

Exhibit No.:
Issues: Charge Ahead – Electric Vehicles
Program, Low Income
Considerations, Economic
Development Implications
Witness: Cherylyn Kelley
Sponsoring Party: Missouri Department of Economic
Development – Division of Energy
Type of Exhibit: Surrebuttal Testimony
Case No.: ET-2018-0132

MISSOURI PUBLIC SERVICE COMMISSION

UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI

CASE NO. ET-2018-0132

SURREBUTTAL TESTIMONY

OF

Cherylyn Kelley

ON

BEHALF OF

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

DIVISION OF ENERGY

Jefferson City, Missouri

November 16, 2018

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

In the Matter of the Application)
of Union Electric Company d/b/a)
Ameren Missouri for Approval of)
Efficient Electrification Program) Case No. ET-2018-0132

AFFIDAVIT OF CHERYLYN KELLEY

STATE OF MISSOURI)
)
COUNTY OF COLE) **ss**

Cherylyn Kelley, of lawful age, being duly sworn on her oath, deposes and states:


1. My name is Cherylyn Kelley. I work in the City of Jefferson, Missouri, and I am employed by the Missouri Department of Economic Development as a Planner II, Division of Energy.
2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of the Missouri Department of Economic Development – Division of Energy.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge.



Cherylyn Kelley

Subscribed and sworn to before me this 16th day of November, 2018.





Notary Public

My commission expires: 4/26/20

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1 **I. INTRODUCTION**

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

3 A. My name is Cherylyn Kelley. My business address is 301 West High Street, Suite
4 720, PO Box 1766, Jefferson City, Missouri 65102.

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

6 A. I am a Planner II in the Energy Policy and Resources group in the Missouri Division
7 of Energy (“DE”).

8 **Q. Have you previously filed testimony in this case before the Missouri Public
9 Service Commission “PSC” on behalf of DE or any other party?**

10 A. Yes, I filed rebuttal testimony on October 1, 2018 that provided an overview of the
11 EV market, barriers to EV adoption as well as potential benefits that could result
12 from permitting utility investment in EV charging infrastructure. My rebuttal
13 testimony further addressed the role of electric utilities to ensure underserved
14 areas of the state of Missouri have access to electric vehicle “EV” infrastructure as
15 well as the positive economic development opportunities increased EV
16 deployment and necessary accompanying infrastructure can provide to the state.

17 **II. PURPOSE AND SUMMARY OF TESTIMONY**

18 **Q. What is the purpose of your Surrebuttal Testimony in this proceeding?**

19 A. The purpose of my testimony is to respond to the rebuttal testimony of
20 ChargePoint, Inc. witness Mr. James Ellis. My testimony will expand on topics he
21 introduced relating to economic development and market competition in the
22 electric vehicle charging station (“EVCS”) context. I also address the concerns in
23 PSC Staff witness Mr. Byron Murray’s rebuttal testimony relating to the necessity

1 of utility investment in EVCS when other forms of investment already exist. I further
2 address the need to include low income areas in Union Electric Company d/b/a
3 Ameren Missouri's ("Ameren Missouri" or "Company") deployment plans for
4 charging stations. In short, I recommend that the PSC approve the Charge Ahead
5 program as it could have positive effect on economic development in the state and
6 that 10% of funds should be allocated to ensure that underserved and low-income
7 communities benefit from these proposed investments as well.

8 **III. ECONOMIC DEVELOPMENT**

9 **Q. Does Mr. Ellis raise important economic development considerations?**

10 A. Yes. Mr. Ellis's testimony includes discussions related to economic development
11 opportunities that could result from the Company's proposal. Specifically, he
12 mentions that the program would incent the development of EVCS infrastructure
13 in a way that also would result in stimulating technology innovation¹. This could
14 have the effect of creating higher-paying jobs in the EV design and development
15 fields,² in addition to bringing down the cost of technology as more investment
16 into product improvement is made.

17 There are also other economic development considerations associated with the
18 Company's proposal. First, transportation costs are a significant expense for
19 households: as much as 25% of a family's budget can be spent on transportation

¹ ET-2018-1032, Ellis Rebuttal, page 3.

² Bureau of Labor Statistics, Careers in Electric Vehicles, https://www.bls.gov/green/electric_vehicles/

1 in auto-dependent locations.^{3,4} A significant portion of transportation expenses
2 are attributed to the consumption of petroleum products.⁵ A majority of money
3 spent on petroleum products, such as gasoline, does not remain in the local
4 economy and instead flows back to the producers of the product.⁶ EVs avoid
5 many of these costs, since they require significantly fewer petroleum products to
6 operate; this can help relieve the significant financial burden associated with
7 transportation and allow families and businesses to spend more in local and
8 regional economies.

9 Further, advancement of electric vehicle charging stations presents opportunities
10 not only to expand the EV market in Missouri but begins to enable the state to be
11 positioned as one where those traveling to or through Missouri, while using
12 electric vehicles, can be assured charging is available.

13 **Q. Do you agree with Mr. Ellis that the Company's proposal would encourage**
14 **market competition?**

15 A. Yes. The proposed program requirements are not prescriptive as to what EV
16 charging products must be utilized in order to be eligible. This allows site hosts to
17 select the charging equipment, network, and other services that best suit their

³ Federal Highway Administration https://www.fhwa.dot.gov/livability/fact_sheets/transandhousing.cfm

⁴ Automobile Dependency: Refers to transportation and land use patterns that favor automobile access, meaning it is more difficult to reach services and activities without automobiles. This can occur in rural and urban environments. <http://www.vtpi.org/tdm/tdm100.htm>

⁵ Bureau of Labor Statistics, Consumer Expenditures – 2017, <https://www.bls.gov/news.release/cesan.nr0.htm>

⁶ Energy Information Administration (EIA), Gasoline Explained: Factors Affecting Gasoline Prices, https://www.eia.gov/energyexplained/index.php?page=gasoline_factors_affecting_prices

1 needs and will drive the market to continuously improve the products and
2 services they offer to meet those needs.

IV. UNDERSERVED AND LOW-INCOME COMMUNITY CONSIDERATIONS

3 **Q. Do you agree with Mr. Ellis’s statement that the Charge Ahead program will**
4 **incent the development of charging infrastructure in a way that will**
5 **stimulate market competition? ⁷**

6 A. Yes. I agree with Mr. Ellis that the rebates provided through the Charge Ahead
7 program will stimulate EVCS development and market competition. However,
8 there is still legitimate concern that this development will only occur in certain
9 areas. As these valid reservations remain, I continue to recommend, as I did in
10 my rebuttal testimony, that the Company allocate 10% of Charge Ahead funds to
11 EVCS deployment in underserved and low-income communities. These funds
12 should be provided for EVCS rebates where beneficial. In addition, it may be
13 appropriate to create a working group to evaluate additional barriers to
14 electrification in low income areas. Such a working group may evaluate
15 concerns such as “first mile/last mile” connection challenges. “First mile/last mile”
16 is used to describe gaps on either end of a public transit trip that is not within
17 walking distance. Examples of potential solutions could include electric shuttles,
18 ride-hailing services using EVs, and e-bikes and scooter sharing.
19 The working group could also assist in identifying additional funding sources to
20 expand transportation electrification efforts in these communities. For example,

⁷ ET-2018-1032, Ellis Rebuttal, pages 3-4.

1 “The Free Ride,” a for-profit entity providing electric vehicle shuttle services to the
2 public, utilizes sponsorship from companies like L’Oreal Paris and Verizon to
3 provide free rides in auto dependent locations such as Florida, California, and New
4 Jersey.⁸ Leveraging outside funding sources in addition to the 10% allocation from
5 the Charge Ahead program could be a way to address the transportation needs of
6 underserved and low-income communities in a meaningful way that also reduces
7 emissions and financial burden.

8 **Q. Does the existence of other EVCS programs make the Charge Ahead**
9 **program unnecessary, as stated by Byron Murray on page 7 of his rebuttal**
10 **testimony⁹?**

11 **A.** The availability of one funding source does not make the other irrelevant.
12 Leveraging multiple funding sources, such as that from the Volkswagen
13 Settlement, would be the most effective means to deploying EVCS in all parts of
14 the state in a timely manner.

15 **V. CONCLUSIONS**

16 **Q. Please summarize your conclusions and the positions of DE.**

17 **A.** The Charge Ahead program creates an environment of market competition that is
18 anticipated to spur economic development through job creation as well as product
19 and service choice. Additionally, the lower operating costs provided by adoption of
20 EVs would result in more money being spent in local and regional economies.

⁸ The Free Ride, <http://thefreeride.com/>

⁹ ET-2018-0132, Murray Rebuttal, Page7

1 However, underserved and low-income communities' needs should be considered
2 so they are not left behind as the transportation market progresses.

3 I recommend the Commission approve the Charge Ahead program in light of the
4 economic development opportunities that an expanded EVCS network could
5 provide. However, I would also recommend the Commission consider the needs
6 of underserved and low-income communities through an allocation of 10% of the
7 Charge Ahead budget to ensure equitable access to electrified transportation
8 resources.

9 **Q. Does this conclude your Surrebuttal Testimony in this case?**

10 A. Yes.