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Exhibit No.:
Issue(s): EV Cost Recovery
Witness: Noah Garcia
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: NRDC
File No.: ER-2016-0285
Date Testimony Prepared: December 22, 2016

MISSOURI PUBLIC SERVICE COMMISSION

File No. ER-2016-0285

REBUTTAL TESTIMONY

OF

NOAH GARCIA

ON

BEHALF OF

NATURAL RESOURCES DEFENSE COUNCIL

1 **Introduction and Qualifications**

2
3 **Q. Please state your name and address.**

4 A. My name is Noah Garcia and my business address is 20 North Wacker Drive, Chicago,
5 Illinois 60606.

6
7 **Q. What organization are you employed at and what is your position?**

8 A. I work at the Natural Resources Defense Council (NRDC) as a Schneider Fellow. NRDC
9 is a non-profit environmental organization with more than two million members and
10 online activists. NRDC uses law, science, and the support of its members to ensure the
11 rights of all people to clean air, clean water, and healthy communities. One of NRDC's
12 top priorities is to reduce transportation sector air pollutants.

13
14 **Q. Please describe your educational background and work experience.**

15 A. My educational experience includes a Bachelor of Arts in International Relations with a
16 concentration in economics from Stanford University and a Master of Arts in Public
17 Policy from Stanford University with a concentration in energy and environmental
18 policy.

19
20 During my time at Stanford, I was a research assistant at the Steyer-Taylor Center for
21 Energy Policy and Finance and analyzed the role of policy and market drivers behind
22 clean energy development. At NRDC, I have advocated and provided support for state-
23 based clean energy policies in various legislative and regulatory environments in Illinois.
24 I have also advocated for and collaborated with partners on utility-driven transportation
25 electrification programs in several jurisdictions in the Midwest. In Missouri, I
26 participated in the *Working Case Regarding Electric Vehicle Charging Facilities* (File
27 No. EW-2016-0123), providing substantive comments and materials on the necessity of
28 charging stations to the development of the plug-in electric vehicle (PEV) market and
29 how utilities could beneficially engage in this space. As part of the docketed proceeding,
30 I presented at the Missouri Public Service Commission's EV workshop on May 25, 2016;
31 along with Sierra Club and the Electric Power Research Institute, we expanded on the

1 environmental benefits of vehicle electrification and the need for strategic deployment of
2 charging infrastructure to realize these benefits. I am currently intervening in ET-2016-
3 0246 and ER-2016-0179 before the Commission to address electric vehicle charging
4 station topics.

5 6 **Purpose of Rebuttal Testimony**

7 8 **Q. What is the purpose of your rebuttal testimony?**

9 A. The purpose of this rebuttal testimony is to respond to other parties' direct testimony
10 regarding the cost recovery of Kansas City Power & Light's (KCP&L) Clean Charge
11 Network (CCN). I recommend that KCP&L be permitted to recover costs associated with
12 the CCN and propose that future utility charging station programs target long dwell time
13 locations, such as multi-unit dwellings and workplaces, and highway corridors. I also
14 recommend KCP&L submit detailed reports to the Commission and relevant stakeholders
15 on the performance of the CCN.

16 17 **Response to Staff's Recommendation**

18 19 **Q. What does Staff recommend regarding the treatment of the Clean Charge Network 20 in this case?**

21 A. In direct testimony, Natelle Dietrich explains Staff's position on the cost recovery of the
22 CCN as follows:

23
24 *In Staff's opinion, ratepayers should be held harmless from the proposed project;
25 therefore, Staff recommends all revenues, expenses and investment associated
26 with the CCN be recorded below-the-line.¹*

27

¹ Direct Testimony of Natelle Dietrich p. 5, File No. ER-2016-0285, Filed November 30, 2016

1 Mr. Murray largely repeats this same recommendation in testimony:

2
3 *Staff recommends that the Commission only approve KCPL's proposed tariff*
4 *sheets subject to revisions addressing the session charge and on the condition that*
5 *all revenues, expenses and investment associated with the program are recorded*
6 *below-the-line in order to hold ratepayers harmless.*²
7

8 **Q. What is your response to Staff's recommendation?**

9 A. NRDC appreciates Staff's consideration of these issues, but does not agree that investment
10 associated with the CCN be recorded "below-the-line." As noted in my direct testimony,
11 the public policy rationale for utility investments to accelerate transportation
12 electrification is based upon the benefits that the body of utility customers experience.
13 These include downward pressure on rates through improved grid utilization, net
14 decreases in greenhouse gas emissions, improved air quality, meeting renewable energy
15 procurement targets at lower cost, and decreased dependence on petroleum imports. Sierra
16 Club also makes similar arguments in its direct testimony.³ KCP&L's CCN is designed to
17 accelerate the electrification of the transportation sector and bring forward the utility
18 customer benefits described above; for that reason, the utility should have the opportunity
19 to recover costs associated with the development of the network. To ensure utility
20 customers realize the full benefits of widespread transportation electrification, NRDC
21 recommends that future utility charging station infrastructure proposals target long dwell-
22 time locations, such as multi-unit dwellings and workplaces, and highway corridor
23 charging to support long-distance electric vehicle travel. In addition to driving additional
24 EV sales, this combination of residential and workplace charging where EVs are parked
25 for the vast majority of the day ensures they are readily available to integrate variable
26 renewable resources and able to charge in a manner that improves the utilization of the
27 grid and puts downward pressure on rates, reducing bills for all utility customers.
28

² Revenue Requirement Cost of Service p. 173-174, File No. ER-2016-0285, Filed November 30, 2016

³ Direct Testimony of Douglas Jester, File No. ER-2016-0285, Filed November 30, 2016

1 **Q. What else does Staff recommend regarding the Clean Charge Network?**

2 A. Staff recommends that KCP&L collect data and report annually on the performance of
3 the CCN. This includes but is not limited to: electric vehicle and electric system load
4 profiles, electric vehicle impact on fixed cost recovery of electric grid assets, and load
5 management assessment.

6

7 **Q. What is your response to this recommendation?**

8 A. NRDC supports Staff's recommendation that KCP&L report to the Commission and
9 relevant stakeholders. Robust reporting will not only allow interested parties to better
10 assess the performance of the CCN, but will also serve as a guide for how to improve
11 future utility charging infrastructure programs. In addition to the topics listed above,
12 NRDC recommends that KCP&L collect and report data on:

13

- 14 1) Residential load profiles of known electric vehicle drivers;
- 15 2) Current and projected future sales of electric vehicles in KCP&L territory;
- 16 3) O&M expenses associated with the CCN;
- 17 4) Prices paid by EV drivers at CCN stations; and
- 18 5) Additional feedback on experience managing the CCN.

19

20 **Q. Does this conclude your testimony?**

21 A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of)
Kansas City Power & Light Company's) File No. ER-2016-0285
Request for Authority to Implement)
a General Rate Increase for Electric Service)

County of Cook)
State of Illinois)

AFFIDAVIT OF NOAH GARCIA

Noah Garcia, of lawful age, on his oath states: that he has participated in the preparation of this rebuttal testimony in question and answer form to be presented in the above case; that the answers in this rebuttal testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such answers are true to the best of his knowledge and belief.



Noah Garcia

21st In witness whereof I have hereunto subscribed my name and affixed my official seal this day of December, 2016.



Jennifer R. Daly

