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Witness: Daniel G. Laurent  
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Sponsoring Party: Union Electric Company  
File No.: EO-2015-0055  
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**MISSOURI PUBLIC SERVICE COMMISSION**

**FILE NO. EO-2015-0055**

**SUPPLEMENTAL TESTIMONY**

**OF**

**DANIEL G. LAURENT**

**ON**

**BEHALF OF**

**UNION ELECTRIC COMPANY  
d/b/a Ameren Missouri**

**St. Louis, Missouri  
June 2015**

1 SUPPLEMENTAL TESTIMONY

2 OF

3 DANIEL G. LAURENT

4 FILE NO. EO-2015-0055

5 Q. Please state your name and business address.

6 A. My name is Daniel G. Laurent. My business address is One Ameren  
7 Plaza, 1901 Chouteau Avenue, St. Louis, Missouri 63103.

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

9 A. I am employed by Union Electric Company d/b/a Ameren Missouri  
10 (“Ameren Missouri” or “Company”) as Director of Energy Efficiency and Demand  
11 Response.

12 Q. Please describe your educational background and employment  
13 experience.

14 A. I joined Central Illinois Public Service Company (“CIPS”) as a  
15 Meter/Distribution Engineer in June of 1988 and held several positions in Engineering,  
16 Customer Service and Marketing before being promoted to Marketing Manager prior to  
17 the merger of CIPS and Union Electric Company in 1998. After the merger, I was named  
18 Manager, Pricing and Contract Administration for Ameren Services Company. After  
19 holding Manager positions in Marketing, Business Development and Regulatory  
20 Compliance, I was promoted to my current position within Ameren Missouri. I have a  
21 Bachelor of Science Degree in Electrical Engineering from the University of Illinois and  
22 a Master of Business Administration from Webster University.

1           **Q.     What is the purpose of your supplemental testimony in this**  
2 **proceeding?**

3           A.     The purpose of my testimony is to provide an overview of the additional  
4 savings targets, budget, programs and enhancements to the original MEEIA 2016-18  
5 Plan, which was filed by the Company in December of last year (the “MEEIA 2 Plan”),  
6 and as reflected in the Non-Unanimous Stipulation and Agreement (“Stipulation”)  
7 recently filed in this case.

8           **Q.     At a high level, please describe the change in targeted savings and the**  
9 **increase in budget required to achieve those savings.**

10          A.     The Stipulation reflects an increase in the targeted cumulative savings to  
11 583,563 megawatt-hours (“MWh”) as compared to the targeted savings in the original  
12 MEEIA 2 Plan of 426,382 MWh. To achieve this total, the Stipulation calls for a  
13 substantial increase in the multi-family, low-income program offering based primarily on  
14 input from the National Housing Trust (“NHT”) and Tower Grove Neighborhoods  
15 Community Development Corporation (“TGNCD”). The Stipulation also proposes to  
16 implement a small business direct install (“SBDI”) program based in part on input from  
17 the National Resource Defense Council (“NRDC”) and the Sierra Club. Based on input  
18 from the Division of Energy, the Stipulation proposes to incentivize compact fluorescent  
19 lamp (“CFL”) purchases in grocery, drug, discount and online store channels in 2016,  
20 which will also increase savings. Additionally, based in part on input from the NRDC,  
21 the Stipulation reflects the signatories' agreement that energy efficiency incentives will be  
22 provided to public facilities in order to achieve additional energy savings. Finally, based  
23 on input primarily from the Division of Energy, the Stipulation proposes to include

1 Combined Heat and Power as an eligible measure under the business custom program. In  
2 summary, the Stipulation proposes to increase energy savings by approximately 37% and  
3 to increase the overall Plan budget by approximately 47%.

4 The following table details the proposed annual and cumulative savings and  
5 budget.

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Res Net Energy Savings (MWh)	<b>101,740</b>	<b>61,757</b>	<b>60,066</b>	<b>223,563</b>
C&I Net Energy Savings (MWh)	<b>104,991</b>	<b>123,557</b>	<b>131,452</b>	<b>360,000</b>
Total Net Energy Savings (MWh)	<b>206,732</b>	<b>185,314</b>	<b>191,518</b>	<b>583,563</b>
Residential Program Costs	<b>34,279,782</b>	<b>26,852,995</b>	<b>26,166,797</b>	<b>87,299,574</b>
Business Program Costs	<b>32,065,882</b>	<b>37,890,359</b>	<b>39,954,045</b>	<b>109,910,286</b>
Total Program Costs	<b>66,345,664</b>	<b>64,743,354</b>	<b>66,120,841</b>	<b>197,209,859</b>

6

7 **Q. Why did Ameren Missouri agree to raise the savings target to a level**  
8 **that is higher than the target it had in its original MEEIA 2 Plan?**

9 A. The Company believes that continuing to pursue energy efficiency is in  
10 the shared interest of customers, the environment, the state of Missouri, and its  
11 shareholders. Therefore, in the spirit of compromise and with the support of numerous  
12 interveners, the Company proposes to substantially increase the proposed savings targets  
13 and budget.

14 **Q. The MWh target contained within the Stipulation is not as high as the**  
15 **target that some parties have testified is possible. Are additional energy savings**  
16 **feasible?**

1           A.     The revised proposed target was the result of much discussion and  
2 compromise. Ameren Missouri re-examined its MEEIA programs, based on input from  
3 the interveners, looking for additional energy savings potential. This analysis cannot be  
4 as rigorous as the analysis that was undertaken for its original proposal, but represents a  
5 compromise energy savings target that Ameren Missouri hopes to achieve.

6           Ameren Missouri has agreed to meet with the signatories to the Stipulation during  
7 the first four months of 2016 to review potential additional energy efficiency  
8 opportunities to determine if it is possible to achieve savings above the targeted level in  
9 2017 and 2018. Ameren Missouri cannot commit to a higher target level than the level  
10 set in the Stipulation, but it is certainly willing to continue to discuss this issue with the  
11 signatories to the Stipulation and determine if there are additional cost-effective measures  
12 or program changes which could be adopted that would result in the achievement of  
13 additional MWh savings or cost reductions.

14           **Q.     Beyond just increasing the MWh target, the Stipulation also addresses**  
15 **several programs and enhancements that were not included in the Company's**  
16 **original MEEIA 2 Plan. Please discuss some of these new programs and**  
17 **enhancements.**

18           A.     Ameren Missouri appreciates the varied viewpoints of the signatories to  
19 the Stipulation and has utilized their input to propose new programs and program changes  
20 for Ameren Missouri's MEEIA 2 portfolio.

21           The proposed multi-family, low-income program budget increased by  
22 approximately \$4 million and the program has been significantly enhanced to better serve  
23 this vulnerable and hard-to-reach market segment. The program enhancements reflect the

1 outcome of a series of five St. Louis metro area conventions in 2014 that included the  
2 National Housing Trust, the Natural Resources Defense Council and a wide range of  
3 stakeholders. In addition to the increase in budget of approximately 58%, the program  
4 enhancements are described in the Stipulation and partially include:

- 5 • Creating a single point of contact for owners of low-income, multi-family  
6 properties which will assist in ensuring that the impacted low-income  
7 customers receive more of the benefits available under Ameren Missouri's  
8 MEEIA 2 programs and programs provided by others.
- 9 • Providing a 25% bonus incentive for multi-family, low-income common area  
10 measures for customers served under the Company's non-residential service  
11 classifications.
- 12 • Conducting level 1 energy audits to provide information on savings,  
13 recommended energy efficiency measures and typical payback ranges to  
14 increase customer understanding and facilitate increased program  
15 participation.

16 The Company worked closely with NHT to create an outline of how this program  
17 will work. We are looking forward to seeing how this program will help Ameren  
18 Missouri's multi-family, low-income customers.

19 On the business side, the Stipulation proposes to add an SBDI Program. This  
20 program targets energy savings of 30,000 MWh and has a target budget of \$9.9 million.  
21 The program will be available to small business customers that are difficult to reach  
22 through traditional energy efficiency programs and is intended to open the door to

1 directly-installed lighting measures that should lead to additional savings in areas such as  
2 refrigeration and HVAC.

3           Based on input from the Division of Energy, the signatories to the Stipulation are  
4 proposing to include Combined Heat and Power (CHP) as an eligible measure under the  
5 business custom program and to provide incentives to purchase CFLs in grocery, drug,  
6 discount and online store channels in 2016. A maximum of 1,150,000 CFLs would be  
7 incentivized and the proposed energy savings would amount to 27,722 MWh.

8           The continuation of the CFL program recognizes that there are still low-priced,  
9 incandescent bulbs available that our customers for purchase and will incentivize  
10 customers to purchase CFLs instead of less-efficient, incandescent bulbs.

11           **Q. As you stated above, the MWh savings target increased by 37%, but**  
12 **the expected budget increased by 47%. Please explain why it was necessary to**  
13 **increase the budget by a higher percentage than the target.**

14           A. The budget is based on the knowledge and experience of our team of  
15 energy efficiency managers and reflects the fact that more extensive, incremental energy  
16 savings are costly to obtain. It is also reflective of the substantial increase in cost of  
17 energy efficiency portfolios that strive to achieve energy savings beyond the realistically-  
18 achievable potential, as identified in Ameren Missouri's potential study and outlined the  
19 testimony of Company witness Richard A. Voytas. As the portfolio of energy efficiency  
20 programs continues to mature and more codes and standards are adopted, it requires  
21 extensive engineering analysis and incentives to encourage customers to adopt the more  
22 expensive energy efficiency measures.

1           Ameren Missouri recognizes the importance of being a good steward of the  
2 money that customers entrust to us to manage these programs. The proposed  
3 performance incentive encourages the Company to pursue all cost-effective energy  
4 savings at the lowest possible cost.

5           **Q. Does this conclude your supplemental testimony?**

6           A. Yes, it does.



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

In the Matter of Union Electric Company d/b/a                     )  
Ameren Missouri's 2nd Filing to Implement                     )             File No. EO-2015-0055  
Regulatory Changes in Furtherance of Energy                     )  
Efficiency as Allowed by MEEIA.                                     )

**AFFIDAVIT OF DANIEL G. LAURENT**

**STATE OF MISSOURI**             )  
   ) ss  
**CITY OF ST. LOUIS**             )

Daniel G. Laurent, being first duly sworn on his oath, states:

1.           My name is Daniel G. Laurent. I work in the City of St. Louis, Missouri, and I am employed by Union Electric Company d/b/a Ameren Missouri as Director of Energy Efficiency and Demand Response.

2.           Attached hereto and made a part hereof for all purposes is my Supplemental Testimony on behalf of Union Electric Company d/b/a Ameren Missouri consisting of 7 pages and Schedule(s) N/A, all of which have been prepared in written form for introduction into evidence in the above-referenced docket.

3.           I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.

  
\_\_\_\_\_   
Daniel G. Laurent

Subscribed and sworn to before me this 22<sup>nd</sup> day of June, 2015.

  
\_\_\_\_\_   
Notary Public

My commission expires:

