

Exhibit No.:	
Issues:	Rate Design
Witness:	Annika Brink
Sponsoring Party:	National Housing Trust
Type of Exhibit:	Rebuttal Testimony
Case Nos.:	ER-2019-0374
Date Testimony Prepared:	March 9, 2020

**MISSOURI PUBLIC SERVICE COMMISSION**

**FILE NO. ER-2019-0374**

**REBUTTAL TESTIMONY ON RATE DESIGN**

**OF**

**ANNIKA BRINK**

**ON**

**BEHALF OF**

**NATIONAL HOUSING TRUST**

March 9, 2020

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

2 A. Annika Brink, National Housing Trust, 1101 30<sup>th</sup> Street NW, Suite 100A, Washington,  
3 DC 20007.

4 **Q. On whose behalf are you testifying?**

5 A. I am testifying on behalf of the National Housing Trust (NHT). All work developing my  
6 testimony has been completed by me or under my direction.

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

8 A. I am employed by the National Housing Trust as its Midwest Director of Energy  
9 Efficiency Policy. In this capacity I work with state and local partners across the country to make  
10 multifamily housing healthy and affordable through energy efficiency. I have primary  
11 responsibility for NHT's energy efficiency policy work in the Midwest, including Missouri.

12 **Q. Please provide a summary of your qualifications and experience.**

13 A. I earned a Bachelor of Arts in both History and German Studies from Wesleyan  
14 University in 2005 and subsequently spent a year studying Architecture and Urban Planning at  
15 the Universität Stuttgart in Stuttgart, Germany. In 2011, I earned a Master in Public Policy from  
16 Harvard University where I focused on energy, sustainability, and social/urban policy and during  
17 which time I produced research on state and local policy solutions for rental sector energy  
18 efficiency.

19 I have ten years of professional experience with energy policy, affordable housing, and  
20 green building, both from an energy and a housing perspective. Beginning in 2011, I spent over  
21 two years leading the nonprofit Alliance to Save Energy's engagement of publicly-owned non-  
22 for-profit electric power utilities, helping utilities share best practices, consider energy efficiency

1 program models, benchmark their energy efficiency portfolios, develop innovative online tools,  
2 and achieve consensus on priority topics. Since 2013 I have been a LEED Green Associate.

3 In my work for the National Housing Trust, I analyze state, local, and utility efficiency  
4 policies and programs, help disseminate best practices, and facilitate coordination among  
5 housing and energy stakeholders. I have filed comments with utility regulators in Missouri,  
6 Michigan, Minnesota, Iowa, and Kansas. In 2015, I worked with a Kansas City-based housing  
7 nonprofit to organize a series of three convenings to explore the experience, barriers, solutions,  
8 and potential recommendations related to expanding energy efficiency for affordable multifamily  
9 housing in the greater Kansas City metro area. In 2014-2015, I also worked with St.-Louis-area  
10 and statewide stakeholders to produce a white paper on this topic, as relates to Missouri and  
11 Illinois. I was a member of the energy usage stakeholder group that provided input to the  
12 Missouri Division of Energy as they developed the State Energy Plan. In February 2018 I began  
13 working with other stakeholders to form a “Low-Income Work Group” under the auspices of the  
14 Missouri Energy Efficiency Advisory Collaborative and I am currently serving on this work  
15 group’s Steering Committee.

16 In addition to my work at the National Housing Trust, I have worked for affordable  
17 housing developers in Grand Rapids, Michigan (internship) and Minneapolis, Minnesota,  
18 including work on green affordable housing, community development, and multifamily  
19 rehabilitation projects.

20 **Q. Have you previously testified before this Commission?**

21 A. Yes, in addition to my Direct Testimony on Revenue Requirement in this case, I  
22 previously provided testimony in Ameren Missouri’s 2016-18 MEEIA filing (EO-2015-0055), in  
23 Spire’s 2017 rate cases (GR-2017-0215 and GR-2017-0216), in Ameren Missouri’s 2019-2024

1 MEEIA filing (EO-2018-0211), in Ameren Gas’ rate case (GR-2019-0077) and in Evergy’s  
2 2019-2024 MEEIA filing (EO-2019-0132 and EO-2019-0133). I have also presented to  
3 Commissioners and stakeholders at various workshops, convenings, and meetings, such as the  
4 Missouri Energy Efficiency Advisory Collaborative (MEEAC).

5 **Q. Please summarize your testimony.**

6 A. In the below testimony, I briefly explain how rate design can be used to support the aims  
7 of energy efficiency programs and address the unique energy burden faced by low-income and  
8 multifamily households. I then provide my perspective and opinions on the proposed changes to  
9 the Company’s fixed customer charges for residential and general service customers.

10 **Q. How should the energy burden and other issues affecting low-income multifamily**  
11 **households factor into the Company’s rate design?**

12 A. The Company should seek to alleviate (or at a minimum, not add to) the energy burden  
13 faced by low-income households generally, and low-income multifamily households specifically,  
14 while incentivizing energy savings behavior and investments in low-income multifamily  
15 buildings.

16 First, the Company should commit to low fixed charges, which incentivize energy  
17 efficiency and conservation and prevent low energy users from being unfairly overcharged for  
18 their usage patterns. Low-income multifamily households have high energy burdens: for  
19 example, a 2016 study found that the median energy burdens for low-income multifamily  
20 households in St. Louis (6.25%) and Kansas City (6.36%) were much higher than the median for  
21 all households in those cities (4.07% and 4.48%, respectively).<sup>1</sup> Indeed, Midwestern multifamily

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<sup>1</sup> Dreihobl, A. and Ross, L., *Lifting the High Energy Burden in America’s Largest Cities: How Energy Efficiency Can Improve Low Income and Underserved Communities*, Energy Efficiency for All and ACEEE, April 2016, p. 46. [http://www.energyefficiencyforall.org/sites/default/files/Lifting%20the%20High%20Energy%20Burden\\_0.pdf](http://www.energyefficiencyforall.org/sites/default/files/Lifting%20the%20High%20Energy%20Burden_0.pdf).

1 homes use 43% *more energy per square foot* than single family detached homes.<sup>2</sup> However,  
2 Midwestern multifamily households tend to use *less total energy* than other households: less than  
3 half of what is consumed by a Midwestern single family detached home according to 2009  
4 Residential Energy Consumption Survey data.<sup>3</sup> As comparatively low energy users, low-income  
5 multifamily households are thus at particular risk of harm from high fixed charges.

6         Second, the Company should commit to decoupling energy sales volume from profit. The  
7 Company’s proposed “Weather Normalization Mechanism,” described in Company witness Nate  
8 Hackney’s testimony, is similar to mechanisms sometimes referred to as “revenue decoupling.”  
9 However, the proposed mechanism does not include revenue normalization for the effects of  
10 conservation or energy efficiency. If the Company proceeds with such a mechanism, it is NHT’s  
11 position that the mechanism adjust for conservation and energy efficiency across its customer  
12 base. Revenue decoupling can remove disincentives for utilities to properly treat energy  
13 efficiency as an essential resource for addressing customer demand while avoiding new supply  
14 and lowering the energy burden on customers, including both low-income single family and low-  
15 income multifamily buildings. While revenue decoupling can take many forms, the key focus  
16 should be on aligning incentives so that both utilities and customers can benefit from pursuing  
17 energy efficiency as a key system-wide resource.

18         Third, the Company should pair these rate design approaches with robust demand-side  
19 investments in energy efficiency programs, including programs available to low-income and  
20 multifamily customers—and designed to overcome the significant barriers faced by these sectors.

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<sup>2</sup> U.S. Energy Information Administration, *Residential Energy Consumption Survey*, 2009. Table CE1.3: Summary Totals and intensities, Midwest Homes, <https://www.eia.gov/consumption/residential/data/2009/>. Note: 66,000 Btu per square foot for households in multifamily buildings of 5+ units vs. 46,100 Btu per square foot for single family detached homes.

<sup>3</sup> *Id.* Note: 51.9 million Btu per household for multifamily buildings of 5+ units vs. 128.0 million Btu per household for single family detached homes.

1 I further discuss the value of energy efficiency programs in my Direct Testimony on Revenue  
2 Requirement issues, filed in this case on January 15, 2020.

3 **Q. What are your opinions on the Company’s proposal to increase the fixed customer**  
4 **charge for residential customers?**

5 A. I caution the Company against raising the residential fixed charge, as they have proposed  
6 to do, from \$13.00 to \$19.00. High fixed charges penalize low energy users, including those  
7 living in lower-square-footage homes, such as multifamily apartments. Higher fixed customer  
8 charges would make it harder for customers to impact their total bills through installing measures  
9 that save energy in their homes. Each energy saving step taken would have lower payback,  
10 thereby disincentivizing behavior change and the installation of energy saving measures.

11 The National Housing Trust strongly supports lower residential fixed charges. I view the  
12 Company’s proposal to raise residential fixed charges as working in direct opposition to the  
13 beneficial low-income energy efficiency programs proposed by the Company. These low-income  
14 programs are essential, because while low-income multifamily households can respond to price  
15 signals with behavior change to conserve energy, they have little ability to invest in physical  
16 improvements to their apartments and are thus particularly vulnerable to rising energy costs.  
17 First, they lack the means to invest in upgrades. Second, 96% of multifamily households in  
18 Empire District’s territory rent, and thus lack the decision-making power to change the physical  
19 characteristics of their apartments via new energy-saving equipment/measures.<sup>4</sup> For these  
20 reasons, and in light of the Company’s prediction of 5.8% higher residential bills, on average, it

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<sup>4</sup> Census Table B25032. 2013-2017 American Community Survey 5-Year Estimates. Matched to Empire District territory Census tracts. Approximately 96% of multifamily households rent regardless of whether multifamily is defined as buildings with 3+ units or with 5+ units.

1 is essential that the Company provide robust energy efficiency offerings for the low-income  
2 multifamily sector.<sup>5</sup>

3 **Q. What are your opinions on the Company’s proposal to increase the fixed customer**  
4 **charges for commercial general/space heating service customers?**

5 Both the proposed residential and proposed commercial general/space heating (CB/SH)  
6 service charges may be relevant to the multifamily sector: residential rates are relevant for  
7 individually-metered buildings, and CB/SH service charges may be relevant for common area  
8 meters and for master-metered buildings. As I understand it, master-metered affordable  
9 multifamily buildings and affordable multifamily common area meters often fall into the CB/SH  
10 service categories, for which the proposed change to the fixed charge is from \$22.69 to \$25.00.<sup>6</sup>  
11 Such a change would make energy efficiency upgrades less financially attractive in master-  
12 metered affordable multifamily buildings and in common areas, thus disincentivizing owners  
13 from pursuing improvements.

14 NHT strongly supports low fixed charges across all service categories impacting the  
15 affordable multifamily sector, including CB/SH service rates.

16 **Q. Does this conclude your testimony?**

17 A. Yes, it does.

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<sup>5</sup> *Direct Testimony on Rate Design of Tim Lyons*, Empire District Electric Company, File No. ER-2019-0374, p. 33.  
<sup>6</sup> *Tariff Revision (YE-2020-0029)*, Empire District Electric Company, ER-2019-0374.

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

In the Matter of The Empire District )  
Electric Company's Request for Authority )  
to File Tariffs Increasing Rates for Electric ) File No. ER-2019-0374  
Service Provided to Customers in its )  
Missouri Service Area )

**AFFIDAVIT OF ANNIKA BRINK**

**CITY OF WASHINGTON,** )  
 ) SS  
**DISTRICT OF COLUMBIA** )

Annika Brink, of lawful age and being first duly sworn on her oath, states:

1. My name is Annika Brink. I work in the City of Washington, District of Columbia and I am employed by The National Housing Trust as its Midwest Director of Energy Efficiency Policy.

2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony on behalf of The National Housing Trust, which has been prepared in written form for introduction into evidence in the above-referenced docket before the Missouri Public Service Commission.

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

/s/ Annika Brink  
Annika Brink

Subscribed and sworn to me this 9th day of March, 2020

/s/ Emily Schaeberger  
Notary Public

My commission expires: 5-31-22

