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| Exhibit No.: | |
| Issues: | Income-Eligible Multifamily (IEMF) program; Portfolio-wide benefits; Pay As You Save (PAYS) proposal; Equity research. |
| Witness: | Annika Brink |
| Sponsoring Party: | National Housing Trust |
| Type of Exhibit: | Surrebuttal Testimony |
| Case No.: | EO-2019-0132 |
| Date Testimony Prepared: | September 16, 2019 |

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. EO-2019-0132

SURREBUTTAL TESTIMONY

OF

ANNIKA BRINK

ON

BEHALF OF

NATIONAL HOUSING TRUST

September 16, 2019

Q. Please state your name and business address.

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

Q. On whose behalf are you testifying?

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

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

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

Q. Are you the same Annika Brink who authored and caused to be filed Rebuttal Testimony in File No. EO-2019-0132 regarding Kansas City Power & Light Company's proposed "Cycle III" energy efficiency portfolio under the Missouri Energy Efficiency Investment Act ("MEEIA")?

A. Yes I am.

Q. Please summarize your testimony.

A. First, I outline NHT's continued support for a broad, well-funded energy efficiency portfolio, indicating general support for NRDC witness Philip Mosenthal's Rebuttal Testimony on the system-wide benefits of demand-side management. I then point to other parties' neutral or positive responses to the Income-Eligible Multifamily (IEMF) program and urge approval of the IEMF program as amended by NHT's Rebuttal Testimony or by the parties by agreement. I then reinforce NHT's support for a PAYS program with strong consumer protections. Finally, I

express support for OPC's proposed academic study to establish an equitable energy efficiency baseline and recommend additional data points and deliverables for inclusion in the study.

Q. Do you support Staff and OPC's recommendation that KCP&L's proposed energy efficiency portfolio in this case be rejected?

A. No. NHT is supportive of the Rebuttal Testimony filed by Philip Mosenthal on behalf of the Natural Resources Defense Council (NRDC).¹ In his testimony, Mr. Mosenthal defends the Company's proposed portfolio, explaining that it would benefit all KCP&L customers, including non-participants. Mr. Mosenthal notes that the portfolio passes the total resource cost (TRC) test and was shown to result in a lower net present value of future revenue requirements for KCP&L than any scenario with less efficiency investment in the Company's recent Integrated Resource Plan (IRP).² Mr. Mosenthal also argues that energy efficiency provides substantial benefits regardless of whether a utility currently has excess capacity, benefiting all customers.

NHT's primary interest in this case is in programs that will deliver direct opportunities to save energy and money in affordable multifamily buildings. However, NHT believes that a complete portfolio of both residential and commercial/industrial programs will provide additional, valuable benefits to the Company's customers, including its economically disadvantaged customers.

Q. What is your recommendation for how the Commission should treat the Company's proposed Income-Eligible Multifamily (IEMF) program?

A. NHT recommends that the Commission approve a modified version of the Company's proposed IEMF program.

¹ The Natural Resources Defense Council, *Rebuttal Testimony of Philip Mosenthal*, EO-2019-0132, August 19, 2019.

² *Id.* at p. 6, 9.

It is worth noting that no parties have objected to the proposed IEMF program, and Staff has expressly given its approval for the program.³ NRDC also expresses agreement with NHT's rebuttal arguments around the IEMF program, and states that the program needs an increased budget and refined ramp up period in order to prevent leaving energy savings potential on the table for income-eligible multifamily customers.⁴ The program has been the subject of extensive discussions and negotiations between the parties (including KCP&L, NHT, Renew Missouri, NRDC, DE, Staff, and OPC), going back to early 2018. Since the Company's proposal in this case, NHT and the Company have worked off of the changes proposed in NHT's testimony to agree to additional improvements to the program that will enhance program benefits and delivery for tenants, building owners, and managers in affordable multifamily properties. I recommend that the Commission approve the IEMF program, modified according to my Rebuttal Testimony or else as agreed to by the parties in a forthcoming Stipulation and Agreement.

Q. What is NHT's position on OPC's proposed approach toward a Pay As You Save (PAYS) program in this case?

A. NHT supports the proposal of OPC for a PAYS program, provided that a multi-stakeholder table is convened to discuss and mutually agree to robust consumer protections in the program's design. It is NHT's understanding that the PAYS model proposed by OPC – such as the one delivered by EEtility and the Energy Efficiency Institute, Inc. (EEI) – is compatible with strong consumer protections for low-to-moderate income renters (e.g. no charges or tariffs may be added to tenant bills without explicit tenant consent, monthly charges are substantially greater than repayment, etc.).

³ The Missouri Public Service Commission Staff, *Staff Rebuttal Report*, File No. EO-2019-0132, August 19, 2019, p. 58.

⁴ The Natural Resources Defense Council, *Rebuttal Testimony of Philip Mosenthal*, EO-2019-0132, August 19, 2019.

For income-eligible customers, it is crucial that PAYS or any other OBF approach only be used for capital costs not otherwise covered by generous income-eligible program incentives. No financing program should replace traditional incentives, DSM programs, or utility contributions toward weatherization or result in a decrease in the generosity and quality of these offerings.

Q. Do you support the Office of Public Counsel's (OPC) proposal for an academic study to establish an equitable energy efficiency baseline?⁵

A. Yes, NHT supports this proposed study provided that impacted communities and other low-income stakeholders are included in an equitable process that enables them to provide input prior to and during the completion of the study, as well as to hear direct updates about the study's progress and outcomes. The Missouri Energy Efficiency Advisory Collaborative's Low-Income Work Group is one potential venue for this community input and discussion.

Below are recommended additions to the study's proposed deliverables and data points:

First, I recommend that the study look closely at program design. OPC includes program measures as a data point, but additional program design elements should also be incorporated. This could include program design elements such as program implementer, one-stop shop approach, eligibility requirements, financing options, etc. to understand the whole approach being taken for low-income households vs. non-low-income households.

I also recommend the inclusion of racial/ethnic background demographics, to better understand if there is an equitable distribution of investment and energy savings across households of different races/ethnic backgrounds in the Company's territory.

⁵ The Office of Public Counsel, *Rebuttal Testimony of Geoff Marke*, File No. EO-2019-0132, August 19, 2019, p. 37-40.

I also recommend the inclusion of renters as a data point, in order to understand if there is an equitable distribution of investment and energy savings in renter vs. owner households generally, and in non-low-income renter households vs. low-income renter households.

Finally, I recommend that the study include an evaluation of the Income-Eligible Weatherization program to which the Company contributes. The equitable investment and savings from that program should also be analyzed to understand how all low-income households in the Company's territory are being served, as the Income-Eligible Weatherization program is the primary way the Company is currently serving low-income single-family customers.

Q. Does this conclude your rebuttal testimony?

A. Yes it does.

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

In the Matter of Kansas City Power & Light)
Company's Notice of Intent to File an) File No. EO-2019-0132
Application for Authority to Establish a Demand-)
Side Programs Investment Mechanism)

In the Matter of KCP&L Greater Missouri)
Operations Company's Notice of Intent to File an) File No. EO-2019-0133
Application for Authority to Establish a Demand-)
Side Programs Investment Mechanism)

**AFFIDAVIT OF ANNIKA BRINK,
NATIONAL HOUSING TRUST**

CITY OF WASHINGTON,)
) **SS**
DISTRICT OF COLUMBIA)

Annika Brink, of lawful age and 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 its Midwest Director of Energy Efficiency Policy.
2. Attached hereto and made a part hereof for all purposes is my Rebuttal 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

Subscribed and sworn to me this 16th day of September, 2019

/s/ Josh Zinn
Notary Public

My commission expires: January 31, 2020

