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**MISSOURI PUBLIC SERVICE COMMISSION**

**FILE NO. GR-2024-0369**

**DIRECT TESTIMONY**

**OF**

**SHELLY R. HARMON**

**ON**

**BEHALF OF**

**UNION ELECTRIC COMPANY**

**D/B/A AMEREN MISSOURI**

**St. Louis, Missouri  
September, 2024**

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**DIRECT TESTIMONY**

**OF**

**SHELLY R. HARMON**

**FILE NO. GR-2024-0369**

**I. INTRODUCTION**

1

**Q. Please state your name and business address.**

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3 A. My name is Shelly R. Harmon. My business address is One Ameren Plaza,  
4 1901 Chouteau Ave., St. Louis, Missouri.

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**Q. By whom are you employed and what is your position?**

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6 A. I am employed by Ameren Missouri as Manager, Energy Efficiency.

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**Q. Please describe your educational background and employment  
8 experience.**

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9 A. In 2002, I graduated from Webster University with a Masters in Business  
10 Administration and subsequently earned a certification with the Project Management  
11 Institute in project management and program management. I've served in various positions  
12 within Ameren Missouri in my 30-year tenure. Most notably as a supervisor in the customer  
13 contact center leading a team of customer service representatives for eight years. I  
14 transferred to the energy efficiency team in 2008, leading aspects of the business programs  
15 as a program supervisor, then moved to a manager's role leading the residential energy  
16 efficiency programs in 2016. In 2022, my responsibilities were expanded to include the  
17 income eligible programs.

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1 proposing that the allocation for energy efficiency programs not only include residential  
2 PAYS<sup>®</sup> but also include co-delivery of income eligible programs. I propose to continue the  
3 existing two-way tracker for energy efficiency program costs.

4 **Q. Does Ameren Missouri currently run natural gas energy efficiency**  
5 **programs?**

6 A. Yes, Ameren Missouri currently has an offering available for Ameren  
7 Missouri's Residential natural gas rate classes; the PAYS<sup>®</sup> program. Under the PAYS<sup>®</sup>  
8 program, rebates are provided to residential customers who replace equipment such as  
9 boilers, furnaces, insulation, thermostats, and hot water measures such as faucet aerators  
10 and showerheads. The cost for upgrades is financed through the program and repaid over  
11 time on the customer's bill. The PAYS<sup>®</sup> Natural Gas program is co-delivered with the  
12 electric PAYS<sup>®</sup> program.

13 **Q. Why are you proposing to add an additional program offering?**

14 A. At the current budget and participation levels, the PAYS<sup>®</sup> program may  
15 underspend annual budgets. By offering co-delivery of natural gas programs with the  
16 electric income eligible programs, the program can provide energy efficiency opportunities  
17 to a wider network of customers. Similar to the PAYS<sup>®</sup> program, the income eligible  
18 programs will allow customers to participate in efficiency programs with little to no upfront  
19 capital investment while also offering more comprehensive whole home upgrades.

20 **Q. Describe the proposed co-delivered multi-family and single-family income-**  
21 **eligible program offerings?**

22 A. The multi-family income-eligible program offering will use a one-stop-shop  
23 concierge approach to assist property owners through the process of applying for and

1 securing energy efficiency upgrades using a single application. The program helps multi-  
2 family property managers understand their buildings energy usage amounts, achieve  
3 immediate energy savings through low or no-cost direct install water consumption  
4 reduction and heat retention measures, and move beyond initial measures to investments  
5 in standard and/or custom measures for common areas, building shell, and whole-building  
6 systems to benefit from deeper energy savings.

7         The direct-install measures may include smart thermostats, programmable setback  
8 thermostats, low-flow faucet aerators, low-flow showerheads, insulating water-heater pipe  
9 wrap, and furnace clean and checks. The Program may also provide incentives to property  
10 owners for other eligible natural gas measures, such as furnace or boiler upgrades and water  
11 heating equipment upgrades for the multi-family property. Custom measures may also be  
12 offered and are defined as less common energy efficiency measures, or the integration of a  
13 number of measures to achieve significant energy savings. All custom measures must  
14 receive a pre-approval commitment from the Program Administrator whether for tenants'  
15 units, common areas, building shell, or whole building systems.

16         The single-family income-eligible program will be offered to residential customers  
17 residing in single family detached housing, duplexes, and mobile homes (wood-frame  
18 bolted to steel chassis, designed to be transported). The program will use a targeted  
19 neighborhood approach and collaborate with community-based organizations to identify  
20 income-eligible areas with the greatest need such as those with high energy usage, and high  
21 incidence of arrearages or payment delinquencies. The program will provide energy  
22 assessments and/or diagnostic testing and install a comprehensive package of whole house  
23 energy saving measures at no cost to customers. The direct-install measures for individual

1 dwelling units may include programmable thermostats, learning thermostats, low-flow  
2 faucet aerators, low-flow showerheads, insulating water-heater pipe wrap, shower start, air  
3 sealing, ceiling insulation, furnace clean and checks. The Program may also provide  
4 incentives to property owners for other eligible natural gas measures such as furnace or  
5 boiler upgrades, and water heating equipment upgrades for the property.

6 **Q. Has Ameren Missouri co-delivered natural gas programs for the income-**  
7 **eligible programs before?**

8 A. Yes, Ameren Missouri currently co-delivers natural gas programs for the income  
9 eligible programs with Spire. Ameren Missouri also previously co-delivered income eligible  
10 programs with its electric and natural gas programs from September 2019 through January  
11 2022. The natural gas program changed to a PAYS<sup>®</sup> only natural gas program in February  
12 2022.

13 **Q. How will the cost be allocated to the Ameren Missouri electric energy**  
14 **efficiency programs and the Ameren Missouri natural gas programs?**

15 A. Similar to how Ameren Missouri co-delivers with Spire, the assessment and  
16 proposed energy savings measures will be developed holistically with consideration of both  
17 electric and natural gas energy costs. Predetermined allocations will be used to calculate  
18 the cost charged to the natural gas and electric budgets. The cost for each program is based  
19 on the energy and therm savings, which are then applied to the respective budgets. To  
20 establish boundaries on incentives for each measure, I propose adopting a similar approach  
21 as the Ameren Missouri electric programs by filing a specified incentive range within  
22 which payments will be made. Incentives will not exceed the full cost of the measure with

1 electric incentives and gas incentives combined. Customers will benefit from a seamless  
2 co-delivered program.

3 **Q. What customers are eligible to participate in the income eligible**  
4 **Programs?**

5 A. Approved participants will be required to meet one of the following income  
6 eligibility requirements:

- 7 1. Reside in federal, state, or local subsidized housing and fall within the  
8 subsidized housing program's income guidelines.
- 9 2. Reside in non-subsidized housing with proof of income levels at or below  
10 80% of area median income.
- 11 3. Fall within a census tract that indicates at least 85% of customers are at or  
12 below 80% of area median income.
- 13 4. Targeting underserved communities in Ameren Missouri's list of income-  
14 eligible census tracts.

15 With respect to the multi-family program, where a multi-family property does not  
16 meet one of the income eligibility criteria listed above and has a combination of qualifying  
17 tenants and non-qualifying tenants, at least 50% of the tenants must be eligible to qualify  
18 the entire property.

19 **Q. What is the scope of the proposed PAYS<sup>®</sup> and income eligible programs**  
20 **and how will cost be allocated to each program?**

21 A. As I previously noted, the proposed PAYS<sup>®</sup> and income eligible budget  
22 includes \$450,000 for administrative costs and directly installed measures. This budget is  
23 expected to finance energy efficiency upgrades on customer premises of \$1 million through



1 the PAYS program. Ameren Missouri will primarily target the market for PAYS®  
2 participants. Secondly, budget will be allocated to the income eligible programs as  
3 appropriate and available given participation trends and forecast in PAYS®.

4 **Q. How will the program savings for the PAYS® and income eligible**  
5 **programs be determined?**

6 A. Ameren Missouri currently co-delivers income eligible programs using  
7 savings assumptions from Spire. I propose that we continue to apply the same savings  
8 assumptions for natural gas measures used by Spire, as Spire natural gas programs are  
9 evaluated by a third-party evaluator. Savings will be determined for each custom measure  
10 through an individualized assessment. As previously mentioned, cost will be based on the  
11 therm savings for each measure, with the savings assumptions derived from Spire's  
12 evaluated savings assumptions.

13 For the PAYS® program, because of the individualized and custom assessment for  
14 each home, Ameren Missouri treats each income eligible project as a custom measure and  
15 determines savings as such.

16 Measures and program information is available on the program website; therefore,  
17 no tariffed measure list is needed to accommodate the addition of the income eligible  
18 programs.

19 **Q. What does the \$450,000 program implementation budget include?**

20 A. The budget includes several items: administrative cost, marketing cost,  
21 payments to the administrator for tiered costs (including installation of direct install gas

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1 measures for the PAYS<sup>®</sup> program and direct install gas measures for the income eligible  
2 programs), and gas energy efficiency upgrades for the income eligible programs.

3 **Q. Does this conclude your direct testimony?**

4 **A. Yes, it does.**

