Exhibit No.:

Issues: Net-Metering, Residential

Customer Programs, EIR,

EV Rates

Witness: James Owen

Sponsoring Party: Renew Missouri

Advocates

Type of Exhibit: Rebuttal Testimony

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MISSOURI PUBLIC SERVICE COMMISSION

ER-2024-0319

REBUTTAL TESTIMONY

OF

JAMES OWEN

ON BEHALF OF

RENEW MISSOURI ADVOCATES

January 17, 2024

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1 I. PURPOSE OF TESTIMONY AND SUMMARY OF RECOMMENDATIONS

- 2 Q. Please state your name, title and business address.
- 3 A. My name is James Owen. I am the Executive Director of Renew Missouri Advocates
- 4 ("Renew Missouri"). My business address is 915 E Ash Street, Columbia, Missouri, 65201.
- 5 Q. Are you the same person who filed direct testimony on December 17, 2024, concerning net-
- 6 metering, Renewable Solutions Program, low-income solar, and battery storage integration?
- 7 A. Yes.
- 8 Q. What is the purpose of your rebuttal testimony?
- 9 A. The purpose of my rebuttal testimony is to respond to Union Electric Company d/b/a
- 10 Ameren Missouri ("Ameren Missouri" or the "Company") witness Steven Wills regarding
- integration of net metered customers to time-of-use ("TOU") rates, Consumer Council of Missouri
- 12 ("CCM") witness Jacqueline Hutchinson regarding the appropriate customer charge as well as
- residential customer proposals regarding low-income solar and the *Keeping Current/Keeping Cool*
- programs, CCM witness Caroline Palmer regarding the utilization of EIR funds by Ameren
- 15 Missouri, and Midwest Energy Consumer Group ("MECG") witness Eric Austin regarding electric
- 16 vehicle ("EV") rates.
- 17 Q. Please summarize your rebuttal testimony.
- 18 A. Renew Missouri continues to support its proposal, outlined in direct testimony, regarding
- 19 the appropriate way to integrate TOU rates with net-metered customers. However, Renew
- 20 Missouri suggests the method approved in recently concluded Evergy West rate case is an
- 21 appropriate compromise that has Commission approval and allows for recognition of price signals
- 22 while complying with the Net Metering and Easy Connection Act. Renew Missouri supports the

- 1 proposals of CCM witness Jacqueline Hutchinson in regards to funding levels of Keeping Current
- 2 and Keeping Cool as well as Ms. Hutchinson's supportive testimony of the benefits of low-income
- 3 solar. Renew Missouri also agrees the customer charge should remain at \$9.00, and not be
- 4 increased. Renew Missouri also supports CCM witness Caroline Palmer's recommendation that
- 5 Ameren Missouri explore opportunities to utilize EIR funding, and report back to stakeholders on
- 6 how the EIR may reduce costs to ratepayers. Finally, Renew Missouri supports the
- 7 recommendation of MECG witness Eric Austin that Ameren Missouri should develop EV rates
- 8 for commercial customers in order to facilitate the electrification efforts across the state.

9 II. <u>RESPONSE TO AMEREN MISSOURI WITNESS STEVEN WILLS</u>

10 **REGARDING NET METERING**

- 11 Q. Did you review the direct testimony of Ameren Missouri witness Steven Wills, and the
- 12 attached "Report on Challenges and Opportunities in Integrating Distributed Energy
- 13 Resources with Time of Use Rates"?
- 14 A. Yes, I did. Mr. Wills states there are no metering, technical, or billing barriers to allowing
- 15 net-metered customers from participating in the various TOU options the Company may offer.¹
- 16 The attached study outlines Ameren Missouri's opinion of the challenges of four various methods
- of integrating net-metered customers on TOU plans.² According to Ameren Missouri, each method
- 18 has different pros and cons, including balance price signals, complying with statutory
- 19 requirements, and ease of billing.³
- 20 Q. Does Renew Missouri have a response to Mr. Wills' testimony?

¹ Direct Testimony of Steven M. Wills, p. 16, lines 1-2.

² Id. at SMW-D1.

³ *Id*.

1 Yes. Mr. Wills' response indicates there are no technical hurdles to allowing net-metered 2 customers access to TOU rates but rather, as he sees, law and policy. The closest to Renew 3 Missouri's proposal, as outlined in its direct testimony, appears to be what Ameren Missouri 4 describes as "Method 1", albeit Renew Missouri advocates for crediting customers at the billed 5 TOU rate. Ameren Missouri states it does not believe this netting method compiles with the Net 6 Metering and Easy Connection Act. See Section 389.890., RSMo. But, as I understand it, the Net Metering and Easy Connection Act does not require a zero bill for excess generation; only "an 7 8 amount at least equal to the avoided fuel cost of the excess kilowatt-hours generated during the 9 billing period, with this credit applied to the following billing period:" Renew Missouri's proposal 10 of netting within a TOU billing period falls under the not-specifically defined provision of billing 11 period. Allowing any excess credits remaining after each TOU period to be applied to the next 12 bill compiles with the statutory requirement.

13 Q. Is there other support for Method 1?

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- A. Yes. At the outset, Renew Missouri's goal is to ensure all net metered customers have access to TOU rates as required by statute. Although Renew Missouri stands by its proposal described in its direct testimony, Renew Missouri believes Method 1, described in SMW-1 and utilizing the avoided fuel cost, is similar to the mechanics of the net-metered tariffs approved in Evergy Missouri West's recently concluded general rate case.
 - In the *Unanimous Stipulation and Agreement*, approved by the Commission on December 4th of 2024, parties, except for the Staff of the Missouri Public Service Commission ("Staff"), agreed to the following method for netting and billing distributed energy resource customers who participated in Evergy West's net-metered tariffs:
- If the electricity generated by the Customer-Generator exceeds the electricity supplied by the Company during a given TOU period, the Customer-Generator shall be billed for the

1 appropriate Customer charges for that billing period in accordance with the Company 2 Obligations section of this tariff and shall be credited for the excess kilowatt-hours generated during the TOU period at the rate identified in Schedule Cogeneration Purchase, Sheet 102 3 4 in the following billing period. This rate is calculated from the Company's avoided fuel cost.⁴ 5 It appears to Renew Missouri that Ameren Missouri's Method 1 is a reasonable resolution to allow 6 7 net-metered customers to take service on all TOU tariffs. It also importantly avoids the pitfalls 8 Ameren Missouri notes in Schedule SMW-1 regarding incorrect price signals and billing 9 complexities. It further recognizes the TOU period distinctions, providing recognition of the value 10 of energy produced at various peak periods. As the Commission has approved Evergy West's 11 method, Renew Missouri suggests this method is already determined to comply with the Net-12 Metering and Easy Connection Act.

13 III. RESPONSE TO CCM WITNESS JACQUELINE HUTCHINSON'S RESIDENTIAL

- 14 <u>CUSTOMER PROGRAM PROPSALS</u>
- 15 Q. Has Renew Missouri read the direct testimony of CCM's witness Jacqueline A.
- 16 Hutchinson and does Renew Missouri have a response to the programs Ms. Hutchinson
- 17 raised in testimony?
- 18 A. Yes. Renew Missouri supports the recommendations made by Ms. Hutchinson. I would
- 19 further emphasize the importance of using detailed geographic energy burden data when
- 20 evaluating rate increases and improving utility assistance programs for low-income customers.
- On January 30, 2025, Renew Missouri will be launching its *Energy Burden Explorer*. The
- 22 Energy Burden Explorer is an interactive map that displays energy burden data by census tract,
- 23 utilizing real utility data from Ameren Missouri alongside modeled data. For this analysis, energy

⁴ In the Matter of Evergy Missouri West, Inc., d/b/a Evergy Missouri West's Request for Authority to Implement a General Rate Increase for Electric Service, File No. ER-2024-0189, *Unanimous Stipulation and Agreement*, filed on October 2, 2024.

- 1 burden is defined as the percentage of a household's income spent on utility bills annually. The
- 2 Energy Burden Explorer highlights that numerous vulnerable communities exist within Ameren's
- 3 service territory.
- 4 Our analysis reveals 94,240 households in Ameren Missouri's service area reside in census
- 5 tracts where energy burdens exceed 6%—a threshold considered high compared to other areas.
- 6 With rising costs for goods, services, and living expenses, combined with the reduced amount of
- 7 bill assistance available, increasing utility rates will severely impact these already vulnerable
- 8 customers struggling with high energy bills.

9 Q. Do Renew Missouri's findings have implications on any other request in this case?

- 10 A. Yes. In light of this information, as well as for the reasons articulated in Ms. Hutchison's
- direct testimony, Renew Missouri also recommends the fixed customer charge be kept at \$9 dollars
- 12 a month.

13 Q. Does Renew Missouri have further comments on any of Ms. Hutchinson's other

14 proposals?

- 15 A. Yes. In support of Ms. Hutchinson's comments on the Keeping Current/Keeping Cool
- 16 programs, Renew Missouri urges Ameren Missouri to expand participation and retention through
- 17 targeted awareness campaigns focused on high energy burden census tracts. This aligns with
- 18 CCMs' recommendation for a third-party evaluation of these programs. Any evaluation must
- 19 prioritize addressing the needs of high energy burden areas within Ameren Missouri's service
- 20 territory. Additionally, Renew Missouri reiterates its direct testimony in recommending Ameren
- 21 Missouri create low-income community solar projects, giving priority to high energy burden areas

- during planning and implementation. Renew Missouri supports CCM's additional suggestions and
- 2 comments on this issue. Reaching customers in these areas is critical—not only for solar
- 3 installations but also for effective outreach to boost participation so the company can maximize
- 4 financial incentives available for solar projects by targeting low-income communities.

5 IV. RESPONSE TO CCM WITNESS CAROLINE PALMER REGARDING THE

6 <u>ENERGY INFRASTRUCTURE REINVESTMENT PROGRAM</u>

- 7 Q. Did you review the testimony of CCM witness Caroline Palmer over the availability of
- 8 Energy Infrastructure Reinvestment (EIR) funds?
- 9 A. Yes. Ms. Palmer urges Ameren Missouri to utilize EIR funds to minimize costs to both
- 10 ratepayers and shareholders and to allow Ameren Missouri to more timely invest in transmission
- and renewable generation as well as more cost efficiencies related to closing uneconomic
- 12 generation, such as fossil fuel plants.⁵
- 13 Q. Does Renew Missouri support Ameren Missouri applying for EIR funds?
- 14 A. Yes. Renew Missouri in fact encouraged Ameren Missouri to take advantage of EIR funding
- 15 to reduce securitization costs in Ameren Missouri's recent securitization case regarding Rush
- 16 Island. Renew Missouri supports CCM's recommendation that Ameren Missouri investigate how
- 17 to utilize and apply for EIR funding in a way that best maximizes benefits for ratepayers, and
- 18 report its findings to stakeholders.

⁵ Direct Testimony of Caroline Palmer, p. 4-10.

⁶ In the Matter of the Petition of Union Electric Company d/b/a Ameren Missouri for a Financing Order Authorizing the Issue of Securitized Utility Tariff Bonds for Energy Transition Costs Related to Rush Island Energy Center, Case No. EF-2024-0021, Rebuttal Testimony of James Owen.

1 <u>V. RESPONSE TO MECG WITNESS ERIC AUSTIN TESTIMONY REGARDING</u>

2 EV RATES

- 3 Q: What is your position regarding Midwest Energy Consumer Group (MECG)'s
- 4 proposed electric vehicle (EV) charging rates for Ameren Missouri's business
- 5 customers?
- 6 A: Renew Missouri agrees with MECG's proposed optional EV charging rates.⁷ MECG
- 7 proposes:
- 8 LGS-EV and SP-EV as optional rates because how EV charging is used will drive
- 9 the resulting monthly usages and load factor used for billing. For example, public
- EV charging use can be unpredictable, start low and grow over time, which would
- benefit from the EV rate option. Whereas managed charging applications may plan
- for higher monthly usage amounts relative to peak demand and result in load factors
- better suited for traditional commercial and industrial rates.⁸

14 Q: What is Ameren Missouri's current EV charging rate?

- 15 A: Ameren Missouri does not currently have specific EV charging rates. Ameren Missouri
- does offer an overnight saver TOU tariff, targeted at EV drivers, for residential customers.
- 17 The Company also currently offers incentives for installing charging stations for
- 18 Residential and Business customers, as well as for those customers meeting the terms of
- the Corridor Charging Program.
- 20 Q: How do you recommend structuring Ameren Missouri's EV charging rates?
- 21 A: Like MECG, Renew Missouri recommends optional EV charging rates are established for
- Large General Service ("LGS") rate subscribers and Small Primary ("SP") rates

⁷ Direct Testimony and Exhibits of Eric S. Austin, ER-2024-0319, p. 5.

⁸ *Id.* at p. 6.

2	as follows:
3	reallocate the summer demand charge revenue requirement to the first block of the
4	summer energy rate and reallocate the winter demand charge revenue requirement
5	to the first block of the winter energy rate. This reallocation would serve two

subscribers that qualify for LGS and SP rates. MECG's optional rate structure proposal is

summer energy rate and reallocate the winter demand charge revenue requirement to the first block of the winter energy rate. This reallocation would serve two purposes: first, it would reduce the barrier to entry for very low usage EV chargers versus LGS and SP's demand charges; and second, it would recover the demand charge revenue requirements in the low load factor first blocks (up to approximately 20.8 percent monthly load factor), which would provide more meaningful fixed cost recovery than spreading demand charge revenue across the three energy blocks.⁹

Q: How would this be beneficial to both Ameren Missouri and its residential and business

customers?

A:

By creating optional EV charging rates, Ameren Missouri could establish standard EV charging rates and incorporate these changes into their current rate redesign process, as well as encourage EV adoption and reduce entry barriers for very low use EV chargers. This would make EV charging costs more predictable for customers, as well as aid in EV planning and management for both residential and business customers as related to charging during peak demand times and load. As previously stated before the Public Service Commission ("PSC"),

EV programs can promote efficient use of Ameren Missouri's system and will serve the public interest because they further encourage renewable development, benefit customers, and reduce net emissions. These outcomes are good for Missouri, and the Commission should encourage policies that accelerate those benefits.¹¹

Q: Why should Ameren Missouri and the PSC consider EV charging rates in this case?

⁹ Direct Testimony and Exhibits of Eric S. Austin, ER-2024-0319, p. 7.

¹⁰ Direct Testimony and Exhibits of Eric S. Austin, ER-2024-0319, p. 7

¹¹ In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for Approval of Efficient Electrification Program, File No. ET-2018-0132, *Renew Missouri's Statement of Support*, p. 1

A: According to the University of Missouri Extension, Missouri leads its bordering states in EV infrastructure and EV adoption has increased nearly 50% year over year in Missouri in recent years. 12 Thus, EV charging rates could significantly affect both the general public and businesses and will be vital for keeping costs low for consumers. Ameren Missouri's business customers - like Walmart - have made significant strides in transitioning to EV fleets and for last-mile delivery in recent years, this consideration is even more relevant and urgent. 13 Furthermore, both the PSC and Ameren Missouri have expressed an interest in establishing EV charging rates in previous cases. 14

9 Q: What are Scope 1 emissions?

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As defined by the United States Environmental Protection Agency, "Scope 1 emissions are direct greenhouse ("GHG") emissions that occur from sources that are controlled or owned by an organization (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles)."

13 vehicles)."

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Q: Do any of Ameren Missouri's business customers have sustainability goals associated with reducing Scope 1 emissions?

A: Yes, many of Ameren Missouri's business customers have sustainability goals related to Scope 1 emissions. Some well-known examples would be General Motors

https://tlimagazine.com/news/walmart-adds-400-chevrolet-brightdrop-evs-for-zero-emission-

¹² https://extension.missouri.edu/media/wysiwyg/Extensiondata/Pro/ExCEED/Docs/MissouriEconomy_EVsEnergyJobs_30Oct2023.pdf, p. 1

https://www.hertz.com/us/en/blog/electric-vehicles/guide-to-electric-vehicles-in-missouri

¹³https://corporate.walmart.com/news/2022/07/12/walmart-to-purchase-4-500-canoo-electric-delivery-vehicles-to-be-used-for-last-mile-deliveries-in-support-of-its-growing-ecommerce-business

¹⁴ In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Adjust Its Revenues for Electric Service, Case No. ER-2021-0240, Report and Order, page 28; see also In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Adjust Its Revenues for Electric Service, Case No. ER-2022-0337, Ex. 400, p. 34, Steven M. Wills Surrebuttal, p. 21and MECG'S Reply Brief, p. 15.

¹⁵ https://www.epa.gov/climateleadership/scope-1-and-scope-2-inventory-guidance

9	O: Would electrifying business fleets and last mile delivery services lead to a
8	Walmart's goal to minimize emissions from its expansive delivery network."19
7	operations by 2040Electric vehicles are a cornerstone of this mission, as they align with
6	to this shift."18 "Walmart is working toward achieving net-zero emissions across its
5	such as manufacturing, transportation, construction and the food supply chain are central
4	and is aiming for "net zero operations by 2030." Emerson further states, "Critical sectors
3	Emerson already has "reduced Scope 1 and 2 GHG emissions intensity by 52% since 2021"
2	Scope 2 GHG emissions from our operations by 72% by 2035 against a 2018 baseline." ¹⁶
1	("GM"), Emerson, and Walmart. GM, for example, has pledged "to reduce Scope 1 and

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- reduction in Scope 1 emissions?
- Yes, reducing emissions associated with business vehicles (fleets and last-mile A: deliveries) would result in a reduction of Scope 1 emissions; helping Missouri businesses reach their sustainability targets.
- Are Ameren Missouri's business customers electrifying their fleets and last mile 14 Q: 15 delivery services?
- Yes, GM, Emerson, and Walmart, for example, are or will utilize EV technology to meet 16 A: their Scope 1 sustainability goals.²⁰ 17

¹⁶ https://www.gm.com/content/dam/company/docs/us/en/gmcom/company/GM 2023 SR.pdf, p. 8

https://www.emerson.com/documents/corporate/2023-sustainability-report-en-us-10535128.pdf, p. 12

https://www.emerson.com/documents/corporate/2023-sustainability-report-en-us-10535128.pdf, p. 28

¹⁹ https://tlimagazine.com/news/walmart-adds-400-chevrolet-brightdrop-evs-for-zero-emissiondeliveries/#:~:text=Walmart's%20partnership%20with%20Chevrolet%20sets,reducing%20last%2Dmile%20deliver y%20emissions.

https://www.gm.com/content/dam/company/docs/us/en/gmcom/company/GM 2023 SR.pdf, p.12 https://www.emerson.com/documents/corporate/2023-sustainability-report-en-us-10535128.pdf, p. 28 https://corporate.walmart.com/news/2022/07/12/walmart-to-purchase-4-500-canoo-electric-delivery-vehicles-to-beused-for-last-mile-deliveries-in-support-of-its-growing-ecommerce-business

1	Q:	In addition to their own EV usage, are Ameren Missouri business customers also
2		encouraging EV usage by their own customers?
3	A:	Yes, GM, for example, states they are expanding their "EV portfolio by bringing new
4		products [EVs] and increasing [EV] production capacityBy 2025, we aim to have EVs
5		in segments that cover a majority of U.S. industry volume" and aim to "enable mass
6		adoption of EVs, home solutions, charging infrastructure."21 Walmart announced, "We're
7		also working to roll out a reliable and affordable fast-charging [EV] charging network
8		across thousands of our stores and [Sam's] clubs in the U.S."22 These developments mean
9		there will also be more EVs owned by the general public and an increased demand for EV
10		charging and EV charging rates.
11	Q:	Why is it significant that Ameren business customers are reducing Scope 1 emissions
12		by electrifying their fleets and last mile delivery services, as well as encouraging
13		customer EV usage?
14	A:	Ameren business customers reducing Scope 1 emissions by electrifying their fleets and
15		last- mile delivery services coupled with an increase in Ameren residential customer EV
16		usage will only further necessitate the immediate need for optional EV charging rates. The
17		EV transition is happening, and Ameren Missouri needs to proactively address the needs
18		of their business and residential customers.

https://tlimagazine.com/news/walmart-adds-400-chevrolet-brightdrop-evs-for-zero-emission-deliveries/#:~:text=Walmart's%20partnership%20with%20Chevrolet%20sets,reducing%20last%2Dmile%20delivery%20emissions

https://www.gm.com/content/dam/company/docs/us/en/gmcom/company/GM_2023_SR_pdf_p_11_44-45

https://www.gm.com/content/dam/company/docs/us/en/gmcom/company/GM_2023_SR.pdf, p. 11, 44-45 https://corporate.walmart.com/news/2024/01/09/powering-an-emissions-free-future-for-walmart-and-our-communities

VI. CONCLUSION

- 2 Q. Please summarize your rebuttal testimony.
- 3 A. Renew Missouri continues to support its proposal, outlined in direct testimony, regarding
- 4 the appropriate way to integrate net-metered customers onto all TOU rates. However, Renew
- 5 Missouri suggests the method approved in recently concluded Evergy West rate case is an
- 6 appropriate compromise that has Commission approval and allows for recognition of price signals
- 7 as well as compiles with the Net Metering and Easy Connection Act. Renew Missouri supports the
- 8 proposals of CCM witness Jacqueline Hutchinson, in regards to funding levels of Keeping
- 9 Current/Keeping Cool as well as Ms. Hutchinson's testimony involving the benefits of low-
- income solar. Renew Missouri also agrees the customer charge should remain at \$9.00, and not be
- increased. Renew Missouri also supports CCM witness Caroline Palmer's recommendation that
- 12 Ameren Missouri explore opportunities to utilize EIR funding, and report back to stakeholders on
- 13 how the EIR may reduce costs to ratepayers. Finally, Renew Missouri supports the
- recommendation of MECG witness Eric Austin in that Ameren Missouri should develop EV rates
- 15 for commercial customers, to help facilitate the electrification efforts across the state.
- 16 Q. Does this conclude your testimony?
- 17 A. Yes.