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

In the Matter of the Consideration of	)	
Proposed Amendments to the	)	
Missouri Public Service Commission's	)	Case No. EW-2019-0002
Rules Regarding Solar Rebates	)	
(4 CSR 240-20 100(4))		

#### THE OFFICE OF THE PUBLIC COUNSEL'S COMMENTS

**COMES NOW** the Office of the Public Counsel (OPC), by and through counsel, and for its Comments states as follows:

#### BACKGROUND

On July 5, 2018, the Public Service Commission (Commission) established Case No. EW-2019-0002 in response to the Commission Staff's (Staff) Motion to Open Rulemaking Workshop regarding Senate Bill 564 (SB 564) enacted by the 99<sup>th</sup> General Assembly of the Missouri Legislature. Specifically, the Commission Staff are seeking stakeholder input regarding solar energy rebates authorized by Section 393.1670 of SB 564. The Commission Staff's proposed rule implementing Section 393.1670 directs solar rebates offered by electric utilities towards low income communities and high poverty areas.

The Commission requested comments regarding the Staff's drafted rules to be submitted by no later than July 16, 2018. As the OPC is charged to "represent and protect the interests of the public", including all ratepayer classes, the OPC offers comments as follows.<sup>1</sup>

# POSITION ON THE LEGALITY OF TARGETING SOLAR REBATES TOWARDS LOW INCOME COMMUNITIES AND HIGH POVERTY LEVEL AREAS

Attempting to target solar energy rebates towards low income households may be meritorious policy, but the OPC questions the legality of so implementing Section 393.1670. The

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<sup>&</sup>lt;sup>1</sup> Section 386.710, RSMo.

OPC's concerns are that such a directive unduly discriminates both across and within ratepayer classes. Targeting any utility benefit towards certain recipients requires a clearly defined and support public policy rationale. Otherwise undue discrimination is unlawful, and the legality of the proposed rules as drafted is accordingly undermined.

As the Commission is "purely a creature of statute", its powers are circumscribed to those powers granted to it by legislative acts.<sup>2</sup> Such statutes are liberally interpreted in favor of a broad Commission authority.<sup>3</sup> However, no liberal interpretation can thwart law to the contrary, and "neither convenience, expediency or necessity are proper matters for consideration in the determination of" the lawfulness of the Commission's actions.<sup>4</sup> Instead any liberal treatment of Commission law must nonetheless also be lawful.<sup>5</sup>

The question of whether a proposed rule is lawful is ultimately a legal issue, and therefore deference need not be afforded to Staff's interpretations.<sup>6</sup> Rather, lawfulness should be found by effectuating legislative intent and state public policy.<sup>7</sup> When determining legislative intent, the Commission is primarily limited to the plain and ordinary meaning of the language.<sup>8</sup> Literal statutory provisions may be overcome by rule if the statute is ambiguous or if the rules further an otherwise explicit state policy.<sup>9</sup>

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<sup>&</sup>lt;sup>2</sup> State ex rel. Utility Consumers Council v. Pub. Serv. Comm'n, 585 S.W.2d 41, 49 (Mo. 1979); Pub. Serv. Comm'n v. Mo. Gas Energy, 388 S.W.3d 221, 230 (Mo. Ct. App. 2012).

<sup>&</sup>lt;sup>3</sup> State ex rel. Laundry v. Pub. Serv. Comm'n, 327 Mo. 93, 106, 34 S.W.2d 37, 41-43 (1931).

<sup>&</sup>lt;sup>4</sup> Utility Consumers Council, 585 S.W.2d at 49 (quoting State ex rel. Kansas City v. Pub. Serv. Comm'n, 301 Mo. 179, 257 S.W.462 (Mo. 1923)).

<sup>&</sup>lt;sup>5</sup> Office of the Pub. Counsel v. Pub. Serv. Comm'n, 409 S.W.3d 371, 375 (Mo. 2013).

<sup>&</sup>lt;sup>6</sup> See Pub. Serv. Comm'n v. Union Elec. Co., 2018 Mo. LEXIS 242, 15 ("Because the proper interpretation of the Plan and the rule are legal issues, this Court need not afford the Commission's interpretation any deference").

<sup>&</sup>lt;sup>7</sup> State ex rel. Dalton v. Miles Laboratories, 365 Mo. 350, 365, 282 S.W.2d 564, 573-74 (1955).

<sup>&</sup>lt;sup>8</sup> Verified Application & Petition of Liberty Energy (Midstates) Corp. v. Office of Pub. Counsel, 464 S.W.3d 520, 524-25 (2015).

<sup>&</sup>lt;sup>9</sup> Miles Laboratories, 282 S.W.2d at 573-74.

Nothing in Section 393.1670 displays an intent or policy of targeting low income or impoverished homes for solar rebates. The newly enacted law provides that:

"Notwithstanding the provisions of subdivision (1) of subsection 2 of section 393.1030 and section 393.1045 to the contrary, and subject to the limitations provided in this section, an electrical corporation shall, commending [sic] January 1, 2019, make solar rebates available in the amounts specified in this section. . . The rebates provide for by this section shall apply to new or expanded solar electrical systems up to a maximum of twenty-five kilowatts per system for residential customers and up to one hundred fifty kilowatts per system for nonresidential customers." <sup>10</sup>

Subsequent restrictions in the bill address financing requirements, recovery through rate adjustment mechanisms, and internal definitions, but at no point does Section 393.1670 distinguish between low income and moderate income ratepayers, or state any policy that solar rebates target impoverished populations. In fact, no such distinguishing language occurs throughout SB 564. Such silence is palpable.

Senate Bill 564's phrase "shall . . . make solar rebates available in the amounts specified in this section", also implies that no restrictions other than those specified in the bill may be applied to the rebates. 11 The expansion of solar rebates to existing solar energy systems also supports this implication because extending more solar rebates to existing providers and users only further curtails rebates from being targeted towards indigent individuals who are likely not utilizing solar rebates currently. Subsequent language that "an electrical corporation's obligation to make solar rebate payments under this section shall not *exceed the following* limitations" bolsters the

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<sup>&</sup>lt;sup>10</sup> Mo. S.B. 564, 99th Gen. Assem. (2018).

<sup>&</sup>lt;sup>11</sup> *Id*.

conclusion that the Commission cannot add further, undue restrictions to the solar rebates beyond statutory guidelines.<sup>12</sup>

Consideration should be further paid to the fact that SB 564 was passed by the Missouri General Assembly in full knowledge of existing law. Subsection 3 of section 393.130, which is not edited or otherwise addressed by SB 564, equivocally provides that electrical corporations shall not discriminate or grant any "undue or unreasonable preference or advantage to any person ... in any respect whatsoever." If electric utilities are not permitted to discriminate across and within ratepayer classes in *any* respect, it becomes dubious to consider that the Commission may by rule direct those same utilities to unduly prefer one low income customer over another. The doubt as to the Commission's rulemaking authority further stands affront of nearly a century of Missouri common law forbidding undue utility service discrimination between two ratepayers. Absent statutory or judicial authority to the contrary, the Commission cannot permit undue discrimination amongst ratepayers even for seemingly altruistic purposes.

In commenting that the proposed Commission rules may be unduly discriminatory, the OPC is reiterating not only its own concerns but the Commission Staff's previous position as well from when the Commission entertained creating a separate low income customer class rate. Six years ago, the Commission asked for stakeholder input regarding the institution of a low income utility rate distinguished from within the consumer ratepayer class. The OPC recognized the Commission's ability to establish experimental programs aimed at providing net benefits to ratepayers, but ultimately concluded that intra-class discrimination based on income is unjust and

<sup>&</sup>lt;sup>12</sup> *Id.* (emphasis added).

<sup>&</sup>lt;sup>13</sup> Section 393.130, RSMo. mo

<sup>&</sup>lt;sup>14</sup> State ex rel. Laundry, 34 S.W.2d at 41-43.

unlawful.<sup>15</sup> The OPC considered the hypothetical of only one of two neighboring low income customers receiving a utility benefit because one neighbor is just below an arbitrary poverty threshold.<sup>16</sup> Such a result could just as easily occur if solar rebates are limited for low income customers.

Concurrently with the OPC, the Commission Staff's initial comments noted that discrimination attempting to favor low income customers has been struck down in numerous other states, and that "it may be argued that there is no authority for the Commissioners to effectuate rates for a low-income residential class of electric, gas, water, or sewer customers." In its Reply Comments the Commission Staff reiterated that "the Commission lacks express statutory authority to establish a specific rate for low-income customers." The Commission ultimately took no action following Staff's repeated assertions that the Commission could not benevolently discriminate amongst residential ratepayers. Since there has been no statutory grant of authority since 2012 regarding low income rates or discrimination, the prior logic of the Commission Staff and the OPC should hold.

### POSITION ON ADDRESSING LEGALITY CONCERNS OF AIDING LOW INCOME COMMUNITIES AND HIGH POVERTY LEVEL AREAS

The foregoing notwithstanding, the OPC believes that the proposed rule's potential illegality may be addressed while still pursuing goals that are a net benefit for all consumers while alleviating low income populaces. The Commission may *duly* discriminate as long as delineations

<sup>&</sup>lt;sup>15</sup> The Office of the Public Counsel's Comments, Commission Case Nos. EW-2013-0045, GW-2013-0046, WW-2013-0047 (Sept. 7, 2012) (citing Western Union Telegraph Co. v. Call Pub. Co., 181 U.S. (1901)).

<sup>&</sup>lt;sup>17</sup> Staff Report on the Investigation into the Establishment of a Low-Income Customer Class or Other Means to Help Make Electric, Gas or Water Utility Service Affordable, Commission Case Nos. EW-2013-0045, GW-2013-0046, WW-2013-0047 (Sept. 7, 2012).

<sup>&</sup>lt;sup>18</sup> Staff's Reply Comments, Commission Case Nos. EW-2013-0045, GW-2013-0046, WW-2013-0047 (Sept. 24, 2012).

are reasonably performed to further statutory or common law policy. <sup>19</sup> Statute directs the Commission to fix "suitable and convenient" units of utility services, and to adopt reasonable rules. <sup>20</sup> Common law provides that the Commission may discriminate amongst non-suspect groups so long as its basis as reasonable. <sup>21</sup> Economic rationales related to service and grid maintenance have long been the basis for due discrimination. <sup>22</sup> Differences in rates based upon the cost of service have long been deemed valid, as have charges due for varying services. <sup>23</sup> The newly enacted rate caps distinguishing between large and small power service rate classes in Section 393.1655 in SB 564 further evidence legislative directives to consider economics in discriminations. <sup>24</sup> The rate caps do not benefit energy users based on income, but rather give preference to large power service users because of the incidental load factor benefits, which could, theoretically translate to net benefits for all customers.

Therefore, discrimination premised on reasonable and demonstrable economic grounds is lawful. Even discrimination amongst suspect classes can be upheld if disparate impacts result from a holistic review pursuing a compelling policy justification.<sup>25</sup> Income brackets do not correspond to suspect class status,<sup>26</sup> but the validity of holistic reviews can be instructive for implementing Section 393.1670.

Considering the validity of holistic reviews and economic justifications, the OPC proposes that rather than the prescriptive language proposed by the Commission demanding that solar rebates target low income communities, the Commission consider adopting a list of particular

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<sup>&</sup>lt;sup>19</sup> Miles Laboratories, 282 S.W.2d at 573-74.

<sup>&</sup>lt;sup>20</sup> Section 386.260, RSMo; Section 386.250, RSMo.

<sup>&</sup>lt;sup>21</sup> State ex rel. Laundry, 34 S.W.2d at 44.

<sup>&</sup>lt;sup>22</sup> See, e.g., State ex rel. Laundry, 34 S.W.2d at 44.

<sup>23</sup> Id

<sup>&</sup>lt;sup>24</sup> Mo. S.B. 564.

<sup>&</sup>lt;sup>25</sup> Fisher v. Univ. of Tex., 136 S. Ct. 2198, 2214 (2016).

<sup>&</sup>lt;sup>26</sup> Contra Skinner v. Oklahoma, 316 U.S. 535, 541 (1942) (applying strict scrutiny to state policy of discrimination amongst economic classes when irreparable bodily harm is at issue).

groups of energy users along with policy objectives that can be considered holistically to determine if a solar rebate may be issued. Our proposed language is as follows:

- "(Q) All annual rebates shall be administered using the framework under subsection (4)(R).
- (R) An electric utility, shall, through its tariff, define specific areas or criteria for solar rebates to offer based upon the following goals, the enumeration thereof being no indication of preference or priority:
- 1. Reducing instances of bad debt, or encouraging stabilization of previous or current volatile bill fluctuations;
- 2. Supporting customers on existing utility sponsored income qualification programs;
- 3. Maintaining service reliability; and
- 4. Providing solar energy benefits for public areas, accommodations, or spaces where benefits are shared by all ratepayers, provided that at least one of the aforementioned goals is also addressed.
- (S) The electric utility shall provide the basis, including all supporting documentation, for its determination of solar rebate eligibility using the framework under subsection (4)(R). Solar rebate application priority towards the annual limit shall correspond to the demonstration of the subject solar rebate furthering the number of goals listed under subsection (4)(R). A redeemed solar rebate shall satisfy at least one goal."

Rather than explicitly discriminating amongst economic classes, the OPC believes that a holistic consideration of factors will better survive judicial review while furthering the intended

goals of supporting low income customers. Accordingly, a showing of furthering multiple factors will elevate a solar rebate redeemer above other valid redeemers that further just one identified goal. This holistic review process will replace the previous unreserved queue process. The offered framework aids low income communities while not explicitly targeting them by instead referencing a host of considerations that, when employed, will have direct and cascading benefits for all energy users but especially low income customers. This conclusion is explained by supporting documentation provided in the attached OPC 1 memorandum.

#### POSITION ON IMPLEMENTATION CONCERNS AND POTENTIAL FOR ABUSE

The OPC also wishes to comment that prior experiences with solar rebate programs demonstrate the potential for abuse. Electric corporations have an inherent advantage when competing with non-regulated solar energy vendors because only the electric utility has direct and immediate access to customer energy usage data. An independent solar vendor can only get this information through the utility or customer. Electric corporation affiliates can then exploit this informational asymmetry to obtain an undue competitive advantage by offering solar services to a customer before a deal is finalized with an independent solar vendor.

Such events appear speculative, but the OPC has credible reasons to believe such events have occurred in Missouri, and could continue unless the solar rebate que process and affiliate transaction securities are amended with the goal of securing a competitive market. This potential for abuse should be taken especially serious given Commissioner Scott Rupp's order to investigate similar matters in Kansas City Power & Light's latest request for a general rate increase.<sup>27</sup> The OPC desires to discuss the potential for abuse with interested stakeholders, and to collaboratively create a preventative solution.

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<sup>&</sup>lt;sup>27</sup> Commissioner Rupp's Order Directing Staff to Investigate Allegation, Commission Case Nos. ER-2018-0145, ER-2018-0146 (July 2, 2018).

**WHEREAS,** the OPC doubts the legality of a Commission rule explicitly favoring low income ratepayers absent statutory directives, provides a recommendation on how unlawfulness can be cured, and sees potential for abuse implementation issues.

WHEREFORE, the OPC respectfully submits its Comments.

Respectfully,

OFFICE OF THE PUBLIC COUNSEL

/s/ Caleb Hall Caleb Hall, #68112 Senior Counsel 200 Madison Street, Suite 650 Jefferson City, MO 65102 P: (573) 751-4857 F: (573) 751-5562 Caleb.hall@ded.mo.gov

Attorney for the Office of the Public Counsel

#### **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served, either electronically or by hand delivery or by First Class United States Mail, postage prepaid, on this 16<sup>th</sup> day of July, 2018, with notice of the same being sent to all counsel of record.

/s/ Caleb Hall

#### **MEMORANDUM**

To: Missouri Public Service Commission Official Case File,

Case No. EW-2019-0002

From: Geoff Marke, Chief Economist

Missouri Office of the Public Counsel

Subject: Allocation of Solar Rebates

Date: July 16, 2018

#### **General Comments:**

The Office of the Public Counsel ("OPC") appreciates the opportunity to file comments to the Commission's Staff regarding the Rules Regarding Solar Rebates: 4 CSR 240-20.100 (4). OPC recommends that the solar expenditures required from SB 564 be targeted at commercial, nonprofit, and tax-exempt business customers that are doing business to provide social services to low income public, including homeless shelters, food banks, food pantries, soup kitchens, employment/housing services, worker training, job banks, childcare facilities, and low income elderly nursing homes.

The aforementioned examples all operate to alleviate economic hardships and material deprivation for Missouri's low income population which in turn should provide the basis for more stable utility customers (e.g., customers not dropping on-and-off for service) and reductions in bad debt. There are also many practical and progressive economic arguments for strategically targeting these low income service entities as opposed to providing rebates on a first-come, first-serve basis as previously implemented or by attempting to provide a subscription-based low income community solar program.

#### The Flawed "First-Come, First-Serve" Solar Rebate Model:

OPC believes the original offering of ratepayer-funded rooftop solar rebates, particularly on a first-come first-serve basis, represented a largely regressive energy policy decision. The large "up front" capital costs and requisite available rooftop functioned as both an effectual barrier and an indirect form of intra-class price discrimination for many within the residential class—most acutely for low income customers. Furthermore, it could be reasonably argued that the basis for dispersing the original rooftop solar rebates included at least some percentage of free riders, or, customers who would have opted to invest in rooftop solar regardless of the rebate. Furthermore, the opacity of the utilities "solar que" and the uncertainty of whether or not solar rebates would be available proved to be a material concern for all parties involved.

<sup>&</sup>lt;sup>1</sup> OPC makes this generalization based in part on the research associated with income brackets and US Clean Energy Tax Credits. See also: Borenstein, S. and L. Davis, (2015) The distributional effects of U.S. Clean Energy Tax Credits. National Bureau of Economic Research. <a href="http://www.nber.org/papers/w21437.pdf">http://www.nber.org/papers/w21437.pdf</a>

The framework surrounding net metering is also at odds with how a utility recovers its revenue requirement. Electric utilities have a lot of fixed costs that are not dependent on how much electricity is consumed. Every time ratepayers use electricity, they are paying for these fixed costs. With rooftop solar, there is an opportunity to radically reduce the amount of electricity a rooftop solar consumer buys from the utility. However, rooftop solar homes continue to be connected to the grid. Rooftop solar homes use the grid just as much as non-solar homes, as they are always either importing or exporting electricity, it's just that they consume much less grid-electricity.

Presently, rooftop solar consumers contribute much less to paying for utility fixed costs, but the fixed costs have not gone away—those are costs are merely shifted to nonparticipants. Admittedly these costs have historically been very small. It is estimated that only 0.33% of Missouri's electricity is generated from solar with most of that renewable generation derived from utility-scale solar plants not rooftop solar.<sup>2</sup>

### The Low Income Burden:

One of the most difficult barriers faced by many low income ratepayers is the insufficiency of income to cover all basic necessitates. In nearly every single case before the Commission in which an investor-owned utility requested to raise rates, both Staff and OPC are contacted by members of the public pleading to the Commission to consider the bill impact of ratepayers on fixed incomes. Of important note, customer related costs associated with involuntary termination of service result in a cost transfer to existing ratepayers via uncollectible bad debt.

As costs for residential heating, cooling and other household energy needs steadily increase, they account for a higher percentage of household budgets and represent emerging disparities between richer and poorer households. Empirical data substantiate that many families are struggling. For example:

- 1. The U.S. Consumer Financial Protection Bureau's 2017 National Financial Well-Being Survey found that more than 40 percent of U.S. adults struggle to pay bills, and 34 percent have experienced material hardships in the last year such as running out of food, or not having enough money for medical treatment or paying a utility bill.<sup>3, 4</sup>
- 2. The U.S. Federal Reserve's *Report on the Economic Well-Being of U.S. Households in 2017* found that:
  - Four in 10 adults, if faced with an unexpected expense of \$400, would either not be able to cover it or would cover it by selling something or borrowing money;

https://files.consumerfinance.gov/f/documents/201709 cfpb financial-well-being-in-America.pdf

<sup>&</sup>lt;sup>2</sup> Solar Energy Industries Association (2018) Solar State by State: Missouri https://www.seia.org/states-map

<sup>&</sup>lt;sup>3</sup> THE CFPB defines "material hardships" as: Running out, or worrying about running out, of food, not being able to afford medical treatment or a place to live, or having utilities turned off.

<sup>&</sup>lt;sup>4</sup> CFBB (2017) Financial well-being in America.

- Over one-fifth of adults are not able to pay all of their current month's bills in full; and
- Over one-fourth of adults skipped necessary medical care in 2017 due to being unable to afford the cost.<sup>5</sup>
- 3. According to Freddie Mac, the number of apartments deemed affordable for very low income families across the United States fell by more than sixty percent between 2010 and 2016.<sup>6</sup>
- 4. Speaking to Missouri-specific housing and utility concerns, the National Low Income Housing Coalition estimates that:
  - In Missouri, the Fair Market Rent ("FMR") for a two-bedroom apartment is \$815. In order to afford this level of rent and utilities—without paying more than 30% of income on housing—a household must earn \$2,716 monthly or \$32,588 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into an hourly housing waged of \$15.46.
  - To put that number into context, the State minimum wage is \$7.85. Which means that a minimum wage worker would have to work approximately 79 hours a week to afford a 2-bedroom rental home or 62 hours for a one-bedroom home at fair market value. In Missouri, there is an estimated 787,627 renters, representing roughly 33% of the State's population.<sup>8</sup>
- 5. The nonpartisan Congressional Research Service estimates only sixteen percent of those eligible for LIHEAP ("Low Income Heating Energy Assistance Program") assistance receive it.<sup>9</sup>
- 6. A University of Colorado Denver study found, not being able to pay utility bills is the second leading cause of homelessness, behind domestic violence in households with children.<sup>10</sup>

<sup>&</sup>lt;sup>5</sup> Board of Governors of the Federal Reserve System (2018) Report on the Economic Well-Being of U.S. Households in 2017. <a href="https://www.federalreserve.gov/publications/files/2017-report-economic-well-being-us-households-201805.pdf">https://www.federalreserve.gov/publications/files/2017-report-economic-well-being-us-households-201805.pdf</a>

<sup>&</sup>lt;sup>6</sup> Jan. T. (2017) America's affordable-housing stock dropped by 60 percent from 2010 to 2016. *The Washington Post* <a href="https://freddiemac.gcs-web.com/news-releases/news-release-details/new-freddie-mac-analysis-finds-widening-shortfall-affordable">https://freddiemac.gcs-web.com/news-releases/news-release-details/new-freddie-mac-analysis-finds-widening-shortfall-affordable</a>

<sup>&</sup>lt;sup>7</sup> U.S. National Low Income Housing Coalition. Out of Reach 2018: Missouri <a href="http://nlihc.org/oor/missouri">http://nlihc.org/oor/missouri</a> <sup>8</sup> Ibid.

<sup>&</sup>lt;sup>9</sup> Congressional Research Service (2018) LIHEAP: Program and Funding <a href="https://www.everycrsreport.com/files/20180201\_RL31865\_b8be422272b48a2f5eefe5881be52c9821464e57.pdf">https://www.everycrsreport.com/files/20180201\_RL31865\_b8be422272b48a2f5eefe5881be52c9821464e57.pdf</a>
<a href="https://www.everycrsreport.com/files/20180201\_RL31865\_b8be422272b48a2f5eefe5881be52c9821464e57.pdf">https://www.everycrsreport.com/files/20180201\_RL31865\_b8be422272b48a2f5eefe5881be52c9821464e57.pdf</a>
<a href="https://www.ucdenver.edu/academics/colleges/SPA/researchandoutreach/SPA%20Institute/Centers/CEPA/Publications/Documents/HomelessExecutive%20Summary-FINAL-2-27-07.pdf">https://www.ucdenver.edu/academics/colleges/SPA/researchandoutreach/SPA%20Institute/Centers/CEPA/Publications/Documents/HomelessExecutive%20Summary-FINAL-2-27-07.pdf</a>

### Low Income Community/Subscriber Solar:

As articulated separately in OPC's pleading, OPC is concerned with the legality of targeting certain recipients without a clearly defined public policy rationale. Assuming that undue price discrimination was not an issue for the moment, there are practical design, implementation, and general policy concerns that need to be broached before a low income community/subscriber solar program could reasonably be considered. The terms, conditions, eligibility, credit level, and subsidy levels all need to be determined and accounted for.

Given the finite amount of funds available for any given year, coupled with fluctuations in eligibility and the long-life of solar assets, there will undoubtedly be winners and losers at the intra-class level if a low income community/subscriber program is pursued. OPC welcomes other perspectives on this issue and will seek to elicit further dialogue at the workshop; however, presently, we do not believe such an approach is a prudent use of ratepayer funds.

#### Low Income Commercial Non-Profits:

Targeting low income, commercial, non-profits through a holistic consideration of economically premised goals provides a more equitable, administratively easier, and seemingly greater opportunity to maximize net benefits to non-participants given the amount of statutorily-authorized funding available. OPC has listed reducing instances of bad debt or encouraging the stabilization of volatile bill fluctuations, supporting customers on existing utility sponsored low income programs, maintaining service reliability and providing solar energy for public areas where benefits are shared by all ratepayers as four goals that are neutral in discrimination but effectively aid all customer.

It is OPC's primary recommendation that homeless shelters satisfy the four aforementioned factors, and should therefore be prioritized. Homeless shelters service a population that will ideally result in "new" customers. Freeing up much of the electricity costs normally set aside for service for these organizations through subsidized solar installations will represent an immediate opportunity to better serve the existing low income population. For example, the money saved from solar installations could be allocated to homeless families needing money to cover the down payment for utility service or help pay off existing bad debt which prevents service from being turned-on.

OPC further recommends that the solar panels and installation be fully covered with the pool of money available for rebates in a given year. The homeless shelters and other low income, commercial, non-profits should be allowed to receive the rooftop solar free of any costs through the available rebate funds. Per SB 564, this would result in up to \$5,600,000 per year for Ameren Missouri and \$1,600,000 per year for KCPL and GMO. OPC has very little concern that enough eligible low income commercial non-profits could be identified each year.

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

#### AFFIDAVIT OF GEOFF MARKE

STATEOFMISSOURI	)	SS.
COUNTY OF COLE	)	

**COMES NOW GEOFF MARKE** and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *PROPOSED SOLAR REBATE ALLOCATIONS*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

Geoff Marke
Chief Economist

#### **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 16<sup>th</sup> day July, 2018.

My Commission Expires
August 23, 2021
Cole County
Commission #13754037

Jerene A. Buckman Notary Public

My Commission expires August 23, 2021.