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

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

d/b/a A Implem Further	Matter of Union El Ameren Missouri's nent Regulatory rance of Energy d by MEEIA	2nd Filing to Changes in)	Case No. EO-2015-0055
	A	FFIDAVIT OF	JOHN A. I	ROGERS
	E OF MISSOURI)) ss)		
lawful a		outed to the attact t according to hi	ched Suppler	ares that he is of sound mind and mental Direct Testimony; and that ledge and belief.
				John a Rogers
Subscri	bed and sworn to be	efore me this(day of Ju	John A. Rogers uly, 2015.
	SUSAN L. SUNDERME' Notary Public - Notary S State of Missouri Commissioned for Callaway My Commission Expires: Octobe Commission Number: 149	Seal • County er 28, 2018	Su	Notary Public

1	SUPPLEMENTAL DIRECT TESTIMONY
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6 7	UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI
8	FILE NO. EO-2015-0055
10	11EE 1(0, E0-2013-0033
11 12	Q. Please state your name and business address.
13	A. My name is John A. Rogers, and my business address is Missouri Public
14	Service Commission, P. O. Box 360, Jefferson City, Missouri 65102.
15	Q. What is your present position at the Missouri Public Service Commission
16	("Commission")?
17	A. I am a Utility Regulatory Manager in the Energy Unit of the Regulatory
18	Review Division.
19	Q. Are you the same John A. Rogers that filed rebuttal testimony in this case on
20	March 20, 2015, and surrebuttal testimony in this case on April 27, 2015?
21	A. Yes, I am.
22	Q. Would you please summarize the purpose of your supplemental direct
23	testimony?
24	A. I will provide support for certain provisions within the Non-Unanimous
25	Stipulation and Agreement ("Non-Utility Stipulation") filed on July 7, 2015, and as amended
26	on July 8, 2015, concerning Union Electric Company's d/b/a Ameren Missouri ("Ameren
27	Missouri" or "Company") application for approval of its second cycle of MEEIA programs. I
28	discuss how the portfolio of demand-side programs in the Non-Utility Stipulation ("Appendix
29	A" or "Non-Utility Portfolio") is cost effective. I next discuss how Appendix A can move
- 1	

toward achievement of the MEEIA goal of "all cost-effective" demand-side savings through:
a) an expert panel convened by a mediator to focus on potentially improving the participation rates for the programs in Appendix A, and b) a cooperative process whereby Ameren Missouri and interested stakeholders would identify additional cost-effective energy savings strategies which, if implemented, can be beneficial to all customers when combined with the demand-side programs investment mechanism¹ ("DSIM") in the Non-Utility Stipulation.

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

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

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

² 393.1075 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. ...

³ 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.

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for Ameren Missouri's December 22, 2014 Plan⁴ and the Non-Unanimous Stipulation filed by Ameren Missouri on June 30, 2015.⁵

- Q. Does a TRC close to 1.50 mean Appendix A is cost-effective? Please explain.
- A. Appendix A is cost effective. Any demand-side program or demand-side portfolio with a TRC greater than 1.00 is considered to be cost effective since expected benefits are greater than expected costs.
- Q. In your rebuttal testimony in this case, you raise concerns with the benefits provided to customers. Does Appendix A demonstrate progress toward achieving a goal of "all cost-effective" demand-side savings that will provide benefits to all customers?
- A. The programs and annual energy and demand savings in Appendix A, in and of themselves, do not meet the MEEIA goal of "all cost-effective" demand-side savings that will provide benefits to all customers. However, the Non-Utility Stipulation provides two avenues to move toward this goal: a) an expert panel convened by a mediator to focus on potentially improving the participation rates for the programs in Appendix A, and b) a cooperative process whereby Ameren Missouri and interested stakeholders would identify additional costeffective energy savings strategies which, if implemented, can result in a portfolio that demonstrates progress toward achievement of MEEIA's goal of "all cost-effective" demandside savings that is beneficial to all customers. Further, the demand-side programs investment mechanism⁶ ("DSIM") in the Non-Utility Stipulation provides incentives for Ameren Missouri to actively participate and engage in these two avenues, and to implement programs

⁴ Table 2.3 of 2016 - 2018 Energy Efficiency Plan filed on December 22, 2014 in Case No. EO-2015-0055. ⁵ Table 2 of Non-Unanimous Stipulation and Agreement filed on June 30, 2015 in Case No. EO-2015-0055.

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

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and/or increase participation take rates, as a result of the expert panel and the cooperative processes.

- Q. If the Commission approves the Non-Utility Stipulation and Ameren Missouri agrees to implement it, do you have an expectation that the implementation will result in benefits to all customers, even those customers that do not participate directly in the programs?
- A. If the Commission approves the Non-Utility Stipulation and Ameren Missouri agrees to implement it, I expect that Appendix A, when combined with the Non-Utility Stipulation DSIM and its incentives, will significantly improve programs and/or participation take rates and the overall benefits for all customers, thus making great strides toward addressing Staff's concern regarding benefits for all customers.
 - Q. Does this conclude your testimony?
 - A. Yes.

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

		Ne	Net Incremental	menta	П	 Ne	t Incre	Net Incremental								12/22/14 6/30/15	6/30/15
		园	Energy Savings	avings	7.0	De	mand	Demand Savings	7.4		Annu	Annual Budge	lget			Plan	NS&A
		T	Targets (GWh)	(GWh)		L	Targets (GW)	(GW)			(\$ I	(\$ Millions)	ns)		TRC	TRC	TRC
Source	Programs	2016	2016 2017	2018 Total	Total	2016	2016 2017	2018 Total	Total	2016	6 2017		2018	Total		Note 2	Note 3
1	Lighting	20.2	20.2 18.3	22.9	61.4	0.0	0.0	0.0	0.0	\$ 4.8	\$ 4.7	\$ 2	5.7 \$	15.2	1.24	1.24	1.12
П	Efficient Products	5.7	1.9	6.7	14.3	2.1	0.7	2.2	5.0	\$ 1.5	\$ 1.1	\$	2.0 \$	5.0	1.48	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	\$	8 6.9	20.4	1.45	1.45	1.42
П	Appliance Recycling	3.0	2.7	4.1	9.8	0.7	0.7	1.0	2.4	\$ 0.8	\$ 0.7	8 /	1.0 \$	2.5	1.73	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	96.0	0.79	96.0
_	EE Kits	6.2	6.2	6.2	18.6	1.0	1.0	1.0	3.0	\$ 1.8	\$ 1.8	3 \$ 1.8	1.8 \$	5.4	1.53	1.53	1.53
	Total Residential	60.0 47.7	47.7	61.1	61.1 168.8	14.3	10.1	13.1	37.5	\$20.4	\$18.1		\$20.8	59.3	Note 1	1.36	1.13
1	Standard	22.3	22.3 25.3	26.8	26.8 74.4	4.0	4.5	4.8	13.3	13.3 \$ 6.7	8 7.6	5 \$ 8.0	8.0 \$	22.3	1.53	1.53	1.54
1	Custom	45.9 52.1	52.1	55.1	55.1 153.1	16.7	18.9	20.1	55.7	55.7 \$ 13.4	\$ 15.1	1 \$ 16.0	8 0.9	4.5	1.74	1.74	1.74
1	Recommissioning	5.7	6.4	8.9	18.9	1.8	2.1	2.2	6.1	\$ 2.2	\$ 2.5	\$	2.6 \$	7.3	1.40	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	\$ 2	1.8 \$	5.0	1.48	1.48	1.48
3	Small Bus. Direct	0.9	6.0 11.4	12.6	30.0	1.0	2.0	2.2	5.1	\$ 2.0	\$ 3.8	3 \$ 4.2	4.2 \$	9.6	1.29	n/a	1.29
	Total Business	84.2 100	100.0	.0 106.4 290.6	290.6	24.5	28.7	30.5	83.6	\$25.8	\$30.7		\$32.6 \$	\$ 89.0	Note 1	1.64	1.62
	Total Portfolio	144.2 147.7 167.5 459.4	147.7	167.5	459.4	38.8	38.7		43.6 121.1 \$46.2	\$46.2	\$48.8		\$53.3 \$	148.3	\$148.3 Note 1	1.53	1.50

Source 1: Table 2.3 of 2016 - 2018 Plan 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.