

FILED²
MAR 19 2018
Missouri Public
Service Commission

Exhibit No.: 301
Issues: Equal Outcome Provision;
Renewable Energy; Energy
Efficiency
Witness: Martin Hyman
Sponsoring Party: Missouri Department of Economic
Development – Division of Energy
Type of Exhibit: Surrebuttal Testimony
Case Nos.: EM-2018-0012

MISSOURI PUBLIC SERVICE COMMISSION

GREAT PLAINS ENERGY INCORPORATED

KANSAS CITY POWER & LIGHT COMPANY

KCP&L GREATER MISSOURI OPERATIONS COMPANY

WESTAR ENERGY, INC.

CASE NO. EM-2018-0012

SURREBUTTAL TESTIMONY

OF

MARTIN R. HYMAN

ON

BEHALF OF

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

DIVISION OF ENERGY

Jefferson City, Missouri

February 21, 2018

DE Exhibit No. 301
Date 3-14-18 Reporter KF
File No. EM-2018-0012

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Great Plains)
Energy Incorporated for Approval of its Merger) File No. EM-2018-0012
with Westar Energy, Inc.)

AFFIDAVIT OF MARTIN HYMAN

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Martin R. Hyman, of lawful age, being duly sworn on his oath, deposes and states:


1. My name is Martin R. Hyman. I work in the City of Jefferson, Missouri, and I am employed by the Missouri Department of Economic Development as a Planner III, Division of Energy.
2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of the Missouri Department of Economic Development – Division of Energy.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge.



Martin R. Hyman

Subscribed and sworn to before me this 21st day of February, 2018.

LAURIE ANN ARNOLD
Notary Public - Notary Seal
State of Missouri
Commissioned for Callaway County
My Commission Expires: April 26, 2020
Commission Number: 16808714



Notary Public

My commission expires: 4/26/20

TABLE OF CONTENTS

I.	INTRODUCTION.....	1
II.	PURPOSE AND SUMMARY OF TESTIMONY.....	1
III.	SUMMARY OF PRIOR RECOMMENDATIONS.....	3
IV.	EQUAL OUTCOME PROVISION.....	4
V.	GREEN TARIFFS.....	5
VI.	COMMUNITY, SHARED, AND SUBSCRIBER RENEWABLE ENERGY.....	9
VII.	ENERGY EFFICIENCY.....	11
VIII.	CONCLUSIONS.....	14

1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Martin R. Hyman. My business address is 301 West High Street, Suite 720,
4 PO Box 1766, Jefferson City, Missouri 65102.

5 **Q. By whom and in what capacity are you employed?**

6 A. I am employed by the Missouri Department of Economic Development – Division of
7 Energy (“DE”) as a Planner III.

8 **Q. Have you previously filed testimony before the Missouri Public Service Commission**
9 **(“Commission”) in this case?**

10 A. Yes. I filed Rebuttal Testimony on January 16, 2018 regarding economic development.

11 **II. PURPOSE AND SUMMARY OF TESTIMONY**

12 **Q. What is the purpose of your Surrebuttal Testimony in this proceeding?**

13 A. The purpose of my Surrebuttal Testimony is to respond to the Rebuttal Testimonies filed
14 by certain parties in this case, which involves the proposed merger of Great Plains Energy
15 Incorporated (“GPE”) and its subsidiaries, Kansas City Power & Light Company
16 (“KCP&L”) and KCP&L Greater Missouri Operations Company (“GMO”), with Westar
17 Energy, Inc. (“Westar”) (collectively, “Applicants”) under a new holding company
18 (“Holdco”). Specifically, I respond to Office of the Public Council (“OPC”) witness Dr.
19 Geoff Marke regarding an “equal outcome” provision, the Rebuttal Testimonies of
20 Midwest Energy Consumers Group (“MECG”) witness Mr. Steve W. Chriss and Renew
21 Missouri Advocates d/b/a Renew Missouri (“Renew Missouri”) witness Mr. Karl R.
22 Rábago regarding corporate renewable energy procurement (“green tariffs”), as well as to
23 Mr. Rábago regarding community or shared renewable energy projects and energy

1 efficiency. Given the testimony proffered by OPC, MECG, and Renew Missouri, DE
2 supports – in addition to the recommended conditions in my Rebuttal Testimony –
3 additional commitments by the Applicants as part of the Commission’s merger approval
4 related to:

- 5 1. An “equal outcome” provision requiring implementation of terms at least as
6 favorable as those approved in Kansas;
- 7 2. Using Missouri-based generation facilities and with terms acceptable to the
8 Commission, Holdco working with stakeholders to develop and file one or more
9 green tariff options for customers of both KCP&L and GMO (in the event that the
10 green tariffs offered by KCP&L and GMO in their current rate cases are not
11 approved);
- 12 3. Using Missouri-based generation facilities and with terms acceptable to the
13 Commission, Holdco working with stakeholders to develop and file one or more
14 community, shared, and/or subscriber renewable energy programs for residential
15 and small commercial customers of both KCP&L and GMO (in the event that the
16 shared solar programs offered by KCP&L and GMO in their current rate cases are
17 not approved); and,
- 18 4. Holdco continuing the pursuit of all cost-effective demand-side savings under the
19 Missouri Energy Efficiency Investment Act (“MEEIA”).

20 Securing these additional commitments, in conjunction with the recommendations in my
21 Rebuttal Testimony, will provide assurance to the Commission that Missouri’s “not
22 detrimental” merger standard will be met, and that the merger will provide additional
23 public benefits.

1 **Q. What did you review in preparing this testimony?**

2 A. I reviewed the relevant testimony filed by parties in response to the Applicants, as cited
3 below.

4 **III. SUMMARY OF PRIOR RECOMMENDATIONS**

5 **Q. Please summarize your discussion of Missouri's merger standard from your Rebuttal
6 Testimony.**

7 A. The Commission's regulatory standards for electric and gas company merger applications
8 require the Applicants to state why, "... the proposed merger is **not detrimental** to the
9 public interest" (emphasis added) (4 CSR 240-3.115(1)(D) – Filing Requirements for
10 Electric Utility Applications for Authority to Merge or Consolidate and 4 CSR 240-
11 3.215(1)(D) – Filing Requirements for Gas Utility Applications for Authority to Merge or
12 Consolidate). DE supports merger conditions that would avoid a net detriment to the public
13 interest as a result of this merger and, where possible, create benefits for the public.

14 **Q. What recommended merger conditions did you offer in your Rebuttal Testimony?**

15 A. As conditions to the merger, I recommended that the Commission order the following:

- 16 1. Holdco shall extend its post-merger quarterly reporting as to employee headcounts
17 and changes in employment from a period of two years to a period of five years;
- 18 2. Holdco shall provide Direct Testimony in each general rate case within five years
19 of the closing of the merger to describe changes in employment and the merger-
20 related employment savings; and,
- 21 3. Holdco shall support job retraining programs and job placement in its service
22 territories for displaced Missouri employees. Holdco could accomplish this by
23 providing affected employees with tuition reimbursement for a degree program at

1 a Missouri community college and by working with local organizations and the
2 Missouri Department of Economic Development – Division of Workforce
3 Development, which offers training and job placement assistance for workers.¹

4 **Q. Does this Surrebuttal Testimony respond to additional recommendations from other**
5 **parties?**

6 A. Yes, as discussed further below. All of the recommendations discussed below will increase
7 the assurance that the merger meets the “no net detriment” standard by supporting
8 economic development in Missouri.

9 **IV. EQUAL OUTCOME PROVISION**

10 **Q. What is OPC’s recommendation as to merger-related agreements in Kansas and**
11 **Missouri?**

12 A. Dr. Marke recommends that, “... approval of the merger should be conditioned upon the
13 terms of the merger approved by the [Kansas Corporation Commission] being substantially
14 similar to the terms of the merger agreed to and approved in Missouri,”² which he refers to
15 as an “equal outcome” provision.³

16 **Q. Does DE agree with this type of recommendation?**

17 A. Generally, yes, although I would recommend somewhat different language than that
18 proposed by Dr. Marke. Such a requirement can help to ensure that one party (i.e.,

¹ Missouri Public Service Commission Case No. EM-2018-0012, *In the Matter of the Application of Great Plains Energy Incorporated for Approval of its Merger with Westar Energy, Inc.*, Rebuttal Testimony of Martin R. Hyman on Behalf of Missouri Department of Economic Development – Division of Energy, January 16, 2018, page 2, lines 9-19.

² Missouri Public Service Commission Case No. EM-2018-0012, *In the Matter of the Application of Great Plains Energy Incorporated for Approval of its Merger with Westar Energy, Inc.*, Rebuttal Testimony of Geoff Marke Submitted on Behalf of the Office of the Public Counsel, January 16, 2018, page 7, lines 11-13.

³ *Ibid*, lines 9-11.

1 Missouri) is provided the same or better terms as another (i.e., Kansas). However, the
2 language provided by Dr. Marke could inadvertently lead to an inversion of such a standard
3 by requiring Missouri stakeholders to receive less favorable terms than those already
4 agreed to if less favorable terms are approved in Kansas. DE recommends that an “equal
5 outcome” provision should condition merger approval on the implementation of terms *at*
6 *least as favorable as* those approved in Kansas so that Missourians retain the opportunity
7 to benefit from favorable merger terms.

8 **V. GREEN TARIFFS**

9 **Q. Have any witnesses to this case suggested the creation of green tariffs in the context**
10 **of the merger?**

11 A. Yes. On behalf of MECG, Mr. Chriss recommends that, “... the Commission should
12 require that KCP&L and GMO, within 60 days of the close of the transaction, convene a
13 stakeholder process for the development of one or more new renewable energy offerings
14 for each utility to be proposed for Commission approval within one year of the close of the
15 transaction.”⁴ Similarly, on behalf of Renew Missouri, Mr. Rábago recommends a merger
16 condition involving, “A commitment to offer green power programs to customers in all
17 classes.”⁵

⁴ Missouri Public Service Commission Case No. EM-2018-0012, *In the Matter of the Application of Great Plains Energy Incorporated for Approval of its Merger with Westar Energy, Inc.*, Rebuttal Testimony and Exhibits of Steve W. Chriss on Behalf of Midwest Energy Consumers Group, January 16, 2018, page 8, lines 15-19.

⁵ Missouri Public Service Commission Case No. EM-2018-0012, *In the Matter of the Application of Great Plains Energy Incorporated for Approval of its Merger with Westar Energy, Inc.*, Rebuttal Testimony of Karl R. Rábago on Behalf of Renew Missouri, January 16, 2018, page 24, lines 4-6 and page 25, line 3.

1 **Q. What is meant by a “green tariff?”**

2 A. Green tariffs can take different forms, but generally allow for companies to purchase
3 renewable energy (and the associated Renewable Energy Certificates) in lieu of traditional
4 electricity supply options.

5 **Q. Why is it important for utilities to offer green tariffs?**

6 A. As Mr. Chriss states, “In many states, access to renewable energy is a necessary part of
7 economic development. My general understanding is several companies have made access
8 to renewable energy an important consideration when locating or expanding operations.”⁶

9 Mr. Chriss also notes the corporate renewable energy goals of Walmart, which target a
10 supply of 50 percent renewable energy by 2025,⁷ and he indicates that other MECG
11 members have renewable energy goals as well.⁸ These statements should also be noted in
12 the context of the Corporate Renewable Energy Buyers’ Principles, to which 73 companies
13 have signed;⁹ these companies include Walmart, Target, Bloomberg, General Motors,
14 IKEA, and Procter & Gamble.¹⁰ As recently as August of 2016, support for renewable
15 energy was communicated through letters from interested companies (General Mills,
16 General Motors, Kellogg’s, Nestle, Procter & Gamble, Target, Unilever, General Electric,
17 and Owens Corning).¹¹ Anheuser-Busch recently reached an agreement to buy wind energy

⁶ EM-2018-0012, Chriss Rebuttal, page 7, lines 12-15.

⁷ *Ibid*, page 3, lines 4-6.

⁸ *Ibid*, lines 9-10.

⁹ World Resources Institute and World Wildlife Fund. 2018. “About Us.” *Corporate Renewable Energy Buyers’ Principles*. <http://buyersprinciples.org/about-us/>.

¹⁰ *Ibid*.

¹¹ Missouri Public Service Commission Case No. EA-2016-0358, *In the Matter of the Application of Grain Belt Express Clean Line LLC for a Certificate of Convenience and Necessity Authorizing it to Construct, Own, Operate, Control, Manage and Maintain a High Voltage, Direct Current Transmission Line and an Associated Converter Station Providing an Interconnection on the Maywood - Montgomery 345kV Transmission Line*, Direct Testimony of Michael P. Skelly on Behalf of Grain Belt Express Clean Line LLC, August 30, 2016, Schedule MPS-3.

1 equivalent to up to 50 percent of the company's total annual electricity purchases, although
2 it did so through a virtual power purchase agreement with Enel Green Power from an
3 Oklahoma-based wind farm.¹² Without green tariffs, Missouri's utilities risk the loss of
4 opportunities to meet corporate customer needs, and the state loses potential economic
5 development benefits.

6 The clear corporate interest in renewable energy supports the idea of establishing corporate
7 power procurement options that enhance Missouri's ability to attract employers; as stated
8 in the Missouri Comprehensive State Energy Plan ("CSEP"), "Efforts to help Missouri
9 utilities further diversify their portfolios and increase options for renewable power
10 purchasing coupled with low energy prices will ensure our businesses are well positioned
11 to meet future competition."¹³ The CSEP also notes that, "As major companies adopt
12 corporate responsibility and renewable purchasing requirements, Missouri businesses will
13 need to be prepared to respond to customer demands to remain competitive. Even
14 government entities such as local cities with emissions reduction targets and the U.S.
15 Department of Defense have established sustainability goals."¹⁴ New renewable energy
16 facilities constructed in Missouri will themselves lead to job creation; renewable energy

¹² Doyle, Allister. 2018. "Budweiser adds green logo as brewer taps into U.S. wind power." *St. Louis Post-Dispatch*. January 24. http://www.stltoday.com/business/local/budweiser-adds-green-logo-as-brewer-taps-into-u-s/article_19a595ee-d30c-5ed2-86c3-ec213735cdb9.html.

Anheuser-Busch Companies, LLC. 2017. "Anheuser-Busch and Enel Green Power Announce Renewable Energy Partnership." <http://www.anheuser-busch.com/newsroom/2017/09/anheuser-busch-and-enel-green-power-announce-renewable-energy-pa.html>.

¹³ Missouri Department of Economic Development – Division of Energy. 2015. *Missouri Comprehensive State Energy Plan*. <https://energy.mo.gov/sites/energy/files/MCSEP.pdf>. Page 178.

¹⁴ *Ibid*, page 185.

1 employed 3,707 Missourians in 2016, with a growth rate of almost 15 percent between
2 2015 and 2016.¹⁵

3 **Q. Have KCP&L and GMO filed green tariff proposals?**

4 A. Yes. KCP&L and GMO included proposed Renewable Energy Programs in their rate case
5 filings (ER-2018-0145 and EO-2018-0146, respectively).

6 **Q. Are there any other cases before this Commission involving a proposed green tariff?**

7 A. Yes. Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri”) proposed a
8 green tariff in Case No. ET-2018-0063.

9 **Q. Are there green tariffs in other states with cost-of-service regulation of vertically
10 integrated electric utilities?**

11 A. Yes. Puget Sound Energy in the state of Washington offers a green tariff,¹⁶ and Duke
12 Energy in North Carolina offered a green tariff that has been used by several customers.¹⁷
13 Additionally, green tariffs are or have been offered in several other jurisdictions.¹⁸

14 **Q. Based on these considerations, does DE support any recommendation related to green
15 tariffs?**

16 A. Yes. Using Missouri-based generation facilities and with terms acceptable to the
17 Commission, DE would support a commitment by Holdeo to work with stakeholders to
18 develop one or more green tariff options for customers of both KCP&L and GMO (in the

¹⁵ Clean Energy Trust. 2017. “Missouri – Executive Summary.” *Clean Jobs Midwest 2017*.
<https://www.cleanjobsmidwest.com/wp-content/uploads/2017/09/CJM-2017-ExecSum-MO.pdf>. Page 2.

¹⁶ World Resources Institute. 2017. “Washington – Puget Sound Energy (PSE).” *Emerging Green Tariffs in U.S. Regulated Markets*. <http://www.wri.org/sites/default/files/green-tariff-washington.pdf>,

¹⁷ World Resources Institute. 2017. “North Carolina – Duke Energy.” *Emerging Green Tariffs in U.S. Regulated Markets*. <http://www.wri.org/sites/default/files/green-tariff-north-carolina.pdf>.

¹⁸ World Resources Institute. 2017. “U.S. Renewable Energy Map: A Guide for Corporate Buyers.”
<http://www.wri.org/resources/maps/us-re-corporate-buyers-map>.

1 event that the proposals put forth by KCP&L and GMO in their current rate cases are not
2 approved). This commitment would support economic development and job creation not
3 only by improving Missouri's opportunities for business attraction, retention, and
4 expansion, but also by leading to the construction and operation of additional generation
5 facilities in this state.

6 **Q. Would DE participate in such a collaborative process?**

7 A. Yes.

8 **VI. COMMUNITY, SHARED, AND SUBSCRIBER RENEWABLE ENERGY**

9 **Q. Has any party to this case suggested a merger condition related to community, shared,
10 or subscriber renewable energy programs?**

11 A. Yes. Mr. Rábago recommends that the Commission require, "A commitment to develop
12 pilot projects for shared or community generation projects."¹⁹

13 **Q. What are community, shared, and subscriber renewable energy programs?**

14 A. Community, shared, and subscriber renewable energy programs provide customers with
15 the opportunity to purchase renewable energy from a central renewable energy power
16 facility. These programs have been offered in various forms, such as by allowing
17 participants to "purchase" part of a solar array or to subscribe to energy output from a solar
18 generation facility.

19 **Q. What are some of the advantages of these types of programs?**

20 A. Community, shared, and subscriber renewable energy programs can provide residential and
21 small commercial customers with access to renewable energy, an important consideration

¹⁹ EM-2018-0012, Rábago Rebuttal, page 24, lines 4-6 and page 25, line 4.

1 given that such customers may lack the ability to participate in green tariffs geared towards
2 larger customers. Community, shared, and subscriber renewable energy programs also
3 allow customers to purchase renewable energy even if they cannot host a renewable energy
4 facility on their own premises. As examples of residents that might be good candidates for
5 community, shared, or subscriber solar programs, some residents live in rented apartments,
6 have insufficient roof space or an inadequate roof for solar panels (e.g., poorly oriented,
7 overly shaded, structurally unsound), or cannot maintain solar panels . In addition, these
8 types of programs could allow for lower-cost procurement of renewable energy resources
9 than would occur with individual customer efforts, thanks to the economies of scale
10 afforded by utilities.

11 **Q. In any recent Missouri utility mergers, did a utility commit to pursue a community
12 or subscriber renewable energy program?**

13 **A.** Yes. The Empire District Electric Company's ("Empire") merger with Liberty Sub Corp.
14 ("Liberty") was conditioned, in part, upon Empire's agreement to work with stakeholders
15 on creating a community solar or subscriber solar program.²⁰ Additionally, though not
16 related to a merger case, Ameren Missouri received approval for a Subscriber Solar Pilot
17 in Case No. EA-2016-0207; while DE would not necessarily recommend Ameren
18 Missouri's pilot as a model for future efforts, it represents one of the initial attempts at a
19 subscriber solar program by an investor-owned utility in Missouri.

²⁰ Missouri Public Service Commission Case No. EM-2016-0213, *In the Matter of the Empire District Electric Company, Liberty Utilities (Central) Co. and Liberty Sub Corp. Concerning an Agreement and Plan of Merger and Certain Related Transactions*, Amended Stipulation and Agreement as to Division of Energy and Renew Missouri, August 23, 2016, page 4.

1 **Q. Have KCP&L and GMO filed subscriber renewable energy proposals?**

2 A. Yes. KCP&L and GMO included Solar Subscription Pilot Rider proposals in their rate case
3 filings (ER-2018-0145 and EO-2018-0146, respectively).

4 **Q. Does DE support a recommendation related to community, shared, or subscriber
5 renewable energy programs?**

6 A. Yes. Using Missouri-based generation facilities and with terms acceptable to the
7 Commission, DE would support a commitment by Holdco to work with stakeholders to
8 develop one or more community, shared, and/or subscriber renewable energy programs for
9 residential and small commercial customers of both KCP&L and GMO (in the event that
10 the proposals put forth by KCP&L and GMO in their current rate cases are not approved).
11 As with the recommendation regarding green tariffs, this commitment would support
12 economic development and job creation by improving Missouri's business climate and
13 leading to the construction and operation of additional in-state generation facilities.

14 **Q. Would DE participate in such a collaborative effort?**

15 A. Yes.

16 **VII. ENERGY EFFICIENCY**

17 **Q. Did any parties to this case provide a recommendation as to energy efficiency?**

18 A. Yes. Mr. Rábago recommends that the Commission order, "A commitment to expand
19 energy efficiency program efforts and customer energy efficiency education, and to
20 develop a plan to cost-effectively achieve efficiency improvement across the combined
21 service territories."²¹

²¹ EM-2018-0012, Rábago Rebuttal, page 24, lines 4-6 and 19-22.

1 **Q. Does energy efficiency provide employment opportunities for Missourians?**

2 A. Yes. Energy efficiency employed 40,048 Missourians in 2016, increasing nearly five
3 percent from 2015 and constituting the greatest share of clean energy jobs in the state.²²
4 Saving energy not only saves consumers money that can be reinvested in local economies,
5 but also creates jobs.

6 **Q. Do KCP&L and GMO offer demand-side management (“DSM”) programs under**
7 **MEEIA?**

8 A. Yes.

9 **Q. How would you describe past work by DE with KCP&L and GMO on DSM issues?**

10 A. DE has found both KCP&L and GMO to be receptive to innovative approaches on DSM
11 programs, even though these companies have not always pursued all cost-effective
12 demand-side savings.

13 **Q. What is an example of an innovative DSM program pursued by these companies?**

14 A. KCP&L and GMO have received national recognition for their smart thermostat programs.
15 These programs enable customers and the companies to control not just overall usage, but
16 usage at specific times of the day, thanks to cutting-edge “smart” technologies.²³

²² Clean Energy Trust. 2017. “Missouri Toplines.” *Clean Jobs Midwest 2017*.
<https://www.cleanjobsmidwest.com/state/missouri>.

Clean Energy Trust. 2017. “Missouri – Executive Summary.” *Clean Jobs Midwest 2017*.
<https://www.cleanjobsmidwest.com/wp-content/uploads/2017/09/CJM-2017-ExeSum-MO.pdf>, Page 1.

²³ North American Clean Energy. 2017. “Nest and KCP&L’s Award-Winning Partnership Shows What Customer-Centric Demand Response Looks Like.” <http://www.nacleanenergy.com/articles/26756/nest-and-kcp-l-s-award-winning-partnership-shows-what-customer-centric-demand-response-looks-like>.

1 **Q. Are there additional savings opportunities that KCP&L and GMO could pursue?**

2 A. Yes. Some of these savings opportunities were considered through a collaborative process
3 following these companies' most recent MEEIA cases (Case Nos. EO-2015-0240 and EO-
4 2015-0241).

5 **Q. What is an example of an additional savings opportunity under MEEIA?**

6 A. Currently, combined heat and power ("CHP") applications can be considered for incentives
7 under the business custom programs for both KCP&L and GMO. CHP consists of an array
8 of technologies that utilize waste heat to provide both electric and thermal energy in a more
9 efficient manner than the separate production of these types of energy.²⁴ In addition to
10 energy savings, CHP can support the resiliency of critical infrastructure (such as hospitals
11 and shelters) by meeting electrical and thermal needs during natural and manmade
12 disasters.²⁵ Unfortunately, no applications for CHP have received incentives under
13 MEEIA; to realize the potential for CHP installation at critical infrastructure facilities in
14 Missouri, KCP&L and GMO could work with stakeholders to identify and address
15 remaining barriers to CHP deployment.

16 Other opportunities that KCP&L and GMO could explore include funding a "circuit rider"
17 to provide education and training for building code inspectors, as well as implementing
18 games and contests to encourage additional energy savings.

²⁴ Missouri Public Service Commission Case Nos. GR-2017-0215 and GR-2017-0216, *In the Matter of Laclede Gas Company's Request to Increase Its Revenues for Gas Service* and *In the Matter of Laclede Gas Company d/b/a Missouri Gas Energy's Request to Increase Its Revenues for Gas Service*, Direct Testimony of Jane Epperson on Behalf of Missouri Department of Economic Development – Division of Energy, September 8, 2017, page 4, lines 9-18.

²⁵ *Ibid*, pages 9-10, lines 2-17 and 1-9, and pages 13-16, lines 3-19, 1-18, 1-21, and 1-2.

1 **Q. Have there been DSM program-related conditions in any recent Missouri utility**
2 **acquisition cases?**

3 A. Yes. One of the conditions of the merger between Empire and Liberty was that Empire
4 would file DSM programs under MEEIA.²⁶ The Empire District Gas Company also agreed
5 in that case to support the investigation of CHP for interested customers.²⁷

6 **Q. Does DE support a similar type of commitment by the Applicants as a merger**
7 **condition?**

8 A. Yes. DE would support a commitment by Holdco to the continued pursuit of all cost-
9 effective demand-side savings under MEEIA. Such a commitment would support jobs in
10 the energy efficiency sector and indicate that Missouri is a suitable location for business
11 attraction, retention, and expansion.

12 **VIII. CONCLUSIONS**

13 **Q. Please summarize your conclusions and the positions of DE.**

14 A. Given the testimony proffered by OPC, MECG, and Renew Missouri, DE supports – in
15 addition to the recommended conditions in my Rebuttal Testimony – additional
16 commitments by the Applicants as part of the Commission’s merger approval related to:

- 17 1. An equal outcome provision requiring implementation of terms at least as favorable
18 as those approved in Kansas;
- 19 2. Using Missouri-based generation facilities and with terms acceptable to the
20 Commission, Holdco working with stakeholders to develop and file one or more
21 green tariff options for customers of both KCP&L and GMO (in the event that the

²⁶ EM-2016-0213, Amended Stipulation and Agreement as to Division of Energy and Renew Missouri, pages 1-2.

²⁷ *Ibid*, pages 2-4.

1 green tariffs offered by KCP&L and GMO in their current rate cases are not
2 approved);

3 3. Using Missouri-based generation facilities and with terms acceptable to the
4 Commission, Holdco working with stakeholders to develop and file one or more
5 community, shared, and/or subscriber renewable energy programs for residential
6 and small commercial customers of both KCP&L and GMO (in the event that the
7 shared solar programs offered by KCP&L and GMO in their current rate cases are
8 not approved); and,

9 4. Holdco continuing the pursuit of all cost-effective demand-side savings under
10 MEEIA.

11 These commitments, along with the conditions proposed in my Rebuttal Testimony, would
12 help to assure the Commission that the merger meets Missouri's standard of not being
13 detrimental to the public interest, but will instead provide a net benefit to the public.

14 **Q. Does this conclude your Surrebuttal Testimony in this case?**

15 **A. Yes.**