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MISSOURI PUBLIC SERVICE COMMISSION

FILE NO. ER-2019-0374

DIRECT TESTIMONY

OF

ANNIKA BRINK

ON

BEHALF OF

NATIONAL HOUSING TRUST

January 15, 2020

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

2 A. Annika Brink, National Housing Trust, 1101 30th Street NW, Suite 100A, Washington,
3 DC 20007.

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

5 A. I am testifying on behalf of the National Housing Trust (NHT).

6 **Q. By whom are you employed and in what capacity?**

7 A. I am employed by NHT as its Midwest Director of Energy Efficiency Policy. In this
8 capacity I work with state and local partners across the country to make multifamily housing
9 healthy and affordable through energy efficiency. I have primary responsibility for NHT's energy
10 efficiency policy work in the Midwest, including Missouri.

11 **Q. Please provide a summary of your qualifications and experience.**

12 A. I earned a Bachelor of Arts in both History and German Studies from Wesleyan
13 University in 2005 and subsequently spent a year studying Architecture and Urban Planning at the
14 Universität Stuttgart in Stuttgart, Germany. In 2011, I earned a Master in Public Policy from
15 Harvard University where I focused on energy, sustainability, and social/urban policy and during
16 which time I produced research on state and local policy solutions for rental sector energy
17 efficiency.

18 I have ten years of professional experience with energy policy, affordable housing, and
19 green building, both from an energy and a housing perspective. Beginning in 2011, I spent over
20 two years leading the nonprofit Alliance to Save Energy's engagement of publicly-owned non-for-
21 profit electric power utilities, helping utilities share best practices, consider energy efficiency
22 program models, benchmark their energy efficiency portfolios, develop innovative online tools,
23 and achieve consensus on priority topics. Since 2013 I have been a LEED Green Associate.

1 In my work for the National Housing Trust, I analyze state, local, and utility efficiency
2 policies and programs, help disseminate best practices, and facilitate coordination among housing
3 and energy stakeholders. I have filed comments with utility regulators in Missouri, Michigan,
4 Minnesota, Iowa, and Kansas. In 2015, I worked with a Kansas City-based housing nonprofit to
5 organize a series of three convenings to explore the experience, barriers, solutions, and potential
6 recommendations related to expanding energy efficiency for affordable multifamily housing in
7 the greater Kansas City metro area. In 2014-2015, I also worked with St.-Louis-area and
8 statewide stakeholders to produce a white paper on this topic, as relates to Missouri and Illinois. I
9 was a member of the energy usage stakeholder group that provided input to the Missouri Division
10 of Energy as they developed the State Energy Plan. In February 2018 I began working with other
11 stakeholders to form a “Low-Income Work Group” under the auspices of the Missouri Energy
12 Efficiency Advisory Collaborative and I am currently serving on this work group’s Steering
13 Committee.

14 In addition to my work at the National Housing Trust, I have worked for affordable
15 housing developers in Grand Rapids, Michigan (internship) and Minneapolis, Minnesota,
16 including work on green affordable housing, community development, and multifamily
17 rehabilitation projects.

18 **Q. Have you previously testified before this Commission?**

19 A. Yes, I previously provided testimony in Ameren Missouri’s 2016-18 MEEIA filing (EO-
20 2015-0055), in Spire’s 2017 rate cases (GR-2017-0215 and GR-2017-0216), in Ameren
21 Missouri’s 2019-2024 MEEIA filing (EO-2018-0211), in Ameren Gas’ rate case (GR-2019-
22 0077), and in Evergy’s 2019-2024 MEEIA filings (EO-2019-0132 and EO-2019-0133). I have
23 also presented to Commissioners and stakeholders at various workshops, convenings, and
24 meetings, such as the Missouri Energy Efficiency Advisory Collaborative (MEEAC).

1 **Q. Please summarize your testimony.**

2 A. First, I state NHT’s main goal in intervening in this rate case. Next, I outline what the
3 Company’s proposed rate increase would mean for low-income and low-income multifamily
4 customers, describing the size of the low-income multifamily population in the Company’s
5 territory and the housing and energy burdens they face. Then I describe the energy efficiency
6 needs of affordable multifamily buildings and the opportunities presented by these needs. I then
7 express support for the Company’s Low-Income Multi-family program and describe the barriers
8 facing this program. Last, I outline best practices for overcoming these barriers and propose
9 changes to the Company’s proposed program design in order to better serve affordable
10 multifamily buildings.

11 Throughout this testimony, I will use “the Company” or “Empire District” to refer to
12 Empire District Electric Company.

13 **Q. What is the National Housing Trust’s main goal in intervening in this rate case?**

14 NHT’s main goal is to ensure affordable electric bills for the Company’s low-income
15 customers, and specifically low-income multifamily customers, especially through the inclusion
16 of targeted energy efficiency offerings.

17 **Q. Given the National Housing Trust’s interest in energy efficiency, why has it chosen to**
18 **intervene in this rate case rather than in the MEEIA case that the Company has indicated is**
19 **forthcoming?**

20 A. Traditionally, Empire District has included energy efficiency offerings in its rate cases.
21 While the Company has stated its intention to “file a MEEIA portfolio and request for a DSIM
22 before the completion of this pending rate case,”¹ this portfolio has not yet been filed and the

¹ *Direct Testimony of Nathaniel W. Hackney*, File No. ER-2019-0374, p. 3.

1 approval of income-eligible energy efficiency offerings in this case is not guaranteed. Given this
2 uncertainty, the 2013 and 2015 withdrawals by Empire District of proposed MEEIA portfolios,
3 and the importance of bill affordability and energy efficiency for low-income homes, NHT
4 considers it essential for robust income-eligible energy efficiency offerings to be considered in
5 this rate case.

6 **Q. What would the Company's proposed rate increase mean for low-income and low-**
7 **income multifamily customers?**

8 A. The Company indicates its proposed rates would increase an average residential
9 customer's monthly bill by 5.8% or \$96 annually vs. current rates.² Contrast this proposed
10 increase with Missouri's poverty rate, which is 14%, and with its child poverty rate of over 19%.
11 The poverty rate in Jasper County is above the state average at 17.5%. These are the numbers for
12 individuals below 100% of the federal poverty level: a family of four must make \$25,100 or less
13 to fall below this threshold.³ In fact, Missouri's low-income population is much larger: families
14 making twice this amount are considered poor for purposes of qualifying for certain federal
15 poverty programs, such as the Weatherization Assistance Program. It is difficult for low-income
16 and low-income multifamily households to absorb this type of bill increase, because they are
17 already facing high housing and energy burdens. These households regularly decide between
18 paying rent and energy bills and buying groceries, medicine, and other necessities.

19 **Q. How many affordable multifamily households are in the Company's service territory**
20 **and what are the levels of housing and energy burden facing these households?**

² *Direct Testimony of Timothy S. Lyon*, File No. ER-2019-0374, p. 33.

³ Missouri Community Action, *2018 State of the State Poverty in Missouri*, data drawn from U.S. Census, March 2018, pp. 3-5. <https://www.communityaction.org/2018-poverty-report/>.

1 Across Empire District’s territory, there are approximately 11,119 households living in
 2 affordable multifamily buildings of three or more units. This is shown in the following table,
 3 along with the number of units in buildings of five or more units, an alternative definition of
 4 multifamily. A more detailed table and notes on methodology are included in Appendix 1.

5 Table 1: Affordable Multifamily Unit Counts for Empire District Territory⁴

NOTE: The 3+ numbers are the 5+ numbers plus units in buildings of 3-4 units. Thus, the 5+ and 3+ unit counts should not be added together.							
	All Housing Units (Single Family + Multifamily)	All Multifamily (5+)			All Multifamily (3+)		
Utility	Total	Total	Market- Rate	Affordable	Total	Market- Rate	Affordable
Empire District	146,994	16,606	7,572	9,034	21,668	10,549	11,119

6

7 When we consider the different types of affordable multifamily housing, this includes
 8 public housing (owned by a city, county, or other public entity), subsidized affordable housing
 9 (privately owned, but with affordability restrictions in place according to Low Income Housing
 10 Tax Credit, HUD, or USDA requirements), and unsubsidized housing (privately owned, but
 11 without affordability restrictions, and affordable by virtue of market forces).

12 Fully 41% of renters in Empire’s Missouri service territory spend more than 30% of their
 13 income on rent plus utilities, the federal standard for housing affordability.⁵ According to the U.S.

⁴ Mosenthal, P. and Socks, M., *Potential for Energy Savings in Affordable Multifamily Housing*, Optimal Energy for NRDC, 2015. <http://www.energyefficiencyforall.org/sites/default/files/EEFA%20Potential%20Study.pdf>
 Supplementary analysis based on a 3+ unit definition of multifamily produced the 3+ numbers used here, which are also based on Census data and the same definition of affordable multifamily as in the original potential study.

⁵ U.S. Census Table B25070. *2013-2017 American Community Survey 5-Year Estimates*. Analysis conducted for Census tracts matched to Empire District service territory based on 2014 Platts geospatial data.

1 Department of Housing and Urban Development, such households “may have difficulty affording
2 necessities such as food, clothing, transportation and medical care.”⁶

3 Low-income multifamily households face higher energy burdens than non-low-income
4 households. A 2016 report by Energy Efficiency for All (EEFA) and ACEEE found that low-
5 income multifamily households in the Kansas City area spend 6.4% of their gross income on
6 energy utilities, compared to just 4.5% for the median household. This is the 10th worst energy
7 burden for low-income multifamily households across the 48 large U.S. cities studied, higher than
8 Chicago, Oklahoma City, Louisville, Milwaukee, Cincinnati, Cleveland, Detroit, Minneapolis,
9 and St. Louis, among others.⁷ In the Kansas City area, a quarter of low-income multifamily
10 households experience energy burdens topping 12.87%.⁸

11 **Q. How can the high energy burdens facing low-income multifamily households be
12 alleviated?**

13 A. The EEFA/ACEEE report cited above found that energy efficiency was key to alleviating
14 high energy burdens: “for all low-income households and for multifamily low-income
15 households, bringing their housing stock up to the efficiency level of the median household would
16 eliminate 35% of their excess energy burden. As one might expect, the energy burdens of low-
17 income households are driven in large part by their low-income status. However more than one-
18 third of their excess energy burden was caused by inefficient housing stock.”⁹ Therefore, as
19 discussed below, we support increased incentives to help upgrade the efficiency of affordable

⁶ Spending 30% of income on rent plus utilities is found in the U.S. Department of Housing and Urban Development’s definition for whether a household is housing cost burdened.

http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/

⁷ Drehobl, A. and Ross, L., *Lifting the High Energy Burden in America’s Largest Cities: How Energy Efficiency Can Improve Low Income and Underserved Communities*, Energy Efficiency for All and ACEEE, April 2016, p. 46.

http://www.energyefficiencyforall.org/sites/default/files/Lifting%20the%20High%20Energy%20Burden_0.pdf

⁸ Drehobl and Ross, Table C1, p. 47.

⁹ Drehobl and Ross, p. 19.

1 multifamily properties. We also support lower fixed charges to help low-income multifamily
2 buildings lower their energy bills and incentivize investment in energy efficiency improvements.

3 **Q. What are the energy efficiency needs of low-income multifamily households and**
4 **what are the opportunities presented by these needs?**

5 A. A historical lack of access to energy efficiency for multifamily rental housing presents an
6 opportunity for the Company to tap latent energy savings. In fact, efficiency measures are far less
7 likely to be installed in multifamily rentals than in any other type of housing. Multifamily units
8 occupied by low-income renters had 4.1 fewer energy efficiency features in 2005 and 4.7 fewer in
9 2009 compared with other households.¹⁰ This translates to significant unrealized low-income
10 multifamily energy savings.

11 A 2015 Energy Efficiency for All potential study and subsequent supplementary analysis
12 found that if Empire District pursued maximum achievable cost-effective electric savings in the
13 affordable multifamily sector from 2015-2034, the cumulative savings would equate to 15.7% to
14 21.5% lower energy usage sector-wide across its territory in 2034.¹¹ The low-end estimate
15 represents cost-effective potential without factoring in the substantial non-energy benefits (NEBs)
16 of low-income energy efficiency, while the high-end estimate represents cost-effective potential
17 when NEBs are included in cost-effectiveness analysis (more on NEBs later in this document). As
18 the table below outlines, Empire District could be achieving, conservatively, 500 MWh of first-
19 year energy savings annually in affordable multifamily buildings. Note: these numbers—and the
20 numbers in the two related tables below—apply to buildings with 5+ units, so these numbers

¹⁰ Pivo, Gary, *Unequal access to energy efficiency in US multifamily rental housing: opportunities to improve*, 2014. Building Research & Information, 42:5, pp. 551-573.

¹¹ Mosenthal, P. and Socks, M., <http://www.energyefficiencyforall.org/sites/default/files/EEFA%20Potential%20Study.pdf> and http://energyefficiencyforall.org/sites/default/files/EEFA_MO_Multifamily_Potential_Study_.pdf

1 actually *underestimate* the potential for affordable multifamily buildings of 4+ units, which is the
 2 population eligible for the Company’s income-eligible multifamily program.

3 Table 2: Electric Maximum Achievable Savings Estimates, Optimal Energy, 2015¹²

		Cumulative Savings			Savings % of Total Usage		
		Year 1	Year 5	Year 20	Year 1	Year 5	Year 20
Empire District	Max Achievable, No NEBs (GWh)	0.5	3.0	15.0	0.5%	3.2%	15.7%
	Max Achievable, High NEBs (GWh)	1.3	4.6	20.5	1.4%	4.8%	21.5%

4
 5 Furthermore, the Company’s affordable multifamily energy efficiency investments would
 6 return \$2.00 to \$2.90 in benefits for every \$1.00 invested, resulting in \$6.8 million to \$33.0
 7 million in *net* benefits over 20 years. In order to achieve these results, the Company would need
 8 to invest an average of between \$345,000 (for low-end net benefits) and \$880,000 (for high-end
 9 net benefits) in income-eligible multifamily energy efficiency each year for 20 years.

10 Table 3: Costs and Benefits for Maximum Achievable Savings Scenarios, Optimal Energy, 2015¹³

		Total Costs (Million 2015\$)	Total Benefits (Million 2015\$)	Net Benefits (Million 2015\$)	BCR
Empire District	Max Achievable, No NEBs	\$6.9	\$13.7	\$6.8	2.0
	Max Achievable, High NEBs	\$17.6	\$50.6	\$33.0	2.9
	Max Achievable, No NEBs, average annual	\$.345	\$.685	\$.340	n/a
	Max Achievable, High NEBs, average annual	\$.880	\$2.53	\$1.65	n/a

11
 12 **Q. What are you proposing that the Company spend annually on income-eligible**
 13 **multifamily energy efficiency offerings?**

14 A. Based on the above analysis, *I am proposing that the Company spend \$345,000 to*
 15 *\$880,000 annually on income-eligible multifamily energy efficiency.* This is compared to budgets
 16 of \$96,000 in 2017 and \$100,000 in 2018. Given the current budget levels, I propose that the

¹² Mosenthal, P. and Socks, M.,

¹³ Mosenthal, P. and Socks, M.,

1 Company ramp up gradually to reach a spending level of around \$350,000 in 2023. For example,
2 the Company might budget \$160,000 in 2021 and \$240,000 in 2022 as its ramp-up.

3 Energy efficiency programs are extremely beneficial to tenants living with low incomes
4 and can help owners maintain the buildings they live in, especially in subsidized properties where
5 owners have limited cash flow because of legal obligations to maintain low rents and other
6 restrictions. Retrofits can result in non-energy benefits such as water/wastewater bill savings,
7 reduced maintenance costs, lower turnover rates, increased resident comfort, increased durability,
8 improved safety, and improved health (e.g. less asthma or aggravation of chronic conditions from
9 extreme heat and cold, resulting in fewer sick days from work and school). Utilities can benefit
10 from reduced arrearage carrying costs, reduced customer collection calls/notices, reduced
11 termination/reconnection costs, and reduced bad debt write-offs.

12 **Q. Do you support Empire District’s current tariff (and proposed continuation of this**
13 **tariff) to deliver energy efficiency to income-eligible multifamily households in its service**
14 **territory? Please explain.**

15 A. In the current rate case, Empire District has proposed to continue its current energy
16 efficiency programs without changes while it works to file a MEEIA case. These current
17 programs include an Income-Eligible Multi-Family program.

18 The National Housing Trust applauds the Company’s commitment to serving this
19 chronically underserved and traditionally overlooked sector. We further commend the Company
20 for proposing a stand-alone “Income-Eligible Multi-Family” offering that is specifically targeted
21 to multifamily buildings, a best practice affirmed by NHT’s experience as a multifamily owner of
22 over 3,000 units of multifamily affordable housing and as a housing advocate; by my
23 conversations with multifamily owners across the Midwest and during cross-sector convenings in
24 Missouri, several of which Empire District staff have attended; and by best practice research.

1 As an advocate for tenants and owners of low-income multifamily housing, we regularly
2 advocate for multifamily programs. We also support energy efficiency more broadly because of
3 its ability to lower system-wide costs for all customers, including in multifamily housing. Well-
4 designed energy efficiency programs serve as a demand-side resource, meeting energy needs at a
5 lower cost than many supply-side resources such as fossil fuel plants, and enabling utilities to
6 delay or avoid costly investments in new power plants or transmission and distribution
7 infrastructure. These are costs that would otherwise have been passed on to customers.

8 Free or low-cost income-eligible offerings are an essential part of any equitably designed
9 energy efficiency portfolio. They ensure that households living with low incomes are able to
10 participate in and directly benefit from a utility's energy efficiency investments. Moreover,
11 offerings that are targeted specifically to affordable multifamily buildings are necessary to ensure
12 that such buildings are equitably served with energy efficiency offerings. Income-eligible
13 multifamily buildings have unique barriers and needs, and are typically underserved by existing
14 energy efficiency programs such as the federal Weatherization Assistance Program.¹⁴

15 However, there are several additional best practices that the Company can apply to its
16 Income-Eligible Multi-Family program in order to better serve multifamily customers and have a
17 more meaningful impact on customers in this sector. And, as noted above, we recommend
18 income-eligible multifamily energy efficiency spending of \$345,000 to \$880,000 annually vs. the
19 Company's current annual budget of around \$100,000 for this sector.

20 **Q. What barriers do affordable multifamily buildings face to implementing energy**
21 **efficiency retrofits and how can these barriers be overcome?**

¹⁴ For more on the unique barriers facing multifamily buildings, see: *One-Stop Shops for the Multifamily Sector*.
https://assets.ctfassets.net/ntcn17ss1ow9/30B8LUDt8GTegjPE8clalF/8c5e68405c9692afb9f11fe898b8653e/EEFA_OneStopShop_Fact_Sheet__2_.pdf.

1 A. Multifamily buildings may have difficulty implementing energy efficiency retrofits
2 because programs are not designed with multifamily needs in mind. For example, a program may
3 be geared toward participation by individual tenants, even though owners are the decision-makers
4 for investments in multifamily properties. Or, owners are often asked to apply separately to gas
5 and electric programs and separately to programs for common area and tenant units: owners may
6 decide the transaction costs of understanding, applying to, and participating in such disjointed
7 programs are not worth the incentives being offered.

8 Other barriers are financial, such as insufficient financial incentives or owners' lack of
9 access to capital. In some cases, contractors are unfamiliar with the multifamily building type and
10 the potential savings it presents, leaving savings on the table. For affordable buildings financed
11 through the state housing finance agency (the Missouri Housing Development Commission),
12 utility incentives may not be flexible or reliable enough to account for the long planning and
13 construction timelines associated with this process, where time from energy audit to rehabilitation
14 completion may be 24 months or more. Finally, owners often lack access to energy usage data for
15 tenant meters, which can hamper their ability to make well-informed whole-building energy
16 efficiency investment decisions and to prioritize such investments across their property portfolios.

17 While these barriers are significant and complex, there is compelling evidence that
18 programs can be designed to overcome these barriers, including two key best practice reports I
19 would like to bring to the Commission's attention. The reports are summarized in Table 4 below
20 along with their checklists of best practices for overcoming multifamily barriers to participation:

21

22 Table 4: Comparison of EEFA and ACEEE Best Practices Reports for Overcoming Barriers to
23 Participation in Multifamily Efficiency Programs.

	ACEEE
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<p><i>Energy Efficiency for All</i> http://energyefficiencyforall.org/sites/default/files/EEFA_OneStopShop_Fact_Sheet_(2).pdf One-Stop Shops for the Multifamily Sector Identifying the Elements of a Complete One-Stop Shop</p>	<p>http://aceee.org/research-report/e13n Apartment Hunters: Programs Searching for Energy Savings in Multifamily Buildings Best Practices for Multifamily Energy Efficiency Programs</p>
<ol style="list-style-type: none"> 1. Single point of contact (SPOC) coordinates access to other programs or has agreements in place for co-delivery. 2. A single application streamlines the process. SPOC assists customer with enrolling and applying 3. Comprehensive audit provides utility benchmarking to gauge efficiency compared with peers and evaluates electric, water, gas, and non-utility upgrade opportunities. 4. Energy auditor uses audit information to develop a recommended scope of work, including a comprehensive set of improvements, installation costs, available utility incentive programs, available financing options, and economic benefits. SPOC supports customer in making final project decisions. 5. SPOC assists with coordination of rebates, incentives, and financing options. Develops relationships with institutions (e.g., Community Development Financial Institutions, PACE, and housing institutions). 6. Client is provided with a list of qualified and available contractors. SPOC helps customer evaluate bides and select contractors, and facilitates scheduling to ease the administrative burden on the owner. 7. SPOC is involved in communications with contractors and project managers, and monitors progress. 8. Quality inspections on 100% of participating properties. Inspections are done during installation when necessary, and at project completion. Ongoing annual benchmarking services are provided. If quality issues arise, SPOC returns to site to resolve issues. SPOC ensures that all utility incentives are obtained. 	<ol style="list-style-type: none"> 1. Provide a one-stop shop for program services. 2. Incorporate on-bill repayment or low-cost financing. 3. Integrate direct installation and rebate programs. 4. Streamline rebates and incentivize in-unit measures to overcome split incentives. 5. Coordinate programs across electric, gas, and water utilities. 6. Provide escalating incentives for achieving greater savings levels. 7. Serve both low-income and market-rate multifamily households. 8. Align utility and housing finance programs. 9. Partner with the local multifamily housing industry. 10. Offer multiple pathways for participation to reach more buildings.

1

2 **Q. Is the Company’s “Income-Eligible Multi-Family Program” designed to meet the**
3 **needs of and overcome the barriers experienced by the low-income multifamily sector?**

4 A. To answer this question, I will draw on the National Housing Trust’s experience as well as
5 the two best practice reports above. The current program design offers several opportunities for
6 immediate improvement to better align with established best practices:

1 1. Commit to a whole-building savings approach by eliminating the requirement that
2 Income-Eligible Multi-Family program participants be “residential retail electric
3 customers.”¹⁵

4 Multifamily buildings are a unique building type with multiple types of meters and diverse
5 savings opportunities. It is extremely difficult to get affordable multifamily building owners’
6 attention and these buildings often operate on periodic financing/re-financing cycles where they
7 are only able to make major building upgrades every 15-20 years. Thus, it is imperative to address
8 all possible energy savings opportunities in an affordable multifamily building at the moment
9 when the utilities have the owner’s attention. This includes direct install opportunities, but also in-
10 unit residential and common area/commercial savings.

11 By expanding eligibility for the Income-Eligible Multi-Family to include commercial
12 customers (whether common area meters or master meters), the Company will ensure it is taking
13 a whole-building approach and does not miss out on energy-savings opportunities in these
14 properties. Exploring opportunities for co-delivery with gas utilities may offer an additional
15 avenue for addressing the whole building and also for reducing administrative burden.

16 2. Expand eligibility for the Income-Eligible Multi-Family program beyond “federally-
17 subsidized low-income residential structure[s] of four or more separate housing units.”

18 NHT supports the Company’s approach of targeting federally-subsidized properties,
19 which should include, at a minimum, properties with subsidies from HUD or USDA, or that
20 have/are applying for Low-Income Housing Tax Credits (LIHTC). Additionally, the Company
21 should consider expanding program eligibility to unsubsidized properties where at least 51% of
22 households meet an income requirement of 200% of Federal Poverty Level or 80% of Area

¹⁵ Empire District tariff sheet filed with ER-2016-0023, P.S.C. Mo. No. 5, Sec. 4, 2nd, Revised Sheet No. 8c.1.

1 Median Income. This would enable Empire District to better serve small properties, which
2 disproportionately do not have federal subsidies. It is administratively easier for multifamily
3 owners and Empire District to verify a property's location in a Company-designated low-income
4 Census tract rather than verify individual household income information: therefore, NHT would
5 additionally support a Census tract approach.

6 3. Expand list of rebated measures to include specific measures with proven results in low-
7 income multifamily buildings.

8 Part of a whole-building approach is trying to incentivize savings no matter their source.
9 The Company should consider how it can move beyond direct install to incentivize additional
10 measures as part of a property's participation in the Income-Eligible Multifamily program. The
11 Company could systematically market its Custom Commercial and Industrial Rebate Program and
12 HVAC Rebate Program offerings to participants in its Income-Eligible Multifamily program.
13 Common area lighting and motion sensors are common opportunities for savings in multifamily
14 properties. The Company could also expand the list of measures it offers on a direct install basis
15 to include refrigerators or certain weatherization measures. Offering program participants a free
16 walk-through audit could help the Company identify these additional opportunities.

17 4. Increase prescriptive and custom incentive levels for income-eligible multifamily
18 properties in order to drive demand, encourage early replacement of inefficient equipment,
19 and achieve deeper energy savings.

20 Affordable multifamily owners operate on tight margins and rarely have sufficient cash
21 available to cover the cost of capital upgrades outside of a major financing events such as taking
22 on a new first mortgage. Those financing events only occur once every 15-20 years, leaving large
23 spans of time where owners are frequently unable to invest in cost effective upgrades that

1 generate savings for utilities and lower owner operating expenses, which helps to maintain the
2 affordability of Missouri's affordable housing stock.

3 Increasing the size of the Custom C&I and HVAC rebates when offered to income-eligible
4 multifamily properties could help increase incentive uptake by this sector. We recommend that
5 the Company raise prescriptive and custom incentive levels for income-eligible multifamily
6 properties to cover, at a minimum, 30% of total equipment and labor costs. The Company may
7 find that average coverage of 40-50%—and 100% coverage for some measures—is necessary to
8 drive demand. RS Means can be used to source costs for some measures and NHT would be
9 happy to help convene contractors and CDCs to estimate average total costs for a full array of
10 affordable multifamily prescriptive incentives.

11 We look forward to seeing the Company's energy efficiency budgets and program
12 participation grow over the coming years, especially in the income-eligible sector.

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

14 A. Yes it does.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of The Empire District)
Electric Company's Request for Authority)
to File Tariffs Increasing Rates for Electric) File No. ER-2019-0374
Service Provided to Customers in its)
Missouri Service Area)

AFFIDAVIT OF ANNIKA BRINK

CITY OF WASHINGTON,)
) SS
DISTRICT OF COLUMBIA)

Annika Brink, of lawful age and being first duly sworn on her oath, states:

1. My name is Annika Brink. I work in the City of Washington, District of Columbia and I am employed by The National Housing Trust as its Midwest Director of Energy Efficiency Policy.
2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of The National Housing Trust, which has been prepared in written form for introduction into evidence in the above-referenced docket before the Missouri Public Service Commission.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.

/s/ Annika Brink
Annika Brink

Subscribed and sworn to me this 15th day of January, 2020

/s/ Josh Zinman
Notary Public

My commission expires: January 31, 2020

