

Exhibit No.:
Issue(s): Policy
Witness: Steven Wills
Type of Exhibit: Surrebuttal Testimony
Sponsoring Party: Union Electric Company
File No.: ER-2024-0319
Date Testimony Prepared: February 14, 2025

MISSOURI PUBLIC SERVICE COMMISSION

FILE NO. ER-2024-0319

SURREBUTTAL TESTIMONY

OF

STEVEN WILLS

ON

BEHALF OF

UNION ELECTRIC COMPANY

D/B/A AMEREN MISSOURI

**St. Louis, Missouri
February, 2025**

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SURREBUTTAL TESTIMONY

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FILE NO. ER-2024-0319

I. INTRODUCTION

1

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

2

3 A. My name is Steven Wills. My business address is One Ameren Plaza, 1901
4 Chouteau Ave., St. Louis, Missouri.

3

4

5 **Q. Are you the same Steven Wills that submitted direct and rebuttal**
6 **testimony in this case?**

5

6

7 A. Yes, I am.

7

8

II. PURPOSE OF TESTIMONY

9 **Q. To what testimony or issues are you responding?**

9

10 A. First, I provide the Commission with some perspective related to the Local
11 Public Hearings ("LPHs") conducted in this case. I then address the Staff rebuttal testimony
12 of Claire Eubanks related to net metering and Time of Use ("TOU") rates and of Sarah
13 Lange related to production cost allocations in the Class Cost of Service ("CCOS") studies
14 in this case. Finally, I address briefly a number of miscellaneous issues from the rebuttal
15 testimony of Staff witnesses Eubanks, Coty King, and Amy Eicholz.

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III. LOCAL PUBLIC HEARINGS

Q. Did you attend the Local Public Hearings associated with this proceeding?

A. Yes, I participated in the question-and-answer portion of all seven LPHs and listened live to the overwhelming majority of customer testimony presented to the Commission across all seven of them.

Q. Does the Company have anything it wants to share with the Commission in response to what it heard from customers at the LPH's?

A. Yes. First and foremost, when we filed this case, we fully recognized the economic challenges faced by many of our customers and understand clearly the additional burden that rising electric rates can create for them. We certainly hear customers when they express those concerns. As discussed in Company witness Warren Wood's direct testimony, this is the reason that the Company places such a high priority on working to make our service as affordable as possible by controlling costs and investing wisely in ways that provide the greatest benefits to customers. Mr. Wood provided a number of examples of this in his direct testimony and also provided comparisons of our electric rates to our peer utilities that illustrate the relative affordability of our service. One additional example of this focus on affordability that has emerged since the time the case was filed is the Company's success in managing its labor expense, which at true up came in approximately \$10 million lower than the level reflected in our direct case filing due to the Company's diligence in ensuring it carefully evaluated each and every open position prior to backfilling.

1 This case is not driven by increases in controllable operating expenses. Rather, it is
2 overwhelmingly driven by capital investments in system improvements and additions
3 which are designed to improve the reliability of both our generation assets as well as the
4 energy delivery system that serves our customers. Over three quarters of the increase is
5 related to these system improvements and additions. And, it should be noted, neither Staff
6 nor any other party is challenging the prudence of any of these investments.

7 Additional contributions that improve the affordability of service in this case
8 specifically include the revenues from the Company's innovative Renewable Solutions
9 Program¹ that are reducing the proposed revenue requirement by over \$7 million as a result
10 of the Company's success in partnering with subscribing customers to help them meet their
11 clean energy targets while bringing down the cost of renewable energy resources for all
12 other customers. The Company also made other decisions in the development of this case
13 to mitigate the size of its requested increase in the interest of affordability. Recall that we
14 did not anticipate monetizing any of the investment tax credits ("ITCs") that are being
15 earned by the Boomtown and Cass County solar energy centers by the true up date in this
16 case, meaning we did not expect those tax credits to reduce the revenue requirement in this
17 case (of course through the Inflation Reduction Act tracker that the Company agreed to,
18 when those benefits did materialize they would be preserved for the benefit of customers
19 in the future). But we did know that those very real ITC benefits to customers were coming
20 in the near future. As a result, the Company brought forward the idea of accelerating the
21 amortization of other regulatory liabilities (i.e., Excess Deferred Taxes) faster than had

¹ Part of that innovation included the process whereby we auctioned the subscriptions to the Cass County Energy Center to interested customers in order to achieve the greatest level of revenue possible for the level of customer demand that existed for the project.

1 been previously agreed to by all parties to prior cases and approved by the Commission to
2 "stand in" for those ITCs, which reduced our request in this case. As it turns out, at least a
3 portion of the ITCs from new solar facilities were sold and therefore realized by the true-
4 up date, so the amortization of those funds is further reducing the Company's true up
5 revenue requirement that is also being filed today.

6 In addition, the Company puts significant resources and effort toward making sure
7 that energy assistance is available and accessible to customers that need it. It's not just me
8 who is saying this, but other stakeholders agree. See, for example, Dr. Geoff Marke's direct
9 testimony in this case, where he says "Ameren Missouri deserves praise for its work in
10 supporting its most vulnerable customers."² No matter the level of utility rates, bills for
11 service can overwhelm individual households at various points in time and it is critical that
12 assistance programs be available to help try to avert situations where customers lose service
13 or otherwise face extreme hardship in paying their bills. Again, Mr. Wood discussed those
14 assistance programs more extensively in his direct testimony.

15 The testimony provided by participants in the LPHs underscores what most of us
16 inherently understand – that utility services are among the most critical of services to the
17 lifestyles and even the health and wellbeing of the people in our communities. This reality,
18 as was widely discussed in the LPH, is a compelling reason to keep utility service as
19 affordable as possible – i.e., to keep rates as low as we can, consistent with reliable service.
20 But it is simultaneously a compelling reason to make sure that we continue to invest in
21 upgrades and replacements to the aging infrastructure that provides these critical services
22 to those customers in order to ensure the reliability and resiliency of the system – so that

² File No. ER-2024-0319, Geoff Marke Direct Testimony, p. 30, ll. 11-12.

1 electricity will be there when our customers need it most. And further, it is also a
2 compelling reason to ensure that that we deliver competitive returns to investors that
3 provide *the capital that makes these upgrades possible* in the first place. The important
4 thing to keep in mind – both for the Company in managing its investments and by the
5 Commission in deciding the issues in cases like this - is that all of these perspectives must
6 be considered and balanced. We will never strike a balance that will make 100% of our
7 stakeholders happy 100% of the time, but we should always strive to keep these
8 perspectives at the front of our minds to inform good decision making for our customers,
9 communities, and investors.

10 **Q. What other observations do you wish to share from the LPHs?**

11 A. It is obvious that many folks have strong opinions about the type of
12 generation resources that we invest in and operate to power our customers' lives. But clearly
13 not all of those opinions are the same or are even closely aligned. There is customer
14 pressure both to transition to cleaner resources as quickly as possible, but also pressure to
15 preserve low cost and reliable resources that have made up the backbone of the fleet for
16 decades. The Company's approach to this is again rooted in balance, and I believe that the
17 balance that is reflected in our Integrated Resource Plan ("IRP") is appropriate and largely
18 speaks for itself. Our IRP does reflect plans to meaningfully reduce our emissions and
19 environmental impacts (to net zero, with respect to CO2 emissions by 2045) by increasing
20 the amount of low cost and emission-free energy on our system, while also ensuring the
21 presence of appropriate levels of dispatchable capacity to ensure the lights (and heaters and
22 air conditioners) come on when needed, especially during dangerous and extreme weather
23 conditions.

1 Next, I would observe that it was gratifying to hear that, by and large, customers
2 reported satisfaction with the quality and reliability of service that they receive from
3 Ameren Missouri. That suggests that the investments we are making in our system are
4 working and providing real benefits to customers. Of course, there were a couple of
5 exceptions with individuals reporting localized reliability concerns, and the Company has
6 directly followed up on each such concern that was raised in the hearings.³

7 Finally, I would note that there was a lot of discussion about the level of the
8 Company's earnings, with suggestions from many customers that system upgrades be paid
9 for out of profits. Of course, the Company does reinvest a substantial amount of its earnings
10 (i.e., profits) back into its system. But those earnings first exist as the compensation to
11 shareholders for use of their funds to enable past investments. Reinvestment is the process
12 by which shareholders willingly redeploy their funds into the system to support new capital
13 investment, of which they also require a return on and return of over time.

14 **Q. Several participants in the LPHs questioned the need for shareholder**
15 **funds and the need to provide a fair return to them. Would you please explain why**
16 **those needs exist?**

17 A. Yes. As I believe the Commission well understands, the Company competes
18 in the capital markets for every dollar of capital that it invests in its system – even the
19 reinvestment of dollars of earnings to existing shareholders. And it can only be competitive
20 in attracting that capital if shareholders actually experience returns that are competitive
21 with the returns they could realize through alternative investment opportunities. While it
22 might be intuitively appealing to "have the shareholders pay" for some costs out of their

³ Whether raised during the question-and-answer sessions or during the hearings themselves.

1 earnings, that would be a *de facto* reduction in the compensation for the prior use of
2 investors' money and would make current and future investment in the Company less
3 attractive and less competitive. It simply does not square with reality to assume that
4 shareholders are an endless source of funds that can be used to reduce the rate impact of
5 new investments, all at the same time they provide the funds to make those investments.
6 This dynamic is really true of all businesses (i.e., that investors receive earnings that would
7 not exist but for the revenues received from their customers, and those investors expect
8 additional returns if they reinvest those earnings), but it is uniquely visible and transparent
9 in cost of service ratemaking. The regulated utility framework lays bare the dynamic that
10 is implicit in all investor-owned enterprises, i.e., that investors' and customers' financial
11 interests are intertwined. Utility ratemaking is complex and perhaps not very intuitive to
12 those who do not live it on a regular basis, but this very rate case process that we are
13 engaged in here is in place to allow, and it is very effective at allowing, the Commission to
14 determine the level of earnings that is sufficient to attract necessary capital on reasonable
15 terms that will also result in just and reasonable rates.

16 **Q. Why do there need to be profits, why not just borrow the money?**

17 A. I at least partially answered the first part of that question above: if we don't
18 provide fair returns to equity investors, we will have no equity investment to make the
19 capital investments we must make on an ongoing basis to make sure we keep the lights on
20 safely and reliably over time. As for the second question, the premise of the question seems
21 to be that debt capital is cheaper than equity and thus even if it is true that the utility needs
22 huge sums of capital to provide service, why can't it use a cheaper source of capital? While
23 it is beyond my specific expertise to get into the details of why such an approach is not

1 possible, having spent 20 years in this industry I do have a sound understanding that a
2 utility cannot over-leverage its balance sheet and still provide safe and reliable service.
3 That is, if we rely too much on debt, that debt will no longer be a cheaper source of capital
4 and eventually capital costs will cost more,⁴ not less, than they do when we utilize a balance
5 of debt and equity. And I also understand that there are times – and we saw this specifically
6 during the financial crisis late in the first decade of the 2000s – that debt may not be
7 available at all. Imagine what would happen to our service delivery capability if utilities
8 over-relied on debt but could not access when they needed it? We need debt, but we need
9 equity too and we must pay the cost of accessing both forms of capital.

10 **IV. NET METERING AND TIME OF USE RATES**

11 **Q. Related to the issue of the offering of all time of use ("TOU") rate**
12 **options to customers that enroll in net metering, Staff witness Claire Eubanks in her**
13 **rebuttal testimony observes that "the statute also requires the utility to offer the**
14 **customer-generator a tariff that is identical in electrical energy rates, rate structure,**
15 **and monthly charges to other customers."⁵ Does the wording of the Net Metering**
16 **and Easy Connection Act require that all rate options be provided to net metered**
17 **customers?**

18 A. No, Ms. Eubanks omitted most of the statutory provision she quoted. The
19 plain wording of the statute as a whole provides that the utility shall:

20 **Offer to the customer-generator a tariff or contract that is identical in**
21 **electrical energy rates, rate structure, and monthly charges *to the contract or***
22 ***tariff that the customer would be assigned* if the customer were not an eligible**
23 **customer-generator but shall not charge the customer-generator any additional**

⁴ On balance, as leverage increases so too does bankruptcy risk (a risk inherent in the pricing of all debt instruments) resulting in a higher cost of debt on future financings. Equity investors traditionally absorb more risk than those investing in debt instruments.

⁵ File No. ER-2024-0319, Claire Eubanks Rebuttal Testimony, p. 3 l. 20 through p. 4, l. 1.

1 standby, capacity, interconnection, or other fee or charge that would not otherwise
2 be charged if the customer were not an eligible customer-generator;⁶

3 It is critical to read the full text of this provision of the law, which makes clear through its
4 plain wording that the utility's obligation to offer an identical rate to net metered
5 customers and non-net metered customers only exists for the rate to which the customer
6 "*would be assigned*" – i.e., the default rate structure for the service classification under
7 which the customer falls. There is no circumstance where the Company would assign any
8 customers, net metering or otherwise, to an advanced TOU rate option. These rate options
9 are just that - options. Customers participate in the advanced TOU rate options at their
10 *own* election and are not otherwise assigned to them. There is simply no legal
11 requirement on the Company or this Commission to ensure that advanced TOU rates are
12 available to net metered customers. That said, I understand that past Commission
13 discussions have suggested that there may be some Commissioners with interest in
14 having the rate options available to net metered customers.

15 **Q. Should the Commission pursue a path that broadly makes TOU rates**
16 **available to net metered customers?**

17 A. I do not believe so. It is important to understand that net metering
18 inherently results in subsidization of customer-generators by all other customers.
19 Although much more in depth analysis could be done to demonstrate the existence of the
20 subsidy, a couple of simple observations are sufficient to illustrate how and why the
21 subsidy exists. The first point is one that I made in rebuttal testimony, but I will reiterate
22 here. A residential net metered customer that has zero net usage (i.e., over the course of a
23 billing period their generation system produces exactly as much energy as their

⁶ RsMO 386.890.3(2), emphasis added

1 household consumes) will pay only the customer charge as its retail bill. Such customers
2 will pay zero energy charges, despite the fact that those retail energy charges reflect the
3 cost (under any parties' perspective on class cost of service and proper functionalization,
4 classification, and allocation of costs that informs rate design) of the distribution
5 infrastructure that all customers, including *customer-generators, rely on every second of*
6 *every day*. Whether importing or exporting power, customer generators are constantly
7 using and benefiting from the poles, wires, transformers, and other devices that connect
8 them with the system, but may not be paying a cent toward covering their cost. Second,
9 from the perspective of avoided cost, the fact that the Company's Commission-approved
10 avoided cost rates that are paid to customer generators for excess generation above their
11 monthly consumption are significantly less than the Company's full retail rate directly
12 means that there are not sufficient avoided costs to warrant payment to a customer-
13 generator of the full retail rate. This means that when a customer exports a kilowatt-hour
14 to the grid, the customer is compensated at the retail rate (by reducing a retail charge that
15 the customer would have incurred for earlier consumption if that kilowatt-hour were not
16 netted with an export) until their net usage reaches zero, then at the lower avoided cost
17 rate for incremental kilowatt-hours. That the first part of the compensation picture for
18 exports (those valued at the retail rate) are priced higher than the compensation for
19 exports defined based on the utility's avoided cost inherently means that the retail
20 compensation is subsidized (i.e., it exceeds any avoided costs the utility experiences).

21 Now, given this context that net metering includes a subsidy, it is important to
22 recognize that the fact that this subsidization exists is required by the law – a statute that
23 the General Assembly adopted and with which the Commission must comply. Therefore,

1 there is nothing that any of us can or should do to try to avoid that subsidy. The question
2 at issue now is whether the Commission should expand the subsidy beyond the
3 requirements of the law. We contend it should not.

4 **Q. Will offering advanced TOU rates to net metered customers expand**
5 **the subsidy?**

6 A. There are only two possibilities. One is that net metered customers will get
7 a lower bill on the TOU rate plan than they otherwise would, which inherently would
8 increase the subsidy. The second is that customers would have higher bills on TOU rates,
9 and there would be no benefit whatsoever to them for choosing that rate. So, the only
10 possibilities that arise from offering advanced TOU rates to net metered customers are
11 that customers are given an option that no rational customer would want to accept (i.e., a
12 higher bill) or they are given an increased subsidy. Neither of these outcomes are
13 compelling public policy reasons to expand TOU rate availability to net metering
14 customers.

15 **Q. If the Commission still chooses to make all TOU rate plans available**
16 **to net metered customers, what should it do?**

17 A. I would refer to what I mentioned in my rebuttal testimony, and
18 incidentally, Renew Missouri witness James Owen simultaneously presented the same
19 concept as an option, which is to use the approach recently approved by the Commission
20 in Evergy's rate case to address this issue. I'll reiterate what I said in that rebuttal
21 testimony. It makes absolutely no sense to establish one method for applying TOU rates
22 to net metered customers in Missouri in Evergy's case, and then develop an entirely new
23 and different approach for Ameren Missouri. Consistency within the state is often sought

1 by the Commission and parties on issues that are common to utilities across the state, and
2 this one should be no different.

3 **Q. If the Commission were to adopt Staff's recommended approach**
4 **despite your primary and secondary recommendations, do you have any issues with**
5 **Staff's approach that you would like to articulate?**

6 A. Yes. The Company submitted Data Request ("DR") 699 to Staff in order
7 to get some examples of how Staff's approach would be billed. Upon seeing that
8 response, I do not believe the tariff language Staff proposes is clear enough to describe
9 the billing paradigm that was reflected in the billing examples provided by Staff.
10 Specifically, Staff's proposed tariff language states:

11 For bill calculation purposes, all net kWh shall be billed at the intermediate rate,
12 with the difference between the on-peak and intermediate rate applied as a
13 surcharge to the net kWh consumed during the on-peak period, and the difference
14 between the off-peak and intermediate rate applied as a credit to the net kWh
15 consumed during the off-peak period. In no event shall the cash value of the
16 credits calculated pursuant to this calculation be used to offset the customer
17 charge or any rider, tax, or other charge.

18 Upon review of Staff's billing example, I believe it would be clearer and more
19 accurate to state as follows (with changes in bold)⁷:

20 For bill calculation purposes, all net kWh **greater than zero** shall be billed at the
21 intermediate rate, with the difference between the on-peak and intermediate rate
22 applied as a surcharge to ~~the any~~ net kWh consumed during the on-peak period
23 **greater than zero**, and the difference between the off-peak and intermediate rate
24 applied as a credit to ~~the any~~ net kWh consumed during the off-peak period **when**
25 **total net kWh for the billing period are greater than zero**. In no event shall the
26 cash value of the credits calculated pursuant to this calculation be used to offset
27 the customer charge or any rider, tax, or other charge.

⁷ The formulas in spreadsheet attached to Staff's DR response providing billing examples included conditions that set charges to zero when net kWh were less than or equal to zero. These conditions are important in mitigating even more economically irrational outcomes than may already exist under this paradigm as modeled in Staff's DR response spreadsheet.

1 **Q. Using Staff's net metering TOU example billing spreadsheet attached**
 2 **to the DR response mentioned above, were you able to identify any situations that**
 3 **could arise with particularly irrational economic outcomes resulting from**
 4 **application of Staff's TOU net metering framework?**

5 A. Yes, and these outcomes are very good reasons to reject Staff's proposal
 6 and either not make advanced TOU rates available to net metered customers, or
 7 alternatively to use the approach approved for Evergy.⁸ I used the formulas in Staff's
 8 spreadsheet without alteration, but tested various combinations of levels of peak,
 9 intermediate, and off-peak net usage. Figure 1 below shows an outcome where a
 10 customer has positive overall net usage (see the first, or leftmost, circled column) for a
 11 full billing period, and yet has *negative* retail energy charges (see the second, or
 12 rightmost, circled column). Under this scenario, the hypothetical customer would be *paid*
 13 *by the Company to use retail service* (as opposed to being paid by the Company for its
 14 purchasing of their power under the avoided cost rate, which is allowed under the
 15 Company's tariffs, is based on an appropriate avoided cost purchase rate, and is therefore
 16 a reasonable outcome).

17 **Figure 1 – TOU Net Metering Example Illustrating Situation Where Staff's**
 18 **Approach Results in Paying Customers Under Retail Tariffs for Using Electricity**

Scenario	Net Usage	Net peak usage	Net mid-peak usage	Net Off-peak Usage	Total Net Billed at Intermediate	On Peak \$0.4125	Intermediate \$ 0.1238	Off Peak \$0.0779	Bill Amount On Peak	Bill Amount Intermediate	Bill Amount Off Peak	Total Energy Charges
1	200	-200	-400	800	Peak Adjustment Charge				\$ -	\$ 24.76		\$ (11.96)
					Peak Adjustment Credit						\$ (36.72)	

19

⁸ To reiterate, we question the compatibility of that approach with certain provisions of the statute but provide this position on the assumption that the Commission may see it differently.

1 **V. CLASS COST OF SERVICE PRODUCTION COST ALLOCATIONS**

2 **Q. Staff witness Sarah Lange, on the topic of production cost allocations**
3 **contained in the Company's Class Cost of Service Study ("CCOSS"), states that**
4 **"Ameren Missouri sells all of its generated energy...into the integrated energy**
5 **markets, and Ameren Missouri purchases all of the load requirements of its**
6 **customers...from the integrated energy markets. It is not reasonable to rely on any**
7 **study that fails to acknowledge the cost and revenue causation of these market**
8 **activities".⁹ What is your response?**

9 A. Company witness Nick Phillips responds in more depth to this topic, but I
10 also feel compelled to weigh in on this extreme and inappropriate take on the proper
11 allocation of production costs. I can't think of any way to characterize Staff's preferred
12 production allocation method (which it criticizes the Company for not using for its CCOSS)
13 other than as an attempt to break the vertically integrated utility – a utility that plans, owns,
14 and operates its own generation fleet for the very purpose of serving its load and therefore
15 insulates its customers from undo market reliance and price exposure – apart into an
16 apparent merchant generation function and a load serving entity function that relies
17 exclusively on the market, and allocate the impacts of those two functions distinctly,
18 resulting in massive shifts of fixed costs between classes based on nothing but market
19 prices.

20 Mr. Phillips discussed this in his rebuttal testimony and expounds on the topic
21 further in his surrebuttal testimony. One of the observations he raises in his surrebuttal
22 relates to the concept of netting market purchases and sales for accounting purposes for

⁹ File No. ER-2024-0319 Sarah L.K. Lange Rebuttal Testimony, p. 18, ll. 3-8.

1 vertically integrated utilities that is dictated by FERC rule, and a related Commission ruling
2 in the Company's 2014 electric rate case (File No. ER-2014-0258) related to "true
3 purchased power" and how that concept relates to recovery of transmission expenses in the
4 Fuel Adjustment Clause ("FAC").

5 If Staff's perspective that wholesale market transactions that otherwise are netted
6 for accounting purposes and FAC inclusion should be discretely treated as *new sources of*
7 *cost and revenue causation* were adopted by the Commission, it would directly undermine
8 the whole concept of "true purchased power" that underlies the Commission's historical
9 treatment of transmission expense in Missouri FAC's. To the extent that occurred, the
10 Company would and certainly should propose full inclusion of all transmission expenses
11 in its FAC in a future rate review – and the Commission should agree.

12 VI. MISCELLANEOUS ISSUES

13 **Q. What issue does Staff witness Eubanks take with the recommendation**
14 **proposed in the direct testimony of CCM witness Hutchinson related to**
15 **reimbursement of food spoilage and other related expenses associated with power**
16 **outages exceeding 48 hours?**

17 A. Witness Eubanks raises the concern that such a policy would potentially
18 raise costs for all customers.

19 **Q. Do you agree with her concern?**

20 A. Yes. Longer duration outages such as those that would be the subject of
21 CCM's proposal are overwhelmingly the result of severe storms that cause damage to the
22 system. Such events are beyond the control of the Company, and therefore it would be
23 unreasonable for the Company to have to provide financial insurance to customers

1 associated with the impact of such weather events (or other similar system-impacting
2 events beyond the Company's control) without a reasonable opportunity to recover the
3 costs of providing that insurance. As such, the Company expects that the costs of this
4 proposal would be reflected in future revenue requirements to all customers. Storm events
5 already cause increased costs to customers due to the extensive restoration efforts needed
6 to repair damage to the system. Adding the costs of insurance for individual losses, as well
7 the costs of what would almost certainly be a significant administrative effort to develop
8 business processes and systems, train employees, and deliver the credits following a storm
9 event, would exacerbate those storm costs. Plain and simple, the CCM proposal is a
10 proposal that some customers subsidize others.

11 **Q. Staff witness Eubanks also makes recommendations for reporting**
12 **related to the operations of the High Prairie Energy Center that arise from the issues**
13 **experienced with certain turbines failing. Does the Company find the Staff's**
14 **requested reporting to be reasonable?**

15 A. Yes. The information witness Eubanks identifies is relevant and should be
16 available to Staff to understand the situation, including how it evolves on an ongoing basis.
17 The Company is willing to provide such reporting until such time that all turbines are
18 operating without limitations related to the causes of the collapses and asks that the
19 Commission allow it to do so by including such information in its monthly 20 CSR 4240-
20 3.190 reports.

1 **Q. Staff witness Coty King expresses Staff's openness to an Advanced**
2 **Metering Infrastructure ("AMI") self-read option for customers that prefer to opt**
3 **out of AMI metering. What is the Company's perspective on this option?**

4 A. The Company is opposed to offering a self-read option for customers that
5 prefer to opt out of its standard metering arrangements. This is due to the increased cost
6 and complexity that will inherently result from such an option being provided that will
7 increase the likelihood of billing errors and exceptions, as well as reduce the affordability
8 of service for all customers. For more detail on this topic, please see my rebuttal testimony
9 where I addressed this issue more extensively.

10 **Q. Staff witness Amy Eicholz discusses Staff's reaction to Renew**
11 **Missouri's proposals related to a low-income Community Solar program. Do you**
12 **have any reactions to Staff's position on this proposal?**

13 A. Yes. Generally, I agree with witness Eicholz that this case is not the proper
14 venue to make any decisions with respect to a low-income Community Solar program. I
15 would note that Ms. Eicholz indicates Staff's position that any such voluntary renewable
16 program that may be included in base rates be required to create enough revenue to fully
17 cover its costs to prevent subsidization from the general body of customers. Staff's position
18 highlights the challenges of making a low-income voluntary program work. Frankly,
19 pricing a program in the manner that Renew Missouri proposes that makes renewable
20 energy accessible to customers with limited financial resources greatly increases the
21 probability that the program will not generate revenues that cover its costs. The Company
22 is certainly open to considering the federal grant programs (presuming they continue to
23 operate following the change of administration) to close those types of gaps and create a

1 program that accomplishes Renew Missouri's goals without requiring subsidization from
2 other customers. But unless and until that funding source is identified and secured, such a
3 program remains very challenging to envision. I am advised by counsel that such a proposal
4 (at least unless and until such a dedicated funding source were available) also raises serious
5 concerns about undue discrimination, since offering such a program would have nothing
6 to do with a difference in the character of the service provided to a low-income customer
7 versus a customer who does not qualify as low-income; there simply is no difference in the
8 service. Regardless, as Staff noted and I agree, there should be nothing for the Commission
9 to decide in this case as to whether that can or should happen in the future.

10 **Q. In your rebuttal testimony, you provided some comments on Renew**
11 **Missouri's recommendation that the Company expand its Renewable Solutions**
12 **Program ("RSP"). Staff witness Eubanks also commented in her rebuttal on this**
13 **topic. Do you have any comments related to Staff's rebuttal testimony related to**
14 **expansion of the RSP?**

15 A. Yes. Staff raises a couple of points that I would just provide some brief
16 perspective on. Staff appears to question whether the Company has made a formal decision
17 on whether to utilize the planned Bowling Green and Vandalia solar energy centers for the
18 RSP. That is understandable given a data request response provided by the Company to
19 Renew Missouri in this case. To clarify that response a little bit here, the Company is
20 currently evaluating those projects as potential RSP resources but has not made a formal
21 decision to move forward with an enrollment event for a third phase of the program using
22 them. The Company agrees that it is required by the Stipulation and Agreement in File No.
23 EA-2023-0286 to notify Staff if it makes a formal decision related to the utilization of any

1 of the resources that received Certificates of Convenience and Necessity in that case for
2 the program, and we intend to provide that notice if and when it is warranted.

3 Staff also observes that the Company should ensure that it has considered its
4 Renewable Energy Standard ("RES") compliance needs prior to dedicating renewable
5 resources to subscribing customers, and that we ensure that our RES compliance plan is in
6 sync with our actual intentions for the use of the resources. The Company agrees that
7 ensuring that it can reasonably expect to comply with the RES without utilizing the
8 program resources is an important precursor to a decision to dedicate some renewable
9 resources to non-RES purposes, and that our RES compliance plan should stay in sync with
10 our decision making around these resources.

11 **Q. Does this conclude your surrebuttal testimony?**

12 A. Yes, it does.

