

Exhibit No.: 651

Issue: Demand Response and the
Indiana Model

Witness: Nicholas J. Papanastassiou

Type of Exhibit: Surrebuttal Testimony

Sponsoring Party: Advanced Energy Management
Alliance

Case Nos.: ER-2018-0145

ER-2018-0146

MISSOURI PUBLIC SERVICE COMMISSION

CASE NOS. ER-2018-0145 and ER-2018-0146

SURREBUTTAL TESTIMONY

OF

NICHOLAS J. PAPANASTASSIOU

ON BEHALF OF

ADVANCED ENERGY MANAGEMENT ALLIANCE

Boston, Massachusetts

September 4, 2018

AEMA Exhibit No. 651
Date 10/3/18 Reporter JMB
File No. ER-2018-0145
ER-2018-0146

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SURREBUTTAL TESTIMONY
OF
NICHOLAS J. PAPANASTASSIOU
CASE NOS. ER-2018-0125 AND ER-2018-0146

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

2 A: My name is Nicholas J. Papanastassiou. My business address is 1 Marina Park Drive
3 #400, Boston, MA, 02210.

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

5 A: I am testifying on behalf of the Advanced Energy Management Alliance (“AEMA”).

6 **Q: Are you the same Nicholas J. Papanastassiou who filed Rebuttal Testimony in both**
7 **ER-2018-0145 and ER-2018-0146?**

8 A: Yes, I am.

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

10 A: The purpose of my testimony is to respond to the Rebuttal Testimony filed by Staff
11 regarding Demand Response (“DR”) and the Indiana Model. In doing so, I will explain
12 why Kansas City Power and Light Company and KCP&L Greater Missouri Operations
13 Company (“collectively KCP&L”) have not complied with the Commission’s May 4,
14 2018, *Order Granting Motion for Supplemental Direct Testimony* (“Order”).
15 Additionally, I will explain why KCP&L should file proposals complying with the Order
16 through both this rate case and its next MEEIA Cycle 3 filing.

KCP&L Compliance with the Commission's Order

Q: What did Mr. Forston of the Commission Staff state, in his Rebuttal Testimony, regarding KCP&L's compliance with the Commission's Order?

A: Mr. Forston stated that KCP&L complied with the Commission's Order.

Q: Do you agree with Mr. Forston's assessment?

A: No, I do not. As I explained in my Rebuttal Testimony, KCP&L misinterpreted the Indiana Model as defined by Staff in its report on distributed energy resource recommendations and explained by AEMA in its presentations and comments in Docket No. EW-2017-0245. In Kimberly H. Winslow's Supplemental Direct Testimony, Ms. Winslow only provided proposals for programs that pertained to customer participation in wholesale energy and ancillary service markets. However, core to the Indiana Model is a tariff that compensates customers for the capacity they provide to utilities. Therefore, KCP&L's compliance with the Commission's Order is incomplete. In order to comply with the Order, KCP&L should develop a proposal based on Indiana Michigan Power Company's ("I&M") D.R.S.1 tariff. In my testimony, I provided recommendations on how KCP&L could amend its existing Demand Response Incentive ("DRI") program to incorporate best practices from the Indiana Model.

Filing the Indiana Model through KCP&L's rate case(s) and MEEIA

Q: What did you state in your original Rebuttal Testimony regarding how KCP&L should implement the Indiana Model?

1 **A:** I stated that any tariff changes should be reflected in KCP&L's MEEIA Cycle 3 filing, as
2 this would allow for coordination and integration of all MEEIA programs and resources,
3 and provide KCP&L the opportunity to file for recovery and incentives for the tariff.

4 **Q: Has your opinion on that approach changed?**

5 **A:** No. I still believe that KCP&L should file its tariff under MEEIA, and that any tariff filed
6 under MEEIA should incorporate the Indiana Model and its best practices that I outlined
7 in my previous testimony. Furthermore, however, I believe that KCP&L should also file
8 tariff changes as part of this rate case; these tariff changes can then be filed as a MEEIA
9 program as well.

10 **Q: Why do you believe that filing tariff changes as part of this rate case is necessary?**

11 **A:** As James Owen of Renew Missouri outlines in his testimony, there is no statutory
12 requirement for KCP&L to file for an Indiana Model tariff in its MEEIA Cycle 3
13 application, and MEEIA filings themselves are voluntary. Further, as a result of the
14 approved merger, KCP&L have other priorities that may result in giving insufficient
15 priority to DR. Most importantly, KCP&L's original Supplemental Direct Testimony
16 failed to comply with the Commission's Order related to the Indiana Model. Given that
17 context, AEMA is concerned that any tariff changes that KCP&L may file through
18 MEEIA would fail to incorporate the elements of the Indiana Model necessary to
19 meaningfully expand DR opportunities. I believe that requiring KCP&L to file tariff
20 changes as part of this rate case is essential to fully incorporate the Indiana Model
21 throughout the KCP&L service territories. This will ensure that cost-effective DR
22 participation is maximized for the benefit of all KCP&L customers.

1 Q: Does this conclude your testimony?

2 A: Yes