

Exhibit No.:	
Issues:	Ameren Missouri's Proposed MEEIA Cycle II Residential Low-Income program
Witness:	Annika Brink
Sponsoring Party:	National Housing Trust
Type of Exhibit:	Surrebuttal Testimony
Case No.:	EO-2015-0055
Date Testimony Prepared:	April 27, 2015

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. EO-2015-0055

SURREBUTTAL TESTIMONY

OF

ANNIKA BRINK

ON

BEHALF OF

NATIONAL HOUSING TRUST

April 27, 2015

1 **Q. Please state your name and business address.**

2 A. Annika Brink, National Housing Trust, 1101 30th Street NW, Suite 100A, Washington, DC
3 20007.

4 **Q. On whose behalf are you testifying?**

5 A. I am testifying on behalf of the National Housing Trust (NHT). All work developing my
6 testimony has been completed by me or under my direction.

7 **Q. By whom are you employed and in what capacity?**

8 A. I am employed by the National Housing Trust (NHT) as their Energy Efficiency Advisor. In this
9 capacity I work with state and local partners across the country to make multifamily housing healthy and
10 affordable through energy efficiency. I have primary responsibility for NHT's energy efficiency policy
11 work in the Midwest, including Missouri.

12 **Q. Please provide a summary of your qualifications and experience.**

13 A. I earned a Bachelor of Arts in both History and German Studies from Wesleyan University in
14 2005 and subsequently spent a year studying Architecture and Urban Planning at the Universität Stuttgart
15 in Stuttgart, Germany. In 2011, I earned a Master in Public Policy from Harvard University where I
16 focused on energy, sustainability, and social/urban policy and during which time I produced research on
17 state and local policy solutions for rental sector energy efficiency.

18 I have five years of professional experience with energy policy, affordable housing, and green
19 building, both from an energy and a housing perspective. Beginning in 2011, I spent over two years
20 leading the nonprofit Alliance to Save Energy's engagement of publicly-owned non-for-profit electric
21 power utilities, helping utilities share best practices, consider energy efficiency program models,
22 benchmark their energy efficiency portfolios, develop innovative online tools, and achieve consensus on
23 priority topics. Since 2013 I have been a LEED Green Associate.

24 In my work for the National Housing Trust, I analyze state, local, and utility efficiency policies
25 and programs, help disseminate best practices, and facilitate coordination among housing and energy
26 stakeholders. I have filed comments with utility regulators in both Minnesota and Missouri. In 2014-2015

1 I worked with staff at the Natural Resources Defense Council to organize a series of five St. Louis metro
2 area convenings to explore the experience, barriers, solutions, and potential recommendations related to
3 expanding energy efficiency for affordable multifamily housing in Missouri and Illinois. I was a member
4 of the energy usage stakeholder group that provided input to the Missouri Division of Energy's as they
5 developed the forthcoming State Energy Plan.

6 In addition to my work at the National Housing Trust, I have worked for affordable housing
7 developers in Grand Rapids, Michigan (internship) and Minneapolis, Minnesota, including work on green
8 affordable housing, community development, and multifamily rehabilitation projects.

9 **Q. Have you previously testified before this Commission?**

10 A. Yes, I provided Rebuttal Testimony in this same case. This is the first case for which I have
11 provided testimony. I presented to the Commissioners and stakeholders at the October 2014 State-Wide
12 Collaborative meeting.

13 **Q. What is the purpose of your Surrebuttal Testimony?**

14 A. The purpose of my Surrebuttal Testimony is to respond to the Rebuttal Testimony of PSC Staff
15 John A. Rogers, NRDC witness Phil Mosenthal, and Tower Grove Neighborhoods CDC witness Dana
16 Gray.

17 **Q. Please summarize your testimony.**

18 First, I briefly re-iterate the National Housing Trust's concerns regarding Ameren Missouri's
19 proposed Residential Low-Income program, particularly in light of John A. Rogers' Rebuttal Testimony
20 on behalf of PSC staff, which recommended the approval of the Low-Income program without
21 modification.

22 Next, I respond to Mr. Rogers' recommendation that Ameren's plan be rejected based on his
23 assertion that Ameren's plan as a whole is not "beneficial to all customers in the customer class in which
24 the programs are proposed, regardless of whether the programs are utilized by all customers" (beginning
25 on page 18, line 9 of Rogers' Rebuttal Testimony). Regardless of other potential bases for rejecting the
26 plan, I argue that Mr. Rogers has defined "beneficial" too narrowly in this instance.

1 In response to the Rebuttal Testimony of Phil Mosenthal, expert witness for the Natural
2 Resources Defense Council, my testimony reinforces Mr. Mosenthal's critique of Ameren Missouri's
3 2013 Market Potential Study by providing a multifamily-specific example.

4 Lastly, I respond to the Rebuttal Testimony of Dana Gray, expert witness for Tower Grove
5 Neighborhoods CDC, to express my support for several points she makes regarding multifamily
6 affordable housing.

7 **Q. On page 9, lines 1-6 of his Rebuttal Testimony, PSC staff member John A. Rogers**
8 **recommends the rejection of Ameren Missouri's MEEIA plan, but the approval of its Low-Income**
9 **Residential program. Do you agree that the Low-Income Residential program should be approved**
10 **as currently proposed?**

11 A. No, I do not. As outlined in my Rebuttal Testimony, low-income multifamily buildings are a
12 hard-to-reach sector with unique barriers and needs. Yet, the Residential Low-Income program as-
13 proposed would fall considerably short of best practice program design for impacting this sector. I would
14 like to re-iterate the need for Ameren's Residential Low-Income program to begin incorporating these
15 best practices, which include: addressing multifamily as its own sector (separate from single family),
16 incorporating streamlined delivery via a one-stop shop program design, awarding bonus incentives to
17 affordable multifamily buildings going through Ameren's commercial MEEIA programs, providing
18 owners with easy access to monthly whole-building energy usage data, expanding eligibility (as far as
19 permissible) to affordable multifamily buildings that are unsubsidized or were created via the state low-
20 income housing tax credit (state LIHTC), and coordinating with key non-utility stakeholders. These
21 suggestions are outlined in more detail in my Rebuttal Testimony.

22 Accordingly, I do not support approval of the Residential Low-Income program as currently
23 proposed; I only support the program's approval subject to due consideration and modification based on
24 the program design best practices laid out in my Rebuttal Testimony. Regardless of the ultimate design
25 and approval/rejection of the Residential Low-Income program, it would be harmful to this fledgling

1 program, its future growth, and the trust it has begun to build within the affordable multifamily housing
2 community, were it allowed to lapse for any period of time.

3 **Q. Starting on page 18 of his Rebuttal Testimony, PSC Staff Mr. Rogers recommends that**
4 **Ameren’s plan be rejected in part based on his assertion that Ameren’s plan as a whole is not**
5 **“beneficial to all customers in the customer class in which the programs are proposed, regardless of**
6 **whether the programs are utilized by all customers.” Do you agree with Mr. Rogers’ analysis and**
7 **conclusion that Ameren’s plan does not, in fact, pass this test?**

8 No, I do not. I would argue that Mr. Rogers has not taken into account the full range of benefits
9 from investments in energy efficiency.

10 There is a growing body of evidence on non-energy benefits from energy efficiency
11 improvements, which can accrue to the utility, participants, *or society as a whole—which would include*
12 *non-participants in each customer class.* For example, leading non-energy benefits (NEBs) expert Lisa
13 Skumatz/Skumatz Economic Research Associates recently published a report for the State of Maryland
14 titled “Non-Energy Benefits / Non-Energy Impacts (NEBs/NEIs) and Their Role & Values in Cost-
15 Effectiveness Tests: State of Maryland” that draws across a range of literature to examine the value of
16 these benefits for weatherization-type programs.¹ As cited on page 3 of this report (in report Figure 1.1),
17 “Societal Perspective” NEBs can occur in the following categories:

- 18 • Economic
- 19 • Environmental/emissions
- 20 • Tax effects – unempl.; tax invest. credits
- 21 • H&S equipment/fires
- 22 • Health Care
- 23 • Social welfare indicators
- 24 • Water/Wastewater infrastructure

¹ See Exhibit A.

- 1 • Fish/wildlife mitigation
- 2 • National security
- 3 • Other

4 Subsequent figures ascribe value estimates to some of these benefits and the report goes on to
5 recommend (page 10) consideration of “societal economic impacts” (*as just one type of societal impact*),
6 which it valued in the State of Maryland at “\$690,000 per million dollars in program installation dollars
7 for programs (a multiplier of 0.69), based on a conservative estimate from other states (Gardner and
8 Skumatz, 2009). This was the most conservative value of the three scenarios presented in the paper.” The
9 report also recommends including a value for “societal emissions impacts” of \$0.017 per kWh, which
10 translates to a multiplier of 12%.² This report is included with this Surrebuttal Testimony as Exhibit A.

11 I present this information here, not in order to recommend that a specific dollar value be assigned
12 to such benefits, but, rather, in order to impress upon the Commission the wide range (and magnitude) of
13 benefits that can and should be taken into account when considering whether a MEEIA program is
14 “beneficial” to all customers in a customer class, even non-participants.

15 Rather than eliminating energy efficiency programs, which are critical in providing myriad
16 benefits to multifamily affordable housing, these programs should be expanded so that more vulnerable,
17 low-income households can benefit from them. (Although they are often difficult to access, multifamily
18 affordable housing is theoretically eligible to participate in Commercial, Residential, and Low-Income
19 MEEIA programs.)

20 **Q. Are there other reasons for considering non-energy benefits?**

21 A. Considering non-energy benefits is useful in considering what is “beneficial,” and,
22 additionally, including non-energy benefits in cost-effectiveness testing can enable programs to better
23 serve this hard-to-reach sector. There are other ways to ensure that this sector is well-served, for example,
24 by requiring utilities to meet a minimum spending, energy savings, or percent of MEEIA portfolio goal.

² See Exhibit A, page 10.

1 **Q. In his Rebuttal Testimony, NRDC witness Phil Mosenthal critiques Ameren’s 2013**
2 **Potential Study. Do you agree with his assessment that the methodology used in this Potential Study**
3 **was flawed?**

4 A. Yes, I do, although I cannot address this topic with the depth of expertise of Mr. Mosenthal. In his
5 testimony, Mr. Mosenthal raises several concerns related to the methodology used in Ameren’s 2013
6 EnerNOC Potential Study (“the Potential Study”) and subsequently in the setting of Ameren’s 2016-2018
7 MEEIA savings targets. Mr. Mosenthal indicated in his testimony that both the residential and the
8 commercial take rates in Ameren’s 2013 EnerNOC potential study RAP scenario were “well below
9 documented program participation rates in a recent ACEEE study that examined take rates throughout the
10 country” (page 16, lines 1-11). I would like to highlight a specific methodological concern with the
11 Potential Study that may have resulted in an underestimate of energy savings potential for the multifamily
12 sector, and subsequently in 2016-2018 MEEIA energy savings targets (and budgets) that are too low to
13 meet the true need of this sector.

14 **Q. Was the multifamily sector adequately addressed in Ameren’s 2013 Potential Study,**
15 **including adequate solicitation of input from multifamily sector decision-makers?**

16 A. It is not clear. In certain instances, the Potential Study differentiates between single-family and
17 multifamily in its Residential Sector analysis, and Business Multi Family Common Area was considered
18 as a potential program in the Commercial sector (Volume 3). In other instances, it does not seem to have
19 been given the independent analysis necessary to produce accurate energy savings estimates. For
20 example, in the Market Saturation and Program Interest surveys, it does not appear that multifamily
21 owners were given an opportunity to provide information for both owner-paid commercial meters and
22 tenant-paid residential meters—despite the fact that the owner is generally the decision-maker for energy
23 efficiency investments in both these spaces. The implication is that the subsequent analysis may have
24 underestimated program interest in the multifamily sector.

25 In discussing the multifamily sector, it is important to understand that owners—and not
26 residents—are generally the decision-makers for multifamily buildings. Residents do not generally have


1 the authority to initiate energy efficiency upgrades in their buildings. Therefore, it is owners who should
2 rightly be the targets of Ameren’s market saturation and program-interest research: it is owners who make
3 the decision whether or not to enroll their buildings in Ameren’s Residential Low-Income or applicable
4 Commercial programs.

5 **Q. Isn’t it the case that Residential survey-takers who indicated they were not energy-related**
6 **decision-makers were asked to provide a referral to the energy-related decision-maker, for example**
7 **a landlord or property manager?**

8 A. Yes, this is the case. The first screening questions of both the Residential Market Saturation and
9 Residential Program Interest surveys (Question “S1,” see Volume 2, pages B-4 and C-4) make this
10 request. See Figure below: “REQUEST REFERRAL TO DECISION MAKER AND THEN
11 TERMINATE VIA R1.” Once the referral request is issued, the survey ends after just one question.

12 Figure 1

S1. What is your role in making energy-related decisions about things such as: adjusting your home’s thermostat, choosing to install insulation, or selecting new appliances, large electronic devices, and light bulbs for your home?



Any reference to “your home or household,” here and throughout the rest of this survey, refers specifically to the residence at [READ IN RESPONDENT ADDRESS FROM SAMPLE FILE].

1. You are primarily responsible for some or all of these decisions
2. Someone else in your household is primarily responsible for these types of decisions [**REQUEST REFERRAL TO DECISION MAKER AND THEN TERMINATE VIA R1**]
3. You share responsibility for these decisions with others in your household, or with a landlord or property manager
4. Don’t know [**REQUEST REFERRAL TO DECISION MAKER AND THEN TERMINATE VIA R1**]

[IF S1=1 OR 3, SKIP TO S2; OTHERWISE SHOW R1 AND TERMINATE WITHOUT SHOWING STANDARD TERMINATE LANGUAGE]

13
14 **Q. In your opinion, is this referral request sufficient to ensure that the Residential surveys**
15 **adequately gauge multifamily program interest and likely participation levels?**

16 A. No, I do not believe this request is sufficient, for two reasons. First, respondents who answer “3”
17 proceed to take the survey, without input from the landlord or property manager who “[shares]
18 responsibility for these decisions” (see Figure 1 above). Because this additional decision-maker is not

Estimates of Housing Unit Counts for Missouri and the Ameren Missouri Service Territory							
Utility	All Housing Units (SF+MF)	All Multifamily (in buildings of 5+ units)					
		Affordable					
	Total	Total	Market-Rate	Total Affordable	Unsubsidized Affordable	Subsidized Affordable (HUD, LIHTC, Rural, etc.)	PHA-Owned Affordable
Missouri Statewide	2,710,506 100%	380,450 14%	158,960	221,490	94,072	109,158	18,260
Ameren MO (electric)	1,150,566 100%	185,975 16%	94,443	91,532	34,767	48,387	8,378

Sources: U.S. Census American Community Survey 5-year estimates (2009-2012), National Housing Preservation Database (NHPD) from the Public and Affordable Housing Research Corporation and the National Low Income Housing Coalition, New Market Tax Credits Census tract data, 2014 Platts Geospatial Data. Analysis by Elevate Energy and the National Housing Trust.
All subsidized information was pulled from the National Housing Preservation Database (NHPD) from the Public and Affordable Housing Research Corporation and the National Low Income Housing Coalition. This includes any property that has received at least one subsidy of any sort, including HUD, USDA Rural, LIHTC, PHA, and FHA. The “unsubsidized affordable” units are any units on low/moderate income census tracts, designated by the New Market Tax Credits, which do not have subsidies. These are calculated based on a combination of ACS 2012 5-year estimate total unit counts and the tract-level unit counts from NHPD. In some areas, the census estimates credited fewer units in total on a tract than were represented by NHPD subsidized unit records. In these cases, geocoded NHPD counts were trusted as reliable and used as total counts, so final unit estimates were slightly higher in some areas than the census data. After unit counts were determined at the census tract level, they were aggregated up to electric utility territories with 2014 Platts Geospatial Data.

1

2 There is no indication that Ameren strategically targeted *owners* and/or *property managers* in its
3 research in order to accurately capture information/interest across meters/spaces in multifamily buildings.

4 I had hoped to address additional items related to the determination of potential for affordable
5 multifamily buildings, but I received Ameren’s response to my data requests DR-001 through DR-006 on
6 April 24th (they were due by April 9th), which was too late for the requisite review and analysis.

7 **Q. In her Rebuttal Testimony, Tower Groves CDC witness Dana Gray recommends several**
8 **approaches in order for Ameren to achieve all cost-effective savings through its Residential Low-**
9 **Income program. Do you agree with her recommendations?**

10 A. For the most part, yes. In particular, I agree that Ameren should “utilize a one-stop-shop
11 approach” (including energy audits or assessments), “expand the list of items eligible for incentives,”
12 “offer enhanced incentives for low-income buildings,” expand eligibility to unsubsidized affordable
13 multifamily buildings, and increase the availability of energy usage data (page 3, lines 18-22). Adopting
14 these recommendations would make Ameren’s MEEIA programs more attractive and easier to use for

1 affordable multifamily buildings, and would help drive owner demand for energy efficiency retrofits in
2 this hard-to-reach sector.

3 In terms of expanding the list of items eligible for incentives, I agree that this can be helpful so
4 long as such an expansion of prescriptive measures is not intended to replace the option of multifamily
5 participation in the performance-based Business Custom incentive program, or a future multifamily-
6 specific performance-based program.

7 In terms of providing energy usage data, I agree that Ameren should expand and simplify access
8 to this data, since a better understanding of building energy usage can drive investment in energy
9 efficiency upgrades. However, I would argue that providing aggregate—rather than average, as Ms. Gray
10 suggests—energy usage data would be most helpful and effective. When aggregate energy usage data are
11 provided, the owner receives a single kWh number for building-wide electric usage, which includes all
12 meters, both residential and commercial.

13 **Q. Does this conclude your Surrebuttal Testimony?**

A. Yes it does.

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

In the Matter of Union Electric Company d/b/a)
Ameren Missouri's 2nd Filing to Implement) File No. EO-2015-0055
Regulatory Changes in Furtherance of Energy)
Efficiency as Allowed by MEEIA)

AFFIDAVIT OF ANNIKA BRINK

CITY OF WASHINGTON,

DISTRICT OF COLUMBIA

Annika Brink, being first duly sworn on her oath, states:

1. My name is Annika Brink. I work in the City of Washington, District of Columbia and I am employed by The National Housing Trust as Energy Efficiency Advisor.
2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of The National Housing Trust, which has been prepared in written form for introduction into evidence in the above-referenced docket before the Missouri Public Service Commission.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.

/s/ Annika Brink
Annika Brink

District of Columbia: SS
Subscribed and sworn to me this 27th day of April, 2015

Joshua Zinway
Notary Public Joshua Zinway, DC

My commission expires: January 31, 2020

