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Witness:	Emily Piontek
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MISSOURI PUBLIC SERVICE COMMISSION

EO-2023-0369/0370

REBUTTAL TESTIMONY

OF

EMILY PIONTEK

ON BEHALF OF

RENEW MISSOURI ADVOCATES

July 9, 2024

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I. INTRODUCTION

Q: Please state your name, title, and business address.

A: My name is Emily Piontek, Managing Director and Policy Coordinator of Renew Missouri, which is headquartered at 915 East Ash St., Columbia, MO, 65201.

Q: Please describe your educational background and work experience.

A: Regarding my educational background: in 2020 I received my Master of Science in Human Dimensions of Natural Resource Management from the College of Agriculture, Food and Natural Resources at the University of Missouri-Columbia. I also earned a Graduate Certificate in Public Policy from the Truman School at the University of Missouri during that time. Prior to that, I earned dual Bachelor of Arts in History and Political Science from Washington University in St. Louis in 2012.

Regarding my professional experience, I have worked in the field of clean energy policy advocacy since 2018, during which time I have engaged with members of the public, local government officials, state lawmakers, and state and federal regulatory agencies on issues relating to the clean energy transition. This engagement has centered on topics including clean energy deployment and permitting, energy access and affordability, and utility regulation. Related to these issues, I drafted legislative proposals for the Virginia Legislature in 2022 and 2023, produced a technical report by request of the Virginia State Corporation Commission in 2022, and served on two Virginia state agency task forces in 2022. In 2021, I was a fellow with the Clean Energy Leadership Institute, an educational and professional development program for a national cohort of young energy-sector professionals. I have been with Renew Missouri since August of

2023, where I primarily focus on formulating policy positions for the organization and advocating for those positions with policymakers, lawmakers, and the public at large.

Q: Have you submitted testimony previously in proceedings before the Commission?

A: Yes. Most recently I submitted testimony on behalf of Renew Missouri in Case Nos. EA-2023-0286 and EO-2023-0136. While a Policy Research Clerk with Renew Missouri in 2019, I also submitted testimony on rate design and energy affordability in Case No. ER-2019-0374.

II. <u>EXECUTIVE SUMMARY</u>

Q: What is the purpose of your rebuttal testimony?

A: The primary purpose of my rebuttal is to respond to Direct Testimony of witnesses for the Missouri Public Service Commission ("Staff") and the Missouri Office of the Public Counsel ("OPC"). I refute their position that Evergy's MEEIA Cycle IV portfolio only benefits program participants and is redundant to the company's other income-eligible programs and to state and federal non-utility energy efficiency programs. I also emphasize the essential role of the utility in implementing energy efficiency and reducing barriers to residential technology adoption, including by subsidizing the cost to participants. In addition, I point out that avoiding new generation due to MEEIA demand-side programs is not a condition for approval of the MEEIA application in response to related criticisms from OPC and Staff. Finally, I provide recommendations for Evergy's proposed Income-Eligible programs stemming from Renew Missouri's involvement in the Energy Efficiency for All coalition.

Q: What is your recommendation to the Commission in this case?

A: My recommendation is for the Public Service Commission ("the Commission") to determine that Evergy's application is in accordance with the MEEIA statute and that the proposed demand-side investments are reasonable, prudent, and cost-effective.[1] I urge the Commission to approve all the proposed MEEIA Cycle IV programs that pass the Total Resource Cost Test ("TRC"), as well as the Company's proposed Income-Eligible programs. In doing so, the Commission should recognize in particular the opportunity presented by the IRA that makes investing in energy efficiency even more affordable for the company's customers when paired with the proposed MEEIA incentives, and especially, the critical importance of the company's Low Income Single Family and Multi Family Programs to energy affordability for disadvantaged households.

III. MEEIA & NON-UTILITY ENERGY EFFICIENCY PROGRAMS

Q: What non-utility energy efficiency programs are discussed in Direct Testimony?

A: Staff witnesses Ms. Amy Eichholz and Mr. Mark Kiesling and OPC witness Dr. Geoff Marke address energy efficiency incentives included in the 2022 Inflation Reduction Act ("IRA"). Dr. Marke also discusses the Low Income Weatherization Assistance Program ("LIWAP"). Mr. Kiesling discusses the Energy Loan Program offered by the Missouri Department of Natural Resources ("DNR").

Q: Can you please summarize each of these non-utility programs?

A: The 2022 IRA authorized the Energy Efficient Home Improvement Tax Credit as well as $8.8 billion of federal funding for the U.S. Department of Energy ("DOE") Home Energy Rebates Program to enable states to incentivize residential energy efficiency measures. Missouri was allocated $150 million from the program; note DNR only just applied to

[1] § 393.1075.4, RSMo.

DOE for early administrative funding and no federal funds have yet been authorized.[2] LIWAP provides funding to Missouri weatherization agencies for weatherization and energy efficiency upgrades for income-qualifying households. There are 5 such agencies in the Evergy service area that have a 2024 program-year budget of just over $2.1 million.[3] Additionally, the 2021 Bipartisan Infrastructure Law ("BIL") included a "readiness" funding allocation for LIWAP for the preparation of otherwise-ineligible homes for weatherization measures, which will be available through 2027. The DNR Energy Loan Program makes low-interest loans for energy efficiency measure available to a small set of public and not-for-profit entities, including public schools, public and not-for-profit hospitals, institutions of higher learning, and local governments.[4]

Q: What is the IRA's role in deploying energy efficiency measures in Missouri?

A: As conceived by DOE, the Energy Efficient Home Improvement Tax Credit and the Home Energy Rebates Program will support utility energy efficiency portfolios and programs by making widespread adoption of energy efficient technologies and home upgrades more affordable for consumers. The tax credit refunds 30% of total improvement expenses in the year of installation, up to an annual limit of $1,200 for most eligible expenses; heat pumps have a separate annual credit limit of $2,000.[5] According to the Home Energy Rebates Program guidance, the rebates can be "stacked" with non-

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[2] Missouri Department of Natural Resources ("DNR"). "Inflation Reducation Act Home Energy Rebates Programs". (2024). Accessed at: https://dnr.mo.gov/energy/what-were-doing/inflation-reduction-act-home-energy-rebates-programs. Also see the DOE Home Energy Rebates Program Tracker. Accessed at: https://www.energy.gov/save/rebates?utm_medium=email&utm_source=govdelivery

[3] DNR. State Weatherization Plan, Program Year 2024. Accessed at: https://dnr.mo.gov/energy/weatherization/state-plan

[4] DNR. "Energy Loan Program, PUB 1222." September 14, 2022. Accessed at: https://dnr.mo.gov/document-search/energy-loan-program-pub1222/pub1222

[5] Internal Revenue Service ("IRS"). "Home Energy Tax Credits". (2024). Accessed at: https://www.irs.gov/credits-deductions/home-energy-tax-credits

federal incentives: "Stacking Home Energy Rebates with non-federal funds (like utility programs) is *generally allowable and encouraged* ..." (emphasis added).[6] The National Consumer Law Center, a highly reputable consumer advocacy organization, supports this approach for its value in eliminating or reducing up-front costs for low- and moderate-income households, as well as for the value utilities can bring in terms of helping consumers navigate the programs.[7] In its application to DOE demonstrating how the Home Energy Rebates will be administered, MO DNR has leeway to determine whether Missouri will increase the percentage of funding for low-income households and/or whether the size of the rebate to a household for a given energy efficiency measure will be increased, compared to DOE's baseline requirements for each.

Q: What is the Bipartisan Infrastructure Law's role in deploying energy efficiency measures in Missouri?

A: LIWAP enables residential weatherization at no cost to income-qualifying households for measures that reduce household energy burden and improve home comfort. The additional LIWAP allocation from the BIL is enabling the mitigation of health and safety issues that prohibit weatherization of otherwise-eligible residences and increase program reach. LIWAP measures, which are estimated to result in average annual participant electricity savings of 7% and cost savings of more than $300, complement utility energy efficiency programs by eliminating up-front costs that eligible households would otherwise be unable to afford.[8]

[6] DOE. "Home Energy Rebates Programs, Frequently Asked Questions." See FAQ #11. Accessed at: https://www.energy.gov/scep/home-energy-rebates-frequently-asked-questions

[7] National Consumer Law Center. "IRA Home Energy Rebates State Program Design Recommendations: A Resource for Advocates", p.2. (March 2024). Accessed at: https://www.nclc.org/wp-content/uploads/2024/03/202403_Issue-Brief_IRA-Home-Energy-Rebates-1.pdf

[8] DNR. "Weatherization: Energy Assistance". (2024). Accessed at: https://dnr.mo.gov/energy/weatherization. Also see Oak Ridge National Laboratory. ORNL/TM-2014/338. "Weatherization Works: Summary of Findings from the

Q: What is the role of the DNR Energy Loan Program in deploying energy efficiency?

A: The DNR Energy Loan Program provides loans for energy efficiency projects to select public interest-serving entities, at the low interest rate of 2.5% for a repayment period of 10 years or less.[9] This program furthers the energy efficiency interest of the state of Missouri by making the loans available statewide, including in areas where incumbent utilities do not provide energy efficiency programs.

Q: Do you believe these non-utility programs can replace Evergy's proposed MEEIA Cycle IV portfolio?

A: No. I am concerned with the political viability of the IRA incentives, the fact that the Home Energy Rebates Program timeline doesn't coincide with MEEIA Cycle IV, and that MO DNR will not be able to replicate an investor-owned utility's capacity to use customer data and marketing channels to deliver programs to customers.

Q: How could political uncertainty affect implementation of the IRA rebates for Missouri consumers?

A: At the Federal level, spending on clean energy programs could be reduced or eliminated by a new President and a new Congress. Already, U.S. House Republicans have proposed decreasing DOE funding by $312 million.[10] At the state level, the new Governor could make appointments to DNR that could influence whether and how the state's $150 million allocation for energy efficiency rebates are delivered to consumers. Furthermore,

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Retrospective Evaluation of the U.S. Department of Energy's Weatherization Assistance Program". (September 2014). Accessed at: https://nascsp.org/wp-content/uploads/2023/08/weatherization-assistance-program-fact-sheet.pdf

[9] DNR. "Energy Loan Program." Eligible projects include high efficiency lighting and HVAC systems; combined heat and power and renewable energy systems; waste heat recovery; energy efficient fine bubble diffusers and high efficiency pumps; building shell improvements; and other measures that reduce energy use and cost.

[10] Politico. "House GOP Proposes Small Energy-Water Funding Boosts But Targets Biden Climate Programs". (June 27, 2024). Accessed at: https://subscriber.politicopro.com/article/2024/06/house-proposes-holding-doe-water-spending-level-but-targets-clean-energy-00165291?source=email

as the design and implementation of the Home Energy Rebates program is yet to be determined and will depend to an extent on the program design preferences of political appointees, it is possible that only a fraction of Missouri's allotment could ultimately be allocated to consumers in the Evergy service area.

Q: What is your concern regarding the timeline of IRA funds reaching Missouri?

A: DNR has yet to submit its full application to DOE for funding of the Home Energy Rebate programs, and it seems that DNR will issue an RFP for a consultant to assist the agency in crafting and submitting its proposal. Even assuming timely approval and funding, the rebates are unlikely to be available to Missourians until later in the MEEIA Cycle IV timeline, perhaps sometime in 2026. Absent an approved MEEIA IV portfolio, Evergy customers would have little if any access to home energy rebates for a lengthy period of time.

Q: What about the ability of other non-utility programs to replace MEEIA programs?

A: Regarding the other non-utility programs, LIWAP funding is only available for income-eligible households at or below 200% of the Federal Poverty Level ("FPL"); yet in addition to its Low Income Single Family and Multi Family programs (also for households at or below 200% of the FPL), Evergy offers the Moderate Income Single Family program for households *at 201-300% of the FPL*.[11] The Energy Loan Program, described by DNR as "limited" and applicable to only a small set of entities, contrasts with Evergy's Hard to Reach Businesses: Social Services Program for non-profits which covers *approximately 100% of project costs*.[12]

[11] PSC. Case Nos. EO-2023-0369/0370. "MEEIA Cycle IV 2025-2028 Filing". See p.10 and pp.20-21.
[12] "MEEIA Cycle IV 2025-2028 Filing". Pp.22-23.

Q: What is your concern about the ability of non-utility programs to effectively market and deliver energy efficiency programs to customers?

A: I see no obvious replacement for the capacity that investor-owned utilities like Evergy possess to market and deliver programs to customers. Missouri's IOUs have spent the past decade developing this capacity, learning through trial and error, hiring up staff, building online resources and trade ally networks, creating branding, and collecting data. IOUs possess all the relevant market data and building information that allow their sales teams to segment the customer base and ultimately capture energy and demand savings. For many customers, their utility is still the first place they turn to in order to find information about efficient products and measures. Utilities not only disburse rebate checks; they also connect customers with installers and financing solutions, and can recommend additional measures that the customer may not have considered. I have a low degree of confidence that Missouri will be able to deliver all of its IRA funding without a properly-incentivized IOU sector engaging the customer base and performing its essential energy efficiency functions.

Q: Could you please summarize the arguments of Staff and OPC regarding the role of the non-utility programs compared to the company's proposed programs?

A: As in the case of Ameren's MEEIA Cycle IV program (Case No. EO-2023-0136), witnesses from Staff and OPC are primarily concerned that the IRA incentives for energy efficiency, existing weatherization programs, and other non-utility energy efficiency programs render Evergy's role in providing and delivering energy efficiency programs obsolete while imposing unjustified costs on non-participants. Specifically, Staff witness Mr. Mark Kiesling lists the DNR Energy Loan Program as one such non-utility program that makes Evergy's proposed MEEIA portfolio redundant.[13] Staff witness Ms. Amy Eichholz, who discusses the company's income-eligible weatherization program, and OPC witness Dr. Geoff Marke, who discusses the Low Income Weatherization Assistance Program ("LIWAP), assert these programs could serve Evergy's low income customers in lieu of any MEEIA program.[14] Finally, Staff witness Mr. Kiesling and Dr. Marke are also concerned with the potential for improper attribution of the results of energy efficiency programs where utility and non-utility incentives (including the Energy Efficient Home Improvements Credit and the Home Energy Rebates) are paired.[15]

Q: How do you respond to these concerns?

A: I would first like to reiterate my concerns from above. Regarding *program redundancy*, I would argue that the most cost-effective energy savings opportunities are made possible through stacking utility and Federal incentives. As stated above, Federal DOE recommends "stacking" IRA Home Energy Rebates with non-Federal funds, going so far as to explicitly mention utility rebates and incentives. Such stacking, which would increase customer participation through the promise of lowered up-front costs, and ultimately deliver greater demand savings than the Company's programs could achieve on their own. This is an especially critical benefit to low and moderate-income households that would otherwise struggle to afford energy efficiency measures. I would also highlight that the Company's application addresses sector gaps that result from weatherization program eligibility and implementation constraints, as well as from the

[13] PSC Case Nos. EO-2023-0369/0370. Direct Testimony of Mr. Kiesling, p.2, line 23 to p.3, lines 1-3.
[14] PSC Case Nos. EO-2023-0369/0370. Direct Testimony of Ms. Eichholz, p.6, lines 1-4 and Direct Testimony of Dr. Marke, p.26, lines 5-16 to p.27, lines 11-18.
[15] PSC Case Nos. EO-2023-0369/0370. Direct Testimony of Mr. Kiesling, p.4, lines 20-23 to p.5, lines 1-13 and Direct Testimony of Dr. Marke, p.27, lines 19-23 to p.28, lines 1-7.

funding and eligibility limitations of DNR's Energy Loan Program, which has made only a handful of loans within the Evergy footprint since 2018. Many other public interest-serving nonprofits are *not eligible* and would thus stand to benefit greatly from the Company's Social Services Program. Regarding the weatherization programs, I would remind the parties of the constraints binding Missouri's weatherization providers (e.g., budgetary, internal capacity, program reach, etc.) that limit their ability to serve all eligible households. Meanwhile, the company's Income Eligible programs have a combined cycle budget of $27.2 million, which translates to an annual budget about three times greater than the annual LIWAP allotment to the local agencies.[16]

Regarding *unjustified costs to non-participants*, I would argue that energy efficiency measures produce system-wide benefits serving the interest of all ratepayers. While program participants are likely to experience these benefits most tangibly (e.g., in the forms of reduced bills, improved home comfort, increased property value), all ratepayers will enjoy benefits from the company's investment in the least-cost resource that energy efficiency is; energy efficiency can reduce a utility's revenue requirements through the avoided costs of the following: energy, capacity, transmission and distribution, and ancillary services.[17] Focusing only on whether the portfolio will avoid or defer investment in new generating capacity ignores the potential for reductions in demand to avoid those other costs (i.e., energy, transmission and distribution, and

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[16] PSC Case Nos. EO-2023-0369/0370. "MEEIA Cycle IV 2025-2028 Filing". See pp.15-21. As a reminder, the five Kansas City-area weatherization agencies have a 2024 weatherization budget of $2.1 million; see the DNR "State Weatherization Plan, Program Year 2024."

[17] American Council for an Energy Efficient Economy ("ACEEE"). "Everyone Benefits: Practices and Recommendations for Utility System Benefits of Energy Efficiency." (June 2015). Accessed at: https://www.aceee.org/sites/default/files/publications/researchreports/u1505.pdf

ancillary services costs). System-wide benefits are not merely about not investing in new capital projects. Note that I will return to this discussion in the following section.

Regarding *the role of the utility in delivering energy efficiency programs*, I would make the same case that I made in my surrebuttal testimony in Case No. EO-2023-0136, which was to say that the role of the utility is as important as ever. Market research from 2023 shows that utilities providing a portfolio of energy-management programs earn higher consumer trust scores, meaning those customers are likely more engaged with their utility in matters of energy savings.[18] Further, Evergy is capable of identifying which of its customers have high demand and/or unaffordable bills who may benefit from energy savings measures, marketing its demand-side programs to those households and even assisting those customers with program enrollment and participation. Evergy is better equipped to do this than DNR or the local community action agencies are, as each entity has historically struggled to maintain internal capacity or to disburse weatherization funding. I urge the Commission to keep Evergy engaged in the practice of providing residential energy efficiency. As a monopoly company with captive customers, Evergy has the resources, the captive market, and the earnings incentive to play this role.

Finally, regarding *the proper attribution of energy efficiency savings*, I would reiterate my suggest to the Commission in Case No. EO-2023-0136, which was to encourage the Commission to open a process outside of this MEEIA proceeding to *specifically and discretely* address issues with demand savings accounting methods.[19]

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[18] Escalent. "Utilities Investing More in Communication Continue to See Elevated Brand Trust". (July 13, 2023). Accessed at: https://escalent.co/news/utilities-investing-more-in-communication-continue-to-see-elevated-brand-trust/

[19] PSC Case No. EO-2023-0136. Surrebuttal Testimony of Ms. Emily Piontek (p.8:21-11 and p.9:1-6). Filed May 30, 2024.

For these reasons, I encourage the Commission to seize a golden opportunity by permitting and encouraging incentive stacking through approval of the Evergy MEEIA Cycle IV programs so that utility and non-utility solutions to economic barriers that inhibit energy efficient technology adoption can be paired for maximum effect. It would be premature to eliminate a program that has been unlocking energy efficiency potential for nearly a decade at the hint – and unrealized promise – of the IRA, just as it would be shortsighted to rest the demand savings policy goals of the state on the overburdened and under-resourced shoulders of state and local agencies alone.

IV. MEEIA & RATE DESIGN

Q: What rate design issues were raised by OPC in Direct Testimony?

A: OPC witness Dr. Marke made two recommendations for how rate design could provide a path forward on this application; the second is offered as a condition for approval of the company's MEEIA application. The first proposal is that the company agree not to raise the fixed customer charge while MEEIA programs are in effect.[20] The second proposal is for the company to agree to implement a default Time-of-Use ("TOU") rate with a higher price differential than that of the current default TOU rate.[21] Dr. Marke discusses how the company's current default rate does not result in meaningful demand savings, thus both under-utilizing the company's billion-dollar investment in Advanced Metering Infrastructure ("AMI") and under-realizing potential cost- and energy-savings.[22] This recommendation is framed around his view that TOU rates with higher price differentials would more cost-effectively result in greater demand savings than MEEIA achieves.

[20] PSC Case Nos. EO-2023-0369/0370. Direct Testimony of Dr. Marke, p.33, lines 15-23 to p.34, lines 1-15.
[21] Direct Testimony of Dr. Marke, p.38, lines 10-16.
[22] Direct Testimony of Dr. Marke, pp.35-36. Note especially Figure 4 and Figure 5 on p.36.

Q: How do you respond?

A: Regarding Dr. Marke's recommendation that Evergy agree not to raise the fixed customer charge for a set period, we are in full support for the same reasons articulated by OPC and would hold that the fixed fee should not be raised during the period covered by MEEIA Cycle IV *at minimum*. Regarding Dr. Marke's suggestion that TOU rates could ever serve in lieu of MEEIA, I would emphasize that his proposal does not solve the problem of incentivizing Evergy to pursue demand-side savings. It is certainly the case that TOU rates, especially those that allow the participation of customers with distributed energy resources (e.g., customer-owned solar or electric vehicles), can support system-wide demand reduction. Yet Missouri lacks a "stick" (e.g., an Energy Efficiency Resource Standard or mandatory high-differential TOU rate, such as that proposed by OPC), so Evergy requires a "carrot" (e.g., the earnings opportunity); without either, Evergy is unlikely to invest in the least-cost resource of energy efficiency at all. Our position is alternatively for Evergy to make aggressive, full use of its cutting-edge AMI infrastructure and for the Commission to order Evergy in the current rate case (ER-2024-0189) to continue experimenting with TOU rates (including by way of the default rate suggested by OPC) with the goal of complementing – not replacing – its MEEIA initiatives.

V. <u>MEEIA & DEFERRED OR AVOIDED SUPPLY-SIDE INVESTMENTS</u>

Q: Could you please summarize what Staff and OPC have said related to Evergy's MEEIA Cycle IV portfolio and deferred or avoided supply-side investments?

A: Witnesses from Staff and OPC are primarily concerned that the company's previous MEEIA energy efficiency programs have not resulted in tangible program benefits, namely, any avoided or deferred investment on the supply side. Staff witness Mr. Brad Fortson implies that Commission rule 20 CSR 4240-20.094(4)(C)4 directing utilities to report any impact on supply-side resources resulting from MEEIA also requires that the company's demand-side programs result in avoided costs on the supply-side.[23] Neither Mr. Fortson nor Staff witness Mr. J Luebbert expect the company's MEEIA Cycle IV portfolio to avoid or defer supply-side investments, citing the Evergy's 2024 IRP preferred resource plan which includes substantial renewable and fossil fuel buildout.[24] Similarly, Dr. Marke states he does not believe any "meaningful" avoided cost-savings have been earned during previous MEEIA cycles to justify the cost of Cycle IV.

Q: How do you respond to their concerns?

A: Regarding the Commission rule quoted by Mr. Fortson, I would say that requiring a report on supply-side resource impacts be made is not the same as requiring that any particular impact be achieved. In response to both Staff witnesses and Dr. Marke, I would emphasize the MEEIA statute *does not* require demand savings from cycle programs result in avoided or deferred investment in new supply-side generation; rather, the statute requires only valuing demand-side programs in the same way that traditional investments would be valued and allowing cost-recovery for cost-effective programs. Programs that pass the TRC demonstrate that their benefits exceed their costs, meaning these programs are cost-effective. Evergy's entire portfolio passes the TRC, so the merit of pursuing the proposed programs is unchanged. See Table 1 below, originally provided in the company's application.

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[23] PSC Case Nos. EO-2023-0369/0370. See Direct Testimony of Mr. Fortson, p.11, lines 4-28 and p.12, lines 1-7.

[24] PSC Case Nos. EO-2023-0369/0370. See Direct Testimony of Mr. Fortson, p.9, lines 1-19; Direct Testimony of Mr. J Luebbert, pp. 5-11 and p.12, lines 19-21 and p.13, lines 1-9; and Direct Testimony of Dr. Marke, p.7, lines 1-19.

Table 1: Summary of Evergy's MEEIA Cycle IV Plan (Metro and West Combined)[25]

Sector	Budget ($MM)	Energy Savings (MWh)	Demand Savings (MW)	Total Resource Cost Test
Residential EE	$39,391,908	66,382	27.9	1.59
Hard-to-Reach Homes EE	$29,623,611	37,998	6.8	0.66
Urban Heat Island (UHI)	$3,065,570	64	0.01	0.02
Business EE	$74,394,385	291,735	61.0	2.43
Demand Response	$65,165,537	5,105	620.5	5.87
Pilots	$1,600,000	-	-	-
TOTAL PORTFOLIO	**$213,241,011**	**401,285**	**716.3**	**2.89**

Q: If MEEIA programs are unable to offset demand such that supply-side investment cannot be avoided, do the proposed energy efficiency programs still make sense?

A: Yes. First, the fact Evergy's savings from MEEIA have not led to avoided investment in new generating facilities is related in part to the unprecedented modern demand for electricity. U.S. power consumption is expected to rise to record highs in 2024 and 2025, with estimated energy demand projections of 4,096 billion kWh this year and 4,125 billion kWh in 2025.[26] These projections exceed the 4,000 billion kWh of demand in 2023 and the record 4,067 billion kWh in 2022. The U.S. Energy Information Administration has forecast this increase due to more customers using electricity for heat and transportation instead of fossil fuel sources as well as to increased demand for electricity from data centers and industrial facilities. To unpack these trends further, the North American Electric Reliability Corporation compares the *previous* annual growth rate of about 0.5% to the *current* rate of 0.9% annual growth.[27] Meanwhile, peak demand

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[25] PSC Case Nos. EO-2023-0369/0370. "MEEIA Cycle IV 2025-2028 Filing". See "Figure 1.1: Summary of Evergy MEEIA Cycle Four-Year Plan – Combined Jurisdictions (MO Metro & MO West)", p.6.
[26] US Energy Information Administration. "Short-Term Energy Outlook". See p.42, Table 7a. (April 1, 2024).
[27] North American Electric Reliability Corporation. "2022 Long-Term Reliability Assessment". See p.20 and supplemental Table F. (December 2022). Accessed at: https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_LTRA_2022.pdf

is expected to grow to 38 GW through 2028.[28] These trends constitute a paradigm shift. As demand for electricity continues to rise, it would be misguided to severely reduce or eliminate the energy savings opportunities that are being provided to Missourians today through the MEEIA programs, as I also argued in a recent Ameren solar CCN docket (EA-2023-0286) and in the Ameren MEEIA Cycle IV case (EO-2023-0136).

Furthermore, attributing avoided costs to specific energy efficiency measures is notoriously difficult, and other non-energy benefits of energy efficiency programs are difficult to quantify.[29] These hard-to-measure benefits include utility system benefits such as grid resiliency and risk reduction; residential benefits in the forms of community resiliency, energy burden reduction and improved home comfort, health, and safety; and business sector benefits like improved workplace environments, employee productivity increases, and reduced operation and maintenance costs.[30] In other words, energy efficiency programs contribute widespread benefits across the system, including many that are felt only indirectly by non-participants. The American Council for an Energy Efficient Economy recommends that cost-effectiveness tests "compare the costs of an energy efficiency improvement with all the benefits that come from it, *beyond the energy saved*," as well as for regulators to give program administrators the flexibility to account for benefits that defy quantification.[31] The Commission has the discretion to decide whether incentivizing Evergy to pursue energy efficiency via MEEIA is worthwhile,

[28] Grid Strategies LLC. "The Era of Flat Power Demand is Over". See p.3. (December 2023). Accessed at: https://gridstrategiesllc.com/wp-content/uploads/2023/12/National-Load-Growth-Report-2023.pdf
[29] ACEEE. "Everyone Benefits: Practices and Recommendations for Utility System Benefits of Energy Efficiency". (June 2015). See "Executive Summary", pp.iv-vii.
[30] ACEEE. "Recognizing the Value of Energy Efficiency's Multiple Benefits". (December 2015). Accessed at: https://www.aceee.org/sites/default/files/publications/researchreports/ie1502.pdf
[31] ACEEE. "Recognizing the Value of Energy Efficiency's Multiple Benefits". (December 2015). See "Recognizing Multiple Benefits in Cost-Effectiveness Testing", pp.36-42. Also see the ACEEE report, "Multiple Benefits of Multifamily Energy Efficiency for Cost-Effectiveness Screening". (2015).

especially in the absence of any state mandate to do so. However, given the statute's directive for Missouri policymakers to value demand-side programs and both the energy and non-energy benefits of utility energy efficiency programs, I urge approval of the company's application.[32]

VI. EEFA & EVERGY'S PROPOSED INCOME-ELIGIBLE PROGRAMS

Q: Can you explain the Energy Efficiency for All Coalition and Renew Missouri's role within it?

A: Energy Efficiency for All ("EEFA") is a group of 12 state coalitions made up of energy efficiency, housing, and equity advocates that focus on improving energy efficiency in affordable housing. Renew Missouri has been working with EEFA for the past decade, serving as local counsel at the PSC and connecting communities with Missouri regulators and utilities. In 2014, the EEFA coalition hosted convenings at the US Green Building Council, bringing together utilities, regulators, and other energy stakeholders to identify barriers and solutions to improved energy efficiency in affordable multifamily housing. The parties focused on the development of a consensus approach to improving delivery of efficiency measures in affordable multifamily housing, solving the issue of the split incentive, engaging landlords and housing developers, and ultimately designing a one-stop-shop/concierge program model for utilities to deploy. EEFA cooperates with utilities and implementers in filling project pipelines, participates in ongoing stakeholder groups, and shares feedback to utilities on their energy efficiency portfolio successes as well as challenges.

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[32] Unlike more than half of US states, Missouri does not have binding Energy Efficiency Resource Standard. Accessed at: https://www.ncsl.org/energy/energy-efficiency-resource-standards-eers

Q: When did the Missouri Energy Efficiency for All coalition first become involved with the energy efficiency portfolios of Missouri's Investor-Owned Utilities?

A: EEFA parties intervened in Cycle II and Cycle III programs for Ameren Missouri and Evergy (formerly KCP&L). Cycle II saw the approval of a one-stop-shop model for low-income multifamily buildings, which had moderate success. In Cycle III, EEFA pivoted to focus more intently on whole building savings and a custom approach to identify all potential measures within a building, rather than single prescriptive measures. EEFA agreed with Ameren Missouri and Evergy on an earnings opportunity framework in which the utilities would only receive an earnings opportunity only once it achieved a minimum of 15% energy savings such as HVAC and building envelope measures. EEFA also supported the development of Single-Family Low-Income programs.

Q: Can you describe the "one-stop-shop" model of program design, and other aspects of the types of programs for which EEFA advocates?

The one-stop-shop model is a concierge approach, in which the Company provides:

1) A sole point of contact for the property owner;
2) A no-cost whole building walk-through audit;
3) Recommendations on whole building energy efficiency measures for both in-unit and common areas;
4) Estimates for the potential energy savings, anticipated costs, and associated rebates for completing all the improvements;
5) Application assistance for specific programs, rebates, and incentives; and
6) Free direct install measures.

EEFA also advocates that incentives for an Income-Eligible program be significantly higher than market rate to overcome the split incentive, since rental property owners do not receive immediate savings from reduced utility costs associated with efficiency improvements. Incentive levels should be set to overcome the incremental cost of the measures at a minimum, and more where possible.

Q: Do you consider this approach to have been a success?

A: Yes. Evergy has invested tens of millions of dollars to date through its Income-Eligible programs, touching the lives of building owners and residents who otherwise would not have received any energy efficiency services and continued to have high utility bills. We consider this approach a success. The Company has employed higher incentives than the other non-utility programs, addressed the whole building through both in-unit and common area measures, and the program implementers and contractors have had experience working with affordable housing providers. The Income-Eligible Multifamily program has addressed the entire building, including sealing duct work and the building envelope, HVAC upgrades, thermal windows, LED lighting, shower and faucet aerators, hot water heater replacement, and hot water pipe wrap. This approach has achieved deep energy savings. The Company has attempted co-delivery with Spire, addressing the whole building and all systems in one visit.

I believe it is vital that the program continue into the future and employ this same model, using some of my recommendations below.

Q: What are your recommendations with respect to Evergy's Income Eligible Programs?

A: My first recommendation for Evergy's proposed Income-Eligible programs is to revisit and continue the original program model we developed together with regulators, consumers, and efficiency advocates. This starts with providing a free walk-through audit to identify both in-unit and common area savings potential for both electric and gas. In addition, the programs should provide incentives high enough to cover incremental cost difference between standard and high efficiency equipment at a minimum and incentives for the most energy-burdened customers to cover as much of measure cost as possible. The walk-through audit should result in a written summary of the recommended energy saving measures, cost estimates for each measure, anticipated energy savings in dollars, percent of energy to be saved, kW, and therms. The Company should be prepared to provide referrals to trade allies, if needed, by the property owner. The Income Eligible programs should expand co-delivery of incentives with the natural gas utility, Spire.

Missouri EEFA and our other allies look forward to working with the Company to make sure the programs meet these delivery parameters.

Q: What approach to marketing and customer outreach do you recommend?

A: While the above program features have been a success in the past, the future of income-eligible programs lies in strategic, targeted outreach. The Company and interested stakeholders should strive to reach those residential customers who have used programs the least and who need energy interventions the most. The Company should target marketing and outreach for its Income-Eligible programs to residents with the highest "energy burdens," or highest bill-to-income ratio.

Renew Missouri has developed an Energy Burden Mapping tool that can be utilized for targeted outreach, a project in which Evergy is a partner. The Company, its implementers, and its contractor network should identify individual buildings and meters that are the most energy burdened and focus outreach directly. They should educate property owners on how to use the Company's web resources, where energy usage reports can be generated. An energy usage report will assist property owners in determining which properties have the greatest energy usage, so owners can prioritize those buildings for energy improvements.

Q: What role do contractors play in your recommendations?

Evergy should provide free contractor training on the incentive programs for all HVAC, appliance installation, and other residential services contractors in its territory. All contractors should be financially incentivized to sell and install higher efficiency equipment, especially HVAC and insulation products. In my experience, most contractors often offer the lowest cost option to rental property owners. Contractors need to be educated on the incentive programs and market availability of higher efficiency equipment so it is ubiquitously offered as a worthwhile option to customers, especially rental property owners.

The Company should invest resources in educating contractors and affordable housing providers on energy saving behaviors and how to properly use new equipment. Currently, the Company has energy saving tips on their website and includes energy saving tips on bill inserts. But these initiatives are not sufficient. The Company and implementers should collaborate with affordable housing providers and low-income stakeholders on delivering educational information to communities. EEFA looks forward to working with the Company to identify community leaders that can take part in this outreach approach.

Q: What is your recommendation regarding measures and incentives involving white roofs, cool roofs, or TPO roofs?

A: Evergy should include incentives for cool roofs in the Income-Eligible program. These cool roof incentives should be offered for both white roof coating and white TPO roof measures. This incentive should be a rebate that, at a minimum, covers the incremental cost, or is the cost difference between a white TPO roof and traditional black bitumen roof coating. Further, the Company should consider a 25% bonus incentive in certain situations or under certain income/need thresholds. In addition, the Company should offer an incentive for white roof coating or whitewashing as a cheaper, more temporary measure for building owners that are not planning to replace their roof in the near term. These cool roof incentives should be part of the walk-through audit process for the whole building evaluation.

Q: Does this conclude your testimony?

A: Yes, thank you.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Evergy Metro, Inc. d/b/a Evergy Missouri Metro's Notice of Intent to File an Application for Authority to Establish a Demand-Side Programs Investment Mechanism	)	**File No. EO-2023-0369**
In the Matter of Evergy Missouri West, Inc. d/b/a Evergy Missouri West's Notice of Intent to File an Application for Authority to Establish a Demand-Side Programs Investment Mechanism	)	**File No. EO-2023-0370**

AFFIDAVIT OF EMILY PIONTEK

STATE OF MISSOURI)
) ss
COUNTY OF BOONE)

My name is Emily Piontek, and on my oath declare that I am of sound mind and lawful age; that I prepared the attached Rebuttal Testimony; and further, under penalty of perjury, that the same is true and correct to the best of my knowledge and belief.

/s/
Emily Piontek

Subscribed and sworn before me this 9th day of July 2024.

Notary Public

My commission expires: 8-16-2027

JAMES M. OWEN
Notary Public - Notary Seal
STATE OF MISSOURI
Boone County
My Commission Expires: August 16, 2027
Commission #15637358