

**Exhibit No:** \_\_\_\_\_  
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**Witness:** Shaylyn Dean  
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**Sponsoring Party:** Spire Missouri Inc.  
**Case Nos.:** GR-2025-0107  
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**SPIRE MISSOURI INC.**

**GR-2025-0107**

**DIRECT TESTIMONY**

**OF**

**SHAYLYN DEAN**

## TABLE OF CONTENTS

<b>DIRECT TESTIMONY OF SHAYLYN DEAN .....</b>	<b>1</b>
<b>I. INTRODUCTION .....</b>	<b>1</b>
<b>II. PURPOSE OF DIRECT TESTIMONY .....</b>	<b>2</b>
<b>III. RESIDENTIAL ENERGY EFFICIENCY (“EE”) SUGGESTED TARIFF CHANGES .....</b>	<b>3</b>
<b>IV. COMMERCIAL &amp; INDUSTRIAL (“C&amp;I”) TARIFF CORRECTIONS .....</b>	<b>4</b>
<b>V. WEATHERIZATION PROGRAM.....</b>	<b>5</b>
<b>VI. RED TAG PROGRAM.....</b>	<b>7</b>
<b>VII. ON-BILL FINANCING PROGRAM.....</b>	<b>7</b>
<b>VIII. CO-DELIVERY PROGRAMS .....</b>	<b>8</b>
<b>IX. PAY AS YOU SAVE (PAYS®).....</b>	<b>9</b>
<b>X. NATURAL GAS HEAT PUMP PILOT.....</b>	<b>12</b>
<b>XI. CONSERVATION .....</b>	<b>13</b>
<b>XII. CONCLUSION.....</b>	<b>18</b>

**DIRECT TESTIMONY OF SHAYLYN DEAN**

**I. INTRODUCTION**

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**Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

A. My name is Shaylyn Dean, and my business address is 7500 E 35th Terrace, Kansas City, Missouri 64129.

**Q. WHAT IS YOUR PRESENT POSITION?**

A. I am the Director of External Affairs for Spire Missouri Inc. (“Spire Missouri” or the “Company”).

**Q. PLEASE STATE HOW LONG YOU HAVE HELD YOUR CURRENT POSITION AND BRIEFLY DESCRIBE YOUR RESPONSIBILITIES.**

A. On February 21, 2022, I was promoted to Director of External Affairs for Spire Missouri, and I have been in my current role for 2.5 years. I oversee the Energy Efficiency Portfolio, which includes the Residential, Commercial & Industrial, as well as Co-Delivery rebate/incentive programs and our Pay As You Save (“PAYS®”) program. My team represents the Company at our quarterly Energy Efficiency Collaborative meetings. The Collaborative includes the Missouri Public Service Commission (“MPSC” or “Commission”) Staff, Office of Public Counsel (“OPC”), Department of Natural Resources/Division of Energy, and Renew Missouri.

**Q. WHAT WAS YOUR EXPERIENCE PRIOR TO ASSUMING YOUR CURRENT POSITION?**

A. I started working at Missouri Gas Energy (“MGE”), now Spire Missouri, in 2012 as a Customer and Community Relations Advisor. In this role, I handled MPSC complaints and collaborated with community stakeholders on various programs, including the Low-

1 Income Home Energy Assistance Program (“LIHEAP”) and Weatherization. In March of  
2 2015, I was promoted to Energy Efficiency Specialist for the legacy MGE territory, where  
3 I was responsible for overseeing the Energy Efficiency programs. My next promotion came  
4 on September 8, 2017, when I was selected as the Manager of Energy Efficiency programs  
5 for Spire Missouri, with responsibility for overseeing Energy Efficiency programs  
6 statewide. Before joining Spire Missouri, I managed the LIHEAP Program at United  
7 Services Community Action Agency, now known as Community Action of Greater Kansas  
8 City.

9 **Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?**

10 A. I obtained my Master’s Degree in Public Administration with a focus on Urban  
11 Administration and Policy from the University of Missouri-Kansas City (“UMKC”).  
12 Additionally, I earned a Professional Certificate in Community Economic Development  
13 while studying at UMKC. Before attending UMKC, I completed my Bachelor of Arts  
14 degree at the University of Iowa.

15 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY BEFORE THIS**  
16 **COMMISSION?**

17 A. Yes, I submitted testimony in the following Spire Missouri proceedings; Case Nos. GR-  
18 2017-0215 and GR-2017-0216, Case No. GO-2021-0126, and Case No. GR-2021-0108.

19 **II. PURPOSE OF DIRECT TESTIMONY**

20 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

21 A. The purpose of my direct testimony is to highlight Spire Missouri’s ongoing efforts  
22 regarding our energy efficiency portfolio, providing insight into key items, and discussing  
23 potential enhancements for our customers. I will also touch on our income eligible program

1 offerings, which include Weatherization as well as our co-delivery efforts with our Electric  
2 Utility partners. I will close this testimony by discussing the PAYS® program, introducing  
3 a Natural Gas Heat Pump Pilot, and lay out Spire Missouri’s position regarding our overall  
4 conservation efforts.

5 **III. RESIDENTIAL ENERGY EFFICIENCY (“EE”) SUGGESTED TARIFF**

6 **CHANGES**

7 **Q. PLEASE EXPLAIN SPIRE MISSOURI’S RESIDENTIAL HIGH ENERGY**  
8 **EFFICIENCY PROGRAM.**

9 A. Spire Missouri offers energy efficiency rebates for the installation of high-efficiency  
10 furnace and boiler heating systems, water heater tank and tankless systems, and smart  
11 thermostats. Complete details on Spire Missouri’s Residential EE Program can be found  
12 in Tariff Sheet No. R-30 and R-30.1.

13 **Q. HAS SPIRE MISSOURI MADE ANY NOTABLE CHANGES TO ITS HIGH**  
14 **ENERGY EFFICIENCY PROGRAM?**

15 A. Yes. Spire Missouri is proposing a separate column for the smart Wi-Fi enabled  
16 thermostats outside of our current programmable thermostat offering, with a new rebate  
17 amount of \$75. Spire Missouri is also introducing a few new items for consumers such as  
18 Pool Heaters, Energy Star qualified Gas Dryers, and Insulation incentives. Spire Missouri’s  
19 suggested changes include:

- 20 1. Adding a separate column for Smart Wi-Fi Enabled Thermostats for an  
21 increased rebate amount of \$75.  
22 2. Adding 2 Pool Heater options:

1 a. If, greater than or equal to 84% thermal efficiency (“TE”) but less  
2 than 94% TE, then \$400.

3 b. If, greater than or equal to 94% TE, then \$750.

4 3. Adding Energy Star qualified Natural Gas Dryers in the amount of \$200.

5 4. Adding insulation an incentive option for greater than or equal to R-38 at  
6 \$.40/sq foot up to \$750 max.

7 **Q. WHY IS SPIRE MISSOURI PROPOSING ADDING THESE NEW MEASURES?**

8 A. These new items would further promote our energy efficiency efforts as Spire Missouri  
9 continues to transform the market to help our customers utilize natural gas as efficiently as  
10 possible.

11 **Q. ARE THESE REBATE AMOUNTS SIMILAR TO WHAT IS BEING OFFERED BY  
12 OTHER GAS UTILITIES?**

13 A. Yes. SoCalGas offers natural gas pool heater incentives as well as EnergyStar gas dryer  
14 rebates to customers. Black Hills offers customers insulation rebates as part of their  
15 program. New Jersey Natural Gas, SoCalGas, South New Jersey Natural Gas, and  
16 Pensacola Natural Gas all offer EnergyStar gas dryer incentives.

17 **Q. HAS SPIRE MISSOURI MADE ANY OTHER NOTABLE CHANGES TO THE  
18 RESIDENTIAL EE PROGRAM TARIFF?**

19 A. No.

20 **IV. COMMERCIAL & INDUSTRIAL (“C&I”) TARIFF CORRECTIONS**

21 **Q. IS SPIRE MISSOURI PROPOSING ANY PROGRAM CHANGES TO THE C&I  
22 TARIFF?**

1 A. Yes. Spire Missouri would like to make a couple of minor corrections to the following C&I  
2 Tariff Sheets, listed below.

3 Tariff Sheet Corrections:

4 1. Sheet No. R-30.3 correcting the language for equipment rated section of  
5 both the Gas-fired boiler tune up Non-Profit Customers and the Gas-fired  
6 boiler tune up All other C&I customers. Changing the word “turn” in both  
7 areas to reflect correctly “tune.”

8 2. Sheet No R-30.4 simply adding “(s)” at the end of the equipment section for  
9 “Gas Instantaneous Water Heater < 2 gallon” so it reads “Gas Instantaneous  
10 Water Heat < 2 gallon(s).”

11 **V. WEATHERIZATION PROGRAM**

12 **Q. COULD YOU PLEASE PROVIDE ANY RECOMMENDED CHANGES FOR THE**  
13 **WEATHERIZATION PROGRAM THAT SPIRE MISSOURI IS SUGGESTING?**

14 A. Spire Missouri has observed continued growth in the weatherization program within our  
15 western MGE legacy territory now known as Spire Missouri West. We believe the  
16 Company can further support our Community Action Agencies (“CAAs”) in distributing  
17 funding for our income-eligible customers. Spire Missouri is looking to increase the  
18 funding of Spire Missouri West by \$200,000.00 from the current level of \$750,000.00, to  
19 bring the total amount to \$950,000.00, matching our current funding level for Spire  
20 Missouri East. This would allow Spire Missouri to provide \$1.9 million to our CAA  
21 partners throughout our service area statewide.

1 **Q. OUTSIDE OF THE REQUEST TO INCREASE THE FUNDING LEVEL FOR**  
2 **SPIRE MISSOURI WEST, IS SPIRE MISSOURI SUGGESTING ANY OTHER**  
3 **CHANGES BE MADE TO THE WEATHERIZATION PROGRAM?**

4 A. Yes. Spire Missouri has made the following changes:

5 1. Redlined Section A under the terms and conditions on the Weatherization  
6 Tariff Sheet No. R-28 to accurately reflect that funding is administered by  
7 the local community action agency or non-profit partner in the Company's  
8 service territory.

9 2. Made a couple of changes to Section B to include non-profit partners within  
10 the first sentence regarding the weatherization guidelines. The additional  
11 changes in this section emphasize making the language more flexible for  
12 the community action agencies and our non-profit partners to make repairs  
13 to keep homes off the deferral list, so that customers can move forward with  
14 upgrades.

15 **Q. HOW WILL THESE CHANGES ENHANCE THE WEATHERIZATION**  
16 **PROGRAM?**

17 A. CAAs continue to get large allocations of federal funding, but those funds aren't as flexible  
18 as the utility provided funds. Utility funds can be used to address homes not eligible for  
19 further federal weatherization funding, hazardous health and safety concerns. Spire  
20 Missouri has seen this effort continue to grow since our tariff change in 2020 with CAAs  
21 utilizing more and more funding to replace hazardous appliances and health & safety  
22 related issues. Spire Missouri is also providing \$300,000 across six CAAs serving Spire  
23 Missouri East as part of the stipulation and agreement in Docket No. GR-2021-0127 to



1 perform repairs on homes that have been deferred from the weatherization program so they  
2 can then receive weatherization work on the residence.

3 **VI. RED TAG PROGRAM**

4 **Q. CAN YOU PROVIDE BACKGROUND ON THE RED TAG REPAIR PROGRAM?**

5 A. Yes. The Red Tag Repair Program is a program for income eligible customers of the  
6 Company to receive funding towards minor repairs or replacements of their gas appliances  
7 and piping in order to obtain or retain gas service.

8 **Q. COULD YOU PLEASE PROVIDE ANY RECOMMENDED CHANGES FOR THE  
9 RED TAG REPAIR PROGRAM THAT SPIRE MISSOURI IS SUGGESTING?**

10 A. Yes, Spire Missouri has made the following tariff changes:

- 11 1. Addition of water heaters as a health and safety measure.
- 12 2. Making it clear in the language as to the amount of household income that  
13 would qualify customers for the DOE Low Income Weatherization  
14 Assistance Program (“LIWAP”).
- 15 3. Increasing the amount to \$200,000 each for Spire Missouri East and West  
16 versus the current \$100,000 on each side of the State.
- 17 4. Increasing the individual amount to \$2,000 per customer per fiscal year  
18 versus the current \$1,000 per customer per fiscal year

19 **VII. ON-BILL FINANCING PROGRAM**

20 **Q. PLEASE BRIEFLY DESCRIBE SPIRE MISSOURI’S ON-BILL FINANCING  
21 PROGRAM?**

22 A. Spire Missouri’s On-Bill Financing Programs are designed to promote energy efficiency  
23 upgrades providing our customers with an option to finance the equipment up to 7 years in

1 an easy manner, through their bill. Both the EnergyWise and Insulation programs have  
2 credit requirements along with other terms and conditions outlined in Tariff Sheets No. R-  
3 19/R-19.1 and R-23/R-23.1 that customers must meet to receive the loan. This program is  
4 driven by Spire Missouri's Natural Gas Contractors that work directly with customers to  
5 start the credit application submission process and upon approval schedule the equipment  
6 installation. Spire Missouri makes the payment to the Natural Gas Contractor after  
7 confirming installation.

8 **Q. IS SPIRE MISSOURI SUGGESTING ANY CHANGES TO EITHER THE**  
9 **ENERGYWISE OR INSULATION ON-BILL FINANCE PROGRAMS?**

10 A. No.

#### 11 **VIII. CO-DELIVERY PROGRAMS**

12 **Q. CAN YOU PLEASE PROVIDE SOME BACKGROUND ON THE CO-DELIVERY**  
13 **PROGRAMS THAT SPIRE MISSOURI CURRENTLY PARTNERS WITH BOTH**  
14 **AMEREN AND EVERGY ON?**

15 A. Spire Missouri East currently co-delivers both the Income Eligible Multi-Family and  
16 Income Eligible Single-Family programs with Ameren. Spire Missouri West currently co-  
17 delivers an Income Eligible Multi-Family program with Evergy. Spire Missouri West was  
18 also co-delivering Home Comfort with Evergy which was not an income eligible program,  
19 and that program has been discontinued in Evergy's MEEIA Cycle 4 offering.

20 **Q. DOES SPIRE MISSOURI PLAN TO CONTINUE WORKING WITH AMEREN**  
21 **AND EVERGY TO CO-DELIVER THE INCOME-ELIGIBLE MULTI-FAMILY**  
22 **PROGRAMS?**

1 A. Yes. Spire Missouri will continue co-delivery efforts with both Ameren and Evergy for the  
2 income-eligible programs. Spire Missouri plans to keep co-delivering both the income  
3 eligible multi-family and income eligible single-family programs with Ameren and just the  
4 income eligible multi-family program with Evergy. Spire Missouri believes the synergies  
5 from the co-delivery collaboration efforts have been a good thing for our low-income  
6 families.

7 **Q. DOES SPIRE MISSOURI PLAN TO MAKE ANY CHANGES TO THE**  
8 **OFFERINGS CURRENTLY CO-DELIVERED WITH AMEREN?**

9 A. No.

10 **Q. DOES SPIRE MISSOURI PLAN TO MAKE ANY CHANGES TO THE**  
11 **OFFERINGS CURRENTLY CO-DELIVERED WITH EVERGY?**

12 A. No.

13 **IX. PAY AS YOU SAVE (PAYS®)**

14 **Q. PLEASE PROVIDE A HIGH-LEVEL OVERVIEW OF THE PAYS® PROGRAM.**

15 A. PAYS® is an on-bill financing program for energy efficiency measures developed and  
16 trademarked by the Energy Efficiency Institute (“EEI”). As explained by EEI, “the  
17 PAYS® system enables building owners or tenants to purchase and install money-saving  
18 resource-efficient measures with no up-front payment and no debt obligation. Those who  
19 benefit from the savings pay for these measures through a tariffed charge on their utility  
20 bill, but only for as long as they occupy the location where the measures are installed  
21 because the charge stays with the meter. The monthly charge is always lower than the  
22 measure’s estimated savings and it remains on the bill for that location until all costs are  
23 recovered. Like a loan, PAYS® allows for payment over time, but unlike a loan, the

1 payment obligation ends when the cost of the measure has been paid, occupancy ends, or  
2 the measure fails.”<sup>1</sup>

3 **Q. HOW HAS THE PAYS® PROGRAM PERFORMED DURING SPIRE**  
4 **MISSOURI’S 3-YEAR EFFORT?**

5 A. The PAYS® program hasn’t performed to the level we originally expected due to some  
6 lower closeout rates compared to what we initially expected prior to launch. Spire Missouri  
7 does believe that the concept of PAYS® still makes sense for a good segment of our  
8 customers, but we will have to work with our 3<sup>rd</sup> party implementers EEtility and ICF to  
9 tweak process improvements as well as our marketing efforts to reach those correct  
10 households. We also feel that some of the planned changes discussed below in the section  
11 will help us improve our customer closeout efforts.

12 **Q. PLEASE SHARE SOME OF THE POSITIVES REGARDING THE PAYS®**  
13 **PROGRAM.**

14 A. Having a program that is available without a credit check is a positive for our customers  
15 that may have less than perfect credit scores. The fact that the customer doesn’t have a  
16 debt obligation since the equipment upgrade is tied to the premise versus the actual  
17 customer is a plus. Customers also receive direct installation upgrades along with an  
18 energy assessment which can still be implemented whether the customer moves forward  
19 with our program or not.

20 **Q. DOES SPIRE MISSOURI PLAN TO CONTINUE OFFERING THE PAYS®**  
21 **PROGRAM WHICH OPERATES LIKE A CO-DELIVERY PARTNERSHIP WITH**  
22 **BOTH AMEREN AND EVERGY?**

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<sup>1</sup> See <https://eeivt.com/wordpress/>.

1 A. Yes. Spire Missouri plans to continue implementing the PAYS® program with both  
2 Ameren and Evergy.

3 **Q. ARE THERE ANY CHANGES SPIRE MISSOURI IS PLANNING TO MAKE TO**  
4 **THE PAYS® PROGRAM?**

5 A. Yes. Spire Missouri plans to align our tariff changes with what has been approved for both  
6 Ameren and Evergy. At a high level these changes include the following:

- 7 1. Extending the payoff from 12 years to 15 years
- 8 2. Adding an early payoff option
- 9 3. Adding FastTrack

10 **Q. CAN YOU EXPLAIN WHY SPIRE MISSOURI IS REQUESTING TO EXTEND**  
11 **THE ON-BILL FINANCING TO 15 YEARS VERSUS THE CURRENT 12 YEARS?**

12 A. The average life expectancy of the equipment installs under PAYS® has increased from  
13 15 to now 18 years. EEtility explained that this is because of the workmanship warranties  
14 and annual maintenance/servicing requirements for the HVAC units in PAYS®. The  
15 increase to 18 years of useful life expectancy has allowed all the utilities offering PAYS®  
16 in Missouri to increase the max tariff from 12 years currently to 15 years.

17 **Q. WHY DOES SPIRE MISSOURI WANT TO ADD AN EARLY PAYOFF OPTION?**

18 A. From our conversation with EEtility we were made aware that the EEI has approved  
19 EEtility to allow for early payoffs as long as it is stated in the Participant Agreement what  
20 consumer protections will go away should the participant elect to pay off early. The  
21 protections that will be lost are all the PAYS® protections assuring saving throughout the  
22 Utilities cost recovery period.

23 **Q. WHAT IS THE FASTTRACK OPTION?**

1 A. EEtility has introduced the FastTrack HVAC enrollment pathway to PAYS® which they  
2 believe will allow our customers whose HVAC units have failed to enroll in PAYS® when  
3 their HVAC contractor is onsite to provide a replacement unit. This new HVAC replace  
4 on fail enrollment pathway to PAYS® does not require the whole home PAYS® Audit be  
5 done as the customers first step which generally requires a 3-to-4-week lead time. Our  
6 customers who are in this difficult situation will be able to participate in PAYS® because  
7 of this new pathway.

8 **X. NATURAL GAS HEAT PUMP PILOT**

9 **Q. WHY IS SPIRE MISSOURI INTRODUCING NATURAL GAS HEAT PUMP**  
10 **TECHNOLOGY AS A PILOT IN THIS CASE?**

11 A. As part of its Integrated Resource Plan filing Spire Missouri is introducing a Natural Gas  
12 Heat Pump Pilot.

13 **Q. CAN YOU PROVIDE SOME BACKGROUND ON THE NATURAL GAS HEAT**  
14 **PUMP PILOT THAT SPIRE MISSOURI IS LOOKING TO INTRODUCE TO**  
15 **MISSOURI CUSTOMERS?**

16 A. Spire Missouri is looking to leverage years of industry research and ongoing utility  
17 demonstration programs to introduce as a pilot program a new class of residential gas heat  
18 pump systems for Missouri homeowners.

19 **Q. WHY DOES SPIRE MISSOURI WANT TO INTRODUCE NATURAL GAS HEAT**  
20 **PUMPS?**

21 A. Natural Gas Heat Pumps are extremely efficient with an Annual Fuel Utilization Efficiency  
22 (“AFUE”) over 100% and the ability to work in extremely cold environments. This

1 technology has a chance to help Spire Missouri in both our Residential and Commercial &  
2 Industrial markets.

3 **Q. PLEASE EXPLAIN HOW NATURAL GAS HEAT PUMPS WORK.**

4 A. Natural Gas Heat Pumps work a lot like Electric Heat Pumps. See the three-step process  
5 below for details:

- 6 1. Outside air is pulled into the system. Fans pull warmth out of the air from  
7 the “source” into the heat pump.
- 8 2. Heat from natural gas combustion is added to ambient heat. Heat from the  
9 air and a gas burner is transferred to the refrigerant.
- 10 3. Heated air is pumped into the home.

11 **Q. HOW WOULD THE PILOT PROGRAM WORK?**

12 A. The program will be part of our residential rebate program to test out the technology with  
13 the goal of bringing the heat pumps to our market and will target low-income communities.  
14 The pilot program will focus on installer training and education, field deployments to  
15 validate cost-effectiveness and environmental benefits while reducing market barriers, and  
16 coordination with larger industry efforts to gather additional insights into performance,  
17 cost-effectiveness, installation and commissioning best practices, and consumer education.

18 **XI. CONSERVATION**

19 **Q. WHAT IS THE RELATIONSHIP BETWEEN ENERGY EFFICIENCY AND**  
20 **CONSERVATION?**

21 A. As Spire Missouri Witness David Yonce explains as well, energy efficiency and  
22 conservation are two related concepts that aim to reduce energy consumption, often  
23 complementing one another. Energy efficiency focuses more on the actual performance of

the equipment utilized by the customer. Conservation looks at all the actions taken to decrease the total amount of energy used for various purposes. Energy efficiency directly impacts conservation actions by helping lower customer bills as well as potentially reducing greenhouse gas emissions.

**Q. CAN YOU PROVIDE A SNAPSHOT OF SPIRE MISSOURI’S ENERGY EFFICIENCY PROGRAM EFFORTS INCLUDING ESTIMATED ENERGY SAVINGS?**

A. Yes. Please see the combined Spire Missouri (Spire Missouri East and West) residential rebate efforts for program years 2023 and 2024. The MCF impacts below in the charts represent the estimated energy savings for customers which when coupled against our volumetric charge points to how our revenue is being harmed by reducing customer bills.

Spire Missouri (MOE & MOW Combined FY2023)

Program Summary					
Rebate Activity Based on Program	Heating System Rebates	Programmable Thermostat	Water Heater Rebates	Rebate Dollars	MCF Impact
Q1 2023	1,844	1,151	1,032	\$747,656.00	31,591
Q2 2023	2,383	1,382	1,559	\$1,024,901.00	40,664
Q3 2023	1,390	872	1,034	\$627,496.00	24,476
Q4 2023	1,777	1,411	1,144	\$760,683.00	31,476
<b>PY 2023</b>	<b>7,394</b>	<b>4,816</b>	<b>4,769</b>	<b>\$3,160,736.00</b>	<b>128,206</b>
<b>Total</b>	<b>7,394</b>	<b>4,816</b>	<b>4,769</b>	<b>\$3,160,736.00</b>	<b>128,206</b>

Spire Missouri (MOE & MOW Combined FY2024)

Program Summary					
Rebate Activity Based on Program	Heating System Rebates	Programmable Thermostat	Water Heater Rebates	Rebate Dollars	MCF Impact
Q1 2024	2,058	1,322	846	\$768,189.00	34,848
Q2 2024	1,778	1,152	1,186	\$773,426.00	30,802
Q3 2024	2,076	1,424	1,652	\$956,089.00	36,926
Q4 2024	1,683	1,218	1,061	\$722,886.00	29,695
<b>PY 2024</b>	<b>7,595</b>	<b>5,116</b>	<b>4,745</b>	<b>\$3,220,590.00</b>	<b>132,271</b>
<b>Total</b>	<b>7,595</b>	<b>5,116</b>	<b>4,745</b>	<b>\$3,220,590.00</b>	<b>132,271</b>

**Q. DOES THIS PROVIDE A COMPLETE PICTURE OF SPIRE MISSOURI’S ENERGY EFFICIENCY PROGRAM EFFORTS?**



1 A. No, this is just a look at the residential rebate program, and this only captures the impacts  
2 from Spire Missouri's programs and not the conservation decisions that individuals make.  
3 As described earlier in my testimony, Spire Missouri has a portfolio of different programs  
4 available for customers that additionally play a role in reducing overall usage.

5 **Q. HOW HAS CONSERVATION BEEN ADDRESSED BY SPIRE MISSOURI'S**  
6 **ELECTRIC UTILITY COUNTERPARTS REGARDING THEIR ENERGY**  
7 **EFFICIENCY PROGRAM EFFORTS?**

8 A. Our electric counterparts Ameren and Evergy can utilize the Missouri Energy Efficiency  
9 Investment Act ("MEEIA"), which offers some protections in the form of a Throughput  
10 Disincentive ("TD") mechanism that allows for recovery from energy efficiency program  
11 impacts.

12 **Q. HOW HAS SPIRE MISSOURI'S CONSERVATION BEEN IMPACTED FROM**  
13 **ELECTRIC UTILITY COUNTERPARTS REGARDING THEIR ENERGY**  
14 **EFFICIENCY PROGRAM EFFORTS?**

15 A. There is substantial overlap between Spire Missouri being the gas provider and Evergy or  
16 Ameren being the electric supplier to the same house. I believe Spire Missouri's revenue  
17 is already being somewhat harmed by the historical MEEIA program efforts and the  
18 Federal Government's push on providing IRA incentives that favor electric equipment.  
19 The major difference for Spire Missouri versus our electric utility counterparts is that they  
20 have some protections in place with the TD mechanism.

21 **Q. CAN YOU PROVIDE A SPECIFIC EXAMPLE OF HOW MEEIA HAS**  
22 **IMPACTED SPIRE MISSOURI'S USAGE OR CUSTOMER CONSERVATION?**

1 A. Yes. Residential Demand Response (“DR”) programs that electric utilities offer utilizing  
2 smart thermostats can reduce usage year-round for a customer. As stated before, many of  
3 Spire Missouri’s customers are also served by Ameren and Evergy. These DR programs  
4 can help customers better utilize heating and cooling temperatures and allow them to  
5 conserve on usage. See the information below from the Ameren 2019-2024 MEEIA Plan  
6 on page 25 under the section entitled “Residential Demand Response Program”:

7 *The Residential DR Program is designed to leverage smart*  
8 *thermostats to reduce consumption during summer system peak*  
9 *conditions. The program is "comfort-centric," as the program will*  
10 *operate with a specific goal to stay within temperature guidelines*  
11 *for each customer based on the customer's smart thermostat*  
12 *temperature setpoints. In addition to the peak demand savings from*  
13 *a typical DR program, the Company's program design includes*  
14 *energy savings from custom smart thermostat programming*  
15 *intended to achieve energy savings throughout the year that are*  
16 *above and beyond the inherent energy savings from smart*  
17 *thermostats.*

18  
19 **Q. HOW HAVE ELECTRIC UTILITIES UTILIZED THE TD MECHANISM?**

20 A. Ameren provides details within their 2025-2027 MEEIA Plan (revised) on page 65 under  
21 the section entitled “Throughput Disincentive”:

22 *Over the Company's last two MEEIA plans, the throughput*  
23 *disincentive has been extensively documented, analyzed, and*  
24 *included in the Commission-approved DSIM. It is well documented*  
25 *that energy efficiency savings cause negative impacts on utility*  
26 *earnings due to the combination of regulatory lag (the time it takes*  
27 *to incorporate changes in billing determinants into base rates) and*  
28 *through the reliance on volumetric rates to cover fixed costs.*  
29 *Throughput disincentive starts impacting the utility the moment an*  
30 *energy efficient measure is installed, so absent an appropriate*  
31 *solution, the negative earnings impact is immediate, cumulative,*  
32 *and continuous until base rates are updated to reflect the reduction*  
33 *in billing units. Therefore, to align utility incentives with helping*  
34 *customers use energy more efficiently, the reduction in revenues*  
35 *associated with covering fixed costs must be offset by allowing*  
36 *throughput disincentive recovery. The recovery of throughput*  
37 *disincentive is explicitly allowed by the updated MEEIA rules. In*

1                    *addition, to avoid a negative impact to utility earnings, the revenue*  
2                    *from recovery of the throughput disincentive must meet a specific*  
3                    *accounting standard due to the nature of what is being recovered*  
4                    *(i.e., revenues that the Company would have received had it not*  
5                    *implemented its MEEIA portfolio).*

6  
7    **Q.    DO YOU HAVE AN EXAMPLE FROM EVERGY REGARDING THE TD**  
8                    **MECHANISM?**

9    A.    Yes. See the details below from the Evergy position statement in Case No. EO-2023-  
10                    0369/0370 found on page 29:

11                    *Evergy Position:*

12  
13                    *The Net Throughput Disincentive Mechanism*  
14                    *proposed by Evergy should be approved. The*  
15                    *Company's proposal is the only proposal in this case*  
16                    *that appropriately aligns the Company's incentives*  
17                    *with the interest of its customers in using energy*  
18                    *more efficiently. Moreover, the Commission*  
19                    *promulgated rules to implement MEEIA. The*  
20                    *Commission's rules provide default parameters that*  
21                    *govern the operation of the mechanism and include*  
22                    *provisions that allow both lost revenue and incentive*  
23                    *recovery. The Missouri Court of Appeals found that*  
24                    *utility lost revenues are a cost within the context of*  
25                    *MEEIA.*

26  
27                    *Evergy would not actively pursue programs that*  
28                    *destroy its revenue sources, unless there is a*  
29                    *mechanism to account for that lost revenue, such as*  
30                    *the TD mechanism, and make the Company neutral*  
31                    *as to whether it promotes such programs. This is the*  
32                    *one of the pillars that the Commission attempted to*  
33                    *create in the original MEEIA rules: cost recovery for*  
34                    *programs, incentives for implementing programs*  
35                    *and a mechanism for recovery of lost revenue for*  
36                    *asking our ratepayers to buy less of our product. The*  
37                    *TD mechanism does not create earnings opportunity*  
38                    *for the Company.*

1 **Q. ARE REGULATORY STAKEHOLDERS AWARE OF THE IMPACTS OF SPIRE**  
2 **MISSOURI’S ENERGY EFFICIENCY PROGRAMS ON REVENUE?**

3 A. Yes. Spire Missouri Witness David Yonce points out the testimony of OPC, which  
4 discusses the impact Spire Missouri’s energy efficiency programs have on revenue.

5 **Q. DO YOU BELIEVE SPIRE MISSOURI SHOULD HAVE A TD MECHANISM**  
6 **LIKE THE ELECTRIC UTILITIES?**

7 A. No. I would instead point back to the testimony of Spire Missouri Witness David Yonce  
8 regarding the Distribution Service Adjustment (“DSA”) Mechanism to better address  
9 changes in usage due to weather and the revenue impacts due to our conservation efforts  
10 as authorized in Section 386.266, RSMo, which would work somewhat like a TD  
11 Mechanism. Spire Missouri has been harmed from conservation efforts, whether from our  
12 own energy efficiency and weatherization programs or Electric provider actions that impact  
13 our customers. Spire Missouri needs to be protected to account for conservation as allowed  
14 by law.

15 **XII. CONCLUSION**

16 **Q. DOES THIS COMPLETE YOUR DIRECT TESTIMONY?**

17 A. Yes.

