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Dana Gray Testimony
Rebuttal
File No. EO-2023-0136

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Witness:	Dana Gray
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MISSOURI PUBLIC SERVICE COMMISSION

EO-2023-0136

REBUTTAL TESTIMONY

OF

DANA GRAY

ON BEHALF OF

RENEW MISSOURI ADVOCATES

April 26, 2024

1 **INTRODUCTION**

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

3 A: Dana Gray, Community Development Outreach Coordinator, Tower Grove Community
4 Development Corporation, 2337 South Kingshighway Blvd, St. Louis, Missouri 63110.

5 **Q: Please describe your current position, your education, and background.**

6 A: I am employed by Tower Grove Community Development Corporation (“Tower Grove
7 CDC”) as the Community Development Outreach Coordinator. In this role I focus on
8 outreach with landlords, developers, neighborhood associations, and affordable housing
9 providers. I also manage energy efficiency projects and advocacy for improved energy
10 efficiency and housing affordability. Further, I serve as the Missouri State Lead for the
11 Energy Efficiency for All (EEFA) coalition, a twelve-state coalition focusing on
12 improving energy efficiency and equity in affordable housing. My experience also
13 includes two decades working in community development. I own and manage nine rental
14 units which I began in 2006. I have a BA degree in Social Psychology.

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

16 A: Yes. I submitted Rebuttal Testimony on behalf of Tower Grove Community
17 Development Corporation in File Nos. EO-2015-0055 and EO-2018-0211, sometimes
18 referred to as Ameren Missouri’s “Cycle II” and “Cycle III” MEEIA filings respectively.

19 **Q: What is the purpose of your testimony?**

20 A: The purpose of my testimony is to support Ameren Missouri’s proposed Income-Eligible
21 programs as part of its energy efficiency portfolio, as well to offer my perspective as a
22 low-income housing provider and as someone who has utilized Ameren Missouri’s

1 current Income-Eligible Multifamily program and other residential energy efficiency
2 measures.

3 **Q: Could you please briefly summarize your testimony?**

4 A: In my Rebuttal Testimony, I offer a brief review of the EEFA coalition's history in
5 collaborating with Ameren Missouri on its low-income energy efficiency program
6 offerings, and I provide my opinion on how that paradigm can be updated for the next
7 cycle of programs. I also offer my recommendations and opinions on the measures and
8 incentives contained within the Company's proposal as to how the Company should
9 proceed with marketing and outreach for these programs.

10 **HISTORY OF EEFA COALITION'S INVOLVEMENT WITH MEEIA**

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

13 A: In 2014, the EEFA coalition began participating in convenings at the US Green Building
14 Council with utilities and other energy stakeholders to identify barriers and solutions to
15 improved energy efficiency in affordable multifamily housing. EEFA focused on the
16 development of a consensus approach to addressing affordable multifamily housing and a
17 one-stop-shop model. EEFA intervened in Cycle II and Cycle III programs for Ameren
18 Missouri and Evergy. EEFA cooperates with utilities and implementers in filling project
19 pipelines and participates in ongoing stakeholder groups, sharing feedback to Company
20 on their energy efficiency portfolio successes and challenges, and offering suggestions
21 for improving processes.

22 In Cycle III, EEFA pivoted to focus more intently on whole building savings and a
23 custom approach to identify all potential measures within a building, rather than single

1 prescriptive measures. EEFA agreed with Ameren Missouri on an earnings opportunity
2 framework in which the Company would only receive earnings opportunity once it
3 achieved a minimum of 15% energy savings such as HVAC and building envelope
4 measures. EEFA also supported the Company's development of a Single-Family Low-
5 Income program.

6 The one-stop-shop model is a concierge approach, in which the Company
7 provides: 1) a sole point of contact for the property owner; 2) a no-cost whole building
8 walk-through audit; 3) recommendations on whole building energy efficiency measures
9 for both in-unit and common areas; 4) estimates for the potential energy savings,
10 anticipated costs, and associated rebates for completing all the improvements; 5)
11 assistance with applications for specific programs, rebates and incentives; and 6) free
12 direct install measures. The incentives for an Income-Eligible program should be
13 significantly higher than market rate buildings to overcome the split incentive, since
14 rental property owners do not receive immediate savings from reduced utility costs
15 associated with efficiency improvements. Incentive levels should be set to overcome the
16 incremental cost of the measures at a minimum, and more where possible.

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

18 A: Ameren has invested more than \$57.6 million to date through its Low-Income programs,
19 touching the lives of building owners and residents who otherwise would not have
20 received any energy efficiency services and continued to have high utility bills. I consider
21 this approach a success. The Company has employed higher incentives than the other
22 programs, addressed the whole building through both in-unit and common area measures,
23 and the program implementers and contractors have had experience working with

1 affordable housing providers. The Income-Eligible Multifamily program has addressed
2 the entire building, including sealing duct work and insulating the building envelope,
3 HVAC upgrades, thermal windows, LED lighting, shower and faucet aerators, hot water
4 heater replacement, and hot water pipe wrap. This approach has achieved deep energy
5 savings. The Company attempted co-delivery with Spire, addressing the whole building
6 and all systems in one visit.

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

9 **Q: Can you briefly describe your own experience dealing with the program?**

10 A: Tower Grove CDC completed whole building improvements to three different four-unit
11 buildings, utilizing the Income Eligible Multifamily program. Tower Grove CDC hopes
12 to complete further energy improvements on other buildings in the rental portfolio.

13 Without Company's incentives these energy improvements would not have been
14 possible. From my own experience using Ameren Missouri's Income-Eligible
15 Multifamily program, I feel that additional support from the Company is needed.

16 Property owners, maintenance staff, and occupants require education on the operation
17 and maintenance of new equipment and how occupant behaviors impact energy use.

18 **Q. Does this model for energy efficiency in affordable housing still apply today?**

19 A: This approach can work today, but we have also discussed with the Company a new
20 approach to outreach and marketing for communities most in need, with direct outreach
21 targeting the communities and households with the highest energy burdens.

22 **RECOMMENDATIONS FOR COMPANY'S INCOME-ELIGIBLE PROGRAMS**

1 **Q: What are your recommendations with respect to the Company’s Income Eligible**
2 **Multifamily Program?**

3 A: My first recommendation for the Company’s Income-Eligible programs is to revisit and
4 continue the original program model that we developed together with Ameren, regulators,
5 consumers, and efficiency advocates. This starts with providing a free walk-through audit
6 to identify both in-unit and common area savings potential for both electric and gas. In
7 addition, the programs should provide incentives that are high enough to cover the
8 incremental cost difference between standard and high efficiency equipment at a
9 minimum, and for the most energy burdened customers the incentives need to cover as
10 much of measure cost as possible. The walk-through audit should result in a written
11 summary of the recommended energy saving measures, cost estimates for each measure,
12 anticipated energy savings in dollars, percent of energy to be saved, kW, and Therms.
13 The Company should be prepared to provide referrals to trade allies, if needed by the
14 property owner. The Income Eligible program must continue co-delivery of incentives
15 with the natural gas utility, Spire. Missouri EEFA and our other allies look forward to
16 working with the Company to make sure the program meets these delivery parameters.

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

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

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

9 **Q: What role do contractors play in your recommendations?**

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

18 The Company should invest resources in educating contractors and affordable
19 housing providers on energy saving behaviors and how to properly use new equipment.
20 Currently, the Company has energy saving tips on their website and includes energy
21 saving tips on bill inserts, but these initiatives are not sufficient. The Company and
22 implementers should collaborate with affordable housing providers and low-income
23 stakeholders on delivering educational information to communities. It is imperative for

1 residents to understand the correlation between occupant behavior and energy use.
2 Company should support this educational campaign as described.

3 I and other EEFA stakeholders look forward to working with the Company to
4 identify community leaders that can take part in this outreach approach.

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

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

17 **Q: What is your recommendation with respect to how the recent Federal Inflation**
18 **Reduction Act should work with Ameren Missouri's programs?**

19 A: Missouri EEFA believes strongly that consumers must be allowed to combine as many
20 different incentives from as many sources as possible, such as IRA HOMES and
21 HEEHRA programs, and any other federal and state tax incentive programs. This is
22 particularly true in the case of affordable housing and low-income communities. Electric
23 utilities are the essential delivery channel for energy efficiency resources, and they will

1 be the primary way households are able to take advantage of these new Federal
2 incentives. We strongly encourage the Commission to allow for utility-sponsored
3 residential efficiency programs to be utilized together with Federal IRA incentives. The
4 Company should work closely with the Missouri Division of Energy on their roll-out of
5 IRA HOMES and HEEHRA programs, ensuring that contractors and consumers are
6 aware of and combine these incentives with the Company's own programs. The
7 Company's implementer and trade allies should be educated on IRA HOMES and
8 HEEHRA programs, and any other federal and state tax incentive programs, so
9 consumers are offered these incentives in tandem with the utility incentive.

10 **Q: What other recommendations do you have for the Commission?**

11 A: Reiterating my above request, the Commission should ensure that electric and gas
12 residential efficiency programs are able to stack alongside Federal IRA incentives. This
13 means that the Company's proposed residential programs be given full savings
14 attribution, even when utility incentives are one among several in the incentive stack.
15 This is the approach taken in most, if not all, of the Midwestern utility jurisdictions of
16 which I am aware. Missouri should be no exception. Without utility involvement in the
17 efficiency marketplace, I have serious doubts as to how the Federal resources earmarked
18 for Missouri will ever be spent. Failure to allow this incentive stacking will effectively
19 end implementation of the MEEIA statute and squander the decade of energy efficiency
20 experience that the Company and its contractors have developed.

21 In the event that the Commission decides not to allow Federal incentives to stack
22 alongside utility incentives with full savings attribution, I strongly encourage the
23 Commission to make an exception for the Income-Eligible programs. I believe this is

1 supported by the statute at Section 393.1075.3, RSMo., which recognizes that programs
2 targeted to low-income customers should be treated as a special case. We have the unique
3 opportunity to reach residents that have never been able to take advantage of Ameren
4 energy efficiency programs in any form, due to the barriers of upfront cost and the split
5 incentive. Allowing Ameren Missouri to combine its own incentives with the HOMES
6 and HEEHRA funds can, in some cases, approach covering all of the measure costs for
7 many buildings. This is a temporary opportunity in the next few years to install costly
8 HVAC and insulation measures and create a generation of savings for those residents that
9 need it the most. We should not pass this opportunity by.

10 **Q: Does this conclude your testimony?**

11 **A:** Yes it does.

