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Information
Witness: Martin R. Hyman
Sponsoring Party: Missouri Department of
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Division of Energy
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Case No.: GR-2019-0077

MISSOURI PUBLIC SERVICE COMMISSION

UNION ELECTRIC COMPANY d/b/a/ AMEREN MISSOURI

CASE NO. GR-2019-0077

REBUTTAL TESTIMONY

OF

MARTIN R. HYMAN

ON

BEHALF OF

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

DVISION OF ENERGY

Jefferson City, Missouri

June 7, 2019

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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
4 720, 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
7 of Energy (“DE”) as a Senior Energy Policy Analyst, Planner III.

8 **Q. Please describe your educational background and employment experience.**

9 A. In 2011, I graduated from the School of Public and Environmental Affairs at Indiana
10 University in Bloomington with a Master of Public Affairs and a Master of Science
11 in Environmental Science. There, I worked as a graduate assistant, primarily
12 investigating issues surrounding energy-related funding under the American
13 Recovery and Reinvestment Act of 2009. I also worked as a teaching assistant in
14 graduate school and interned at the White House Council on Environmental
15 Quality in the summer of 2011. I began employment with DE in September 2014.
16 Prior to that, I worked as a contractor for the U.S. Environmental Protection Agency
17 to coordinate intra-agency modeling discussions. Since joining DE, I have been
18 involved in a number of utility cases and other proceedings before the Missouri
19 Public Service Commission (“Commission”) as DE’s lead policy witness and have
20 assisted DE on legislative issues and the development of the Comprehensive
21 State Energy Plan. Topics that I address as a part of my duties include, but are not
22 limited to: demand-side programs, in-state energy resources, renewable energy,
23 electric vehicles, and grid modernization.

1 **Q. Have you previously filed testimony before the Commission on behalf of DE**
2 **or any other party?**

3 A. Yes. Please see Schedule MRH-Reb1 for a summary of my case participation.

4 **II. PURPOSE OF TESTIMONY**

5 **Q. What is the purpose of your Rebuttal Testimony in this proceeding?**

6 A. The purpose of my testimony is to respond to the Direct Testimony of Union
7 Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or “Company”)
8 witness Ms. Lauren M. Welikson regarding proposed changes to the Company’s
9 natural gas energy efficiency programs. I also respond to the Direct Testimony on
10 revenue requirement filed by National Housing Trust witness Ms. Annika Brink and
11 the Direct Testimony of Office of the Public Counsel witness Dr. Geoff Marke.

12 DE generally supports the Company’s proposals to institute a low-income
13 efficiency program, make transportation customers eligible for the business energy
14 efficiency program, and add a custom measure for the business program. Support
15 for these programs is based on the benefits of natural gas energy efficiency
16 programs for participants, ratepayers, and the general public. Natural gas energy
17 efficiency programs can reduce bills for both participating and non-participating
18 customers. In turn, this can result in increased flexibility in home budgets that can
19 then be used for other consumer spending. Additionally, energy efficiency can
20 further assist low-income customers in maintaining connections to the services
21 provided by Ameren Missouri and provide healthier and more comfortable homes.

22 DE recommends that the Company expand its engagement with, and education of
23 customers about opportunities to save energy under the Company’s programs.

1 DE supports providing customers with additional information on the components
2 of their bills, which can inform customer decision-making with regard to energy
3 efficiency.

4 **Q. Does DE have a position on the Company's proposed Weather &**
5 **Conservation Adjustment Rider?**

6 A. No, not at this time.

7 **Q. Are you adopting the testimony of any DE witnesses in this proceeding?**

8 A. Yes. I am adopting the Direct Testimony filed by DE witness Ms. Sharlet E. Kroll.¹
9 Ms. Kroll is no longer employed by DE.

10 **Q. In Ms. Kroll's Direct Testimony, she recommended maintaining the current**
11 **weatherization program budget.² The Company proposes using \$25,000 of**
12 **this amount to support a Red Tag Repair Program.³ Would this funding**
13 **allocation be acceptable to DE?**

14 A. Yes. Please see the Rebuttal Testimony of DE witness Mr. Jordan R. Elliott for
15 additional discussion of the Red Tag Repair Program.

¹ Missouri Public Service Commission Case No. GR-2019-0077, *In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its Revenues for Natural Gas Service*, Direct Testimony of Sharlet E. Kroll on Behalf of Missouri Department of Economic Development – Division of Energy, April 19, 2019.

² *Ibid*, page 3, lines 20-22 and page 20, lines 6-8.

³ Missouri Public Service Commission Case No. GR-2019-0077, *In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its Revenues for Natural Gas Service*, Direct Testimony of Lauren M. Welikson on Behalf of Union Electric Company d/b/a Ameren Missouri, December 3, 2018, page 12, lines 15-17.

1 **III. BACKGROUND**

2 **Q. What Missouri statutory guidance informs DE's interest in energy**
3 **efficiency?**

4 A. DE's interest in energy efficiency is based on the agency's statutory roles as an
5 advisor on energy conservation and distribution,⁴ a planner of the state's future
6 energy needs,⁵ an analyzer of energy resource options,⁶ and an educator with
7 regards to conservation and efficiency programs.⁷ These statutes task DE with
8 being aware of, and acting on, energy efficiency and conservation measures
9 throughout the state. For these reasons, DE supports the implementation of cost-
10 effective utility energy efficiency programs in the state of Missouri.

11 **Q. What are some of the benefits of energy efficiency programs?**

12 A. From a system perspective, energy efficiency can reduce the need for investments
13 in distribution plant over time and hedge against price volatility,⁸ providing benefits
14 to ratepayers as a whole. Energy efficiency programs provide significant value to
15 all participating customers through bill savings, improved health, safety and
16 comfort, and other direct and indirect benefits.⁹ Low-income customers in
17 particular benefit from the availability of energy efficiency programs, which provide

⁴ Section 620.035.1(2), RSMo.

⁵ Section 620.035.1(3), RSMo.

⁶ Section 620.035.1(4), RSMo.

⁷ Sections 620.035.1(6)(a) and 640.157(3), RSMo.

⁸ See Hoffman, Ian, Zimring, Mark, and Schiller, Steven R., 2013, *Assessing Natural Gas Energy Efficiency Programs in a Low-Price Environment*, Lawrence Berkeley National Laboratory, Report No. LBNL-6105E, <https://emp.lbl.gov/publications/assessing-natural-gas-energy>.

⁹ See Woolf, Tim, Neme, Chris, Kushler, Marty, Schiller, Steven R., Eckman, Tom, and Michals, Julie, 2017, *National Standard Practice Manual for Assessing Cost-Effectiveness of Energy Efficiency Resources*, The National Efficiency Screening Project, https://nationalefficiencyscreening.org/wp-content/uploads/2017/05/NSPM_May-2017_final.pdf, pages 49 and 55.

1 longer-term bill relief than billing assistance programs. Energy efficiency programs
2 can therefore improve the effectiveness of affordability assistance programs for
3 low-income customers over time by allowing such aid to be directed where it is
4 most needed, consistent with Ms. Kroll's Direct Testimony.¹⁰ Since energy
5 efficiency programs help customers reduce consumption levels while achieving the
6 same end uses,¹¹ these programs also improve energy security for participants by
7 mitigating the potential detrimental effects of decreases in supply or increases in
8 price.

9 **IV. RESPONSE TO AMEREN MISSOURI PROPOSALS**

10 **Q. Did Ameren Missouri propose any changes to its natural gas energy**
11 **efficiency programs?**

12 A. Yes. Ms. Welikson describes a number of proposed changes:

- 13 1. Institute a low-income energy efficiency program using unspent funds
14 from prior years;¹²
- 15 2. Allow transportation customers to participate in the business energy
16 efficiency program;¹³ and,
- 17 3. Add a custom measure to the Company's business program.¹⁴

¹⁰ GR-2019-0077, Kroll Direct, pages 19-20, lines 9 and 1-3.

¹¹ See U.S. Energy Information Administration, 2019, "Energy Efficiency and Conservation," *Energy Explained*, https://www.eia.gov/energyexplained/index.php?page=about_energy_efficiency.

¹² GR-2019-0077, Welikson Direct, pages 6-9, lines 9-16, 1-19, 1-22, and 1-4.

¹³ *Ibid*, page 9, lines 9-10.

¹⁴ *Ibid*, lines 10-12.

1 **Q. Does DE support the creation of a low-income energy efficiency program?**

2 A. Yes. The benefits articulated in Ms. Kroll's testimony with regards to low-income
3 weatherization¹⁵ also apply to low-income energy efficiency programs in general.¹⁶

4 **Q. Do other investor-owned natural gas utilities in Missouri have Commission-**
5 **approved low-income energy efficiency programs?**

6 A. Yes. Spire Missouri East¹⁷ and West¹⁸ offer energy efficiency programs targeting
7 low-income customers.

8 **Q. Does DE support allowing transportation customers to participate in**
9 **energy efficiency programs and creating a custom measure within the**
10 **business program?**

11 A. Yes, generally, and DE looks forward to working with stakeholders to determine
12 additional program details. As indicated by Ms. Welikson, expanding the
13 availability of business energy efficiency opportunities by allowing transportation
14 customer participation and the use of custom measures can create more energy
15 savings.¹⁹ Custom measures can address cost-effective savings opportunities
16 not available through standard measure incentives.

¹⁵ GR-2019-0077, Kroll Direct, pages 5-7, lines 1-17, 1-19, and 1-2.

¹⁶ See also Drehobl, Ariel and Ross, Lauren, 2016, *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 American Council for an Energy-Efficient Economy, <https://aceee.org/sites/default/files/publications/researchreports/u1602.pdf>, pages 29 through 31.

¹⁷ Missouri Public Service Commission Tariff No. JG-2019-0199, Spire Missouri Inc. d/b/a Spire, Rules and Regulations, Conservation and Energy Efficiency Programs, Multi-Family Low Income Program, June 1, 2019, Sheet No. R-30.13.

¹⁸ Missouri Public Service Commission Tariff No. JG-2019-0200, Spire Missouri Inc. d/b/a Spire, Rules and Regulations, Conservation and Energy Efficiency Programs, Multi-Family Low Income Program, June 1, 2019, Sheet No. R-30.13.

¹⁹ GR-2019-0077, Welikson Direct, page 9, lines 15-17.

1 Expanding the business program can help to attract new businesses to Missouri,
2 retain existing businesses in the state, and encourage business expansion.

3 When businesses are able to reduce their costs of production, such as through
4 reducing their energy consumption and bills, they are able to utilize their
5 resources in others ways. This has the potential to make these businesses more
6 competitive within the state and nationally, and may lead them to make greater
7 investments in local economies by choosing to expand.

8 **Q. Could a custom business measure include the use of combined heat and**
9 **power?**

10 A. Yes. Under the terms of the Company's proposed tariff language, "The rebate
11 program will make available custom rebates to business customers for the
12 installation of any natural gas related energy efficiency improvement that does
13 not qualify for a prescriptive rebate."²⁰ DE witness Ms. Jane E. Epperson
14 discusses the potential benefits of combined heat and power in her Direct
15 Testimony in this case.²¹

16 **Q. Do you have any recommended leading practices that Ameren Missouri**
17 **could incorporate in its energy efficiency programs?**

18 A. Yes. DE recommends that the Company seek additional opportunities to engage
19 with its customers on the availability and benefits of its energy efficiency programs,
20 particularly in the context of the low-income program. As a part of the *National*

²⁰ *Ibid*, Schedule LMW-D2, page 1.

²¹ Missouri Public Service Commission Case No. GR-2019-0077, *In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its Revenues for Natural Gas Service*, Direct Testimony of Jane E. Epperson on Behalf of Missouri Department of Economic Development – Division of Energy, May 3, 2019.

1 *Action Plan for Energy Efficiency*, the U.S. Department of Energy and U.S.
2 Environmental Protection Agency state that low-income customer adoption of
3 efficient measures can be supported through education, incentives, and credit
4 counseling.²² Ameren Missouri's proposed efficiency programs would provide
5 such incentives and could be enhanced by additional education and outreach. The
6 *National Action Plan* also lists as a best practice having energy efficiency programs
7 eventually become more comprehensive,²³ which is consistent with Ms. Brink's
8 testimony.²⁴

9 **V. RESPONSE TO OFFICE OF THE PUBLIC COUNSEL**

10 **Q. Please summarize Dr. Marke's recommendations regarding customer billing**
11 **information.**

12 A. Dr. Marke states the following in his testimony:

13 I recommend that the Commission order the Company to clearly display
14 all authorized charges on all customer bills. Additionally, I strongly
15 recommend that Ameren Missouri adopt the equal level of customer bill
16 education it provides for Ameren Illinois ratepayers including updating its
17 website accordingly.²⁵

²² U.S. Department of Energy and U.S. Environmental Protection Agency. 2006. *National Action Plan for Energy Efficiency*. https://www.epa.gov/sites/production/files/2015-08/documents/napee_report.pdf. Page 6-36.

²³ *Ibid*, pages 6-10 and 6-41.

²⁴ Missouri Public Service Commission Case No. GR-2019-0077, *In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its Revenues for Natural Gas Service*, Direct Testimony of Annika Brink on Behalf of National Housing Trust (Revenue Requirement), April 19, 2019, page 14, lines 1-8.

²⁵ Missouri Public Service Commission Case No. GR-2019-0077, *In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its Revenues for Natural Gas Service*, Direct Testimony of Geoff Marke Submitted on Behalf of the Office of the Public Counsel, April 19, 2019, page 12, lines 2-5.

1 **Q. Should customer bills present clear and complete information about billing**
2 **components?**

3 A. Yes. In order to make informed decisions about usage and adopting energy
4 efficiency measures, customers require clear and complete information about
5 their billing components. Without knowing the charges incurred per unit of gas
6 used, a customer will have difficulty estimating how changes in usage affect his
7 or her bill. Having ready access to information about billing units on customer
8 bills is a reasonable means of educating customers. Additionally, the Company
9 should ensure that its call center representatives have sufficient ability to explain
10 accurately detailed billing charges should customers call with questions.

11 **VI. CONCLUSIONS**

12 **Q. Please summarize your conclusions.**

13 A. DE generally supports the Company's proposals to institute a low-income
14 efficiency program, make transportation customers eligible for the business energy
15 efficiency program, and add a custom measure for the business program. DE
16 recommends that the Company expand its engagement with, and education of,
17 customers about savings opportunities. DE supports providing customers with
18 additional clarifying information on the components of their bills.

19 **Q. Does this conclude your Rebuttal Testimony?**

20 A. Yes.