

Exhibit No.:	
Issues:	Low-Income Solar Subscription Pilot, Solar Subscription Pilot,
Witness:	Philip Fracica
Sponsoring Party:	Renew Missouri Advocates
Type of Exhibit:	Surrebuttal Testimony
Case Nos.:	ER-2022-0129; ER-2022- 0130
Date Testimony Prepared:	August 16, 2022

MISSOURI PUBLIC SERVICE COMMISSION

**ER-2022-0129
and
ER-2022-0130**

SURREBUTTAL TESTIMONY

OF

PHILIP FRACICA

ON BEHALF OF

RENEW MISSOURI ADVOCATES

August 16, 2022

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1 **INTRODUCTION**

2 **Q: Are you the same Philip Fracica who filed rebuttal testimony in this case?**

3 A: Yes.

4 **Q: What is the purpose of your surrebuttal testimony?**

5 A: In my surrebuttal testimony, I will respond to the rebuttal testimony offered by
6 Eversource witness Kimberly Winslow and Office of Public Counsel (“OPC”)
7 witnesses Geoff Marke and Jordan Seaver regarding the Company’s Solar
8 Subscription Program and the Low-Income Solar Subscription Pilot component.

9 **Solar Subscription Pilot**

10 **Q: Please briefly summarize the testimony you wish to respond to.**

11 A: In his Rebuttal Testimony, OPC witness Marke argues that it is premature to modify
12 the Solar Subscription Tariff as Eversource requests when there is no data from the pilot
13 available to inform regulators.¹ He contends that Eversource has failed to build or offer
14 a Community Solar Program under the terms of its tariff to date.²

15 **Q. Has the Company demonstrated adequate interest in the Solar Subscription
16 Program?**

17 A: Yes. First, it is important to note that the Company recently applied for, and
18 received, a CCN to construct its first solar resource serving the Solar Subscription
19 Pilot (“SSP”).³ At the time of its application, the Company had exceeded and
20 maintained the 90% subscription threshold required by the current SSP tariff.⁴ Data
21 surrounding interest in the SSP is also addressed by Eversource’s July 15th update filing

¹ EFIS File No. ER-2022-0129, Doc. No. 151; EFIS File No. ER-2022-0130, Doc. No. 161.

² *Id.*

³ *See* EFIS File No. EA-2022-0043.

⁴ *Id.*

1 in Case Nos. ER-2018-0145 and ER-2018-0146.⁵ As of June 30th of this year,
2 Evergy has enrolled 873 Missouri and 579 Kansas customers in the pilot program.⁶
3 There are 10,000 total shares available, with 11,260 total shares subscribed.⁷ This
4 results in a subscription rate of 112.6% and equates to a total of 5.63 MW
5 subscribed in the program.⁸ Finally, OPC witness Marke also argues that Evergy
6 has taken four years to construct a resource that will serve the program.⁹ However,
7 as described in my rebuttal testimony and the direct testimony of Bradley Lutz,
8 removing the two-year delay the Company currently must comply with will
9 substantially reduce lead time and allow Evergy's waitlisted customers to
10 participate in the program sooner than currently possible.

11 **Q: Do you support the Company's request to remove the program size limitation?**

12 A: Yes. Removing the 5MW restriction allows for expansion, which opens up the
13 opportunity for the program to benefit from utilization of economies of scale to
14 reduce the per-subscriber cost of the SSP. Removing the 5MW cap will also ensure
15 that the Company is able to offer community solar to sustainably-minded
16 businesses while still serving the needs of its residential participants. In addition, a
17 larger program size reduces the amount of subsidized funding needed from
18 Weatherization for the low-income component and could also provide unique siting
19 partnership opportunities for the Company, which I will discuss in more depth
20 below.

21 **Low-Income Solar Subscription Pilot**

⁵ EFIS File No. ER-2018-0145, Doc. No. 521; EFIS File No. ER-2018-0146, Doc. No. 533.

⁶ *Id.*

⁷ *Id.*

⁸ *Id.*

⁹ EFIS File No. ER-2022-0129, Doc. No. 151; EFIS File No. ER-2022-0130, Doc. No. 161.

1 **Q: Please briefly summarize the testimony you wish to respond to.**

2 A: In his direct testimony, OPC witness Seaver recommends a cost-sharing
3 mechanism similar to SSP in which the Company is responsible for 90% of the cost
4 of unsubscribed solar blocks.¹⁰ The need for this sort of cost-sharing mechanism is
5 disputed in the rebuttal testimony of Kimberly Winslow, who argues that this
6 program should be treated consistent with the terms laid out in the Unanimous
7 Stipulation and Agreement to the Company’s recent CCN case that describes the
8 SSP’s cost-sharing treatment.¹¹ Moreover, OPC witness Seaver recommends that
9 the Commission deny Evergy’s Low-Income Solar Subscription Pilot based on
10 perceived risk in price fluctuations to already vulnerable customers.¹²

11 **Q: Please briefly summarize the recommendation you set forth in your rebuttal**
12 **testimony.**

13 A: Without repeating my rebuttal testimony, there are a number of program models
14 that Evergy could review in order to include a low-income component. The best
15 model to adopt based on the Company’s proposed the tariff would be similar to the
16 Colorado PVREA model described in my rebuttal testimony. This model provides
17 an opportunity for all customers to benefit by creating multiple available tiers for
18 customers and requiring the payment of an up-front fee for most customers. The
19 participant receives the estimated solar output monthly as a “Community Solar
20 Credit” at the retail rate similar to net metering. The credit is then subtracted from
21 the kWh charge and the participant pays the difference, if one exists. Low-income

¹⁰ EFIS File No. ER-2022-0129, Doc. No. 97; EFIS File No. ER-2022-0130, Doc. No. 99.

¹¹ EFIS File No. ER-2022-0129, Doc. No. 178; EFIS File No. ER-2022-0130, Doc. No. 188.

¹² EFIS File No. ER-2022-0129, Doc. No. 146; EFIS File No. ER-2022-0130, Doc. No. 156.

1 participants do not pay the up-front fee nor the solar charge, but receive credits at
2 a wholesale rate instead of the retail rate. PVREA received a subsidy from energy
3 assistance programs to cover the low-income participants' upfront payments to pay
4 off the system as all other customer classes have done.

5 Evergy should pursue a similar concept to implement its proposed model
6 and could offer a wholesale rate to low-income participants rather than the premium
7 price. Through utilizing Weatherization dollars, the Company can create
8 meaningful savings for low-income customers through this program without having
9 to carryover costs to the general rate base or to shareholders.

10 **Q: Is there an alternative approach the Company can pursue to solve for the cost-**
11 **sharing issue raised by OPC witness Seaver?**

12 A: Instead of utilizing a cost-sharing mechanism and placing the unsubscribed burden
13 on the Company's shareholders, Evergy can utilize Weatherization dollars to keep
14 all low-income solar blocks subscribed. In July, the Missouri Weatherization State
15 Plan was amended to request approval from the U.S. Department of Energy
16 ("DOE") to allow for the usage of Weatherization funds for a low-income solar
17 pilot project. I anticipate that this program will be approved and will allow for the
18 use of Weatherization dollars within the low-income solar program at a future date.
19 This change would allow for the Company to allocate shares to income-qualifying
20 customers through partnering with local community action agencies. By utilizing
21 available Weatherization dollars, Evergy can also alleviate other parties' concerns
22 around cost-sharing in the rate base from the low-income portion of the program.

1 **Q: What conditions have changed since Evergy’s last rate case that better enable**
2 **the Company to utilize Weatherization Assistance Program (WAP) funding**
3 **for a low-income community solar offering?**

4 A: Concerns have previously been raised about the administration and flexibility of
5 WAP funding for solar integration, but now, there has been a unique chain of events
6 that has created a pathway for program integration. The current Weatherization
7 State Plan has been amended and submitted to DOE for approval to allow for the
8 utilization of Weatherization dollars for a solar pilot project. In addition, there is an
9 influx of funding for the State Weatherization program stemming from federal
10 COVID relief, increasing the feasibility of a solar Weatherization project in
11 Missouri. This funding will be deployed over the next few years and presents an
12 opportunity to creatively use Weatherization funds in new ways while there is
13 ample funding available.

14 **Q: How does your proposal work to coordinate with energy efficiency resources**
15 **available to Evergy’s low-income customers?**

16 A: From my experience, energy efficiency is not generally the first concern or need
17 voiced by low-income customers. However, it is a problem in that the only viable
18 solution available to low-income Missourians is for property owners and
19 homeowners to take advantage of WAP or other utility sponsored energy efficiency
20 rebate programs. By requiring interested participants to first participate in WAP or
21 an Evergy-sponsored energy efficiency program, the Company can maximize the
22 assistance the customer will receive by taking advantage of energy efficiency

1 resources and therefore achieving eligibility in the Low-Income Solar Subscription
2 Pilot.

3 **Q: Are there any utilities in Missouri that have already expressed an interest in**
4 **integrating Weatherization with a low-income solar program?**

5 A: Yes. Columbia Water & Light (“CWL”), the municipal utility for the City of
6 Columbia, is exploring utilizing Weatherization dollars for a low-income solar
7 project in partnership with the Central Missouri Community Action office. CWL is
8 interested in serving income-qualified customers to reduce energy burdens, and
9 understands the value this partnership can deliver to the local community. CWL
10 has specifically requested an update to the 2022 WAP State Plan to allow for
11 Weatherization dollars to be used for income-qualified solar access. CWL’s request
12 was approved on July 19th of this year, allowing the State of Missouri to submit an
13 amendment of its State Plan to DOE for final approval.

14 **Q: Does the recently passed Inflation Reduction Act provide any additional**
15 **opportunities for funding a low-income solar project?**

16 A: Yes. The Investment Tax Credit (“ITC”) and the Production Tax Credit (“PTC”)
17 have been updated in the 2022 Congressional IRA bill that is now ready to be signed
18 into law. The updates for both tax credits include provisions for serving Low-
19 Income Communities, working with Qualified Low-Income Buildings for siting,
20 for siting within an “Energy Community,” and finally a credit for 100% domestic
21 materials or domestic manufactured goods in the project. These provisions are all
22 applicable for projects under 1MW, which now provides further options for the
23 Low-Income Solar Subscription Pilot to receive the maximum tax savings that will

1 soon be available. Additionally, the ITC will now be available for the costs of
2 interconnection for projects with a net output of less than 5 MWac. The IRA will
3 give the company and many utilities across the state new opportunities for
4 investment in clean energy technologies for the next decade.

5 **Q: What is the importance of offering a Low-Income Solar Subscription Pilot?**
6 **Are there any other opportunities for low-income customers to participate in**
7 **renewable energy programs without this proposal?**

8 A: Without community solar programs, it is not viable for low-income customers to
9 benefit from renewable energy projects in Missouri. The largest barriers to access
10 are property ownership status, access to capital, and viability of the site to install
11 the generation. The Low-Income Solar Subscription Pilot would not only provide
12 unprecedented levels of access to renewable energy for those who need it the most,
13 but will also provide the Company with experience operating a community solar
14 facility while interacting with and evaluating what steps can be taken to break down
15 barriers to participation for low-income customers. Finally, low-income program
16 participants will benefit from renewable energy resources, from which these
17 customers are generally excluded.

18 **Q: Does this conclude your testimony?**

19 A: Yes.

