

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)

**INITIAL POST-HEARING BRIEF
OF NHT AND TOWER GROVE**

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August 13, 2015

COMES NOW the National Housing Trust (“NHT”) and Tower Grove Neighborhoods Community Development Corporation (“Tower Grove”), by and through their undersigned counsel, and for their initial post-hearing brief in the above-captioned case state as follows:

INTRODUCTION

Ameren Missouri filed its Application for approval of its 2016-2018 MEEIA Plan on December 22, 2014.¹ Ameren Missouri’s initial Application included a Residential Low Income program that was not particularly aimed at helping customers in affordable multifamily housing save energy. NHT and Tower Grove intervened in the case in the interest of advocating for an approach that provided customers in multifamily affordable housing with access to utility energy efficiency programs. Low-income and multifamily affordable housing customers have typically been neglected by utility-run demand-side management programs, due to issues such as the “split incentive” and others that have been well documented in this case. NHT expert Annika Brink and Tower Grove expert Dana Gray both filed rebuttal testimony recommending additions and changes to Ameren Missouri’s Low-Income program to improve access to and participation in the program. Extensive settlement talks, negotiations and cooperation took place, eventually leading to the versions of the Multifamily Low-Income program found in each of the Non-Unanimous Stipulations in this case.² The Commission conducted an on-the-record hearing from July 20 – 22, 2015.

This brief provides context for how the parties arrived at the two Stipulations, and summarizes both the shared program details and the differences between the two Stipulations with respect to the Multifamily Low-Income program. This brief also outline NHT and Tower Groves’

¹ Exhibit No. 100, “Energy Efficiency Plan.” pg. 15.

² See “Non-Unanimous Stipulation and Agreement,” filed by Ameren Missouri, KCP&L, Division of Energy, NRDC, and United for Missouri on June 30, 2015 (“the Utility Stipulation”) and “Non-Unanimous Stipulation and Agreement Regarding Ameren Missouri’s MEEIA Cycle 2,” filed by the Office of Public Counsel, the Staff for the Commission, Renew Missouri, Sierra Club, MIEC and MECG on July 8, 2015 (“the Non-Utility Stipulation”) both submitted in File No. EO-2015-0055.

recommendations for how the Commission should modify the Company's Application in order to put in place the best program for Ameren Missouri's multifamily and low-income customers.

DISCUSSION

I. The Development of the Stipulations with Respect to the Multifamily Low-Income Program.

Both the Utility Stipulation and the Non-Utility Stipulation include provisions for the modification of Ameren Missouri's Low-Income program found in its original MEEIA Application. Those provisions are a result of over a year of discussion, education, negotiation and cooperation amongst the parties.

NHT and Tower Grove first established a relationship with Ameren Missouri's efficiency team, state agencies, and other parties through a series of five stakeholder convenings in St. Louis during the Summer and Fall of 2014. The purpose of these convenings was to identify barriers to effective utility efficiency programs for customers in multifamily affordable housing, and to develop some solutions to those barriers. Among the outcomes of these convenings was a white paper entitled "Scaling Up Energy Efficiency in Missouri and Illinois Multifamily Affordable Housing,"³ which included a series of recommendations supported by a majority of the participants. Ameren Missouri, the Natural Resources Defense Counsel (NRDC), the Staff for the Commission (Staff), the Office of Public Counsel (OPC), the Division of Energy (DE), Renew Missouri, and the Sierra Club were all key participants and contributed to the recommendations contained in the white paper.

In her Rebuttal Testimony, NHT witness Annika Brink explained why the multifamily sector is considered "hard to reach."⁴

Among the factors that can make multifamily buildings uniquely difficult to serve are:

³ Exhibit No. 1300, "Rebuttal Testimony of Annika Brink." (The white paper was attached as "Exhibit A").

⁴ Id. at 5, lines 3-8.

the existence of multiple “commercial” and “residential” meters across common area and tenant spaces, split incentives, complex financing and capital needs, complex management and decision-making structures, limited staff time to manage incentive processes, unfamiliarity of contractors with multifamily building stock, extended rehabilitation/retrofit timelines coordinated with periodic recapitalization cycles, and energy usage data that are difficult for building owners to access.

Ms. Brink’s testimony also provided support for a number of recommended changes to Ameren’s Low-Income program, including: a “One-Stop-Shop” approach that streamlines customer participation; a bonus incentive for multifamily affordable buildings; and providing owners with aggregate whole building energy usage data. Ms. Brink also filed Surrebuttal Testimony, in which she stressed the wide-ranging benefits to low-income customers and all ratepayers that would result from some of her recommendations.⁵ Ms. Brink’s Surrebuttal Testimony also pointed out key shortcomings in Ameren Missouri’s potential study with respect to the multifamily and low-income sectors.⁶

In Tower Grove witness Dana Gray’s Rebuttal Testimony, she provided support for additional recommended changes to Ameren Missouri’s Low Income program, including: expanding the list of items eligible for incentives for low-income buildings; offering in-unit measures to tenants in unsubsidized dwellings as well as subsidized housing; and utilizing energy auditors to interface with building owners to identify needed measures as part of the one-stop-shop approach.⁷

NRDC witness Phil Mosenthal also filed testimony that referenced a Potential Study published by Energy Efficiency for All and developed by Optimal Energy, which identifies far more savings potential in the multifamily and low-income sectors than Ameren Missouri’s 2013 Market Potential Study.⁸

Following testimony, a majority of the parties in the case expressed an interest in developing an effective program that addressed multifamily building owners and tenants’ access to energy

⁵ Exhibit No. 1301, “Surrebuttal Testimony of Annika Brink.”

⁶ Id. at pg. 7.

⁷ Exhibit No. 1400, “Rebuttal Testimony of Dana Gray.”

⁸ Exhibit No. 302, “Energy Efficiency for All Article.”

efficiency incentives. Ameren Missouri in particular worked very closely with NHT, Tower Grove and others to include recommended program details within settlement documents. Over the weeks and months, consensus began to develop around several issues. However, negotiations did not fare as well surrounding the other issues in the case. Parties had large disagreements around the Plan's overall saving targets, the Potential Study, the DSIM, the Throughput Disincentive, and the Performance Incentive. Because these issues were not central to NHT and Tower Grove's interests or expertise in the case, the organizations refrained from lending support to either side as the two Stipulations began taking shape. NHT and Tower Grove ultimately declined to sign either the Utility Stipulation or the Non-Utility Stipulation, but instead attempted to ensure that both adequately addressed the Multifamily Low-Income program.

II. Consensus Program Details

The Utility Stipulation and the Non-Utility Stipulation share many common Multifamily Low-Income program details that, taken together, represent a near consensus among the parties to this case.

Both Stipulations agree that the Multifamily Low-Income program should have an overall budget of approximately \$10.75 million, and a program savings target of 13,666 MWh.⁹ While the program budget could be higher and the savings target is likely far below what is achievable, NHT and Tower Grove consider these negotiated numbers to be beneficial steps forward from Ameren Missouri's Cycle 1 Low-Income program.¹⁰

In addition, both Stipulations agree that the Multifamily Low-Income program should provide multifamily building owners and residents with a single point of contact, or "Coordinator" who would, among other duties: determine eligibility; help navigate the range of measures and incentives; assist in the rebate application process; and maintain relationships with trade allies as well as

⁹ See The Non-Utility Stipulation, pg. 5-6, ¶4.a; see also The Utility Stipulation, pg. 4, Table 2.

¹⁰ See "Unanimous Stipulation and Agreement Resolving Ameren Missouri's MEEIA Filing." Case No. EO-2012-0142, submitted on July 5, 2012.

assistance agencies.¹¹ Ms. Brink and Ms. Gray both explain rationale behind this recommendation in their respective Rebuttal Testimony.¹²

Finally, both Stipulations agree that the program will provide a 25% bonus incentive for multifamily low-income whole building and common area measures.¹³ Ms. Brink's Rebuttal Testimony addressed the value of this recommendation as well.¹⁴

Regardless of the Commission's decision on the other issues in this case, NHT and Tower Grove strongly urge the Commission to adopt the above agreed-upon program details as modifications to Ameren Missouri's proposed Low-Income program.

III. Differences in Program Details Between the Stipulations

In the final days of negotiating the two Stipulations, two key differences emerged with respect to the Multifamily Low-Income program. The Non-Utility Stipulation includes details relating to customer eligibility and information provided in energy audits that may serve to increase participation in the program among multifamily building owners and tenants.

While the Utility Stipulation only offers eligibility of the 25% bonus incentive to the Company's 2(M) Small General Service Rate Classification and larger, the Non-Utility Stipulation extends the bonus incentive's eligibility to the 1(M) Service Classification as well.¹⁵ During cross examination, Ms. Gray raised this as a particular concern.¹⁶

Furthermore, the Non-Utility Stipulation requires that energy audits include information on estimated costs, while the Utility Stipulation does not require estimated cost information to be

¹¹ See The Non-Utility Stipulation, pg. 5-6, ¶4.a; see also The Utility Stipulation, pg. 7, ¶8c.

¹² See Exhibit No. 1300, "Rebuttal Testimony of Annika Brink." pg. 5-7; see also Exhibit No. 1400, "Rebuttal Testimony of Dana Gray."

¹³ See The Non-Utility Stipulation, pg. 6, ¶4.d; see also The Utility Stipulation, pg. 7, ¶8e.

¹⁴ Exhibit No. 1300, "Rebuttal Testimony of Annika Brink." pg. 7.

¹⁵ See The Non-Utility Stipulation, pg. 6, ¶4.e; see also The Utility Stipulation, pg. 7, ¶8e.

¹⁶ Transcript – Volume 3 (Evidentiary Hearing 7-22-15), pg. 720-721.

provided following energy audits.¹⁷

NHT and Tower Grove believe both of these additions will lead to a more effective program in which a higher number of low-income and affordable rental housing owners and tenants will be likely to participate. For this reason, we urge the Commission to adopt these additional program details found in the Non-Utility Stipulation as modifications to Ameren Missouri's Low Income program in its original Application.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct PDF version of the foregoing was filed on EFIS and electronically mailed to all counsel of record on this 13th day of August, 2015.

/s/ Andrew J. Linhares

Andrew J. Linhares

¹⁷ See The Non-Utility Stipulation, pg. 7, ¶4.e; see also The Utility Stipulation, pg. 7, ¶8f.