

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Union)
Electric Company d/b/a Ameren Missouri) **File No. ET-2018-0132**
for Approval of Efficient Electrification)
Program)

**STATEMENT OF POSITION OF SIERRA CLUB &
NATURAL RESOURCES DEFENSE COUNCIL**

Sierra Club and Natural Resources Defense Council (NRDC), by and through counsel, provide the following Statement of Position, with issues numbered according to the joint *List of Issues, List and Order of Witnesses, Order of Opening Statements and Order of Cross-Examination* filed on November 20, 2018. Sierra Club and NRDC take a position on Issues 1(a)-(d), 2(a)-(d), and 3. Sierra Club and NRDC reserve the right to modify their positions or to take additional positions as the case proceeds.

1. Should the Commission approve, reject or modify Ameren Missouri’s Charge Ahead – Electric Vehicles Program?

The Commission should approve the Charge Ahead – Electric Vehicles Program (“EV Program”) with the minor modification noted in the response to question 1(d), below.

a. Has Ameren Missouri provided sufficient evidence that there is need for the program?

Yes. The record evidence demonstrates that the EV Program will provide needed charging infrastructure for expected EV growth and will accelerate EV adoption by targeting deployment of charging stations in locations where infrastructure is necessary for

EV ownership. The existing infrastructure gaps and statements by EV technology providers regarding the Missouri policy environment further support the need for this program.

b. Has Ameren provided sufficient evidence that the program is cost effective?

Yes. The cost-benefit analysis conducted by Ameren Missouri (“Ameren” or the “Company”) is directionally positive. With the context of the benefits projected in that analysis, the program is reasonably-sized. The assumptions underlying the Company’s analysis are appropriately tailored to EV driver charging behavior and general vehicle usage. In addition, only a sub-set of the benefits that EVs will provide to the Company’s ratepayers and society are factored into the analysis, making the projected benefits conservative. Finally, the direct current fast charging corridor portion of the EV Program will leverage funding that is available under the Volkswagen Environmental Mitigation Trust and stretch those funds further than would otherwise be possible.

c. If the program is approved, what is appropriate cost recovery mechanism?

The Company should be entitled to recover the prudently incurred capital and operations and maintenance (“O&M”) expenses associated with its regulated utility services. The Company proposes to treat costs associated with Charging Ahead – Electric Vehicles as a regulatory asset, with recovery to be considered in future rate cases.¹ This is a reasonable method to account for a new, market-driven program like the EV Program.

d. If the program is approved, what conditions, if any, should be imposed by the Commission?

¹ Direct testimony of Steven M. Wills on behalf of Ameren Missouri at 44.

In rebuttal testimony, the Division of Energy recommended that Ameren work to ensure that the EV Program will equitably serve its customers by deploying a minimum percent of EV Program infrastructure in low income or disadvantaged communities.² Sierra Club and NRDC support the Division’s recommendation. This recommendation was also met with support by Ameren in its surrebuttal testimony.³

2. Should the Commission approve, reject or modify Ameren Missouri’s Charge Ahead – Business Solutions Program?

The Commission should approve the Charge Ahead – Business Solutions Program (“Business Solutions Program”).

a. Has Ameren Missouri provided sufficient evidence that there is need for the program?

Yes. The Business Solutions Program would support deployment of proven, market-ready electric vehicle technologies. There is an opportunity to accelerate market growth and adoption of these technologies given vehicle and customer needs within Ameren’s service territory.

b. Has Ameren provided sufficient evidence that the program is cost effective?

Yes. The cost-benefit analysis performed by Ameren for the Business Solutions Program is directionally positive. The program appears reasonably-sized given market need and the results of the cost-benefit analysis. In addition, only a sub-set of the benefits that EVs will provide to the Company’s ratepayers and society are factored into the

² Rebuttal testimony of Cherylyn Kelley on behalf of the Division of Energy at 10-11.

³ Surrebuttal testimony of Patrick Justis on behalf of Ameren Missouri at 20.

analysis, making the projected benefits conservative. The benefits of vehicle electrification include, but are not limited to: electricity grid and utility customer benefits, including the potential for increased system flexibility and reliability, increased asset utilization and dilution of fixed costs, downward pressure on electric rates for all utility customers, and greater integration of renewable generation; as well as general public benefits, including reduced oil dependence and greater energy security, air pollution reduction and public health benefits, and carbon emissions reductions and climate change mitigation.

c. If the program is approved, what is appropriate cost recovery mechanism?

The Company should be entitled to recover the prudently incurred capital and O&M expenses associated with its regulated utility services. The Company proposes to treat costs associated with Charging Ahead – Business Solutions as a regulatory asset, with recovery to be considered in future rate cases.⁴ This is a reasonable method to account for a new, market-driven program offering like the Business Solutions Program.

d. If the program is approved, what conditions, if any, should be imposed by the Commission?

Sierra Club and NRDC have no comment at this time.

3. Should the Commission grant the variances requested by Ameren Missouri?

In the event the Commission finds that its promotional practices rule would apply to the Charge Ahead programs, Sierra Club and NRDC believe good cause has been shown to grant a variance to that rule.

⁴ Direct testimony of Steven M. Wills on behalf of Ameren Missouri at 44.

Respectfully submitted,

/s/ Joe Halso

Joe Halso
Sierra Club Environmental Law Program
1536 Wynkoop St., Suite 200
Denver, CO 80202
Tel. (303) 454-3365
joe.halso@sierraclub.org

Attorney for Sierra Club

Henry B. Robertson (Mo. Bar 29502)
Great Rivers Environmental Law Center
319 N. Fourth St, Suite 800
St. Louis, Missouri 63102
Tel. (314) 231-4181
Fax (314) 231-4184
hrobertson@greatriverslaw.org

Attorney for Sierra Club & Natural Resources Defense Council

Dated: November 27, 2018

CERTIFICATE OF SERVICE

I hereby certify that a true and correct PDF version of the foregoing was filed on EFIS and electronically mailed to all counsel of record on this 27th day of November, 2018.

/s/ Joe Halso
Joe Halso