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Staff – Exhibit 214
Mark Kiesling Testimony
Surrebuttal
File No. EO-2023-0136

Exhibit No.:
Issue(s): *Business Programs,
IRA Funding,
Attribution*
Witness: *Mark Kiesling*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Surrebuttal Testimony*
Case No.: *EO-2023-0136*
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MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

ENERGY RESOURCES DEPARTMENT

SURREBUTTAL TESTIMONY

OF

MARK KIESLING

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

CASE NO. EO-2023-0136

*Jefferson City, Missouri
May 2024*

1 **SURREBUTTAL TESTIMONY OF**

2 **MARK KIESLING**

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

5 **CASE NO. EO-2023-0136**

6 Q. Please state your name and business address.

7 A. My name is Mark Kiesling, and my business address is Missouri Public Service
8 Commission, P. O. Box 360, Jefferson City, Missouri 65102.

9 Q. Are you the same Mark Kiesling that filed direct and rebuttal testimony in
10 this case?

11 A. Yes.

12 Q. What is the purpose of your surrebuttal testimony?

13 A. My surrebuttal testimony addresses portions of the rebuttal testimony of
14 Office of the Public Counsel (“OPC”) witness Dr. Geoff Marke, rebuttal testimonies of
15 Union Electric Company, d/b/a Ameren Missouri (“Ameren Missouri”) witnesses Neil Graser
16 and Timothy E. Via, Renew Missouri witness Dana Grayand and Emily Piontekand, and
17 Natural Resources Defense Council witness Stacy Sherwood.

18 **BUSINESS PROGRAMS**

19 Q. What portions of Dr. Marke’s rebuttal testimony are you specifically
20 addressing?

21 A. I will address Dr. Marke’s discussion on the proposed business programs in
22 Ameren Missouri’s amended Missouri Energy Efficiency Investment Act (“MEEIA”)
23 Cycle 4 application.

24 Q. What specifically does Dr. Marke state about the proposed business programs?

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1 A. Dr. Marke specifically talks about how the currently drafted business programs
2 do not have a cap on the incentives that can be allocated for lighting projects and how the
3 Energy Independence and Security Act (“EISA”) lighting standards have increased the
4 efficiency of lighting available in the market place.¹

5 Q. Does Staff agree with Dr. Marke’s recommendation that absent a cap on the
6 business lighting expenditures these programs will be entirely driven by lighting sales?²

7 A. Yes, Staff agrees with Dr. Marke’s assessment of what could be the driving
8 factor for the proposed business programs if no cap is put on lighting projects. Staff also agrees
9 with Dr. Marke’s statements about how the lighting market is inundated with higher efficient
10 lighting because it has been mandated to do so because of the higher EISA standards
11 for lighting.

12 Q. Does Ameren Missouri address how the EISA standards could affect their
13 business programs that offer incentives for lighting projects?

14 A. Ameren Missouri witness Timothy E. Via states in his rebuttal testimony that:
15 “All of the lighting that we currently incentivize in the Business energy efficiency programs
16 and included in the Plan are not affected by EISA or any other federal code.”³

17 Q. Does Staff have a concern with this?

18 A. Yes. Staff is concerned about what lighting incentives could be offered in the
19 business programs if Ameren Missouri is not offering lighting in compliance with
20 EISA standards. If Ameren Missouri is not offering incentives for EISA standard lighting then
21 what kind of lighting are they incentivizing? It is Staff’s position that ratepayers should not be

¹ Geoff Marke Rebuttal Testimony in EO-2023-0136, pg 12, lines 1 thru 21.

² Geoff Marke Rebuttal Testimony in EO-2023-0136, pg 12, lines 15 thru 21

³ Timothy E. Via Rebuttal Testimony in EO-2023-0136, pg 35, lines 13 thru 15.

1 funding programs that are not at the very least promoting energy efficient products that meet
2 the standards set forth by the EISA standards that are mandated by the Federal Government.

3 **IRA FUNDING.**

4 Q. In his rebuttal testimony, Ameren Missouri witness Timothy E. Via talks about
5 Inflation Reduction Act (“IRA”) funding and how the amount that will be available to
6 Ameren Missouri customers is only a certain percentage of the available funds.⁴ Does Staff
7 agree with Mr. Via’s assumption of the percentage of funds available to Ameren Missouri
8 customers?

9 A. No, Staff does not agree with Mr. Via’s assumption of the assumed percentage
10 of funds available to Ameren Missouri customers. Missouri Department of Natural Resources
11 (“MODNR”) has stated that there is currently no plan to limit the amount of funds available to
12 a particular area or region of the State.

13 Q. Is there any additional information that Mr. Via addresses regarding
14 IRA funding?

15 A. Yes. Mr. Via states in his rebuttal testimony, “MoDNR held a series of both
16 in-person and virtual meetings to offer information on the Inflation Reduction Act Home
17 Energy Rebates Programs and provide opportunities for public comments. Per those meetings,
18 MoDNR will submit applications for funding in September and procure implementation
19 contractor
20 in 2025 (one year process). The MoDNR will implement and launch programs in 2026.”⁵

⁴ Timothy E. Via Rebuttal Testimony in EO-2023-0136, pg 24, lines 3 thru 11.

⁵ Timothy E. Via Rebuttal Testimony in EO-2023-0136, pg 24, lines 19 thru 22 and pg 25 line 1..

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1 Q. Does Staff agree with Mr. Via's statement that no IRA funds will be available
2 to implement and launch programs in 2025?

3 A. No. Staff does not agree with Mr. Via's statement. Staff understands that
4 MODNR has a process to follow once IRA funds are released to them, but Staff further
5 understands that there is potential for some funds to be available in 2025 to implement and
6 launch programs.

7 **ATTRIBUTION.**

8 Q. Does Ameren Missouri speak to how it plans to account for free-ridership from
9 IRA participants and customers also using MEEIA incentives?

10 A. In Ameren Missouri witness Neil Graser's rebuttal testimony, Mr. Graser talks
11 about how Ameren expects the independent, third-party program evaluator to develop questions
12 that will account for attribution.⁶

13 Q. Is this an accurate way to account for free-ridership within the
14 MEEIA programs?

15 A. No. Staff is not convinced that this will be an accurate way to account for
16 free-ridership. Often times these surveys are conducted several months after the incentives are
17 sent to the customer. It is hard to verify if the information that is being collected is an accurate
18 assessment of what was really the driving factor for the energy efficiency upgrade.
19 It is extremely unlikely that program participants will be able to determine the influence that
20 each program had on their decision through a survey. Staff reached out to its independent
21 contractor, Evergreen Economics, about how it suggests to account for attribution with the

⁶ Neil Graser Rebuttal Testimony in EO-2023-0136, pg 17, lines 13 thru 19.

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1 IRA funds and MEEIA programs. Evergreen Economics stated it does not recommend that a
2 net impact attribution analysis be attempted using the usual self-report survey approach.

3 Q. Does Staff agree with Evergreen Economics statement on the self-reporting
4 survey approach?

5 A. Yes. Staff agrees with Evergreen Economics that this method would not be an
6 effective way to account for attribution given the likelihood that program participants will be
7 unable to determine the relative influence of each program through a survey.

8 Q. How does Evergreen Economics suggest attribution could be accounted for?

9 A. Evergreen Economics suggests that the DOE IRA projects be excluded entirely
10 from the Ameren Missouri savings claims. If participates in the IRA and Ameren Missouri
11 MEEIA programs are to be included, Evergreen Economics further suggest a negotiated
12 net-to-gross ratio that is very low (e.g. 10%). This low rate would reflect the dominant influence
13 provided by the IRA programs for these projects.

14 Q. Does Staff agree with Evergreen Economics on how the IRA projects should be
15 accounted for?

16 A. Yes. Staff agrees with Evergreen Economics' assessment that if IRA projects
17 are to be included at all, that a very low amount, such as 10%, should be allowed.

18 Q. Are there others that propose ways to account for free-ridership?

19 A. Yes, besides Ameren Missouri witness Mr. Graser,⁷ Ameren Missouri witness
20 Mr. Via,⁸ Renew Missouri witnesses Dana Gray⁹ and Emily Piontek,¹⁰ and Natural Resources

⁷ Neil Graser Rebuttal Testimony in EO-2023-0136

⁸ Timothy Via Rebuttal Testimony in EO-2023-0136

⁹ Dana Gray Rebuttal Testimony in EO-2023-0136

¹⁰ Emily Piontek Rebuttal Testimony in EO-2023-0136

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1 Defense Council witness Stacy Sherwood¹¹ all discuss how the IRA funds should be blended
2 with the MEEIA programs.

3 Q. Does Staff agree with this concept?

4 A. No. Staff disagrees with this concept. If the IRA funds were blended with
5 MEEIA program funds there would be practically no way to account for free-ridership.
6 There would be no way to identify what the driving force would be for any energy efficiency
7 upgrades. Ratepayers would be on the hook for millions of dollars of incentives that likely are
8 not the main driving force for the upgrades.

9 Q. Does this conclude your surrebuttal testimony?

10 A. Yes, it does.

¹¹ Stacy Sherwood Rebuttal Testimony in EO-2023-0136

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 MARK KIESLING

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW MARK KIESLING and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Surrebuttal Testimony Mark Kiesling*; and that the same is true and correct according to his best knowledge and belief.

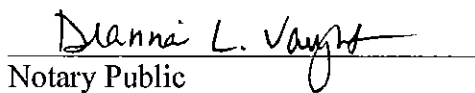
Further the Affiant sayeth not.


MARK KIESLING

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 29th day of May 2024.

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2027
Commission Number: 15207377


Notary Public