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Emily Piontek Testimony
Surrebuttal
File No. EO-2023-0136

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MISSOURI PUBLIC SERVICE COMMISSION

EO-2023-0136

SURREBUTTAL TESTIMONY

OF

EMILY PIONTEK

ON BEHALF OF

RENEW MISSOURI ADVOCATES

May 30, 2024

1 **INTRODUCTION**

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

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

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

6 A: Yes. I submitted Rebuttal Testimony on behalf of Renew Missouri in this case, as well as
7 previous testimony in Case Nos. EA-2023-0286 and EA-2019-0374.

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

9 A: The purpose of my surrebuttal is to respond to rebuttal testimony submitted by the Staff
10 of the Commission and the Office of Public Counsel, namely the testimonies of Amy
11 Eichholz, Francisco Del Pozo, Brad Fortson, Mark Kiesling, and Dr. Geoff Marke.

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

13 A: I refute the overarching viewpoint from the witnesses named above that Ameren
14 Missouri’s MEEIA Cycle IV portfolio is redundant to non-utility programs, including
15 Inflation Reduction Act (“IRA”) incentives for energy efficiency. I assert that the utility
16 is an essential actor in implementing energy efficiency and particularly in reducing
17 barriers to residential technology adoption, including via subsidization. I suggest that
18 concerns about EM&V of the proposed portfolio be addressed separately from this case
19 and well in advance of a future MEEIA cycle. Finally, I remind the parties that avoiding
20 new generation due to MEEIA demand-side programs is not a condition for approval.

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

22 A: As in my Rebuttal Testimony, I argue that the Commission should approve Ameren
23 Missouri’s portfolio as filed. More to the point, I believe that the Commission should

1 recognize the critical role of electric utilities in advancing energy efficiency measures –
2 especially within the residential sector – by incentivizing the Company to implement all
3 Cycle IV programs that pass the Total Resource Cost Test (“TRC”).

4 **Q: Could you please summarize the arguments of Staff and OPC about the role of the**
5 **Company in delivering energy efficiency programs?**

6 A: Witnesses Amy Eichholz, Francisco Del Pozo, Mark Kiesling, and Dr. Geoff Marke
7 argue that new federal incentives for energy efficiency via the IRA, state weatherization
8 programs, and energy efficiency programs provided by non-profit organizations (e.g.,
9 community action agencies or “CAAs”) render Ameren Missouri’s role in providing and
10 delivering energy efficiency programs obsolete.¹ Staff Witness Amy Eichholz goes so far
11 as to claim that Ameren’s programs “are very likely not the driver of the customer’s
12 participation.”²

13 **Q: What does this view overlook regarding the role of the Company in achieving**
14 **demand savings?**

15 A: The Witnesses named above have the role of utility and non-utility entities backwards.
16 They are suggesting that new (yet unrealized) federal funding suddenly makes the role of
17 Ameren Missouri’s MEEIA programs obsolete. I assert that the opposite is true.
18 Missouri’s CAAs have historically struggled to disburse federal energy assistance and
19 weatherization funding for several reasons, including that staff capacity, staff turnover,
20 and a trained workforce confound their ability to engage and earn the trust of income-
21 eligible households. The same can be said of the Missouri Division of Energy (“DE”).

¹ Missouri Public Service Commission Docket EO-2023-0136. See Rebuttal Testimony of Mr. Del Pozo, p.8:1-6; Rebuttal Testimony of Amy. Eichholz, p. 5-6, lines 10-21, 1-4; Rebuttal Testimony of Mr. Kiesling, p. 2-7; and Rebuttal Testimony of Dr. Geoff Marke, p. 24-25 (April 26, 2024).

² Eichholz Rebuttal Testimony, p. 5-6, lines 20-21.

1 Furthermore, the reach of CAAs is generally limited to low-income utility customers,
2 meaning that households that don't qualify for energy assistance or weatherization (yet
3 could still benefit greatly from utility and/or non-utility incentives) would be overlooked
4 under the scheme laid out by these witnesses, whereby CAAs and/or other public or non-
5 profit entities (e.g., DE, local governments) would replace Ameren in conducting
6 program outreach and delivery. Customers know who their utility is, and generally turn to
7 their utility company first in matters of energy savings. Market research from 2023 shows
8 that (1) utilities providing a portfolio of energy-management programs earn higher
9 consumer trust scores, and (2) Ameren Missouri is among the most trusted energy
10 utilities in the Midwest.³

11 Utilities can identify customers with high demand and/or unaffordable bills who
12 may benefit from energy savings measures. Utilities have the data to do this analysis
13 across their rate base; they are capable of targeting demand-side programs to those
14 households or sectors; and they can assist such customers with program participation. In
15 short, the utility is the entity best equipped to deliver energy efficiency programs, yet
16 Staff and OPC Witnesses are proposing to basically delete Ameren from the picture. I
17 urge the Commission to keep Ameren engaged in the practice of providing residential
18 energy efficiency. Regulated utilities – as monopoly companies with captive customers –
19 have the resources, the captive market, and the incentive (via MEEIA) to play this role.

³ 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/>

1 **Q: How then do you respond to OPC Witness Dr. Geoff Marke, who lists “naturally**
2 **occurring” energy efficient technology adoption as a key challenge to MEEIA**
3 **(p.2)?⁴**

4 A: In response to the view of Dr. Marke, I will rely on both anecdotal and academic
5 examples. Anecdotally, I recently purchased a pre-owned Plug-In Hybrid Electric
6 Vehicle (“PHEV”) upon being prompted to explore subsidies for electric vehicles
7 (“EVs”) and my city utility’s own rebate program for EV chargers by my city
8 sustainability office. While I was already in the market for a vehicle, I had not yet
9 committed to purchasing a PHEV due to affordability concerns. However, upon receiving
10 an Earth Day email from the Columbia Office of Sustainability, I realized that a pre-
11 owned EV or PHEV might be within the reach of my budget. This communication
12 prompted me to research EV affordability in earnest and eventually, to purchase a PHEV
13 and utilize the federal tax credit as a point-of-sale rebate to bring down the cost of the car.
14 While I work in the energy policy sphere, vehicle electrification – including familiarity
15 with utility and non-utility subsidies for EVs – is beyond the scope of my work.
16 Furthermore, as an individual who is not very much interested in cars, I am easily
17 overwhelmed by any and all questions related to the replacement of a personal vehicle of
18 any kind (e.g., those with internal combustion engines, hybrids, or EVs). However, *the*
19 *combination of* explainers from trusted entities (the Columbia Office of Sustainability
20 and Columbia Water & Light) and both the utility and non-utility financial incentives
21 provided me with (a) the information and (b) the assurance of affordability that ultimately
22 led me to complete my vehicle search by purchasing the PHEV and home-charging

⁴ PSC Docket EO-2023-0136, Dr. Marke Rebuttal Testimony, p.2:6-13.

1 equipment. I am confident that I would not have made that specific purchase without both
2 the communication and the financial incentive from my utility.

3 It turns out that my decision to adopt an energy efficient technology – what would
4 be referred to in the academic literature as “behavior change” – is a well-studied
5 phenomena with policy implications that suggest the critical importance of both subsidies
6 and promotion in effecting residential energy efficiency adoption, particularly for
7 measures that are costly or that require a great deal of a resident’s time and energy to
8 complete. A 2019 systematic review of studies on household energy efficiency adoption
9 underlined the importance of policy design in removing barriers (including structural,
10 economic, and behavioral) to move the residential sector to adopt energy efficiency
11 measures, whether through tax reductions, subsidies, discounts, prohibitions, or
12 educational and promotional efforts.⁵ Importantly, the review revealed the critical
13 entwined role of subsidies and educational campaigns for energy efficiency measures
14 with high capital costs (e.g., residential heating, wall insulation, heat pumps, EVs).
15 Additionally, the review authors also found that behavioral barriers (e.g., inertia, risk
16 aversion, and persistence with sunk costs) limit the extent to which consumers pursue
17 energy efficiency measures. While technological advancements, appliance and market
18 standard improvements, and other factors influence consumer choices, the literature on
19 household energy efficiency adoption makes clear that “prompting” consumer behavior
20 with a suite of solutions to structural, economic, and behavioral barriers is key.

⁵ Laurens X.W. Hesselink and Emile J.L. Chappin. Renewable and Sustainable Energy Reviews 99 (2019) 29-41. “Adoption of energy efficient technologies by households – Barriers, policies and agent-based modelling studies”. Accessed at: <https://www.sciencedirect.com/science/article/pii/S1364032118306737>

1 **Q: On the topic of subsidies, how do you respond to rebuttal testimony opposing the**
2 **“stacking” of utility and non-utility residential incentives?**

3 A: As in my own rebuttal testimony, I again hold that stacking Ameren incentives with new
4 federal incentives (particularly the Home Energy Rebates), is not only permissible but
5 *should be encouraged*. For their parts, Staff Witnesses Francisco Del Pozo, Amy
6 Eichholz, and Mark Kiesling and OPC Witness Dr. Geoff Marke restate their positions
7 that non-utility programs render residential utility programs unnecessary.⁶ As I also stated
8 in my Rebuttal Testimony, I would like to reemphasize the following points:

- 9 1. Given that the Division of Energy has indicated a late 2024 application to DOE
10 for Missouri’s share of the funding, the rebates are unlikely to be available to
11 Missouri customers until late in the MEEIA Cycle IV timeline (if at all).
- 12 2. The design and implementation of the Home Energy Rebates program is yet to be
13 determined, and it is entirely possible that only a fraction of Missouri’s allotment
14 will be allocated by DE to the Ameren service territory.
- 15 3. There is significant political uncertainty surrounding implementation of the Home
16 Energy Rebates in Missouri, due (in part) to the gubernatorial and presidential
17 elections on the horizon.
- 18 4. It is premature to eliminate a program that has been unlocking energy efficiency
19 potential for nearly a decade at the hint – and unrealized promise – of the IRA.

20 For these reasons, I again encourage the Commission to seize a golden opportunity by
21 permitting and encouraging incentive stacking through approval of the Ameren MEEIA
22 Cycle IV residential programs so that utility and non-utility solutions to economic

⁶ PSC Docket EO-2023-0136. See Rebuttal Testimony of Dr. Marke, p.2:6-13; Rebuttal Testimony of Mr. Del Pozo, p.8:1-6; Rebuttal Testimony of Ms. Eichholz, p.5-6:10-21, 1-4; and Rebuttal Testimony of Mr. Kiesling, p.2-7.

1 barriers that inhibit energy efficient technology adoption can be paired for maximum
2 effect.

3 **Q: Will Ameren’s voluntary time-of-use rates prompt behavior change and result in**
4 **energy efficient technology adoption that achieves equivalent demand savings?**

5 A: OPC Witness Dr. Marke states that Ameren’s time-of-use (“TOU”) rates constitute a
6 “more certain, efficient, and a more cost-effective” alternative to the company’s MEEIA
7 Cycle IV portfolio.⁷ However, the efficacy of Ameren’s new *voluntary* TOU rates
8 remains to be seen; a critical factor here is that these “Off-Peak/On-Peak” rate options are
9 only *voluntary*. There is no guarantee that enough residential customers will enroll in
10 these rates to the extent they result in significant demand savings. Furthermore, as I noted
11 in my Rebuttal Testimony, there is a great deal of controversy surrounding TOU rates,
12 which were politicized during Evergy Missouri’s implementation of the billing program
13 as mandated by the Commission, which I fear will negatively impact Ameren customer
14 enrollment in turn. While we encourage Ameren to develop universal *opt-out* TOU rates
15 or to implement targeted pilot TOU rate programs, Ameren’s demand-side initiative – as
16 currently structured – is an inadequate alternative to MEEIA at this time.

17 **Q: How do you respond to concerns that the EM&V process is inadequate?**

18 A: OPC Witness Dr. Marke is concerned with the evaluation, measurement, and verification
19 (“EM&V”) of claimed (and cost-recoverable) savings. Specifically, his concerns are that
20 savings are overstated and that evaluations do not take the rebound effect into account
21 (see “Challenges 2, 4, and 5” on pp.3-4). Accuracy in energy savings attribution is
22 certainly important; an entire commercial sector has grown up to assist utility companies

⁷ PSC Docket EO-2023-0136, Dr. Marke Rebuttal Testimony, p.39:3-13. (April 26, 2024).

1 and stakeholders in doing this. Here, I would like to suggest to the Commission that
2 issues with energy savings accounting methods be addressed in a process outside of this
3 MEEIA proceeding. Further, given that concerns with EM&V were also raised in Direct
4 Testimony by Witnesses Mr. Fortson, J Luebbert, Hari Poudel, Justin Tevie, and Dr.
5 Marke, I encourage the Commission to open such a proceeding in enough time to
6 influence any *future* MEEIA application.⁸

7 **Q: Relatedly, how do you respond to the concerns of Staff Witness Brad Fortson and**
8 **OPC Witness Dr. Marke that Ameren’s MEEIA Cycle IV portfolio will not result in**
9 **deferred or avoided investments?**⁹

10 A: It is *not* a requirement of the MEEIA statute that demand savings from MEEIA programs
11 result in avoided or deferred investment in new supply-side generation; rather, the statute
12 requires only valuing demand-side programs in the same way that traditional investments
13 would be valued and allowing cost-recovery for cost-effective programs. The fact that the
14 law directs applications to include report(s) of any impact on supply-side investments or
15 retirements is not the same as requiring such an impact, as Mr. Fortson suggests it is.¹⁰ As
16 noted above, programs that pass the TRC demonstrate that their benefits exceed their
17 costs. If Ameren’s portfolio of programs is passing the TRC, as their application shows,
18 then these measures are being shown to be cost-effective and the merit of pursuing these
19 measures is unchanged. The Commission has the discretion to decide whether

⁸ PSC Docket EO-2023-0136, Direct Testimony of Brad Fortson, J Luebbert, Hari Poudel, Justin Tevie, and Dr. Geoff Marke. Filed March 1, 2024.

⁹ PSC Docket EO-2023-0136. See Rebuttal Testimony of Dr. Marke (p.4:1-4) and Rebuttal Testimony of Brad Fortson (p.6:14-23 and p.7:1-14). Filed April 26, 2024.

¹⁰ See § 393.1075.4, RSMo and 20 CSR 4240-20.094(4)(C)4.

1 incentivizing energy efficiency in this way is worthwhile or not. If the Commissioners
2 view MEEIA as the best way to incentivize utilities to pursue energy efficiency in the
3 absence of an Energy Efficiency Resource Standard or other state mandate to do so, then
4 I urge approval of the Company's application.

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

6 A: Yes, it does.

7

