

Exhibit No.:
Issues: Proposed Costs
Witness: Marina Stever
Sponsoring Party: MoPSC Staff
Type of Exhibit: Rebuttal Testimony
Case No.: EO-2023-0136
Date Testimony Prepared: April 26, 2024

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

TARIFF & RATE DESIGN DEPARTMENT

REBUTTAL TESTIMONY

OF

MARINA STEVER

**UNION ELECTRIC COMPANY,
d/b/a AMEREN MISSOURI
CASE NO. EO-2023-0136**

Jefferson City, Missouri
April 2024

1 **REBUTTAL TESTIMONY**

2 **OF**

3 **MARINA STEVER**

4 **UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI**

5
6 **CASE NOS. EO-2023-0136**
7

8 Q: Please state your name and business address.

9 A. My name is Marina Stever, and my business address is Missouri Public Service
10 Commission, P. O. Box 360, Jefferson City, Missouri 65102.

11 Q. Are you the same Marina Stever who filed direct testimony on March 1, 2024 in
12 this case?

13 A. Yes, I am.

14 Q. What is the purpose of your rebuttal testimony?

15 A. My testimony will present and summarize the costs projected for the end of
16 Ameren's MEEIA Cycle 3, as well as the costs projected for Ameren's MEEIA Cycle 4.

17 Q. Please describe the forecasted costs for the remainder of MEEIA Cycle 3 and
18 MEEIA Cycle 4.

19 A. According to the projection presented in Case No. ER-2024-0187,¹
20 Ameren Missouri forecasts \$98,393,643 in total costs to be recovered from ratepayers through
21 the Energy Efficiency Investment Charge (EEIC) Rider during the 2024 effective period
22 (February 2024-January 2025) for energy efficiency initiatives offered through MEEIA Cycle

¹ *In the Matter of Union Electric Company d/b/a Ameren Missouri's Electric Tariffs Adjustment Relating to MEEIA EEIC Rider.*

Rebuttal Testimony of
Marina Stever

3 programs.² For the purpose of this testimony, costs associated with each cycle can be broken down into three categories: program costs, throughput disincentive earnings, and earning opportunities.

Program costs include prudently incurred program expenditures, including, but not limited to, costs such as program planning, design, and administration. Throughput disincentive earnings represent money collected by the Company from ratepayers for avoided energy sales as a result of energy efficiency programs sponsored by MEEIA. The Earnings Opportunity amount, if any, is determined by using the company's actual performance that is verified through the Evaluation Measurement & Verification (EM&V) against the company's planned performance targets. Including the forecasted costs to be recovered for the 2024 effective period, Ameren Missouri is projected to collect a total of \$557,212,817 from ratepayers for MEEIA Cycle 3 programs; \$458.8 million has already been collected through previous EEIC Riders. The cost by category breakdown can be found in *Table 1* below:

	MEEIA Cycle 3 (Dec 2018-Jan 2024)	MEEIA Cycle 3 Projected (Feb 2024-Jan 2025)	Total
Program Cost	\$ 347,541,708.81	\$ 71,402,059.88	\$ 418,943,768.69
Through Disincentive Earnings	\$ 83,828,716.34	\$ 17,009,372.28	\$ 100,838,088.62
Earning Opportunity/Performance	\$ 27,448,748.75	\$ 9,982,210.71	\$ 37,430,959.46
Total Cost	\$ 458,819,173.90	\$ 98,393,642.87	\$ 557,212,816.77

Table 1. Ameren Missouri Costs for MEEIA Cycle 3

Through 2029, Ameren Missouri forecasts an additional cumulative amount of \$526.07 million in costs between Earning Opportunities, Throughput Disincentive Earnings, and Program Costs, including PAYS customer financing, as a result of MEEIA Cycle 4 to be collected from ratepayers. This is on top of all other costs and charges to ratepayers through

² Case No. ER-2024-1087 Item No. 1 *Schedule JNG-D2- MEEIA Rider Calcs November 2023-rates.xlsx*.

Rebuttal Testimony of
Marina Stever

base rates and other cost recovery mechanisms.³ The cost by category breakdown can be found in *Table 2* below:

MEEIA 4 RAP level portfolio (in millions of dollars)	2025	2026	2027	2028	2029	Total
Earnings Opportunity Recognition		\$ 18.10	\$ 18.79	\$ 19.30		\$ 56.19
Throughput Disincentive (Lost revenue recovery)	\$ 6.86	\$ 26.45	\$ 20.70	\$ 24.55	\$ 6.37	\$ 84.93
Program Costs	\$ 118.80	\$ 123.50	\$ 127.65			\$ 369.95
PAYS Customer Financing - Regulatory Asset	\$ 5.00	\$ 5.00	\$ 5.00			\$ 15.00
Total MEEIA 4 Forecasted Costs	\$ 130.66	\$ 173.05	\$ 172.14	\$ 43.85	\$ 6.37	\$ 526.07

Table 2. Ameren Missouri Costs for MEEIA Cycle 4

Q. Are these the maximum projected costs to be expected?

A. No. The provisions set forth in 20 CSR 4240-20.094 (5) require the Company to file an application with the Commission for modification of demand-side programs when there is a variance of twenty percent or higher in the budget that is approved by the Commission.⁴ For the purpose of this testimony, we will add the additional twenty percent to the projected Program Costs from *Table 2*, but not the costs associated with PAYS Customer Financing. Additionally, the Company anticipates a maximum earnings opportunity of \$70,235,362.⁵ It is important to note that throughput disincentive earnings are subject to fluctuate, but will remain the same for the purpose of this testimony. The total projected maximum cost by category can be found in *Table 3* below.

MEEIA 4 RAP level portfolio (in millions of dollars)	Total	Maximum Total
Earnings Opportunity Recognition	\$56.19	\$70.23
Throughput Disincentive (Lost revenue recovery)	\$84.93	\$84.93
Program Costs	\$369.95	\$443.94
PAYS Customer Financing- Regulatory Asset	\$15.00	\$15.00
Total MEEI 4 Forecasted Costs	\$526.07	\$614.10

Table 3. Comparison of Ameren Missouri Forecasted Costs and Maximum Forecasted Costs for MEEIA Cycle 4

³ MEEIA 4 financial Model from CORP Finance 12-19-2023.xlsx.

⁴ 20 CSR 4240-20.094(5)

⁵ Appendix n- earnings opportunity calculator.xlsx

Rebuttal Testimony of
Marina Stever

1 Q. Are you making any recommendations in this testimony?

2 A. I support Staff's overall position in this case, and recommend rejection of
3 Ameren's MEEIA Cycle 4 application. However, my testimony is to provide the Commission
4 with the costs projected by the Company that are associated with their MEEIA program.

5 Q. Does this conclude your testimony?

6 A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Union Electric Company d/b/a)
Ameren Missouri's 4th Filing to Implement) Case No. EO-2023-0136
Regulatory Changes in Furtherance of Energy)
Efficiency as Allowed by MEEIA)

AFFIDAVIT OF MARINA STEVER

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW MARINA STEVER and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Rebuttal Testimony of Marina Stever*; and that the same is true and correct according to her best knowledge and belief.

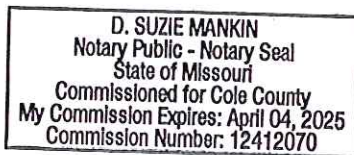
Further the Affiant sayeth not.



MARINA STEVER

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 25th day of April 2024.





Notary Public