

Exhibit No.:  
Issues: Demand-Side Programs  
Witness: John A. Rogers  
Sponsoring Party: MO PSC Staff  
Type of Exhibit: Supplemental Direct  
Testimony  
File No.: EO-2015-0055  
Date Testimony Prepared: July 9, 2015

**MISSOURI PUBLIC SERVICE COMMISSION**

**REGULATORY REVIEW DIVISION**

**SUPPLEMENTAL DIRECT TESTIMONY**

**OF**

**JOHN A. ROGERS**

**UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI**

**FILE NO. EO-2015-0055**

*Jefferson City, Missouri  
July 2015*





Supplemental Direct Testimony of  
John A. Rogers

1 toward achievement of the MEEIA goal of “all cost-effective” demand-side savings through:  
2 a) an expert panel convened by a mediator to focus on potentially improving the participation  
3 rates for the programs in Appendix A, and b) a cooperative process whereby Ameren  
4 Missouri and interested stakeholders would identify additional cost-effective energy savings  
5 strategies which, if implemented, can be beneficial to all customers when combined with the  
6 demand-side programs investment mechanism<sup>1</sup> (“DSIM”) in the Non-Utility Stipulation.

7 Q. Is the portfolio of demand-side programs in Appendix A cost effective?

8 A. Yes.

9 Q. Why?

10 A. The TRC test results for the individual programs in the Non-Utility Portfolio  
11 are included in Schedule JAR-1 which expands the information in Appendix A to include  
12 known TRC data. All programs in the Non-Utility Portfolio have a total resource cost  
13 (“TRC”) greater than 1.00 except for the Multi-Family Low-Income program which has a  
14 TRC of 0.96. The Multi-Family Low-Income program is not required to have a TRC greater  
15 than 1.00, since it is a low-income program.<sup>2</sup> While I am not able to provide the TRC for the  
16 full portfolio in Appendix A,<sup>3</sup> I conclude from the TRC data on Schedule JAR-1 that the TRC  
17 for the portfolio is likely close to 1.50 based upon a comparison of the available TRC values

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<sup>1</sup> Supplemental direct testimony concerning the DSIM in the Non-Utility Stipulation is provided by Staff witnesses Sarah Kliethermes and Mark Oligschlaeger.

<sup>2</sup> 393.1075 4: ... Programs targeted to low-income customers or general education campaigns do not need to meet a cost-effectiveness test, so long as the commission determines that the program or campaign is in the public interest. ...

<sup>3</sup> Staff is unable to calculate the TRC for the portfolio in Appendix A of the Non-Utility Stipulation, because this calculation can only be performed with the DSMore model and the input files for each program which is in the possession of Ameren Missouri. Staff has not requested that such an analysis be performed because it is not necessary to understand whether or not the Non-Utility Portfolio is cost effective.

Supplemental Direct Testimony of  
John A. Rogers

1 for Ameren Missouri's December 22, 2014 Plan<sup>4</sup> and the Non-Unanimous Stipulation filed by  
2 Ameren Missouri on June 30, 2015.<sup>5</sup>

3 Q. Does a TRC close to 1.50 mean Appendix A is cost-effective? Please explain.

4 A. Appendix A is cost effective. Any demand-side program or demand-side  
5 portfolio with a TRC greater than 1.00 is considered to be cost effective since expected  
6 benefits are greater than expected costs.

7 Q. In your rebuttal testimony in this case, you raise concerns with the benefits  
8 provided to customers. Does Appendix A demonstrate progress toward achieving a goal of  
9 "all cost-effective" demand-side savings that will provide benefits to all customers?

10 A. The programs and annual energy and demand savings in Appendix A, in and of  
11 themselves, do not meet the MEEIA goal of "all cost-effective" demand-side savings that will  
12 provide benefits to all customers. However, the Non-Utility Stipulation provides two avenues  
13 to move toward this goal: a) an expert panel convened by a mediator to focus on potentially  
14 improving the participation rates for the programs in Appendix A, and b) a cooperative  
15 process whereby Ameren Missouri and interested stakeholders would identify additional cost-  
16 effective energy savings strategies which, if implemented, can result in a portfolio that  
17 demonstrates progress toward achievement of MEEIA's goal of "all cost-effective" demand-  
18 side savings that is beneficial to all customers. Further, the demand-side programs investment  
19 mechanism<sup>6</sup> ("DSIM") in the Non-Utility Stipulation provides incentives for Ameren  
20 Missouri to actively participate and engage in these two avenues, and to implement programs

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<sup>4</sup> Table 2.3 of 2016 - 2018 Energy Efficiency Plan filed on December 22, 2014 in Case No. EO-2015-0055.

<sup>5</sup> Table 2 of Non-Unanimous Stipulation and Agreement filed on June 30, 2015 in Case No. EO-2015-0055.

<sup>6</sup> Supplemental direct testimony concerning the DSIM in the Non-Utility Stipulation is provided by Staff witnesses Sarah Kliethermes and Mark Oligschlaeger.

Supplemental Direct Testimony of  
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1 and/or increase participation take rates, as a result of the expert panel and the cooperative  
2 processes.

3 Q. If the Commission approves the Non-Utility Stipulation and Ameren Missouri  
4 agrees to implement it, do you have an expectation that the implementation will result in  
5 benefits to all customers, even those customers that do not participate directly in the  
6 programs?

7 A. If the Commission approves the Non-Utility Stipulation and Ameren Missouri  
8 agrees to implement it, I expect that Appendix A, when combined with the Non-Utility  
9 Stipulation DSIM and its incentives, will significantly improve programs and/or participation  
10 take rates and the overall benefits for all customers, thus making great strides toward  
11 addressing Staff's concern regarding benefits for all customers.

12 Q. Does this conclude your testimony?

13 A. Yes.

**July 7, 2015 Non-Utility Non-Unanimous Stipulation and Agreement Portfolio**

Source	Programs	Net Incremental Energy Savings Targets (GWh)			Net Incremental Demand Savings Targets (GW)			Annual Budget (\$ Millions)			12/22/14 Plan TRC	6/30/15 NS&A TRC			
		2016	2017	2018	Total	2016	2017	2018	Total	2016	2017	2018	Total	Note 2	Note 3
		2016	2017	2018	Total	2016	2017	2018	Total	2016	2017	2018	Total	Note 2	Note 3
1	Lighting	20.2	18.3	22.9	61.4	0.0	0.0	0.0	0.0	\$ 4.8	\$ 4.7	\$ 5.7	\$ 15.2	1.24	1.12
1	Efficient Products	5.7	1.9	6.7	14.3	2.1	0.7	2.2	5.0	\$ 1.9	\$ 1.1	\$ 2.0	\$ 5.0	1.48	1.49
1	HVAC	19.9	13.9	17.2	51.0	8.9	6.2	7.7	22.8	\$ 7.3	\$ 6.2	\$ 6.9	\$ 20.4	1.45	1.42
1	Appliance Recycling	3.0	2.7	4.1	9.8	0.7	0.7	1.0	2.4	\$ 0.8	\$ 0.7	\$ 1.0	\$ 2.5	1.73	1.34
2	Multi-Family Low-Income	5.0	4.7	4.0	13.7	1.6	1.5	1.2	4.3	\$ 3.8	\$ 3.6	\$ 3.4	\$ 10.8	0.79	0.96
1	EE Kits	6.2	6.2	6.2	18.6	1.0	1.0	1.0	3.0	\$ 1.8	\$ 1.8	\$ 1.8	\$ 5.4	1.53	1.53
	<b>Total Residential</b>	<b>60.0</b>	<b>47.7</b>	<b>61.1</b>	<b>168.8</b>	<b>14.3</b>	<b>10.1</b>	<b>13.1</b>	<b>37.5</b>	<b>\$20.4</b>	<b>\$18.1</b>	<b>\$20.8</b>	<b>\$ 59.3</b>	<b>1.36</b>	<b>1.13</b>
1	Standard	22.3	25.3	26.8	74.4	4.0	4.5	4.8	13.3	\$ 6.7	\$ 7.6	\$ 8.0	\$ 22.3	1.53	1.54
1	Custom	45.9	52.1	55.1	153.1	16.7	18.9	20.1	55.7	\$13.4	\$15.1	\$16.0	\$ 44.5	1.74	1.74
1	Recommissioning	5.7	6.4	6.8	18.9	1.8	2.1	2.2	6.1	\$ 2.2	\$ 2.5	\$ 2.6	\$ 7.3	1.40	1.36
1	New Construction	4.3	4.8	5.1	14.2	1.0	1.2	1.2	3.4	\$ 1.5	\$ 1.7	\$ 1.8	\$ 5.0	1.48	1.48
3	Small Bus. Direct	6.0	11.4	12.6	30.0	1.0	2.0	2.2	5.1	\$ 2.0	\$ 3.8	\$ 4.2	\$ 9.9	n/a	1.29
	<b>Total Business</b>	<b>84.2</b>	<b>100.0</b>	<b>106.4</b>	<b>290.6</b>	<b>24.5</b>	<b>28.7</b>	<b>30.5</b>	<b>83.6</b>	<b>\$25.8</b>	<b>\$30.7</b>	<b>\$32.6</b>	<b>\$ 89.0</b>	<b>1.64</b>	<b>1.62</b>
	<b>Total Portfolio</b>	<b>144.2</b>	<b>147.7</b>	<b>167.5</b>	<b>459.4</b>	<b>38.8</b>	<b>38.7</b>	<b>43.6</b>	<b>121.1</b>	<b>\$46.2</b>	<b>\$48.8</b>	<b>\$53.3</b>	<b>\$148.3</b>	<b>1.53</b>	<b>1.50</b>

Source 1: Table 2.3 of 2016 - 2018 Plan filed on december 22, 2014 in Case No. EO-2015-0055.

Source 2: Ameren-BATCH\_TOOLS\_01\_Att\_Aggregate\_07LI MEEIA\_Negotiation\_2015-06-19.

Source 3: Ameren-BATCH\_TOOLS\_01\_Att\_Aggregate\_14SBDI MEEIA\_Negotiation\_2015-05-21.

Note 1: TRC for Total Residential, Total Business and Total Portfolio are not available but should be slightly higher than 1.36, slightly lower than 1.64 and close to 1.50, respectively, based on a comparison of the available TRC values for the July 7, 2015 Non-Unanimous Stipulation, the December 22, 2014 Plan and the June 30, 2015 Non-Unanimous Stipulation.

Note 2: TRC values from Table 2.5 of 2016 -2018 Plan filed on December 22, 2014 in Case No. EO-2015-0055.

Note 3: TRC values from Table 2 of Non-Unanimous Stipulation and Agreement filed on June 30, 2015 in Case No. EO-2015-0055.