

Exhibit No.:
Issue(s): Energy Efficiency
Adjustment, EDI
Witness: Hari K Poudel, PhD
Sponsoring Party: MoPSC Staff
Type of Exhibit: True-Up Direct
Case No.: ER-2024-0319
Date Testimony Prepared: February 14, 2025

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

TARIFF AND RATE DESIGN DEPARTMENT

TRUE-UP DIRECT TESTIMONY

OF

HARI K. POUDEL, PhD

**UNION ELECTRIC COMPANY,
d/b/a Ameren Missouri**

CASE NO. ER-2024-0319

*Jefferson City, Missouri
February 2025*

**** Denotes Confidential Information ****

1 **TRUE-UP DIRECT TESTIMONY OF**

2 **HARI K. POUDEL, PhD**

3 **UNION ELECTRIC COMPANY,**
4 **d/b/a Ameren Missouri**

5 **CASE NO. ER-2024-0319**

6 Q. Please state your name and business address.

7 A. My name is Hari K. Poudel, and my business address is P.O. Box 360,
8 Jefferson City, Missouri, 65102.

9 Q. By whom are you employed and in what capacity?

10 A. I am employed by the Missouri Public Service Commission (“Commission”)
11 as an Economist in the Tariff/Rate Design Department in the Industrial Analysis Division.

12 Q. Are you the same Hari K. Poudel that filed direct testimony in this case?

13 A. Yes.

14 Q. What is the purpose of your testimony?

15 A. The purpose of my testimony is to perform the energy efficiency annualization
16 adjustment and Economic Development Incentive (“EDI”) annualization calculations for the
17 true-up period. Additionally, I’ll respond to Ameren Missouri’s witness Dr. Bowden regarding
18 Ameren Missouri’s demand response residential optimization used in his adjustment.

19 **ENERGY EFFICIENCY ANNUALIZATION ADJUSTMENT**

20 Q. What is the true-up date for this case?

21 A. The true-up date is December 31, 2024.

22 Q. Do you agree with Ameren Missouri’s witness, Dr. Bowden, that Staff have a
23 handful of input data entry errors in direct testimony’s workpaper?

1 A. Yes.

2 Q. Did Staff have a discussion with Dr. Bowden about these errors after
3 direct filing?

4 A. Yes.

5 Q. Please describe the errors in the energy efficiency annualization adjustment.

6 A. Staff used the deemed kWh savings instead of the evaluated kWh savings for
7 the residential, Small General Service (“SGS”), Large General Service (“LGS”),
8 Small Primary Service (“SPS”), and Large Primary Service (“LPS”) classes in its adjustment
9 calculation. Additionally, the monthly end-use load shapes were misaligned with monthly
10 savings for the SGS and LGS classes. Total installed savings omits savings from one end-use
11 category in every month for SGS, LGS, SPS, and LPS classes.

12 Q. Did Staff identify a kWh savings that is attributed to residential demand
13 response optimization in this case?

14 A. Yes.

15 Q. Did Ameren Missouri discuss the kWh savings associated with demand
16 response optimization in the last rate case?

17 A. No. Based on a conversation¹ with Dr. Bowden on January 14, 2025,
18 the savings associated with the demand response optimization were not excluded in that case.
19 However, it looks like the optimization program did exist in PY2021 and PY2022.

20 Q. How did Staff approach Ameren Missouri to get information about
21 the optimization?

¹ Schedule HKP-td1.

1 A. Staff sent data request 0695.0 on December 23, 2024, after a conversation with
2 Dr. Bowden, and Ameren Missouri objected to the data request.

3 Q. Did Staff and Dr. Bowden have a conversation regarding this matter?

4 A. Yes. There were multiple email conversations between Staff and
5 Ameren Missouri. Additionally, Dr. Bowden discussed the use of residential demand response
6 optimization in the MEEIA adjustment calculation workpaper during a WebEx discussion on
7 December 18, 2024.

8 Q. Please describe Dr. Bowden’s annualization adjustment for demand response
9 optimization savings.

10 A. Dr. Bowden excluded residential demand response optimization savings from
11 the annualization adjustment. On page 59, lines 3 through 7, of his rebuttal testimony,
12 Dr. Bowden states that, “The Company changed its treatment of residential demand response
13 optimization in the MEEIA annualization adjustment since the last case. The change makes
14 good sense in principle and benefits customers (i.e., increases normalized usage and revenue,
15 which reduces the required rate increase needed to achieve the revenue requirement).”

16 Q. Why did Ameren Missouri exclude optimization savings in this rate case?

17 A. Dr. Bowden stated that the energy usage changes due to the residential demand
18 response optimization generally reflected the lack of persistence. Therefore, Ameren Missouri
19 has started excluding such savings from the MEEIA adjustment in this case.

20 Q. Does Staff agree with Dr. Bowden’s approach of excluding residential demand
21 response optimization savings from the annualization adjustment?

22 A. Yes.

1 Q. Has Staff updated the MEEIA annualization adjustment for the true-up period
2 for residential, SGS, LGS, SPS, and LPS classes?

3 A. Yes. Staff updated adjustments for true-up for these classes using the same
4 calculation methodology used in the direct workpaper. However, the time frame is updated for
5 the true-up period.

6 Q. What is Staff's recommended energy efficiency adjustment to be applied to the
7 level of current revenues and billing determinants for the true-up period?

8 A. Staff's total energy efficiency adjustment is ** [REDACTED] ** for the
9 true-up period ending December 31, 2024. The adjustment has been increased during the
10 true-up period compared to the update period to account for the cumulative impacts of the
11 energy efficiency measures over time.

12 Q. Through this testimony, do you describe the development of a work product
13 that you provided to other Staff witnesses for the development of an issue?

14 A. Yes. The development of the energy efficiency adjustment is the result of the
15 process described in this testimony, which Staff witnesses Kim Cox and Marina Stever use to
16 determine total revenue billing determinants. To represent the effect of the energy efficiency
17 adjustment on Ameren Missouri's revenue, the energy efficiency adjustment is applied to
18 revenue billing determinants.

19 **EDI ANNUALIZATION ADJUSTMENT**

20 Q. How has Staff updated the EDI Rider discounts?

21 A. Staff annualized the EDI discount for non-residential customers for
22 the 12 months ending December 31, 2024. The rate classes for participating EDI tariff
23 customers were SPS, LGS, and LPS rate classes. Staff's EDI Rider annualized discounts for the

True-Up Direct Testimony of
Hari K. Poudel, PhD

1 true-up period is ** [REDACTED] ** The EDI adjustment has remained relatively stable between
2 the update and true-up periods. The staff found no changes in rates after direct filing. It is Staff's
3 general practice to annualize data to better model the impact of known changes.

4 Q. Does this conclude your true-up direct testimony?

5 A. Yes. It does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Union Electric Company)
d/b/a Ameren Missouri's Tariffs to Adjust)
Its Revenues for Electric Service) Case No. ER-2024-0319

AFFIDAVIT OF HARI K. POUDEL, PhD

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

COMES NOW HARI K. POUDEL, PhD and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Surrebuttal / True-Up Direct Testimony of Hari K. Poudel, PhD*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

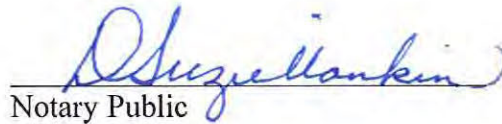


HARI K. POUDEL, PhD

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 4th day of February 2025.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070



Notary Public

From: [Poudel, Hari](#)
To: [Bowden, Nicholas](#)
Subject: RE: Res DR Optimization
Date: Tuesday, January 14, 2025 4:30:00 PM

Thank you, Nick.

From: Bowden, Nicholas <NBowden@ameren.com>
Sent: Tuesday, January 14, 2025 12:39 PM
To: Poudel, Hari <Hari.Poudel@psc.mo.gov>
Subject: RE: Res DR Optimization

Sorry, swamped over here. It looks like the DR optimization program did exist in PY2021 and PY2022. Those were the PYs applicable to the MEEIA adjustment in the last case. The associated savings were not deleted in that case. My understanding is that modeling of these savings in TD/Rider EEIC changed in PY 2024. That change generally reflected the lack of persistence, but I am not familiar with all the detail there in Rider EEIC. That change and the underlying principle motivated a discussion about changing the MEEIA adjustment in this case. I agreed that the change to the MEEIA adjustment made good principled sense. It also benefits customers.

Nick

From: Poudel, Hari <Hari.Poudel@psc.mo.gov>
Sent: Monday, January 13, 2025 1:36 PM
To: Bowden, Nicholas <NBowden@ameren.com>
Subject: [EXTERNAL] Res DR Optimization

EXTERNAL SENDER STOP.THINK.QUESTION.

Verify unexpected requests before opening links or attachments.

Hi Nick,

Did you also consider Res DR Optimization in your analysis of the most recent rate case?

Thanks,
Hari

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