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MISSOURI PUBLIC SERVICE COMMISSION

ER-2018-0145 / ER-2018-0146

REBUTTAL TESTIMONY

OF

JAMES OWEN

ON BEHALF OF

RENEW MISSOURI ADVOCATES

July 27, 2018

Exhibit No. 406
Date 9-25-18 Reporter JW
File No. ER-2018-0145+0146

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Kansas City Power & Light)
Company's Request for Authority to) File No. ER-2018-0145
Implement a General Rate Increase for)
Electric Service)

In the Matter of KCP&L Greater Missouri)
Operations Company's Request for Authority) File No. ER-2018-0146
To Implement a General Rate Increase for)
Electric Service)

AFFIDAVIT OF JAMES OWEN

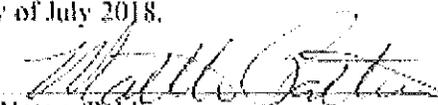
STATE OF MISSOURI)
) ss
COUNTY OF BOONE)

COMES NOW James Owen, and on his oath states that he is of sound mind and lawful age; that he prepared the attached rebuttal testimony; and that the same is true and correct to the best of his knowledge and belief.

Further the Affiant sayeth not.


James Owen

Subscribed and sworn before me this 26th day of July 2018.


Notary Public



My commission expires: 1-19-20

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1 **I. Introduction**

2 **Q: Please state your name, title, and business address.**

3 A: James Owen, Executive Director, Renew Missouri Advocates d/b/a Renew Missouri
4 (“Renew Missouri”), 409 Vandiver Dr. Building 5, Suite 205, Columbia, MO 65202.

5 **Q: Please describe your education and background.**

6 A: I obtained a law degree from the University of Kansas as well as a Bachelor of Arts in
7 Business and Political Science from Drury University in Springfield.

8 **Q: Please summarize your professional experience in the field of utility regulation.**

9 A: Before becoming Executive Director of Renew Missouri, I served as Missouri’s Public
10 Counsel, a position charged with representing the public in all matters involving utility
11 companies regulated by the State. While I was Public Counsel, I was involved in several
12 rate cases, CCN applications, mergers, and complaints as well as other filings. As Public
13 Counsel, I was also involved in answering legislators’ inquiries on legislation regarding
14 legislation impacting the regulation of public utilities. In my role as Executive Director at
15 Renew Missouri, I continue to provide information and testimony on pieces of proposed
16 legislation that may impact how Missouri approaches energy efficiency and renewable
17 energy.

18 **Q: Have you been a member of, or participant in, any workgroups, committees, or
19 other groups that have addressed electric utility regulation and policy issues?**

20 A: In May 2016 I attended the National Association of Regulatory Utility Commissioners
21 (“NARUC”) Utility Rate School. In the Fall of 2016, I attended Financial Research
22 Institute’s 2016 Public Utility Symposium on safety, affordability, and reliability. While I
23 was Public Counsel, I was also a member of the National Association of State Utility

1 Consumer Advocates (“NASUCA”) and, in November of 2017, the Consumer Council of
2 Missouri named me the 2017 Consumer Advocate of the Year.

3 **Q: Have you testified previously, participated in cases, or offered testimony before the**
4 **Missouri Public Service Commission (“Commission”)?**

5 A: In my prior role as Acting Public Counsel I participated in a number of PSC cases as an
6 attorney and director of the office. During that time period I also offered testimony in
7 rulemaking hearings before the Commission. Since becoming Executive Director of
8 Renew Missouri I contributed to Renew Missouri’s filed Comments on Distributed Energy
9 Resource Issues in EW-2017-0245.¹ On January 9, 2018, I participated in the panel
10 discussions on the “Indiana Model” and the value of a DER Study.² Most recently, I
11 submitted rebuttal testimony on Empire’s Customer Savings Plan in EO-2018-0092 and
12 surrebuttal testimony on Ameren Missouri’s Green Tariff in ET-2018-0063.³

13 **II. Demand Response Program**

14 **Q: What is the purpose of your testimony in this matter?**

15 A: On behalf of Renew Missouri, I wish to respond to the testimony provided by Kansas City
16 Power & Light (“KCPL”) and KCPL – Greater Missouri Operations (“GMO”) witnesses’
17 Kimberly H. Winslow and Burton L. Crawford regarding demand response (“DR”)
18 programs and whether the Public Service Commission (“Commission” or “PSC”) should
19 order a tariff directing them to enact a program that, in basic terms, would incentivize
20 ratepayers – particular larger customer and industrial (“C&I”) customers to abstain from
21 energy consumption during peak hours so as not to overload the system.

22

¹ EFIS File No. EW-2017-0245, Doc. No. 46.

² EFIS File No. EW-2017-0245, Doc. No. 79.

³ EFIS File No. EO-2018-0092, Doc. No. 60; EFIS File No. ET-2018-0063, Doc. No. 49.

1 **Q: Why is that subject an issue in this case?**

2 A: On May 4th of 2018, in both cases involving KCPL and GMO (hereinafter referred to as
3 “the Companies” when referring to both entities), the Commission directed the Companies
4 “to respond to the recommendations and submit exemplary tariffs, if applicable, related to
5 (“DR”) and the ‘Indiana model’, explain whether those issues should be addressed in the
6 rate cases or in MEEIA Cycle III cases, and more generally, provide any additional
7 information on the companies’ plans related to distributed energy resources not already
8 provided in their January 30, 2018, direct testimony.” This order was based on a request
9 from the Commission Staff (“Staff”). The Companies provided the testimony of Mr.
10 Crawford and Ms. Winslow and corresponding documentation in compliance with this
11 Order.

12 **Q: From your perspective, what does DR mean?**

13 A: This is a concept Renew Missouri has already explored thanks to the Commission creating
14 and facilitating an “emerging issues” docket. *See* Case Number EW-2017-0245. In that
15 docket, parties were asked to define distributed energy resources (“DER”), for which DR
16 is a component. Instead of coming up with a new answer, I will simply adopt and
17 incorporate Renew Missouri and Pace Energy and Climate Center’s joint response in
18 comments filed on October 20, 2017:

19 Renew Missouri defines DER as any and all services and technologies
20 deployed or operating at distribution level in the electric grid, whether
21 “behind” or on the utility side of the customer meter. DER includes all
22 manner of demand-side management (“DSM”), energy efficiency, and
23 conservation technologies and services operating at the customer level or at

1 the distribution level of the grid. DER also includes distributed generation,
2 energy storage devices, smart grid technologies deployed or operating at
3 distribution level, modern electrical devices and equipment such as electric
4 vehicles (especially in grid-connected and vehicle-to-grid configuration),
5 and other systems which can be operated to consume, inject, or manage the
6 consumption or generation of energy at the distribution level.⁴

7 There is more to our analysis in that comment but the above paragraph seems like a good
8 starting point. This is about demand-side management and conservation programs. DR fits
9 very well into that.

10 **Q: Did Renew Missouri address any specific issues regarding DR that are relevant to**
11 **the current case?**

12 **A:** Yes. One of the questions posed by the Commission in the emerging issues workshop is
13 whether it should reconsider a decision made in 2010 (*See* EW-2010-0187, Order
14 Temporarily Prohibiting the Operations of Aggregators of Retail Customers, Effective
15 March 31, 2010). That order temporarily prohibited any Regional Transmission
16 Organizations (“RTO”) or Independent System Operator (“ISO”) from accepting bids from
17 any DR aggregator. Renew Missouri answered this question in the affirmative, arguing
18 block chain technology has changed since this conclusion was reach eight years ago.⁵

19 Again, our argument as presented in the October 20th comments:

20 Demand response is a valuable tool in not only reducing utility system peak
21 demand-related costs, but also in facilitating high penetration of variable

⁴ EFIS Case No. EW-2015-0245, Doc. No. 46.

⁵ For an article discussing how block chain technology is being used by utilities *see*:
<https://hbr.org/2017/03/how-utilities-are-using-blockchain-to-modernize-the-grid>

1 renewable resources such as distributed solar and increasing system
2 reliability. Demand response is useful in improving load diversity,
3 distribution system asset utilization, and system load factor—all of which
4 can result in lower cost of service. Demand response offers an excellent
5 opportunity to introduce market forces into the electric system. Finally,
6 demand response aggregation offers an increasingly valuable tool for
7 empowering customers to engage with the grid and reduce their electric bills
8 while contributing to system wide cost reductions for all customers.⁶

9 In other words, times have changed. The market has evolved. This concept has become
10 less burdensome and benefits have become newly-discovered for customer and the utility
11 as well. It's also important to remember large-scale energy efficiency efforts were
12 relatively new back in 2010. The Missouri Energy Efficiency Investment Act ("MEEIA")
13 had only become law in August of 2009. There were multiple questions circling around
14 what this statutory scheme meant in the long-term. Workshops convened. Regulations
15 drafted, debated, and implemented. While there may be some entrenched parties that take
16 issue with certain details, the consensus seems to be MEEIA has saved customers money
17 and allowed for utility companies to further invest in energy efficiency programs. With less
18 consternation about large-scale, demand-side programs, Renew Missouri believes that it is
19 absolutely the right time to reconsider the Order and lift this prohibition.

20 **Q: Did Renew Missouri offer any other conclusions in this emerging issues workshop?**

21 **A:** We further stated that a model tariff should be developed in order for the Commission to
22 consider implementing said tariff in a rate case or some other docket. It should be noted

⁶ EFIS Case No. EW-2015-0245, Doc. No. 46.

1 that the Companies have not simply offered a “model” tariff, as contemplated in the
2 emerging issues docket, but a specific tariff as attached to their testimony that could be
3 implemented right away by the Commission after some slight modifications to format.

4 **Q: There’s also a mention of the “Indiana model” in the PSC’s May 4th Order. What**
5 **does that mean?**

6 **A:** Based on research conducted by Renew Missouri, the Indiana model is a tariff that allows
7 DR aggregation of C&I customers to participate in a wholesale capacity market by
8 enrolling with their utility. The utility is then responsible for bidding the capacity into the
9 RTO marketplace. This sounds an awful lot like DR in general. But there are specifics that
10 are best spelled out in a video found on the “PMLA Load Management Leadership”
11 website where a panel of Indiana Michigan Power employees summarize the process. The
12 highlights Renew Missouri found useful include:

- 13 • Customers sign up, get a monetary percentage to enroll, and in exchange the investor-
14 owned utility can interrupt the customers power during Pennsylvania, Jersey, and
15 Maryland Power Pool (“PJM”) (the RTO that covers the Indiana Michigan Power
16 Service territory) events.
- 17 • Company monitors compliance and passes this information onto PJM
- 18 • Customers are allowed to sign up directly with the utility or are permitted to sign up
19 with a curtailment service provider (“CSP”). (However the customer must still sign an
20 agreement with the utility, and so, are ultimately responsible for compliance.)
- 21 • Customers in CSP can aggregate their curtailment to create a “risk-pool” for customers
22 to sign up and, thus, reduces possibility of facing penalties if they don’t comply when
23 an event is called.

- 1 • CSPs are registered with PJM so the utility does not necessarily have additional
2 hurdles.

3 The whole video can be viewed at: <https://www.peakload.org/?page=IndMichPwr>.

4 **Q: Has Renew Missouri formulated any thoughts as to whether the Indiana model is**
5 **applicable to utilities here in Missouri?**

6 A: Yes, we have. While we would prefer a larger array of options, Renew Missouri agrees that
7 the general concept of the Indiana model (i.e. utility enrollment) is preferable to no DR
8 aggregation option, but remain open to full third-party participation in DR aggregation.
9 Since under the Indiana model the utility bids the capacity into the RTO, the company gets
10 to include the capacity in its Integrated Resource Plan (“IRP”). This can be a benefit to all
11 customers whether or not they participate. This last part regarding customer participation
12 is important since Renew Missouri also concluded in the EW-2017-0245 workshop that
13 the “opt-out” provision afforded to certain customers under MEEIA does not preclude
14 participation in DR aggregation.

15 Additionally, Renew Missouri concluded incorporating an Indiana model-type
16 tariff would be consistent with the 2010 Commission order prohibiting DR aggregator bids
17 as long as the third parties worked directly with the Company and not with an RTO or ISO.
18 But, to emphasize what we said earlier, technology and experience with energy efficiency
19 programs has come a long way since 2010 and it is absolutely worth revisiting that order
20 whether or not the Indiana model can be applied consistently with the 2010 Order.

21 **Q: Do you recall what the KCPL and GMO said in regards to the Indiana model in the**
22 **EW-2017-0245 docket?**

23 A: Yes, while this will be an over-simplification, both KCPL and GMO did not believe the

1 policy decisions established in 2010 need to be reconsidered. In that case, the Commission
2 determined that “(d)emand response load reductions of customers of the four Missouri
3 electric utilities regulated by the Commission are prohibited from being transferred to ISOs
4 or RTO markets directly by retail customers or third party ARCs (“Aggregators of Retail
5 Customers).”

6 The Companies asserted further that, although technologies and the environment
7 around demand aggregation have changed since the Commission’s 2010 Order, efforts
8 taken by electric utilities have changed as well. The most significant change, they point
9 out, is the inclusion of demand response programs within MEEIA. This additional support
10 and promotion has served to make demand aggregation an integral part of its load planning
11 and operation.

12 The Companies further outlined actions taken by other utilities, some in
13 restructured states, and other RTOs to address demand aggregation and believe these same
14 actions have been noticed and considered within the Southwest Power Pool (“SPP”). Based
15 on their analysis, the Companies assess in their comments that the SPP – the RTO that
16 covers the Companies’ combined service territory – appears satisfied that the existing
17 tariffs and policies are appropriate. Although, as I will note later, this conclusion in the
18 emerging issues workshop comment runs contrary to testimony offered by Burton
19 Crawford.

20 **Q: Do you believe this accurately reflects the Companies’ overall position?**

21 **A:** Yes, because this is essentially the position they took in their testimony filed on June 19th
22 of this year in these rate cases.

1 **Q: Can you summarize the Companies' approach on this topic? Let's start with**
2 **Kimberly H. Winslow's testimony.**

3 A: Ms. Winslow testified to KCPL and GMO's commitment to demand-side efforts since the
4 inception of MEEIA as well as the comprehensive energy plan dating back to 2005. She
5 also walked through the research the Companies did on researching DR and Indiana model
6 tariffs in other RTO's and ISO's outside of the SPP. In regards to the Companies' previous
7 efforts, Renew Missouri agrees a lot of work has gone into demand-side programs and
8 energy efficiency efforts. Renew Missouri is often supportive of utilities who take
9 advantage of technology and programs that help customers cut down on their energy
10 consumption.

11 **Q: So what concerns does Renew Missouri have with the position outlined in Ms.**
12 **Winslow's testimony?**

13 A: For one thing, Ms. Winslow relies heavily on "proposed" programs the Companies may
14 seek to introduce with the MEEIA Cycle III filings. Although the companies have
15 submitted notices of filings, there is no application on record detailing the companies'
16 respective plans.

17 **Q: Do you have any reason to think KCPL or GMO will not file a MEEIA Cycle III**
18 **application?**

19 A: I cannot speak for them but I do understand their current situation and, at the very least,
20 this could lead to delay or changed priorities. In May of 2018, Great Plains Energy ("GPE")
21 – the holding company for KCPL and GMO – were granted permission from the
22 Commission as well as the Kansas Corporation Commission to merge with Wester Energy
23 and create a company we now know as Eversource. This decision created a larger company

1 that will cause the combined service territory to have a much larger footprint in the SPP.
2 When a merger of this magnitude arises, there becomes a new list of growing managerial
3 and policy considerations. Therefore, Renew Missouri would ask the Commission not to
4 rely on the Companies past efforts in making a determination on this issue as this admirable
5 history may not be a reliable barometer of future decision-making.

6 **Q: Is this not the same issue raised by Renew Missouri in their argument against**
7 **approving this above-described merger without conditions? Didn't the Commission**
8 **dismiss this concern?**

9 **A:** The Commission, at least, didn't see this concern as significant enough to apply conditions
10 in the merger docket. However the Commission recognized the importance of the issues
11 raised by Renew Missouri, but noted that it "...will be able to address specific renewable
12 energy issues in other regulatory proceedings, such as rate cases, integrated resource
13 planning dockets, workshops, and MEEIA and certificate cases, where all affected
14 stakeholders will have notice and an opportunity to participate."⁷

15 Since the merger was approved, Renew Missouri continues to have concerns
16 relating to the prioritization of renewable energy, energy efficiency, and demand-side
17 programs. Renew Missouri believes the Commission must make this a separate order in
18 these rate cases regarding Demand Response tariffs so that it requires the Companies to
19 continue making DR implementation and energy efficiency programs a priority.
20 Incorporating this Indiana model or other DR compliance into the Companies' set of tools
21 will ideally focus decision makers and policy analysts in not only how they deal with their
22 customers but also how they interact with their RTO.

⁷ EFIS Case No. EM-2018-0012, Report and Order, Doc. No. 146, p. 31.

1 **Q: Does Ms. Winslow offer any conclusions about whether an Indiana Model DR is**
2 **feasible as part of a MEEIA filing rather than these rate cases?**

3 **A:** She does and it is Renew Missouri's assessment the Companies believe it can work within
4 a MEEIA filing. However, due to the voluntary nature of MEEIA programs and the reasons
5 described above, the Commission should require the Companies to offer Demand Response
6 programs in these rate cases. Again, I intend to summarize her testimony on this point and
7 I know I am not going to get every part of it perfectly.

8 Ms. Winslow suggests it may be useful to commercial customers to participate in
9 the SPP energy market, especially customers with a cyclical manufacturing process,
10 flexible generation, or storage capacity. Because SPP market participation is limited to the
11 energy market, she proposes implementing an Indiana model-type Market Based Demand
12 Response ("MBDR") program as an extension of the utility's traditional demand response
13 incentive ("DRI") program – utility aggregates DR – through itself or a third party – to
14 work with customers with DR resources who want to participate in the wholesale market.

15 Ms. Winslow asserts customers would benefit from a program like Indiana utilities'
16 program for individual customers with DR capabilities to have market access. She suggests
17 an MBDR program would provide for market participation for various types of customers,
18 and it should allow three participation models: (1) individual commercial customer as
19 Demand Response Resource ("DRR"), (2) individual customers as DRR with energy
20 service manager acting on their behalf, and (3) aggregation of a single customer with
21 multiple premises into a single DRR.

22 But again, all of this is based on what the Companies intend to file with their
23 MEEIA Cycle III application; an application that is not before the Commission currently

1 with no certain timeline as to when it will be before the Commission.⁸ To emphasize again,
2 Renew Missouri believes the merger approved by regulators of the Companies with Westar
3 places a great deal of additional burdens and that matters that were previously priorities
4 will no longer be viewed with the same level of importance.

5 **Q: Other than the uncertainty of priorities and timing, what is your other concern about**
6 **including DR programs or an Indiana model tariff into a MEEIA Cycle III filing?**

7 **A:** Our concern is that MEEIA filings are purely voluntary. Take, for instance, Ameren
8 Missouri's Response for Inclusion of Proposal in Furtherance of Staff's Report on
9 Distributed Energy Resources filed in EO-2018-0211 on May 1st of this year. It says in
10 relevant portion:

11 Ameren Missouri does intend to file a MEEIA Cycle 3 case, but since
12 seeking approval of energy efficiency programs under MEEIA is voluntary,
13 it is logically possible that the Company might "decide not to file the case
14 at all." There simply is no case until it is filed and there is no statutory
15 authority (express or implied) for the Commission to order a particular
16 MEEIA program or measure be offered since such programs don't have to
17 be offered at all.⁹

18 Of course, this is not KCPL. It is not GMO. But Ameren Missouri's statement underlines
19 the point that the Companies are not obligated to make the filings alluded to in Ms.
20 Winslow's testimony. They are voluntary and stating that the Companies intend to do
21 something does not obligate them to do so.

22 **Q: Do you think the Companies should be concerned about having a DR program**
23 **ordered now outside of a MEEIA case?**

⁸ Just recently, the Commission closed two case files in which notices were filed, but no substantive application was submitted within the allotted timeframe. See Case No. EA-2018-0201 and Case No. EO-2018-0156.

⁹ EFIS Case No. EO-2018-0211, Doc. No. 3.

1 A: Not at all. In reading Ms. Winslow's and Mr. Crawford's testimony, neither of them raise
2 the argument that a DR program couldn't be enacted now and then modified into a MEEIA
3 tariff subsequently. As Renew Missouri has said countless times, we support MEEIA when
4 it maximizes energy efficiency efforts and gives the investor-owned utilities an opportunity
5 to earn a rate of return on their investments that benefit customers. Renew Missouri simply
6 wants to see this enacted as quickly as possible and ordering a DR tariff of any kind in this
7 rate case may allow the Companies financial benefit at some later point. Perhaps, it will
8 cause them to accelerate any MEEIA Cycle III filing and will certainly influence the
9 structure of any demand response tariffs offered voluntarily in a MEEIA portfolio.

10 **Q: How would you summarize Renew Missouri's response to Ms. Winslow's testimony?**

11 A: There's three things Renew Missouri like to point out as takeaways from Ms. Winslow's
12 testimony: (1) An order directing a tariff for DR programs in the vein of an Indiana model
13 is allowable whether the 2010 order is determined as controlling or not; (2) that KCPL and
14 GMO have many priorities in light of their approved merger and an order in this case for
15 an Indiana model tariff or any kind of DR program will ensure this remains a priority; (3)
16 MEEIA filings are voluntary and there is no guarantee the Companies will include the
17 programs they propose in their testimony; and (4) there is nothing indicating the Companies
18 cannot seek an earning opportunity on these programs when they do file their MEEIA
19 Cycle III application.

20 **Q: Let's turn our attention back to Mr. Crawford Can you summarize his testimony on
21 DR programs and how that will interact with the SPP?**

22 A: Yes. Mr. Crawford relies heavily on the 2010 Order from the Commission indicating these
23 DR load reductions are prohibited "from being transferred directly from the RTO or ISO

1 to a third-party ARC or customer.” Renew Missouri would note Mr. Crawford left out the
2 distinction that this is a “temporary prohibition” (although he does replicate the title of the
3 Order that uses the word “Temporary”). He also seems to discard the whole reason the
4 questions on the 2010 Order were asked in the EW-2017-0245 workshop centered on
5 whether this should be revisited. The Commission’s May 4th Order in this case suggests
6 this is an open question again.

7 But Mr. Crawford does agree with Renew Missouri’s analysis that directly working
8 with the utility company would not require the 2010 Order to be revisited and that the
9 Indiana model can work under existing Commission order. Mr. Crawford also notes in his
10 testimony that, “per FERC orders...any retail customer or eligible person that is not
11 precluded under the laws or regulations of the relevant electric retail regulatory authority
12 including state-approved retail tariff(s) from participating directly in wholesale demand
13 response programs in the Energy and Operating Reserve Markets and that is technically
14 qualified to offer Demand Response Load into the Energy and Operating Reserve Markets
15 or an aggregator of such retail customers that offers qualified Demand Response Load into
16 the Energy and Operating Reserve Markets...[.]” This is specific to SPP’s Open Access
17 Transmission Tariff (“OATT”) In other words, the OATT precludes any ratepayer of an
18 investor-owned utility in a state that has prohibited aggregators from engaging in such
19 activity in an RTO market.

20 This is circular logic on the Company’s part. In the EW-2017-0245 workshop, the
21 Companies say the 2010 Order should not be revisited. But Mr. Crawford suggests the SPP
22 OATT cannot accommodate a DR load reduction from an aggregator or customer because
23 of a state prohibition that was issued in that same 2010 order. Another way of looking at

1 the OATT Mr. Crawford references would be to say this following: “If the Commission
2 revisited its 2010 Order temporary prohibiting these DR programs, they would be allowed
3 under SPP tariff.” Instead, he furthers the Companies argument that nothing should change.
4 The SPP would allow this if that Order was changed, but the Companies don’t think it
5 should be changed. This is a somewhat maddening position to take in light of the
6 Commission’s interest in this issue. In any event, although Renew Missouri supports
7 permitting 3rd party aggregators, an Indiana Model tariff that allows the utility to administer
8 the Demand Response program does not require a change.

9 **Q: What else does Mr. Crawford say about how an Indiana model tariff would work**
10 **within a utility on the SPP market?**

11 **A:** He notes that the PJM market is much more flexible and accommodating of an Indiana
12 model tariff than SPP. He also spends a significant portion of testimony discussing MISO
13 but that does not seem relevant here. Mr. Crawford does give examples of SPP’s
14 inflexibility. But questions remain after reading his testimony. I am reminded of the
15 proverbial chicken and the egg. If these programs were pursued by a utility company,
16 would the RTO not make accommodations for this? With Evergy now approved, the
17 Companies along with Westar now account for almost twenty percent of the load in the
18 SPP.¹⁰ The Companies will have more ability to push for proposals and programs that
19 benefit not only SPP’s member utilities but also their customers as well as the marketplace
20 itself.

21 Mr. Crawford’s testimony also appears contrary to Ms. Winslow’s. Ms. Winslow
22 suggests bountiful DR programs have been offered and will be offered by the Companies

¹⁰ See https://www.spp.org/documents/57928/spp_mmu_asom_2017.pdf at p. 20.

1 and therefore there is no need for a DR program or an Indiana model tariff. But Mr.
2 Crawford suggest SPP has limitations on what can be done in this area. So either SPP
3 allows for the programs Ms. Winslow says are being prepared to advance energy efficiency
4 or the SPP has significant limitations as Mr. Crawford suggests.

5 **Q: Is there anything in Mr. Crawford's testimony that discusses potential changes in**
6 **SPP's efforts on or DER aggregation?**

7 A: Yes. Mr. Crawford discusses how FERC initiated a docket under Order 841 requiring
8 RTOs like SPP to revise tariffs to establish participation models consisting of market rules
9 that facilitates participation in RTO/ISO markets. This led to a docket for rulemaking,
10 numbered RM18-9-000. Mr. Crawford indicated SPP filed comments last year and any
11 implementation of a new rule would not go into effect until December of 2018.

12 **Q: Does Mr. Crawford outline what SPP's comment said?**

13
14 A: Yes. SPP submitted comments establishing a model for DER aggregators to participate in
15 the SPP Integrated Marketplace ("SPPIM") and the aggregated DERs should meet the
16 minimum and maximum capacity requirements that are determined by each RTO and that
17 the resources making up an aggregate should be connected to a transmission system pricing
18 node. SPP also states that aggregated DERs should not be geographically dispersed (not
19 electrically equivalent) unless they provide capacity of less than 10 MW. Mr. Crawford
20 presents these proposals in a rather straightforward way but does not indicate any negative
21 opinions the Companies would have if these revisions were incorporated.

22 **Q: If these rules are approved, do you think the timing of this should preclude any**
23 **decision by the Commission in these rate cases presently at issue?**

1 A: No. While Renew Missouri maintains, that a Commission order to lift the temporary
2 prohibition off DR loads going from third-party aggregators or customers would resolve
3 any issue the Companies have at the SPP, we believe these new rules – as they are presented
4 by Mr. Burton in his testimony – would help clarify any issues and potentially give
5 guidance to the Companies, to the SPP, to the Commission, and to all relevant stakeholders
6 and intervenors.

7 Given an 11-month rate case was filed at the end of January of this year (specifically
8 on January 30th), these new rules should be in place – or SPP should have some knowledge
9 of what they will look like – before this matter is finalized by the Commission towards the
10 end of December.

11 **Q: What is Renew Missouri’s overall takeaway from reading the Companies’ testimony**
12 **on DR programs and an Indiana model tariff?**

13 A: The Companies do not want the Commission to issue an order granting DR programs or an
14 Indiana model tariff in this rate case because (1) the Companies plan to propose similar
15 efforts in a case not yet filed with nothing requiring them to file for these types of programs;
16 (2) that the SPP does not give them the ability to do this but that the SPP rule on this only
17 prohibits the Companies if there is a statewide prohibition - a prohibition that the
18 Commission is seriously considering lifting; and (3) there will be more flexibility with the
19 SPP but the rules for this will come out in December at about the same time this rate case
20 is finalized.

21 Based on this reading of the testimony, we believe the Companies arguments
22 against this do not reflect the current energy efficiency marketplace nor does it reflect
23 current policy trends.

1 **Q: What does Renew Missouri seek from the Commission on this topic?**

2 **A:** Renew Missouri believes, with modifications to formatting, that the model tariffs
3 submitted with the Companies testimony should be adopted in these rate cases. Resolving
4 this matter in the rate cases is optimal to waiting for the Companies MEEIA Cycle III
5 application in that there is no current MEEIA filing pending from the Companies and there
6 is no statutory requirement for them to file for a DR or Indiana model tariff in that
7 application. The utility and customers can begin seeing the benefits of adopting these new
8 processes right away. Renew Missouri further believes that an Indiana model tariff can be
9 enacted without revisiting the 2010 order but that the 2010 should be revisited in order to
10 reflect new developments in the energy market and to give the Commission more tools in
11 increasing DR and other energy efficiency efforts.

12 Technology has improved. Energy efficiency is a topic with which utilities and
13 customers are becoming more accustomed and sophisticated. The RTO's and ISO's have
14 adopted to this and started making their tariffs more accommodating. Renew Missouri
15 applauds the Commission for bringing this issue to the forefront, especially after years of
16 the investor-owned utilities discussing the need to "modernize the grid." In reality,
17 modernizing the grid is going to involve embracing distributive energy resources and
18 finding ways to accelerate energy efficiency efforts. Placing a DR and/or Indiana model
19 tariff into this current case is a necessary start which will lead the way for other utilities
20 companies seeking energy efficiency options (including Empire Electric, which currently
21 is not enrolled in a MEEIA program) to have more flexibility and to give their customers
22 more options.

1 Q: Does this conclude your testimony?

2 A: Yes.