program.

Action Items:

MGE will keep the collaborative updated on the potential to co-deliver the Whole House Efficiency program. MGE also to engage organizational partners in Kansas City including the Kansas City Energy Project, Bridging the Gap, and others to further energy efficiency in the community.

**5. Laclede/MGE Energy Efficiency Marketing and Education Plan – Plan Progress Update**

Discussion:

Jim Travis provided an update to EEC members on the marketing and education plan. He reviewed in more detail the presentation provided to EEC members and highlighted the recent work with Google Ad Words and organizing contractor focus groups. John Buchanan asked about co-branding brochures with big box stores like Home Depot and Lowes. Jim Hearing described the company’s current efforts with placing educational materials and explained the cost and complications associated with co-branding with larger entities. Jim Travis updated everyone on the potential of a trade ally portal and how a portal could help to deliver messaging, tools, and other features to HVAC contractors that would increase program activity. John Buchanan asked about the timing of a portal and Jim Travis replied that it could be late 2015 before a portal is launched. Geoff Marke asked about reaching out to universities and colleges to work on energy efficiency initiatives. Jim Travis agreed and briefly described a past effort to engage the University of Missouri. Geoff Marke inquired if the Aclara platform (Home Energy Advisor) could be linked to a trade ally portal and suggested the ultimate goal to be the creation of an overall interface. Jim Travis noted that could be discussed as we work with AEG on the portal scope. Geoff Marke offered the trade ally portal at Puget Sound Energy as a well-designed interface with trade allies and a good example to emulate.

Action Items:

vis will present ideas to AEG on features within a trade ally portal and will provide an update to the narratives on progress to development.

Marke will review the trade ally portal at Puget Sound Energy and provide findings.

## **Laclede – MGE Residential & Commercial / Industrial Program Modifications**

### Discussion:

vis summarized discussions from past meetings on residential and C&I program modifications that will be program offerings, address needed changes to meet water heater efficiency standards, and raise the rebate cap on the custom rebate program. Jim Travis presented a comprehensive analysis completed by AEG on various programs that examined the cost-effectiveness of new and existing measures and programs. Jim Travis noted that in addition to analyzing water heater measures, AEG also constructed the analysis of the potential program that would reconcile residential programs at Laclede and MGE. **Jim Travis covered in detail material provided for the meeting including the AEG Cost Effectiveness Study.** He explained the program measures were examined based on the California Standard Practice Manual as well as sourcing the updates and MGE general inputs. He summarized the tables in the report showing existing and new measures and summarized the study recommendations for water heaters that would establish efficiency tiers and rebates and be aligned with the new federal standards. John asked if it took into account incremental costs of much. Jim Travis replied that 30% of the cost was used to determine the rebate. John explained that this is conservative and can be as high as 50%. A discussion followed on the various cost tests and how the EEC always utilized the Societal Cost Test since the inception of the Laclede EEC. Geoff Marke talked about the importance of making changes on the water heaters given the impending federal standard change. John mentioned it could be withdrawn if any changes are made by the federal government. Geoff Marke expressed some concern on certain cost tests and described some challenges. John Buchanan believed the measures to be conservative but suggested the EEC implement EM&V language with changes. The collaborators requested that Laclede and MGE redline the respective tariffs with recommendations and submit for review.

vis described other new measures within the C&I program such as the HTHV direct-fired heaters, Demand Load Monitoring boiler controls, and Outdoor Temperature Reset and explained that some were already tested by DOE in their Better Building Alliance program. Jim Travis also covered food service measure recommendations from AEG. Jim noted that in the recent past customers have submitted applications for some of these measures within the Custom rebate program and received pre-approval for rebates. Geoff Marke talked about the recovery of expenses and ensuring each group bear the appropriate amount of costs. Mike Noack noted the expenses are in a regulatory deferred asset account and would likely be spread proportionately across all classes. Jim Travis reminded the group on previous discussions to raise the C&I rebate cap and summarized past data including a benchmark study. Geoff Marke asked that red lined tariffs be provided on any new or changed measures and requested until early March to review. John Buchanan and Geoff Marke brought up potential residential rebates including furnace tune-ups, pipe wrap, and duct sealing. It was discussed that these items may have good co-delivery potential with electric utilities.

### Items:

Laclede/MGE to provide red-lined tariffs of new and changed measures across the residential and C&I programs.  
Laclede/MGE to benchmark residential programs for measures including furnace tune-ups, pipe wrap and duct sealing.

## **Laclede and MGE Online Energy Efficiency Tools – Combining to a single vendor**

### Discussion:

vis updated EEC members on the status of combining the existing Laclede and MGE online energy efficiency tools to a single software platform provided by Aclara Technologies. He described how the new “single platform” will move away from a module based system to an enhanced mobile-friendly platform that improves usability. Jim presented the Aclara proposal that outlined the timeline for completion along with the organizational structure. A discussion followed on the timing and how it may be impacted with the MGE CC&B implementation. We discussed a potential gap on the availability of the on-line tool at MGE and the need for final coordination work. Martin Hyman asked that we notify customers on the upcoming changes. Geoff Marke asked about the status of the trade ally portal and the potential for leveraging the tool with trade ally

Jim Travis explained that we've had preliminary discussions with AEG on developing a portal and will start looking into the potential further.

Action item(s):

Laclede to gather additional details on the trade ally portal that includes capability of tying in online tool.

## **8. Low-Income Weatherization Assistance Program**

Discussion:

Jim Travis updated EEC members on Laclede's concern with participating in the Ameren LIWAP evaluation. Jim stated the Ameren EM&V contractor provided an official memorandum on February 11, 2015 detailing the type of data and its range and the aggressive timeline for retrieval. He explained our interest to participate but the challenges associated with generating and formatting detailed historical customer data across two systems in such a short period of time. Geoff asked about providing a more limited data set. Jim Travis mentioned that he asked Ameren if data available after the new CIS was implemented July 2013 would be sufficient and was told it would not work given the way the evaluation modeling is set-up. John Buchanan stated that it would have been beneficial had Laclede received notification on the joint evaluation sooner. The EEC members advised that Laclede formalize the response to Ameren about the challenge to providing data.

Action Item:

Laclede to formalize a communication with Ameren on the inability to meet the timeline of data retrieval for the current Ameren LIWAP EM&V.

## **9. MGE – Heartland Utility Energy Efficiency (HUEE) - Update**

Discussion:

Jim Hearing provided an update that MGE became an official member of HUEE. The website was updated to include MGE information. Jim Hearing provided information on an upcoming Public Service Announcement (PSA) contest involving middle schools creating public awareness about energy wasting habits and how to correct. A list of schools eligible to participate was provided and posted on the HUEE website.

## **10. Sustainability Circles – Bridging the Gap**

Discussion:

Jim Hearing provided a brief summary of a new program designed by True Market Solutions – sponsored by KCP&L and delivered by Bridging the Gap. The program is a comprehensive 6-month peer-learning program that helps organizations embrace sustainability practices and develop actionable plans to save energy. While KCP&L will inform their collaborative on program details soon, we were approached by the KC school district to sponsor their \$2,500 entry fee for participation. All agreed to sponsor the KC school District. A discussion followed on the program and the potential benefits for participants.

Action Item:

Update the collaborative in a future meeting on the program and KC School District's perceptions on the benefits and value of their participation.

## **11. Laclede Gas Building Operator Certification Program**

Discussion:

Jim Travis summarized the Missouri DED press release announcing Missouri as the leader among Midwestern states in BOC graduates with Laclede as a significant contributor with the four BOC programs conducted to date. Jim summarized the BOC 2014 program results including participants and total expenditures. A discussion followed on conducting a BOC Level 2 program in 2015 and potentially co-delivering with Ameren. Jim Travis pointed out that Laclede's tariff already provides co-delivery language and will not require any updates if Ameren decides to participate.

## **Include Residential Direct-Install Low Income Program**

- Ameren / Laclede Co-Delivered Program – Beyond 2015
- Laclede Program Evaluation

### Discussion:

Chairman briefly summarized the program status and indicated the tariff change to include market rate units that make up less than 51% of the total property was made effective on January 2, 2015. This coincides with the changes Ameren made to their tariff. Everyone discussed the merits of completing an EM&V for the program now, later, or not at all. It was agreed an EM&V would be unproductive to complete based upon the difficulty of conducting EM&V's as stipulated in the Laclede EE tariffs and as it coincides with the conclusion of the program in December 2015.

### Item(s):

Request to request a variance on not completing an EM&V for the Direct-Install Low Income program.

## **Laclede / MGE Evaluation, Measurement & Verification (EM&V) – General Discussion**

### Discussion:

Members previously discussed in the meeting about including language for an EM&V for the residential air conditioning programs. A discussion was held on aligning the time-frame for conducting an EM&V at both Laclede and MGE months following the completion of the second year of both programs. John Buchanan asked that we include language capturing this in the red-lined tariff.

### Items:

Chairman will provide a revised (redlined) tariff draft to the EEC on the program evaluation for both Laclede and MGE.

## **Louis regional Home Performance with Energy Star Program – Earthways Partnership**

### Discussion:

Chairman provided an update on Laclede's Home Performance with Energy Star sponsorship with Botanical Energy Services. He mentioned that Laclede as primary sponsor of HPWES is part of the quarterly meetings and energy program's promotion is clearly placed on trade ally communication. Laclede and EarthWays will be working to discuss the other opportunities to leverage the sponsorship – contractor training, meeting involvement.

## **Laclede Energywise and Insulation Financing Programs – Continued Discussion**

### Discussion:

Chairman summarized previous collaborative discussions on the Laclede Gas financing programs and the financial value of offering to MGE customers. Following up from a previous meeting Action Item, potential recommendations to update and enhance each of the programs were presented and discussed.

### Item:

Request to use the discussion at the next EEC meeting to update and enhance the financing programs and to offer to MGE customers once the new customer information system is introduced there.

## **Miscellaneous**

### Discussion:

Chairman stated his desire to explore the opportunity for a residential audit program co-delivered by Laclede and Ameren Missouri. Collaborative members discussed the merits and challenges of such a program with the furnace tune-up could be rolled into the program as well as possible direct-install measures such as pipe insulation.

## **Adjournment**

*Next meeting tentatively scheduled for Tuesday, May 19, 2015  
Location: Jefferson City, Missouri*

**Laclede / MGE Energy Efficiency Collaborative Meeting**  
**Location: Dept. of Economic Development – Division of Energy, Jefferson City, Missouri**  
**Tuesday, August 18, 2015; 10:00 AM – 3:00 PM**

**Participants:** Kory Boustead (MoPSC/Staff), Henry Warren (MoPSC/Staff), Geoff Marke (Office of Public Counsel), John Buchanan (Missouri DED/DE), Sharlet Kroll (Missouri DED/DE), Alex Antal (Missouri DED/DE), Martin Hyman (Missouri DED/DE), Jim Hearing (Laclede Gas), Jim Travis (Laclede Gas), Shaylyn Dean (Missouri Gas Energy); Mike Kroll (Missouri Gas Energy)

**Guest:** Stuart Conrad (Midwest Gas Users' Association)

**Meeting /Conference Action Items / Consensus Reports**

**• Comment / Approval of the February 17, 2015 Laclede/MGE EEC Meeting Minutes**

**Discussion:**

Jim Travis provided a brief review of the February meeting minutes that were sent to the Laclede / MGE EEC on March 23, 2015 noting the completed Action Items. Members present had no comments or changes to the minutes.

**Action Item:**

- Stu Conrad's approval will be requested via email in order that MGE EEC consensus approval is obtained.

**Consensus:**

Laclede EEC members approved the February 17, 2015 EEC meeting minutes.

**MGE EEC Quarterly Report Submission (13rd Quarter PY 2015)**

**Discussion:**

Shaylyn Dean reviewed MGE 3<sup>rd</sup> quarter reports noting the increased activity in the residential program. He covered the number of customers touched, number of rebates, and general activity. Shaylyn commented on how the bulk builder application form helped in streamlining processing of multiple rebates. Shaylyn summarized the C&I program and noted the challenges that still exist to increase participation. He spoke about the upcoming quarterly workshops and noted these will help improve awareness of the programs. He alerted the Collaborative of some activity in the custom program from customers such as Speyco and St. Luke's Hospital. John Buchanan asked about the type of custom rebates and Shaylyn responded they are for burners and boiler linkage control. Geoff Marke asked about the potential of boilers in Kansas City and how it compares to St. Louis. Jim Hearing responded that we obtained a list of boilers and that a cursory review indicated the market size appeared to be proportionate in size to each of the markets. Shaylyn talked about certain accounts are very similar across states, especially universities, and talked about the potential at UMKC. Shaylyn summarized the Home Performance w/ Energy Star activity as well as expenditures within Market Transformation and Education. Overall, the collaborative expressed appreciation for the detailed reporting expressing their satisfaction on how all budget categories are managed and reported.

**MGE EEC Budget - Program Year 2016 – Draft Review/Discussion**

**Discussion:**

Shaylyn presented the complete MGE 2016 draft budget starting with the high-level program categories, 4<sup>th</sup> quarter's estimates, and budget targets. He provided the overall budget calculations and how the amount was determined as compared to the previous years. He discussed how higher operating revenue in 2011 dropped off the three year average resulting in a slight decline in the overall budget for PY2016. Shaylyn reviewed each program category in detail including Residential, C&I, HPwES, Market Transformation & Education, On-Line energy, Program Evaluation, and EEC Consultation. Shaylyn emphasized that data to support the budget totals are contained in the support spreadsheets. A discussion followed on the participation levels of each program and potential for C&I to experience more activity. Shaylyn covered in detail the proposed co-delivered programs



including the Whole House, Low-Income Direct Install, and the Independence Power & Light Weatherization Program. He noted that the estimates for the new co-delivered programs are very preliminary and was based upon historic activity in Laclede programs until KCP&L can share more information. John Buchanan asked about the EM&V funding outlined in the Stipulation & Agreement already included in rates. Mike Noack provided the details from the last agreement on the amount and wording. Geoff Marke asked for more detail on the Market Transformation & Education and the estimated spend in the last quarter. Jim Hearing summarized the activity that has been done over the last year and commented that a majority is anticipated on the completion of the energy efficiency website during the 4<sup>th</sup> quarter of program year 2015. He explained that this work will be the foundation in which all other items can be completed and pointed at – brochures, flyers, workshops and more. More discussion followed on the potential of co-delivered programs and the challenges of not having many details yet from KCP&L on the design, estimated activity, administrators and more. Jim Hearing expanded more on the EEC Consultation budget category and the importance of getting additional human resources to design, implement, and manage programs at MGE. He compared the volume of the work and number of employees managing KCP&L co-delivered programs and explained that funding is being allocated within EEC Consultation to bring in additional help so that co-delivered programs can be implemented more effectively and bring more awareness to the entire portfolio. More discussion followed on the timing of programs. The EEC members present provided tentative approval of MGE budget pending electronic receipt of the complete Excel workbook.

Action Item:

- Increase the budgeted C&I participation levels.
- MGE to provide EEC Members the Excel budget and support detail for a more thorough review.
- MGE EEC members to each review and vote via email on the budget at a later date – approve, decline, or modify budgets.

**4. MGE and KCP&L Program Co-Delivery**

- Home Performance with Energy Star – Whole House Efficiency Program
- Low-Income Direct Install Program w/ Energy Star Program – progress update

Discussion:

Shaylyn updated the EEC on meetings with KCP&L on the two proposed programs. He explained that participation levels were shared along with program summaries (provided as hand-outs for the meeting). He again explained the challenges given the uncertainty of the programs and the fact that KCP&L cannot share information needed. The EEC discussed the timing of the programs and recognized the challenges given the programs have not been approved. Geoff Marke talked about the timing of KCP&L application at the end of August and how it is impacted with ongoing activity in Ameren's application.

Shaylyn also reviewed the proposed Independence Power & Light (IPL) Weatherization pilot program. He explained they are interested in co-delivering a program that is much more than weatherization and includes education and homeowner "sweat equity". He explained the administrator and contractor are proposed to be Truman Heritage Habitat for Humanity. He provided additional details of the program including measures and participant qualifications. Geoff Marke expressed interest in the co-delivered program and commented he will be meeting with IPL and knows they are very interested in energy efficiency. Geoff Marke noted that utilities should hear from the DED soon about the development of a statewide TRM which he believes may soften future budget for EM&V's. Geoff Marke asked about any opportunity on an Opower program with KCP&L. Jim Hearing noted that Opower provided a proposal to Laclede for an online energy audit and personal energy report in 2012 but was very expensive compared to Aclara Technologies. Consequently, Aclara was chosen as a more cost-effective program.

Action Item:

- MGE to continue pursuing detailed information from KCP&L and keep the EEC advised once a determination is made on the feasibility of MGE co-delivering.
- MGE will also conduct more research on the potential to co-deliver the Weatherization program with IPL.

## **5. MGE Engaging Community Partners**

### Discussion:

Following a request by Collaborative members for MGE to continue engaging community organizations, Shaylyn provided a summary of activity since the last meeting. He also provided a summary of various organizations including HUEE, Bridging the Gap - Sustainability Circles, USGBC, Blues Hills and Elevate Energy, KC Energy Project (Energy Empowerment Ordinance), Project "Living Proof". Shaylyn provided a quick summary of the following:

- HUEE public service announcement contest and mentioned that two schools within MGE service area won. Bridging the Gap/Sustainability Circles and explained that we continue to follow KC School district on their participation. We discussed the sponsorship provided and that more detail will be provided after they complete their report.
- KC Energy Project – invited to join board and will be participating in an upcoming energy forum.
- Blue Hills and Elevate Energy. The EEC discussed earlier how this organization is a potential administrator of the Direct Install program. A copy of their presentation was provided to EEC members.
- Project Living Proof - Shaylyn brought to the attention a request received from the Metropolitan Energy Center (MEC) for funding. MEC is seeking funds to keep the Project Living Proof house open. Henry Warren mentioned that meetings have been held there including NARUC. MGE recommended \$2,500 be provided contingent that in exchange, we are able to distribute EE brochures and signage and have access to the space for customer educational workshops. A suggestion was made to conduct a future Laclede/MGE EEC meeting there. John Buchanan asked we provide an update at the next meeting.

### Action Item:

- MGE to provide a link to the HUEE school video contest.
- MGE to provide \$2,500 funding to MEC for Project Living Proof and give an update on it at the next EEC meeting.

## **6. Laclede EEC Quarterly Report Submission Update (3rd Quarter PY 2015)**

### Discussion:

Jim Travis summarized Laclede 3<sup>rd</sup> quarter reports and provided observations on program activity. He mentioned that Laclede is trending close to MGE expenditures spending at \$467K in third quarter. Jim explained that residential rebates are expected to increase due to the changes introduced on May 1, 2015 that reconcile rebates to be consistent with MGE. He explained that the C&I program at Laclede is also a challenge and the volatility of program activity can be seen quarter to quarter. Jim explained the status of the Market Transformation & Education and mentioned the EE website should roll out early October. He suggested we showcase the website in the next EEC meeting. Jim described the activity in each of the other program categories and summarized spending levels. John Buchanan asked Jim to talk more about the co-delivered Honeywell program and give thoughts on the contractor performance. Jim mentioned that program managers have changed a lot with three in the last three months. Jim believes that its because we are reaching the end of program. Jim believes Ameren Missouri will not include Honeywell in future RFP's for program administration. Jim stated his belief that the multifamily direct-install program did go well and should be close to the forecast established at the beginning. Jim talked about Ameren and how they are proposing a whole building multifamily program. Talked about communication with Ameren and the fact that information cannot be shared at this time with Laclede. We talked about the challenge of being able to implement a new co-delivered program in short notice. Jim explained this is the same issue we discussed earlier with MGE/KCP&L programs and that utility EE staffing and available resources must always be considered. The EEC discussed the challenges of keeping pace with electric utilities and agreed there are significant resource challenges matching electric utility efforts.

## **7. Laclede EEC Budget - Program Year 2016 – Draft Review/Discussion**

### Discussion:

Jim Travis presented the preliminary budget for program year 2016 projecting an overall budget reduction from the previous year. Jim provided a five-year history of program expenditures and commented it compared to the

udget. For the residential program the budget amount is being increased to reflect the expected increase and activity due to the per measure adjustments effective 5/1/2015. It also takes into consideration the rebate cap, thus increasing by 5% - 7,100 measures. He emphasized that the budget is critical because of the rebate amount introduced on May 1. In C&I, he explained the increased budget over PY2015 due to the new rebates and higher rebate cap introduced on 5/1/2015. The custom rebates in particular may impact the budget. He explained how historic numbers were used to calculate the totals. Jim described each of the program categories and how the budget was established for each including the On-Line Audit Tool, Market Transformation & Education, BOC Program, Program Evaluation, EEC Consultation, and HPWES.

Travis explained that he was not budgeting anything for co-delivery beyond the first quarter following the implementation of the low-income direct install program. The Contingency and New Program Funds category sets the future co-delivered funding and makes up the difference of unspecified until such time we learn more about the potential of Ameren co-delivered program. A discussion followed on the Market Transformation budget and other items that could be considered to raise awareness. EEC members discussed the potential of actions such as targeted mailers to certain market segments like seniors, churches, veterans or other groups. EEC members also briefly explored the potential of offering a co-delivered or a stand-alone targeted program that emphasizes the benefits of clean & checks in the fall season. Geoff Marke emphasized how this could be a statewide utility initiative. Martin Hyman brought up the idea of targeting customers with arrears. This might be a discussion point if another statewide collaborative meeting is held like the one in May 2015.

Like MGE, Jim Hearing discussed the resource challenges on the Laclede Gas side with managing EEC programs effectively. He compared the number of employees managing Ameren programs and explained that more staff should be allocated from the Contingency and New Program Funds category to hire additional help. He also mentioned that ideally there should be renewed efforts with Ameren to co-deliver programs during the next few years. A full-time or contract worker will enable Laclede to manage programs more effectively and help facilitate increasing awareness to the entire portfolio.

#### Item:

Laclede to provide EEC Members the Excel budget and support detail for a more thorough review. Request Laclede EEC members to each review and vote via email on the budget at a later date – approve, decline, or modify budgets.

Laclede will continue attempts to communicate with Ameren Missouri on future co-delivered programs and update the Laclede EEC.

Laclede will allocate Contingency Funds during PY2016 toward hiring an additional EE staff member particularly if new programs are to be implemented.

#### Laclede Residential Direct-Install Low Income Programs Update

- Laclede Multifamily SimpleSavers Program (Urban League)
- Ameren / Laclede Multifamily CommunitySavers Program (Honeywell)
- EM&V Variance Request Multifamily Low Income Direct Install Program – progress update

#### Discussion:

Travis reviewed the Urban League program that ended on July 31, 2015 outlining the goal established at the start of the program. The program achieved approximately 40% of its intended goal set at the start of the program. Jim discussed the apparent apathy of property owners to participate in the program that previously had the rebates installed. Jim reviewed the Community Savers program being co-delivered with Ameren and noted we are nearing the end of the 25 month program in December 2015. Jim noted the overall success of the program and his feeling of accomplishment in pursuing the co-delivered opportunity with Ameren Missouri. He summarized the EEC approval on seeking a variance at the last meeting to remove the obligation of an EEC for direct-install programs. He mentioned that we are proceeding with the variance and it's currently with Ameren's regulatory group to file. The variance will be filed in the next 60-90 days. Jim Travis provided an update on the potential to continue co-delivery with Ameren on a multifamily program. He again mentioned that the information has been made available and that we are awaiting more details once Ameren's MEEA review is completed.

## **9. Laclede and MGE Energy Efficiency Marketing and Education Plan – Status Update**

- Website development and trade ally program initiative

### **Discussion:**

Jim Hearing expanded on earlier conversation on the status of spending and activity in the Marketing and Education plan. In particular, he discussed the importance of establishing an energy efficiency website for both Laclede and MGE programs and developing a trade ally portal for customers and contractors. Jim updated the EEC on progress with launching the website in the next couple months. The collaborative discussed the merits of a website and how it will improve the ability for Laclede and MGE customers to navigate through program information. Further, with the role contractor's play in influencing energy efficiency decisions with customers, the trade ally portal will allow ease of use, provide helpful tools, and access to application follow-up.

### **Action Item:**

Laclede/MGE to demonstrate the energy efficiency website at the next collaborating meeting if it is launched in time.

## **10. Aclara Home Energy Advisor Implementation**

### **Discussion:**

Jim Travis provided the group with the status of the on-line energy tools being introduced at MGE and re-engaged at Laclede. He explained the process of engaging a full team at Laclede and the challenges experienced thus far to design the new platform. He reported that the amount of work has been considerable and the on-line tool should be completed and available in early October. A question was asked if any previous work with MGE's Apogee can be retained. Shaylyn explained that he discussed with them during an on-site meeting the ability to retain captured data but have not done anything further until a way to leverage the data is determined.

### **Action Item:**

Laclede/MGE to demonstrate the new online energy audit tool during the next collaborating meeting.

## **11. Gas Research Institute – Emerging Technology Program**

### **Discussion:**

Jim Hearing re-introduced the Emerging Technology Program (ETP). Gas Research Institute (GTI) facilitates this collaborative program with gas utilities in an effort to accelerate the adoption of the latest end use energy efficiency technologies. Jim expanded on the conversation about \$25K being provided in the 2016 budget for Laclede and MGE membership in the program. Details about the program were provided in the presentation portfolio. Jim Hearing summarized the program and its mission to facilitate market transformation of the residential and C&I commercialization of energy efficient equipment and technology. He reviewed a presentation slide deck provided by GTI that covered the type of technology and activity happening in the program. He elaborated that other natural gas energy efficiency utility program stakeholders are benefiting from membership in ETP. In particular, he discussed how companies like NICOR in Chicago have been highly involved in ETP in order to advance commercialization of energy efficient appliances within their service territory. Collaborative members provided verbal approval to pursue membership in the program.

### **Action Item:**

Laclede/MGE to join the Emerging Technology Program for 2016 and keep the EEC informed on activities and benefits received.

Adjournment

*Next meeting tentatively scheduled for Tuesday, November 17, 2015  
Location: Jefferson City, Missouri*

