
Exhibit No.:
Issue: *Rate Design*
Witness: *Jessica Oakley*
Type of Exhibit: *Direct Testimony*
Sponsoring Party: *Brightergy, LLC*
Case No.: *ER-2016-0285*
Testimony Date: *December 14, 2016*

MISSOURI PUBLIC SERVICE COMMISSION

File No: ER-2016-0285

DIRECT TESTIMONY

OF

JESSICA OAKLEY

ON BEHALF OF

BRIGHTERGY, LLC

**Kansas City, Missouri
December 14, 2016**

1
2 **DIRECT TESTIMONY**

3
4 **OF**

5
6 **JESSICA OAKLEY**

7
8 **File No. ER-2016-0285**
9

10
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 product offerings, including marketing and sales support. I also perform
24 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 (“KCP&L” 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 move expeditiously to institute Time of Use (“TOU”) rates for
6 KCP&L’s commercial customers which will encourage distributed generation investments and
7 peak demand savings. Additionally, the Commission should permit the Company to recover
8 costs for compliance with the Renewable Energy Standard, begin a study of a Value of Solar
9 policy, require the Company to provide customer use data more freely and with more detail, and
10 consider the Company’s request for a future test year framework in its ratemaking process.

11

12 **Q: How will these policies improve Missouri’s energy regulatory environment?**

13 **A:** As the Commissioners well know, there are many levers that can be pulled in the
14 regulatory structure to encourage or discourage certain investments and behaviors on the part
15 of utilities and consumers. The policies Brightergy proposes are meant to nudge all
16 stakeholders in the direction of further development and adoption of innovative energy
17 technology.

18

19 **Q: Let’s start with rate structure. Can you explain Time of Use rates?**

20 **A:** Yes. Time of Use (“TOU”) rates encourage customers to shift their electrical usage to
21 from peak periods to off-peak periods by offering a higher on-peak rate and lower off-peak rate.

22

23 **Q: What is preventing customers from taking advantage of TOU rates?**

24 **A:** KCP&L has frozen TOU rates for its residential and commercial customers.

25

1 **Q: How could the Company improve its TOU tariffs for commercial customers?**

2 **A:** KCP&L's frozen TOU commercial tariffs come in two parts, one which establishes credits
3 and charges based on a commercial customer's baseline usage, and the second, which
4 determines the credits and charges based on on-peak and off-peak periods. This could be
5 improved by streamlining the process into one tariff which would assign rates based solely on
6 the time that the power is being consumed. The current process is confusing to customers, and
7 requires the Company to calculate the bills manually. A streamlined process would cut down on
8 administration costs for the utility, and would encourage more customer participation through
9 ease of use.

10

11 **Q: Has the Commission recognized the importance of the TOU rate structure to**
12 **KCP&L's customers?**

13 **A:** Yes. The Commission has ordered KCP&L to explore options to make TOU rates
14 available again to all of its customers¹.

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 TOU rate, a
18 customer is incentivized to move load from peak hours to off-peak hours.

19

20 **Q: Are you aware of any other major utilities that have adopted this rate structure?**

21 **A:** Yes. Many regulated utilities nationally offer a TOU rate structure similar to what
22 Brightergy is proposing.

23

24

¹ Order Establishing Special Contemporary Resource Planning Issues, Docket No. EO-2017-0074.

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

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

3

4 **Q: Do you know the Company's position regarding these rates?**

5 **A:** My understanding is that the Company has had little participation in these tariffs and that
6 is why they have asked to have them frozen.

7

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

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

13

14 **Q: Do you support the Company's proposal for a future test year framework?**

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

20

21 **Q: How will the adoption of a future test year standard further these interests?**

22 **A:** Utilities are driven much like any other business by pressures from customers and
23 shareholders. In the case of renewables and efficiency programs, utilities are facing customer
24 demand for enhanced and expanded programs, while at the same time balancing that interest
25 with a duty to shareholders to maximize earnings. Adopting a future test year would give utilities

1 more flexibility in terms of their investments because they would not have to wait for returns on
2 those investment dollars beyond what the market would require.

3

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

6 **A:** Yes, as the Commission acknowledged in a recent report, a lag exists between a utility's
7 expenditures for capital investments and the return the utility sees on that investment². Although
8 the Commission's Staff concluded that this was not a serious problem for utility earnings, the
9 problem is quite serious when the issue is encouraging utility investment in grid modernization
10 and deployment of distributed generation resources.

11

12 **Q: Does Brightergy support the Company's request for recovery of one percent of its**
13 **Renewable Energy Standard costs?**

14 **A:** Yes. Brightergy was a signatory to the Non-Unanimous Stipulation and Agreement³ in
15 which the parties agreed not to oppose recovery of prudently incurred Renewable Energy
16 Standard ("RES") compliance costs. More than the various Parties' pledge not to oppose these
17 costs, however, it is important for the Commission to recognize the importance of quick cost
18 recovery in order to encourage the Company to make these investments.

19

20 **Q: Why does Brightergy take the position that it is important for KCP&L to timely**
21 **recover cost?**

22 **A:** Like any business, KCP&L wants some assurance that the investments it makes will
23 have some payoff for its shareholders and customers. The Commission should do everything in

² A Report Regarding Policies to Improve Electric Utility Regulation, File No. EW-2016-0313.

³ Docket Nos. ET-2014-0059 and ET-2014-0071.

1 its power to provide KCP&L some reasonable assurance that its costs related to RES
2 compliance and distributed generation advancement, including grid upgrades, will be timely
3 recovered. The Company will then be properly motivated to make investments to move Missouri
4 forward.

5

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

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

12

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

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

21

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

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

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 KCP&L “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 KCP&L customers, and why is it**
8 **insufficient?**

9 **A:** KCP&L 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 Time of Use rate would be beneficial. Interval data also
15 allows customers to more accurately assess 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-2017-0074.

⁵ Order Establishing Special Contemporary Resource Planning Issues, Docket No. EO-2017-0074.

1 the Company in an overall effort to promote distributed generation⁶. Specifically, the
2 Commission noted that KCP&L 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 investment 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, KCP&L should actively promote distributed
21 generation deployment through TOU 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-2017-0074.

1 Q: Does this conclude your testimony?

2 A: Yes.

3

4

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

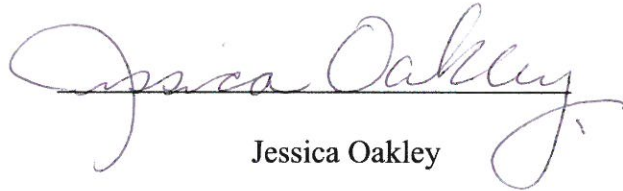
In the Matter Application of Kansas City Power & Light Company's Request for Authority to Implement A General Rate Increase for Electric Service)))))	Docket No. ER-2016-0285
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AFFIDAVIT OF JESSICA OAKLEY

STATE OF MISSOURI)
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) **ss**
COUNTY OF JACKSON)

Jessica Oakley, being first sworn on his 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 14th day of December, 2016.



Notary Public

My Commission expires 4/3/2020.

