

Exhibit No.:
Issue: Solar Subscription Pilot Rider
Witness: Kimberly H. Winslow
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: Kansas City Power & Light Company and
KCP&L Greater Missouri Operations Company
Case Nos.: ER-2018-0145 and ER-2018-0146
Date Testimony Prepared: July 27, 2018

MISSOURI PUBLIC SERVICE COMMISSION

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

REBUTTAL TESTIMONY

OF

KIMBERLY H. WINSLOW

ON BEHALF OF

**KANSAS CITY POWER & LIGHT COMPANY and
KCP&L GREATER MISSOURI OPERATIONS COMPANY**

**Kansas City, Missouri
July 2018**

KCP&L Exhibit No. 178
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REBUTTAL TESTIMONY

OF

KIMBERLY H. WINSLOW

Case Nos. ER-2018-0145 and ER-2018-0146

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

2 A: My name is Kimberly H. Winslow. My business address is 1200 Main Street, Kansas
3 City, Missouri 64105.

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

5 A: I am testifying on behalf of Kansas City Power & Light Company (“KCP&L”) and
6 KCP&L Greater Missouri Operations Company (“GMO”)(collectively, the
7 “Company”).

8 **Q: Are you the same Kimberly H. Winslow who filed both Direct and Supplemental**
9 **Direct Testimony in both ER-2018-0145 and ER-2018-0146?**

10 A: Yes, I am.

11 **Q: What is the purpose of this portion of your testimony?**

12 A: I will respond to the testimony of Renew Missouri witness Phil Fracica regarding the
13 addition of a low-income component to the Company’s solar subscription pilot rider
14 and on bill financing.

15 **Q: Please provide some background information.**

16 A: The Company proposed a solar subscription pilot rider as a way to provide customers
17 direct access to solar generation without having to own, install and maintain their own
18 solar generation. The pilot will provide the Company and the Commission with
19 information concerning the level of customer demand and feasibility of such a program.

1 Renew Missouri has proposed to add features that the Company does not believe are
2 well suited to a pilot program.

3 **Q: What is Renew Missouri requesting in this case?**

4 A: Renew Missouri wants to add a “low income component” to the program. As I will
5 explain below, this option is not appropriate at this time, adds unneeded complexity to
6 the pilot program and should be rejected by the Commission.

7 **Q: What are your concerns with the “low income component” that Renew Missouri
8 proposes?**

9 A: Mr. Fracica acknowledges on p. 4 of his direct testimony that the pilot is only available
10 to customers who are willing and able to pay more to support the Company’s
11 investment in renewable energy and notes that it is not feasible for low income
12 customers to pay more for solar access. Renew Missouri’s solution is to use the
13 weatherization, LIHEAP, or ERPP assistance programs, to subsidize low income
14 customers’ ability to participate in the program. Because the cost of meeting a
15 customer’s energy needs under the pilot program is higher than if the customer was
16 served under traditional rates, a reduced number of customers will be assisted by
17 weatherization, LIHEAP or ERPP funding if that funding is used so that a few
18 customers can receive solar power. Additionally, I am concerned that Renew
19 Missouri’s proposal to utilize these funds may not be applicable as suggested and does
20 not represent a sustainable approach to achieve low-income customer participation.

21 **Q: Does Mr. Fracica provide any explanation how the proposed use of LIHEAP and
22 ERPP funds would be used within the subscription process?**

23 A: Not specifically. Mr. Fracica suggests that these funds may be redirected to renewable
24 energy. He further cites a number of programs in other jurisdictions that include low-

1 income provisions. Finally, Mr. Fracica mentions a number of conversations with
2 Community Action Agencies and shares their expressed interest in a solar program.

3 **Q: Do you agree with this recommendation?**

4 A: No, I do not. My reservations are due to a number of uncertainties. First, and foremost,
5 based on review of the U.S. Department of Energy Memo 024 referenced on page 10
6 of Mr. Fracica direct testimony, there is no clear indication that funds can be used to
7 pay for subscription in a utility solar program. On its face, any allocation of dollars to
8 renewables is accomplished at the project level, within the grant processes. Individual
9 grantees would be required to make an application, "Complete the required National
10 Environmental Policy Act (NEPA) impact assessment for the solar PV installation",
11 and include this proposal in their "Grantee's Annual Plan". These steps are not suited
12 for the subscription process proposed. Review of the Missouri Department of Social
13 Services website concerning LIHEAP administration results in similar concerns as the
14 site lacks any direction as to make this fund transfer. The only references found are
15 included in grant applications, referring to specific projects. Given the administrative
16 rigor associated with these programs, I have substantial doubts that the funds are as
17 flexible as suggested by Renew Missouri.

18 Next, beyond knowing these Community Actions Agencies are "interested", are
19 they willing to forego funds normally used to support their traditional efforts to
20 subsidize customer participation in the solar program? There is no indication that this
21 interest and the associated funds are stable and could support customers participating
22 in the Solar Subscription Pilot Rider.

23 Finally, review of the example programs suggested by Mr. Fracica offer little
24 detail applicable to the Company's proposal. Each of the examples offered have

1 mandated or predefined funding sources to subsidize the low-income components.
2 Those policy provisions are not formalized in our jurisdiction at this time and
3 addressing participant subsidy represents a significant hurdle to including a low-
4 income provision.

5 **Q: Would the solar pilot program prohibit low income customers from participating**
6 **in the program?**

7 A: No, they could participate if they meet the tariff requirements. The Company objects
8 to Renew Missouri's proposal to have the pilot prioritize solar subscriptions for low-
9 income households. The addition of a low income carve out does not improve the
10 information that the pilot will provide, reduces the amount of overall help available to
11 low income customers (because the rates are higher under the pilot program) and will
12 make administration of the program more difficult.

13 **Q: Do you object to a low-income provisions within a solar program?**

14 A: Not in principle, but I do think low-income provisions must be carefully structured and
15 applied. Renewable energy, particularly renewable energy that might be offered at a
16 premium to generally available energy rates, is not a necessity for customers. Focus
17 should be first made to help support the energy needs of low-income customers.
18 Moving, in turn, to renewable energy could occur as opportunity and policy allows, but
19 only to the extent the use of renewable energy can provide benefit to participants and
20 non-participants. As noted in Mr. Fracica's direct testimony, the Company is working
21 with the City of Kansas City to identify opportunities to achieve renewable goals.
22 Whether through direct participation or indirect participation by receiving service
23 through utility-scale projects, renewables have the promise to help all customers
24 receive affordable energy. However, at this time, and for the program proposed, I

1 cannot endorse inclusion of a low-income element and suggest that the Commission
2 should not adopt Renew Missouri's proposal.

3 **Q: What is Renew Missouri requesting in this case with respect to on-bill financing?**

4 A: Renew Missouri wants the Company to explore on bill financing. As I will explain
5 below, this suggestion is premature and should be rejected by the Commission.

6 **Q: Renew Missouri proposes the Company offer on-bill financing to support energy
7 efficiency. Should the Commission consider this proposal?**

8 A: No. As stated in Brian A. File's testimony in ER-2016-0285, the Company believes
9 that *properly designed* [emphasis added] financing vehicles should have a positive
10 impact on programs. However, Renew Missouri's proposal is not well designed. In
11 fact, Renew Missouri's proposal is premature as KCP&L is currently engaged with
12 Cadmus for a PAYS ("Pay As You Save") study to evaluate whether PAYS or another
13 on-bill financing program is the best approach to address unmet financing needs and
14 an analysis of the process and requirements to launch and administer a PAYS program,
15 including typical stakeholders, key roles and responsibilities, major obstacles and
16 potential solutions, and itemized costs. This study is being undertaken following the
17 Commission's order in ER-2016-0285 for KCP&L to consider whether to incorporate
18 PACE and PAYS® programs in its next Missouri Energy Efficiency Investment Act
19 ("MEEIA") filing. A similar study is being performed by The Empire District Electric
20 Company as well as Ameren Missouri. It would be premature for the Commission to
21 approve Renew Missouri's low-income suggestion for on bill financing until after this
22 study is completed for the Company and fully evaluated. In addition, the Company has
23 some concern with transferability of the loan should the customer sell their home prior
24 to the loan being paid off.

1 **Q:** **Does this conclude your testimony?**

2 **A:** Yes, it does.

