

Exhibit No.:
Issue: Renewable Choice Program
Witness: Hannah Hunt
Type of Exhibit: Surrebuttal Testimony
Sponsoring Party: Wind on the Wires
File No.: ET-2018-0063

MISSOURI PUBLIC SERVICE COMMISSION

FILE NO. ET-2018-0063

SURREBUTTAL TESTIMONY

OF

HANNAH HUNT

SUBMITTED ON BEHALF OF

WIND ON THE WIRES

JUNE 8, 2018

1 **Q: Please state your name, job title, and business address.**

2 **A:** My name is Hannah Hunt, and I am the Deputy Director, Electricity Policy and
3 Demand, for the American Wind Energy Association (“AWEA”). My business
4 address is 1501 M Street NW, Suite 900, Washington DC, 20005.

5
6 **Q: For whom are you testifying?**

7 **A:** I am testifying on behalf of Wind on the Wires.

8

9 **Q: Have you testified in proceedings in front of the Public Service Commission**
10 **(“PSC”) before?**

11 **A:** I contributed to written comments submitted by Wind on the Wires to the PSC in
12 docket no. EO-2018-0038.

13

14 **Q: What is your background and educational experience?**

15 **A:** I have been with AWEA since July 2014. My expertise is in wind industry market
16 trends, large commercial and industrial (“C&I”) wind procurement trends, and the
17 role of wind energy in utility resource portfolios and electricity markets. I
18 previously received a Masters of Public Affairs (“MPA”) degree in Energy and
19 Policy Analysis from the Indiana University School of Public and Environmental
20 Affairs (“SPEA”).

21

22 **Q: What is the purpose of your testimony?**

23 **A:** I respond to the rebuttal testimony that Geoff Marke submitted on behalf of the
24 Office of the Public Counsel (“OPC”). My testimony explains how Ameren
25 Missouri’s proposed Renewable Choice Program (“Green Tariff”) could benefit
26 Ameren’s eligible large-scale customers.

27

28 **Q: Have you reviewed the rebuttal testimony of Geoff Marke?**

29 **A:** Yes.

30

31 **Q: What about his testimony do you take issue with?**

32 **A:** Mr. Marke incorrectly suggests that Ameren’s proposed Green Tariff is unneeded
33 for large customers with renewable energy targets. He does so by stating “there is
34 nothing stopping a corporate entity from entering into a PPA with a renewable
35 independent power producer (“IPP”) to meet its sustainability goals” and cites a
36 deal Anheuser-Busch InBev recently signed with a wind farm in Oklahoma.¹ This
37 suggestion is false; multiple barriers exist to prevent large customers from
38 executing PPAs directly with IPPs. However, the proposed Green Tariff removes
39 many of these barriers. As a result, the Green Tariff is quite needed and necessary
40 for Ameren’s large customers seeking to achieve sustainability goals.

41

42 The first barrier that can stop large customers from executing PPAs directly with
43 IPPs is complexity. Signing a PPA can be a highly complex process, requiring the

¹ Rebuttal Testimony of Geoff Marke submitted on behalf of Office of Public Counsel, at 17 (May 18 2018).

44 time and expertise of multiple internal and external stakeholders. Anheuser-Busch
45 had to evaluate 75 renewable energy projects and negotiate with 15 potential
46 partners before signing its PPA.² While there are certain companies and
47 governments that have the interest, resources and/or capacity to directly negotiate
48 and execute PPAs, many others simply do not. A 2016 PwC survey of corporate
49 purchasers confirms that two of the top five barriers to renewable energy
50 procurement are identifying the right project and negotiating a contract.³ Ameren,
51 on the other hand, has significant experience soliciting and contracting for energy
52 supply. The proposed Green Tariff therefore removes the barrier of complexity for
53 many large customers by positioning Ameren as the principal wind procurement
54 agent.

55
56 A second barrier that can stop large customers from executing PPAs directly with
57 IPPs is specific to smaller customers. Anheuser-Busch benefits from relatively high
58 electricity demand; however, it is particularly difficult for smaller electricity
59 customers to sign a PPA directly with an IPP. Smaller customers are often denied
60 access to the cheapest wind resources because it is not sensible for wind project
61 developers, building the largest wind projects with the greatest economies of scale,
62 to sign more than a small number of PPAs for a single wind project. As a result,
63 smaller customers must often look to smaller wind projects with cost-prohibitive

² Clancy, "Anheuser-Busch, Kimberly-Clark amp up wind power commitments," (September 18 2018), available at <https://www.greenbiz.com/article/anheuser-busch-kimberly-clark-amp-wind-power-commitments>.

³ PwC, "Corporate renewable energy procurement survey insights," (June 2016), available at <https://www.pwc.com/us/en/sustainability-services/publications/assets/pwc-corporate-renewable-energy-procurement-survey-insights.pdf>, 7.

64 pricing. These more expensive terms can often prevent a PPA from being signed.
65 The proposed Green Tariff will remove this barrier as Ameren will have the ability
66 to aggregate smaller customers and sign large-scale PPAs with an IPP, or acquire
67 large-scale wind resources, and will be able to distribute the cost-competitive terms
68 of that single contract amongst multiple customers.

69
70 A third barrier to signing a PPA directly with an IPP is that there is often no link
71 between the PPA and the customer's retail bill. Virtual PPAs, including the one
72 signed by Anheuser-Busch, are purely financial transactions that do not have an
73 effect on the company's retail electricity bill each month. As a result, the process
74 is made more complex for the company's accounting and energy management
75 personnel. This added layer of complexity in turn makes it more difficult to gain
76 internal support from an organization's finance department and executive
77 leadership. The 2016 PwC survey shows that the top barrier to renewable energy
78 procurement is building internal support.⁴ The proposed Green Tariff therefore
79 provides a solution by simplifying the process and reflecting renewable energy
80 procurement directly on the customer's retail electricity bill.

81
82 By stating that "there is nothing stopping a corporate entity from entering into a
83 PPA with a renewable IPP,"⁵ Mr. Marke suggests not only that the proposed Green
84 Tariff is unneeded, but also that it is unwanted. This suggestion is also false.
85 Testimony submitted by Walmart Stores' Steve W. Chriss to the PSC affirms that

⁴ Ibid, 7.

⁵ OPC, Marke Rebuttal Testimony, at 17.

86 the Green Tariff is designed in a way that Ameren customers, including Walmart,
87 will want to use.⁶ Although green tariffs are relatively recent programs being
88 offered by electric utilities, customers have signaled significant interest to
89 participate. The World Resources Institute (WRI) cites that large non-residential
90 utility customers have procured a total of 1,739 MW of renewable energy via green
91 tariff programs to date, with an additional 380 MW currently under negotiation.⁷
92 This represents significant recent interest, as 98% of the 1,739 MW were signed
93 since the beginning of 2015 alone. In addition, 70 companies representing over 53
94 million MWh of annual energy demand, including Missouri employers Anheuser-
95 Busch InBev, Unilever, Walmart, and others, articulate in the Corporate
96 Renewable Energy Buyers' Principles that they "welcome the opportunity to work
97 with local utilities to design and develop innovative programs and products that
98 meet our needs."⁸ The Green Tariff proposed by Ameren Missouri will provide a
99 crucial lifeline to many of Ameren's large customers looking for ways to meet their
100 sustainability goals.

101

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

103 **A:** Yes.

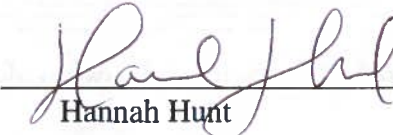
⁶ Supplemental Direct Testimony and Exhibits of Steve W. Chriss on behalf of Walmart, Inc., at 6 (April 27, 2018).

⁷ World Resources Institute, "Grid Transformation: Green Tariff Deals," (2018), *available at* <http://www.wri.org/resources/charts-graphs/grid-transformation-green-tariff-deals>.

⁸ Corporate Renewable Energy Buyers' Principles, "The Principles," (2017) *available at* <http://buyersprinciples.org/principles/>.

6. The answers provided in the attached testimony, including my schedules, are true and correct to the best of my knowledge and belief.

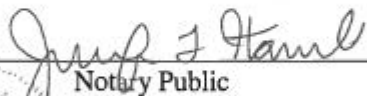
Further, affiant sayeth naught.


Hannah Hunt

District of Columbia
STATE OF _____

COUNTY OF _____

Subscribed and Sworn or Affirmed before me
this 7 day of June 2018.


Notary Public

