

Exhibit No.:
Issue: Suspension of Solar Rebates
Witness: Dane Glueck
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: MOSEIA
Case No.: ET-2014-0085
Date Testimony Prepared: October 25, 2013

MISSOURI PUBLIC SERVICE COMMISSION

File NO.: ET-2014-0085

REBUTTAL TESTIMONY

OF

DANE GLUECK

ON BEHALF OF

MISSOURI SOLAR ENERGY INDUSTRIES ASSOCIATION

**St. Louis, Missouri
October 2013**

REBUTTAL TESTIMONY

OF

DANE GLUECK

File No. ET-2014-0085

Q: Please state your name and business address.

A: My name is Dane Glueck. My business address is 9100 Overland, Missouri 63114.

Q: By whom and in what capacity are you employed?

A. I am the President of StraightUp Solar, LLC (“StraightUp”), a solar design and installation company with an office Overland, Missouri.

Q: As President, what are your responsibilities at StraightUp Solar?

A: I manage the executive team that includes managers of sales, marketing, public affairs, operations, accounting, and technology. I also oversee our relationships with financial institutions and equity investors.

Q. Do you hold any position in the Missouri Solar Energy Industries Association (“MOSEIA”)

A. Yes, I am the President.

Q. Could you explain what is the purpose for MOSEIA and what types of activities does it participate in?

A. MOSEIA represents solar industry stakeholders supporting policy issues focused on solar job creation and sustainable economic growth in Missouri. MOSEIA formed in large part due to the passage of Proposition C, the Missouri Clean Energy Initiative - overwhelmingly supported by Missourians (66%) and making Missouri one of 29 states to pass renewable energy objectives. MOSEIA also provides professional development

opportunities throughout the year that aim to raise industry standards. MOSEIA is the official affiliated chapter of the Solar Energy Industries Association (SEIA). MOSEIA's mission is to strengthen and expand the Missouri solar industry and establish a sustainable energy future for all Missourians. In this context, MOSEIA member companies have installed a large number of solar electric and solar hot water projects at low income housing developments and for various non-profit groups whose purpose is to serve the needs of low income people.

Q: Have you previously testified in a proceeding at the Missouri Public Service Commission ("Commission") or before any other utility regulatory agency?

A: Yes, I testified in a matter a few years ago.

Q: What is the purpose of your Rebuttal Testimony?

A: The purpose of my testimony is to respond to Ameren Missouri's ("Ameren's") request to suspend payment of solar rebates beginning in 2013. Suspending solar rebate payments will harm customers who have purchased or installed solar generation systems and will irreparably damage the solar industry in Missouri. As discussed later in my testimony, because Ameren has incorrectly calculated its one percent Retail Rate Impact (1% RRI), Ameren has failed to show that the continued payment of solar rebates will exceed the 1% RRI and, as a result, there is no factual or empirical basis to justify the suspension of solar rebate payments.

Q: To begin, please provide a general description of the solar industry in Missouri.

A: The solar industry in Missouri has installed over 25 MW of renewable, distributed solar generation since Missouri voters approved the statutory solar rebate. The Missouri solar industry employs thousands of people, has created over sixty businesses, and has

attracted millions of dollars of investment into the state—all during one of the most severe recessions in recent memory. Solar energy systems provide numerous benefits to all ratepayers that include but are not limited to: reduction of peak demand, less stress on transmission and distribution infrastructure, energy portfolio diversification, and emission free electricity.

In Missouri, coal fired generation constitutes approximately 80% of the state's total generation capacity. As a result, Missouri is one of the least diversified energy portfolios in the country. Solar energy systems currently provide less than 1% of the total energy capacity in Missouri.

Q: Based on your professional experience, how do solar customers finance the purchase and installation of independent solar generation systems?

A: While the cost of solar equipment continues to decrease, solar generation remains a large capital investment for most customers. Many businesses borrow money to finance their solar systems. Individual families who wish to generate renewable solar energy often take out home equity loans to pay for solar systems.

Q: Do statutory solar rebates affect a customer's decision to purchase and install a solar generation system?

A: Yes. The availability of solar rebates is a substantial factor in a customer's decision to purchase and install a solar generation system. Solar rebates greatly help to offset the capital costs of solar generation equipment. For many customers, solar rebates are the key factor in their purchasing decision. Nearly every customer who has already purchased or installed solar generation systems has done so in reliance on receiving a solar rebate.

Q: Would the suspension of solar rebates, as proposed by Ameren, harm these solar customers?

A: Yes, many solar customers would be harmed by the suspension of solar rebates upon only sixty days' notice. Due to the individualized needs of each installation, solar projects can take from six to nine months to complete. As described above, many solar customers have made substantial financial investments in reliance on the cost savings created by solar rebates. If those rebates were cutoff, the expected economics of many solar generation systems will materially change. Many solar customers will likely incur substantial financial losses as a result.

Q. Was MOSEIA involved during the past legislative session in the development of HB 142 which provides for a gradual step-down process for the payment of solar rebates?

A. During the 2012-13 legislative session, MOSEIA and others in the solar industry worked with the electric utilities located in Missouri, including Ameren, to draft for consideration by the Missouri Legislature, the recently enacted HB 142. During discussions with the electric utilities, the solar industry was frequently reassured that the utilities were not close to reaching the 1% RRI cap. Despite these assurances, a few weeks after the approval of HB 142, MOSEIA and others in the solar industry were completely surprised when Kansas City Power & Light/GMO (and now Ameren) filed requests with the Commission seeking to suspend the payment of solar rebates.

Q: What has MOSEIA and others in the solar industry been told in the past regarding the 1% RRI cap?

A: MOSEIA and the solar industry have long been advised that the electric utilities were unlikely to ever reach the 1% RRI cost cap. In this regard, the Commission Staff in *Staff's Report on Company's RES Compliance Plan*, filed in Commission File No. EO-2012-0348, directly addressed KCP&L's failure to perform the RES compliance cost calculation required by 4 CSR 240-20.100(7)(B)1.F. In that report, Commission Staff stated that the KCP&L RES retail rate impact limit "calculation would serve no purpose in this instance."¹ Commission Staff went on to declare that KCP&L's "costs for these compliance periods are significantly below the one percent (1%) retail rate impact limit, [and] *performing the detailed netting calculation literally serves no purpose.*" (emphasis added.)

In addition, Ameren, as recently as January 2013, was quoted by the *St. Louis Post-Dispatch* as characterizing the RRI calculation as merely "an academic calculation now because we're not up against the 1 percent limit."

Q: Have you reviewed Ameren's description of its Retail Rate Impact and solar rebate calculations?

A: Yes. I reviewed the public direct testimony filed by Ameren representatives.

Q: Does MOSEIA support Ameren's formula method of calculating the 1% RRI cap and its request to suspend solar rebate payments?

A: No. MOSEIA does not support Ameren's method of calculating the 1% RRI or the suspension of solar rebate payments. In this regard, Ameren has improperly included in its 1% RRI calculation certain costs attributable to its power purchase agreement ("PPA") at the Pioneer Prairie wind facility in Iowa. It cannot be disputed that Ameren entered

¹ *Staff Report on Company's RES Compliance Plan*, File No. EO-2012-0348, at 2 (May 31, 2012).

into this PPA in 2009.² In accordance with the Commission's rule 4 CSR 240-20.100(5)(A), which went into effect in 2010, Ameren's 1% RRI calculation "shall exclude renewable energy resources owned or under contract prior to the effective date of this rule." Because the Pioneer Prairie PPA was entered into before the effective date of the rule, the inclusion of such costs in the 1% RRI calculation is improper. As a result, if these improper costs are backed out of the 1% RRI calculation, then it appears that Ameren does not reach the 1% RRI cap and there is no factual or empirical basis to support the suspension of solar rebate payments.

Q: Does MOSEIA support the "front-loading" of solar rebate payments?

A: Yes, MOSEIA supports the "front loading" of all solar rebate payments under HB 142 for Ameren's solar rebate pool for the period 2013 through 2019. Under the "front-loading" concept, solar rebates will be paid by Ameren until the total amount of rebate funds disbursed equals the amount of total rebate funds available under the appropriate RRI calculation for the period 2013 through 2019.

Q: Does MOSEIA's front-loading concept protect the interests of the wind industry?

A: Yes. The annual and total funds available for solar rebates allow for Ameren's planned wind expenditures. Essentially, a pool of funds is created for the payment of solar rebates until 2019. However, under "front-loading," once these funds are fully disbursed, no more funds will be allocated for solar rebates and any costs associated with renewables after that time will be totally left to wind development, in accordance with Ameren's Integrated Resource Plan.

Q: What are the overall benefits of this proposal?

²Ameren Missouri, *Renewable Energy Standard Compliance Plan 2011-2013* (April 15, 2011), at p. 6 ("In June, 2009 Ameren Missouri and Pioneer Prairie Wind Farm I LLC entered into a 15 year power purchase agreement").

A: MOSEIA's proposed front-loading allows for a gradual reduction of the solar rebate program in accordance with HB 142 without affecting the funds available for the future development of wind generation. A front-loaded, more predictable reduction in the solar rebate program will cause substantially less harm to the solar industry and its customers than an abrupt suspension of rebates this year and at some point each year for the near future.

Moreover, the solar customers who purchased and installed solar systems in reliance on a solar rebate will avoid substantial financial harm. Finally, the solar industry and its customers will have adequate time to account for the elimination of solar rebates.

Q: Does this conclude your rebuttal testimony?

A: Yes.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI


In the Matter of Ameren Missouri)
Application For Authorization to)
Suspend Payment of Certain Solar Rebates)
File No. ET-2014-0085

AFFIDAVIT OF DANE GLUECK

STATE OF MISSOURI)
) ss.
COUNTY OF ST. LOUIS)

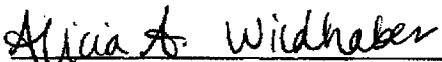
Dane Glueck, being first duly sworn on his oath, states:

- 1. My name is Dane Glueck. I work in St. Louis, Missouri and am employed by StraightUp Solar as President. In addition, I am the President of MOSEIA.
- 2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony on behalf of MOSEIA consisting of seven (7) pages, having been prepared in written form for introduction into evidence in the above captioned docket.
- 3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including my attachments thereto, are true and accurate to the best of my knowledge, information, and belief.



Dane Glueck

Subscribed and sworn before me this 25 day of October, 2013.



Notary Public

My Commission expires: 05/02/2014

