

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of a Working Case to Explore)
Emerging Issues in Utility Regulation) **File No. EW-2017-0245**

**MISSOURI DIVISION OF ENERGY’S RESPONSE TO
STAFF’S QUESTIONS IN AGENDA AND REQUEST FOR WORKSHOP DOCKET**

COMES NOW the Missouri Division of Energy (“DE”), by and through the undersigned counsel, and in response to the questions propounded in the Public Service Commission (“Commission”) Staff’s (“Staff”) *Agenda and Request for Workshop Docket* in the above-styled matter, states:

What is the Commission’s role in shaping the solar landscape?

The Commission has statutory authority in overseeing net metering and interconnection practices, as well as utility-scale solar operations. Utilities are uniquely positioned to serve customers through the construction and/or purchase of increasingly affordable renewable energy. The Commission can reasonably require utilities to pursue competitively priced renewable energy opportunities to diversify their portfolio and support economic development and business retention, and can also reasonably require utilities to educate consumers about available options. Per statute, the Commission’s authority with respect to distributed energy resources is to provide customers with the ability to easily connect to utility systems and receive appropriate compensation in exchange for excess energy production, per the “Net Metering and Easy Connection Act” at Section 386.890, RSMo. In order to fully evaluate the symmetrical benefits and costs of distributed solar generation, the Commission should direct parties to examine the value of distributed generation, including quantifiable non-energy impacts (see the Rebuttal Testimony of Martin R. Hyman in ER-2016-0285). However, net metering rates could not be implemented based on such a study to the extent that such

rates are prescribed by law (i.e., based on the utility's avoided cost). Similarly, the Commission should direct parties to examine other aspects of net metering and interconnection, such as technological developments with respect to inverters and other connection equipment, the integration of energy storage, and best practices in other states (e.g., virtual net metering, aggregate net metering, and community solar). Some commonly accepted practices, such as compensation for excess energy production at the utility's retail rate, would require statutory changes; however, other best practices which might streamline interconnection procedures could be adopted by rule.

What is the Commission's role related to the installation of advanced metering infrastructure?

DE supports investments in advanced metering infrastructure ("AMI") that can provide benefits to customers through reduced meter reading costs and expanded program opportunities. Such opportunities could include demand-response programs and enhanced time-differentiated rate designs. Privacy concerns will need to be addressed, as will the need for reasonable third party access to meter data in order to allow for robust program offerings. Provisions to allow customers to opt out of AMI meter installation, as found in other states, are reasonable so long as customers that opt-out bear the full costs of their decision (e.g., non-AMI meter costs and additional meter reading costs).¹ DE also supports the deployment of AMI infrastructure by natural gas and water utilities to provide cost savings and additional customer program opportunities; DE recommends that the Commission order parties to investigate synergies between utility AMI programs, such as co-delivery options and joint estimates of customer efficiency savings.

What is the Commission's role in shaping the availability of Property Assessed Clean Energy (PACE) and Pay as You Save (PAYS) programs?

¹ See the Direct and Rebuttal Testimonies of Martin R. Hyman in ER-2016-0285.

DE notes that PACE and on-bill financing programs (the latter of which includes the branded PAYS® program) are part of the unresolved issues in Kansas City Power & Light Company's current rate case (ER-2016-0285), and that on-bill financing is at issue in the delayed implementation of the Empire District Electric Company's new demand-side management programs resulting from ER-2016-0023. Therefore, while DE is supportive of PACE, on-bill, and other financing opportunities, DE's discussion of such issues herein is general in nature. It should also be noted that the discussion of on-bill financing should not be limited to PAYS®, a branded product with built-in limitations. In addition, PACE financing is provided at the discretion of local governments that participate in statutorily created, quasi-governmental Clean Energy Districts for purposes of program delivery and administration, not entities regulated by the Commission; however, utilities can (and should) promote diverse financing options for customers. DE recommends that the Commission order parties to consider how to encourage utilities to offer a broad variety of financing options for customers to make energy-related improvements.²

What is the Commission's role in implementing modified rate design proposals?

DE notes that rate design proposals are part of the unresolved issues in Kansas City Power & Light Company's current rate case (ER-2016-0285). Therefore, while DE is interested in rate designs which support energy efficiency and demand response, DE's discussion of such issues herein is general in nature. DE supports the implementation of cost-based rate designs which send appropriate price signals to consumers to modify their energy usage and demand, in furtherance of the Missouri Energy Efficiency Investment Act's "... goal of achieving all cost-effective demand-side savings ..." (Section 393.1075.4, RSMo.). Proper rate design, including appropriate fixed charges, volumetric rates, the timing of various charges, and demand response

² See the Direct, Rebuttal, and Surrebuttal Testimonies of Martin R. Hyman in ER-2016-0285.

programs to influence load curves can encourage additional savings both through basic price signals and the enhanced value such rate designs provide to demand-side management programs.³

What is the Commission’s role in promoting a competitive market for plug-in electrical vehicles?

DE notes that the treatment of electric vehicle charging stations is part of the unresolved issues in Kansas City Power & Light Company’s current rate case (ER-2016-0285). Therefore, while DE is interested in supporting electric vehicle charging station deployment, DE’s discussion of such issues herein is general in nature. Additionally, per the Commission’s decision in Union Electric Company d/b/a Ameren Missouri’s recent electric vehicle charging station tariff case (ET-2016-0246), the Commission has declined to exercise jurisdiction over charging stations based on a legal interpretation holding that charging stations are not regulated “electric plant.” Based on this interpretation, it is unclear how resale provisions apply to electric vehicle charging and how the Commission can play a role with regards to electric vehicle-specific rate designs, since Commission decisions as to these topics would cover “charging services” as opposed to electricity sales. DE is concerned that the Commission’s decision not only limits future regulatory options, but could limit the electric vehicle charging market from becoming truly competitive.

WHEREFORE, the Missouri Division of Energy respectfully files its response to the questions posed in Staff’s *Agenda and Request for Workshop Docket* and prays that the Commission consider the responses herein.

³ *Id.*

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been served electronically on all counsel of record this 1st day of May, 2017.

/s/ Brian Bear

Brian Bear