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SURREBUTTAL TESTIMONY

OF

ADAM BLAKE

ON BEHALF OF

BRIGHTERGY, LLC

Kansas City, Missouri

June 5, 2015

Brightergy Exhibit No. 450
Date 6.15.15 Reporter AT
File No. ER. 2014-0370

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ADAM BLAKE

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Q: Please state your name and business address.

A: My name is Adam Blake. My business address is 1712 Main Street, 6th Floor, Kansas City, MO 64108.

Q: By whom and in what capacity are you employed?

A: I am the Chief Executive Officer of Brightergy, LLC ("Brightergy"), an energy company offering distributed generation and energy efficiency software and services. Brightergy has offices in Kansas City, Missouri, St. Louis, Missouri, and Boston, Massachusetts.

Q: As Chief Executive Officer, what are your responsibilities at Brightergy?

A: I'm responsible for the strategic direction of the company and I manage the executive team that includes managers of sales, marketing, public affairs, regulatory affairs, operations, accounting, and technology. I also oversee our relationships with financial institutions and equity investors.

Q: Have you previously testified in a proceeding at the Missouri Public Service Commission ("MPSC" or "Commission") or before any other utility regulatory agency?

A: I submitted pre-filed Rebuttal Testimony in MPSC Case No. ET-2014-0059 on September 16, 2013, and pre-filed surrebuttal testimony in that same docket on September 24, 2013. I also submitted Rebuttal Testimony in EO-2015-0055.

Q: What is the purpose of your Rebuttal Testimony?

A: The purpose of my testimony is to support KCP&L and the Missouri Division of Energy by encouraging the Commission to provide a cost recovery mechanism for KCP&L's electric vehicle charging station pilot program. If the Commission believes the long term viability of regulated utilities is in the ratepayers best interest it should enable a regulatory environment that allows utilities to adapt to changing market conditions.

Q: Please describe Brightergy's business operations in the state of Missouri.

A: Brightergy assists energy consumers in taking control of energy in a number of ways. To name a few, Brightergy offers residential and commercial solar energy installations, energy efficiency audits and projects, energy management software, and various energy related services. Brightergy has over 500 commercial clients in the state of Missouri.

Q: Does it make good long term business sense for KCP&L to pursue the EV Charging Station Program?

A: Yes. The traditional business model for utilities is undergoing a rapid transformation due to declining load demand and the addition of cost effective technologies to the market. Add to this the fact the cost to maintain grid infrastructure continues to increase, and the utility is left with an unsustainable long-term business proposition. The Charging Network takes steps to alleviate both of these issues by establishing KCP&L on the leading edge of electric vehicle charging technology, and by finding a new place to grow its otherwise declining market for electricity.

Q: As the CEO of Brightergy, have you noticed any new trends in the way consumers interact with energy, broadly speaking, and their utility providers specifically?

A: Yes. Many consumers are becoming increasingly sophisticated as it relates to the management of energy. Consumers are taking more control over their generation and use of energy through a variety of measures such as: solar energy and CHP generation, battery storage, energy efficiency projects, and software to reduce and control energy consumption. More specifically, the emerging Internet of Things (IoT) market, which enables virtually any energy consuming device to connect to the internet, is providing unprecedented amounts of data to energy consumers. When coupled with better access to utility meter data, access to data will empower energy consumers like never before. These changes are very good for consumers. They enable consumer choice, control, and freedom. Through the charging station program, KCP&L is further enabling consumers to take control of energy.

Q: Could the Commission's allowance of recovery encourage the purchase of electric vehicles?

A: Yes it could. Business owners and leaders look to programs such as this when making decisions to subsidize employee and business purchases of electric vehicles. If there are ample charging stations available, business owners are more likely to support purchasing electric vehicles directly as a business or indirectly by subsidizing the purchase for their employees.

Q: Several parties in this rate case have filed testimony opposing recovery for the charging stations, arguing that this will benefit only a select few ratepayers. Do you agree?

A: No. As I mentioned in my previous answer, the utility business model is changing and utilities must adapt in order to remain viable over the long term. The longer utilities wait to adapt the more likely they will fail. The long term viability of the utility is in all ratepayers best interest. If the utility fails to adapt to the changing marketplace because the Commission

disallows recovery for new types of business models, the result will be a continued loss of revenue from new sources, which may increase the costs all ratepayers have to pay for their electric service. The Commission should encourage policies that support the utility's long-term viability.

Q: Are there any other ways all ratepayers may benefit from the charging station pilot program?

A: Yes, this is very likely. The demand for electricity is lower at night than during the day. Having the ability to schedule electric vehicle loads at night will likely improve the overall efficiency of the existing power system and reduce rates for all ratepayers.

Q: Are there any other benefits to the Commission's approval of the charging stations pilot program?

A: Yes. Investors in utilities traditionally look to companies like KCP&L as a long-term, safe, and reliable investment. This favorable investment outlook benefits ratepayers because a strong credit rating reduces the cost for borrowed money. Signals from the Commission that it's welcoming to the inevitable change in the utility business model will be received positively by investors, and will support the utility's credit rating and overall long term viability. Additionally, utilities should be supported by a regulatory environment that allows them to be progressive and look for innovative ways to evolve the electric grid.

Q: Can the Commission take any actions to ensure that the charging station pilot program pays off for ratepayers?

A: The Commission can order that data from the stations, including overall use, trends, and other collected metrics be made publicly available.

Q: Is it premature for KCP&L to seek recovery for this program before the demand for it is known?

A: No. Although it is debatable exactly when electric vehicles will overtake the traditional combustion engine automobile in popularity, it's clear electric vehicles are the future. Electric vehicles are here to stay and will only become more widespread.

Q: Do you support KCP&L's request for a separate workshop to take stakeholder input and inform the Commission about charging station programs.

A: Yes, the Commission should hold an electric vehicle focused workshop, but it should not be limited to this pilot program. The charging station pilot is a first step to deal with electric vehicle policy issues that will confront the Commission for years to come. As stated in my previous answer, the number of electric vehicles will increase dramatically. It's prudent for the Commission to proactively address relevant electric vehicle policy issues. The workshop should consider, for the entire state, how it needs to modernize the regulatory framework to harmonize technical standards and ensure there are appropriate electric rate structures for electric vehicles. The workshop could allow the Commission to review and seek stakeholder input on a host of electric vehicle issues such as: how to utilize rate structures that encourage charging at off-peak hours, line extension policies for EV stations, interaction between utilities and third parties that own charging stations, utilization of EV's as energy storage, EV's role in demand response programs, the development of safety standards, and many others.

Q: Does that conclude your testimony?

A: Yes it does.

