
Exhibit No.:
Issue: Rate Design
Witness: Jessica Oakley
Type of Exhibit: Direct Testimony
Sponsoring Party: Brightergy, LLC
Case No.: ER-2016-0179
Testimony Date: December 23, 2016

MISSOURI PUBLIC SERVICE COMMISSION

File No: ER-2016-0179

DIRECT TESTIMONY

OF

JESSICA OAKLEY

ON BEHALF OF

BRIGHTERGY, LLC

Kansas City, Missouri

December 23, 2016

1
2 **DIRECT TESTIMONY**

3
4 **OF**

5
6 **JESSICA OAKLEY**

7
8 **File No. ER-2016-0179**
9

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11
12 **Q: Please state your name and business address.**

13 **A:** My name is Jessica Oakley. My business address is 1712 Main Street, 6th Floor,
14 Kansas City, MO 64108.
15

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

17 **A:** I am the Vice President of Client Solutions for Brightergy, LLC ("Brightergy"), an energy
18 company offering distributed generation and a variety of energy efficiency services. Brightergy
19 has offices in Kansas City, Missouri, St. Louis, Missouri, and Boston, Massachusetts.
20

21 **Q: As Vice President for Client Solutions, what are your responsibilities at**
22 **Brightergy?**

23 **A:** I manage our new product offerings, including marketing and sales support. I also
24 perform energy savings analysis for current clients and new proposals.
25

26 **Q: What is your educational background?**

27 **A:** I have a bachelor's degree in mechanical engineering from Virginia Polytechnic Institute.
28 I also have Certified Energy Manager and Certified Demand Side Manager credentials from the
29 Association of Energy Engineers.

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

3 **A:** Yes I have submitted testimony in the following dockets: ER-2016-0156 and EA-2016-
4 0208 before the Missouri Public Service Commission, and 16-KCPE-446-TAR before the
5 Kansas Corporation Commission.

6
7 **Q: Please describe Brightergy and its national presence.**

8 **A:** Brightergy has installed projects and operates throughout the State of Missouri. In
9 addition, Brightergy contracts with several electrical contractors who perform installations of
10 solar systems, lighting retrofits, and other energy efficiency related projects. The employment
11 resulting from these business relationships extends well beyond Brightergy’s full-time
12 employees.

13
14 **Q: Please describe Brightergy’s business operations in the state of Missouri.**

15 **A:** Brightergy assists energy consumers in taking control of their electricity expenditures in
16 a number of ways. To name a few, Brightergy offers residential and commercial solar energy
17 installations, energy efficiency audits and projects, and various energy management services.
18 Brightergy also assists its clients in applying for necessary permits and financial incentive
19 processing including, utility rebates. Brightergy has over 500 commercial clients in the state of
20 Missouri.

21
22 **Q: What is the purpose of your Direct Testimony?**

23 **A:** The purpose of my testimony is to encourage Kansas City Power & Light Company
24 (“Ameren” or the “Company”) and the Commission to move forward on several policy fronts that
25 will allow the state to transition from a centralized, coal-based energy generation system to a

1 more distributed system which will allow for competition and safe integration of renewable
2 generation systems.

3

4 **Q: What specific recommendations do you have for the Commission?**

5 **A:** The Commission should encourage the Company to maintain its time of day rates
6 already in place for small and large general customers. These tariffs promote distributed
7 generation investments and peak demand savings. Ameren has also proposed a pilot
8 residential time of day rate. The Commission should approve this pilot. Additionally, the
9 Commission should permit the Company to recover costs for compliance with the Renewable
10 Energy Standard, begin a study of a Value of Solar policy, and require the Company to provide
11 customer use data more freely and with more detail.

12

13 **Q: Why should the Commission approve a residential pilot Time of Day tariff?**

14 **A:** These policies encourage customers to think of themselves as part of a group of utility
15 customers, and make it easier for the utility to deploy resources efficiently.

16

17 **Q: How will these policies improve Missouri's energy regulatory environment?**

18 **A:** As the Commissioners well know, there are many levers that can be pulled in the
19 regulatory structure to encourage or discourage certain investments and behaviors on the part
20 of utilities and consumers. The policies Brightergy proposes are meant to nudge all
21 stakeholders in the direction of further development of distributed generation and renewables.

22

23

24

25

1 **Q: Does Ameren recognize these opportunities?**

2 **A:** Yes. In his Direct Testimony, Michael Moehn recognizes several emerging
3 developments, including distributed generation, smart grid technology utilizing real time
4 information and control, and net metering changes, among others¹.

5

6 **Q: Let's start with rate structure. Can you explain Time of Day rates?**

7 **A:** Yes. Time of Day ("TOD") rates, similar to Time of Use Rates, encourage customers to
8 shift their electrical usage to from peak periods to off-peak periods by offering a higher on-peak
9 rate and lower off-peak rate.

10

11 **Q: Has the Commission recognized the importance of the TOD rate structure to**
12 **Ameren's customers?**

13 **A:** Yes. The Commission has ordered Ameren to explore options to make TOD rates
14 available again to all of its customers².

15

16 **Q: Would this structure further any of Missouri's public policy goals?**

17 **A:** Yes, this rate structure would reduce the Company's peak demand. On a TOD rate, a
18 customer is incentivized to move load from peak hours to off-peak hours.

19

20 **Q: Would this structure result in increased rates for any other customer class?**

21 **A:** No. This rate structure would be an optional tariff for customers within a customer class.

22

23

¹ See Michael Moehn Direct Testimony, pages 20-21.

² Order Establishing Special Contemporary Resource Planning Issues, Docket No. EO-2017-0073.

1 **Q: What would increase participation in these rates?**

2 **A:** Technological innovation will lead to more monitoring of load devices, increasing a
3 customer's ability to schedule load (for example, delay timers on dishwashers and washing
4 machines), customers will have more flexibility in shifting their electrical consumption to times
5 when their electricity costs are lower.

6

7 **Q: Do share the Company's concerns regarding regulatory lag?**

8 **A:** Yes I do. The Commission and the various stakeholders should be commended for their
9 efforts to address the issue of regulatory lag. Brightergy has held the consistent position that
10 regulated utilities should be encouraged to branch out beyond their traditional business models
11 by investing further in renewables, and encouraging the development of renewables and
12 efficiency programs in their service territory.

13

14 **Q: How will addressing regulatory lag further these interests?**

15 **A:** Utilities are driven much like any other business by pressures from customers and
16 shareholders. In the case of renewables and efficiency programs, utilities are facing customer
17 demand for enhanced and expanded programs, while at the same time balancing that interest
18 with a duty to shareholders to maximize earnings. Addressing regulatory lag would give utilities
19 more flexibility in terms of their investments because they would not have to wait for returns on
20 those investment dollars beyond what the market would require. Although Ameren has not
21 proposed a specific mechanism to address these concerns in this rate case, we encourage the
22 Commission to recognize it as a serious issue.

23

24

1 **Q: Are there any other changes to the ratemaking process that would encourage**
2 **innovation and deployment of new technologies?**

3 **A:** Yes, as the Commission acknowledged in a recent report, a lag exists between a utility's
4 expenditures for capital investments and the return the utility sees on that investment³. Although
5 the Commission's Staff concluded that this was not a serious problem for utility earnings, the
6 problem is quite serious when the issue is encouraging utility investment in grid modernization
7 and deployment of distributed generation resources.

8

9 **Q: Does Brightergy support the Company's request for to continue its tracker for its**
10 **Renewable Energy Standard costs?**

11 **A:** Yes. For all the reasons noted above, it is important for the Commission to recognize the
12 importance of quick cost recovery in order to encourage the Company to make these
13 investments.

14

15 **Q: Why does Brightergy take the position that it is important for Ameren to timely**
16 **recover cost?**

17 **A:** Like any business, Ameren wants some assurance that the investments it makes will
18 have some payoff for its shareholders and customers. The Commission should do everything in
19 its power to provide Ameren some reasonable assurance that its costs related to RES
20 compliance and distributed generation advancement, including grid upgrades, will be timely
21 recovered. Then the Company will be properly motivated to make investments to move Missouri
22 forward.

23

³ A Report Regarding Policies to Improve Electric Utility Regulation, File No. EW-2016-0313.

1 **Q: Are there other policies that could encourage the development of distributed**
2 **generation assets?**

3 **A:** Yes, the State of Minnesota and the City of Austin, Texas, have both adopted model
4 Value of Solar (“VOS”) programs. VOS has the potential to provide more certainty to regulated
5 utilities as well as customers, and would simplify a sometimes-complicated calculation as to the
6 rate at which solar customers are compensated for energy they produce.

7

8 **Q: How does VOS differ from the state’s current net metering policy?**

9 **A:** Policies vary, but net metering generally awards bill credits for the current retail or
10 wholesale electric rate for the amount of energy produced by a solar customer. This rate varies
11 with the price of electricity, leading to some uncertainty for customers and the utility. A VOS rate
12 would remain constant, giving long-term planning certainty to investors. There are several
13 possible inputs to determine this value, but the policy avoids tying individual distributed
14 generation investors to a market which could fluctuate in unpredictable ways over the coming
15 decades.

16

17 **Q: What other steps can the Company take to encourage customer investment in**
18 **renewable resources?**

19 **A:** One way to encourage such investment, increase the efficiency of electricity usage, is to
20 provide customers with more and better data regarding their usage.

21

22

23

24

1 **Q: What specifically would aid utility customers in making efficiency and distributed**
2 **generation investments?**

3 **A:** Brightergy recently suggested⁴, and the Commission ordered⁵, that Ameren “Study
4 feasibility of providing all customers with interval meter data,” and “Review the options available
5 to provide customers with real-time, building level data, sub-meter, line and device level data.”
6

7 **Q: What type of data is currently available to Ameren customers, and why is it**
8 **insufficient?**

9 **A:** Ameren currently provides monthly usage data to all clients, daily usage data to some
10 clients, and interval level data to even fewer clients. The monthly and daily usage information is
11 only useful in looking at previous usage and cost patterns. The interval data is helpful at looking
12 at demand profiles to help customers identify when they are reaching their peak demand so
13 they can mitigate those costs. Interval level data also allows customers to see their peak and
14 off peak usage to determine whether a TOD rate would be beneficial. Interval data also allows
15 customers to more accurately asses the benefits of self-generation.
16

17 **Q: You have discussed a few policies in depth. What are some of the basic logistical**
18 **issues which could promote or impair the progress of distributed generation deployment**
19 **in Missouri?**

20 **A:** At a high level, cutting down on the red tape a distributed generation customer might be
21 exposed to in the application process and the billing process will have an impact on customer
22 interest in investing. The Commission recognized that these processes should be considered by

⁴ Joint Suggestions for Special Contemporary Planning Issues of Brightergy, LLC, and the Natural Resources Defence Council, Docket No. EO-2017-0073.

⁵ Order Establishing Special Contemporary Resource Planning Issues, Docket No. EO-2017-0073.

1 the Company in an overall effort to promote distributed generation⁶. Specifically, the
2 Commission noted that Ameren should consider net metering limitations, interconnection
3 procedures, and billing practices as parts of an overall distributed generation strategy.

4
5 **Q: How can interconnection procedures and billing practices impact solar**
6 **customers?**

7 **A:** Most customers need assistance with an application to interconnect. Brightergy has
8 assisted customers in 10 states, and utility procedures vary widely across the various
9 companies. When the process is too time consuming, or the application is scrutinized too
10 heavily, customers can become discouraged with the process and invest their time and money
11 elsewhere. Similarly, if customers are confused by a utility's billing interface and have difficulty
12 seeing the value of their investment through savings reflected on the bill, it can have a cooling
13 effect on customer interest in distributed generation.

14
15 **Q: Please summarize your testimony in a succinct theme.**

16 **A:** Utilities should be encouraged to make investments in emerging technologies by giving
17 them certainty that their investments will be recouped quickly. These investments include the
18 cost of compliance with Missouri's RES. Without certainty that such investments will be paid
19 back, utilities will be reluctant to spend on distributed generation and the grid upgrades
20 necessary to support new technology. Additionally, Ameren should actively promote distributed
21 generation deployment through TOD rate availability, friendly net metering policies, streamlined
22 interconnection procedures, and easily understood billing practices.

23
24

⁶ Order Establishing Special Contemporary Resource Planning Issues, Docket No. EO-2017-0073.

1 **Q:** Does this conclude your testimony?

2 **A:** Yes.

3

4

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

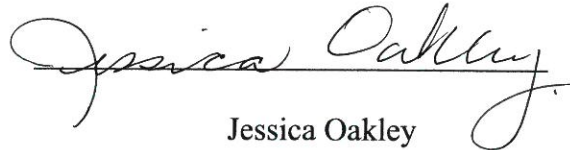
In the Matter Application of Union)
Electric Company d/b/a Ameren)
Missouri's Tariffs to Increase Its) **Docket No. ER-2016-0179**
Revenues for Electric Service)

AFFIDAVIT OF JESSICA OAKLEY

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Jessica Oakley, being first sworn on her oath, states:

1. My name is Jessica Oakley. I am Vice President for Client Solutions at Brightergy, LLC.
2. Attached hereto and made part hereof for all purposes is my Direct Testimony.
3. I hereby swear and affirm that my statements contained in this affidavit and in the attached Direct Testimony are true and correct to the best of my knowledge and belief.


Jessica Oakley

Subscribed and sworn to me this 23rd day of December, 2016.



Notary Public

My Commission expires 10 April 2017.

