

Exhibit No: 1
Issue: Spire On-Bill Financing Program
Overview
Witness: Shaylyn Dean
Type of Exhibit: Direct Testimony
Sponsoring Party: Spire Missouri Inc.
Case Nos.:
Date Prepared: October 30, 2020

SPIRE MISSOURI, INC.

File Nos.

DIRECT TESTIMONY

OF

Shaylyn Dean

DIRECT TESTIMONY OF SHAYLYN DEAN

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Shaylyn Dean and my business address is 7500 E 35th Terrace, Kansas City,
3 Missouri, 64129.

4 **Q. WHAT IS YOUR PRESENT POSITION?**

5 A. I am the Manager of Energy Efficiency Programs for Spire Missouri (“Spire” or “the
6 Company”).

7 **Q. PLEASE STATE HOW LONG YOU HAVE HELD YOUR POSITION AND**
8 **BRIEFLY DESCRIBE YOUR RESPONSIBILITIES.**

9 A. I was promoted to Manager of Energy Efficiency Programs for Spire on September 8, 2017
10 so I have been in my current role for 3 years. I oversee the Company’s Energy Efficiency
11 Portfolio which includes the Residential, Commercial & Industrial, as well as Co-Delivery
12 rebate/incentive programs. In my role, I follow Energy Efficiency trends and policies in
13 other states and evaluate what new technologies exist that could help improve our program
14 for Missouri customers. I also represent the company at our quarterly Energy Efficiency
15 Collaborative meetings. The Collaborative includes the Missouri Public Service
16 Commission Staff, Office of Public Counsel, Department of Natural Resources/Division
17 of Energy, National Housing Trust, and Renew Missouri.

18 **Q. WHAT WAS YOUR EXPERIENCE PRIOR TO ASSUMING YOUR CURRENT**
19 **POSITION?**

20 A. I joined Missouri Gas Energy (MGE), now Spire, in 2012 as a Customer and Community
21 Relations Advisor working on Missouri Public Service Commission Complaints. I also
22 worked with the Company’s community stakeholders on a host of programs such as the
23 Low-Income Home Energy Assistance Program (LIHEAP). I was promoted to Energy

1 Efficiency Specialist for the legacy MGE territory in March of 2015 to oversee the
2 Company's Energy Efficiency programs. Prior to joining Spire, I managed the LIHEAP
3 Program at United Services Community Action Agency now Community Action of Greater
4 Kansas City.

5 **Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?**

6 A. I received a Master's in Public Administration with an emphasis in Urban Administration
7 and Policy from the University of Missouri-Kansas City (UMKC). I also received a
8 Professional Certificate in Community Economic Development while at UMKC. Prior to
9 UMKC, I received my Bachelor of Arts degree from the University of Iowa.

10 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY BEFORE THIS**
11 **COMMISSION?**

12 A. Yes, I submitted Rebuttal, as well as, Surrebuttal Testimony in Spire's last general rate
13 case proceeding, Case Nos. GR-2017-0215 and GR-2017-0216.

14 **I. PURPOSE OF DIRECT TESTIMONY**

15 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

16 A. The purpose of my direct testimony is to support and explain Spire's application to
17 establish Spire's On-Bill Financing Program.

18 **II. SPIRE ON-BILL FINANCING PROGRAM**

19 **Q. WHAT IS AN ON-BILL FINANCING PROGRAM?**

20 A. Spire's On-Bill Financing Program is designed to promote energy efficiency and cost
21 savings for customers by financing qualified energy efficiency measures. This program is
22 modeled after the Pay as You Save (PAYS®) program, which was developed and
23 trademarked by the Energy Efficiency Institute ("EEI"). As explained by EEI, "the

1 PAYS® system enables building owners or tenants to purchase and install money-saving
2 resource-efficient measures with no up- front payment and no debt obligation. Those who
3 benefit from the savings pay for these measures through a tariffed charge on their utility
4 bill, but only for as long as they occupy the location where the measures are installed
5 because the charge stays with the meter. The monthly charge is always lower than the
6 measure’s estimated savings and it remains on the bill for that location until all costs are
7 recovered. Like a loan, PAYS® allows for payment over time, but unlike a loan, the
8 payment obligation ends when the cost of the measure has been paid, occupancy ends, or
9 the measure fails.”

10 **Q. PLEASE DESCRIBE THE OVERALL BENEFITS TO SPIRE’S ON-BILL**
11 **FINANCING PROGRAM.**

12 A. This program will expand opportunities for customers to adopt cost-effective energy
13 efficiency measures through on-bill financing without having to worry about credit
14 reporting barriers that make it challenging for individuals to upgrade due to cost. Spire
15 will be able to show additional greenhouse gas emissions offsets benefiting the
16 environment.

17 **Q. DOESN’T SPIRE CURRENTLY HAVE A FINANCING PROGRAM AVAILABLE**
18 **TO ITS CUSTOMERS TO INSTALL THESE TYPES OF MEASURES?**

19 A. Yes, Spire does operate the Energywise and Insulation finance programs, however these
20 programs are only available to customers that qualify after the company has reviewed their
21 credit history along with pulling a credit report. Currently 25% of those that apply do not
22 qualify for the program due to credit history and are therefore denied the opportunity to

1 make the equipment upgrades. These customers could have been helped had an on-bill
2 financing program been available.

3 **Q. WHO IS ELIGIBLE TO PARTICIPATE IN THE SPIRE ON-BILL FINANCING**
4 **PROGRAM?**

5 A. All Spire residential customers are eligible regardless of income level.

6 **Q. WHO OWNS THE MEASURE AFTER IT HAS BEEN PAID?**

7 A. The owner of the premise will own the equipment after it has been paid off.

8 **Q. ARE THERE CRITERIA AN ON-BILL FINANCING PROGRAM INVESTMENT**
9 **MUST MEET?**

10 A. Yes. All of the measures must be cost effective. The on-bill charge associated with an
11 individual investment is limited to 80% of the value of the energy savings generated by
12 that investment. In addition, the payback period for an investment is set to 80% of the life
13 of the investment, with a cap of 12 years.

14 **Q. ARE INVESTMENTS EVALUATED TO ENSURE THAT THESE CRITERIA ARE**
15 **BEING MET?**

16 A. Yes. As described below, for this program, the Company will contract a third-party
17 program implementer. As part of the program, the program implementer will perform an
18 annual evaluation to verify that the above-mentioned criteria are being met. If it is
19 determined that investments are failing to satisfy these criteria, adjustments will be made
20 at that time to recalibrate charges to align with these criteria.

21 **Q. HOW WOULD SPIRE'S PROPOSED ON-BILL FINANCING PROGRAM**
22 **WORK?**

1 A. Under Spire’s proposed program, the Company would contract with a third-party program
2 implementer. The program implementer would perform an evaluation of the homes of
3 interested customers. If the home is deemed qualified to participate in the program, the
4 implementer would prepare a bid containing potential measures, other than direct-install
5 measures the customer may elect to have installed, along with an estimate of the associated
6 savings. At this stage, if a customer chooses to participate, Spire will arrange to finance
7 and install the measures.

8 **Q. WHAT IS SPIRE’S PROPOSED PROGRAM BUDGET?**

9 A. Spire is requesting approval for an \$11 million annual program budget, with \$1 million
10 carved out for program start-up, administrative, marketing, and implementation costs. The
11 proposed budget would support investments across all of Spire’s service territory.

12 **Q. WHAT IS SPIRE’S PROPOSAL FOR UNSPENT FUNDS?**

13 A. Unspent funds would roll over to be administered in subsequent program years.

14 **Q. HOW MANY PROJECTS DOES THE COMPANY BELIEVE THIS BUDGET
15 WOULD SUPPORT?**

16 A. If Spire were to utilize the entire budget annually, the Company estimates it would support
17 approximately 1,300 projects.

18 **Q. IS THERE A LIMIT ON THE AMOUNT OF ENERGY EFFICIENCY MEASURES
19 A CUSTOMER MAY INSTALL UNDER THE PROGRAM?**

20 A. The amount of energy efficiency measures will depend on the third party implementer’s
21 home analysis so we can make sure the program is getting the intended savings.

22 **Q. WILL PROGRAM PARTICIPANTS BE ELIGIBLE FOR EXISTING REBATES
23 AND INCENTIVES?**

1 A. Yes. Spire’s existing rebates and incentives will be available to participating customers.

2 **Q. WHAT HAPPENS IF A PARTICIPATING CUSTOMER MOVES?**

3 A. One of the interesting elements of Spire’s On-Bill Financing Program is that investments
4 are not tied to the customer but to the premise. Therefore, if a participating customer
5 moves, the next owner/tenant will assume the responsibility for the program charge as part
6 of their Spire gas bill.

7 **Q. CAN PARTICIPATING CUSTOMERS BE DISCONNECTED FOR NON-**
8 **PAYMENT OF THE ON-BILL FINANCING CHARGE?**

9 A. Yes. The on-bill charge associated with the participating customer’s investments will be
10 treated as all other bill charges with non-payment resulting in disconnection.

11 **Q. WHAT DOES IT MEAN FOR A MEASURE TO HAVE FAILED?**

12 A. A measure has failed if the installed upgrades are no longer functioning as intended and
13 the occupant or building owner, as applicable, did not damage or fail to maintain the
14 installed upgrades

15 **Q. HOW WILL SPIRE DETERMINE THAT AN ENERGY EFFICIENCY MEASURE**
16 **HAS FAILED?**

17 A. Participating customers shall report the failure of the installed upgrades to the Program
18 Administrator or Spire as soon as possible. Spire will determine the cause of the failure
19 and make the repairs if that determination wasn’t found to be something caused by the
20 owner, customer, or occupants.

21 **Q. WHAT HAPPENS IF A MEASURE FAILS?**

1 A. Spire will reduce or suspend the Service Charge until the Company and/or third party can
2 repair the upgrades. If the measure cannot be repaired or replaced in a cost-effective
3 manner the remaining Service Charge fees will be waived.

4 **Q. CAN CUSTOMERS MAKE A DOWN PAYMENT ON THE INVESTMENT AT**
5 **THE TIME OF INSTALLATION?**

6 A. Yes. Customers can make a down payment at the time of installation to offset a portion of
7 the costs to be financed through the on-bill charge.

8 **Q. HAVE SIMILAR PROGRAMS BEEN APPROVED IN MISSOURI?**

9 A. Yes, PAYS® programs were approved as part of Evergy's most recent MEEIA
10 proceeding, as well as Ameren Missouri's recent MEEIA extension filing. These
11 approved programs have annual budgets of \$15 million and \$5 million, increasing to \$10
12 million dollars respectively.

13 **Q. HAVE ANY OTHER GAS UTILITIES EXPLORED LAUNCHING A SIMILAR**
14 **ON-BILL FINANCING PROGRAM?**

15 A. Yes. CenterPoint Energy has submitted a Tariffed On-Bill Financing program to the
16 Minnesota Public Service Commission.

17 **Q. HAS SPIRE CONSIDERED CO-DELIVERING IT'S ON-BILL FINANCING**
18 **PROGRAM?**

19 A. Spire is currently evaluating the potential for a co-delivered program and, similar to the
20 approved tariff sheets of Ameren Missouri in Case No. EO-2018-2011, has incorporated
21 that possibility into its proposed tariff.

22 **Q. WHY WOULD SPIRE CO-DELIVER IT'S ON-BILL FINANCING PROGRAM?**

1 A. A co-delivered program evaluating the whole house energy consumption would offer the
2 greatest energy efficiency benefit to the customer if the electric utility also has an on-bill
3 financing program. Spire would still pursue doing this program in areas where a co-
4 delivery agreement doesn't exist with an electric utility.

5 **Q. DOES THIS COMPLETE YOUR DIRECT TESTIMONY?**

6 A. Yes.

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

In the Matter of the Application of Spire Missouri)
Inc. for approval to establish an On-Bill Financing) Case No. GO-2021-
Program and Cost Recovery Mechanism)

A F F I D A V I T

STATE OF MISSOURI)
) SS.
COUNTY OF JACKSON)

Shaylyn Dean, of lawful age, being first duly sworn, deposes and states:

1. My name is Shaylyn Dean. I am the Manager of Energy Efficiency Programs for Spire Missouri Inc. My business address is 7500 E 35th Terrace, Kansas City, MO 64129.

2. Attached hereto and made a part hereof for all purposes is my direct testimony on behalf of Spire Missouri Inc.

3. Under penalty of perjury, I declare that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

Shaylyn Dean

Shaylyn Dean

Dated: October 30, 2020