

Exhibit No.:
Issues: Demand-Side Programs
Witness: John A. Rogers
Sponsoring Party: MO PSC Staff
Type of Exhibit: Supplemental Direct
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MISSOURI PUBLIC SERVICE COMMISSION

REGULATORY REVIEW DIVISION

SUPPLEMENTAL DIRECT TESTIMONY

OF

JOHN A. ROGERS

UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI

FILE NO. EO-2015-0055

*Jefferson City, Missouri
July 2015*

Staff Exhibit No. 711
Date 7-22-15 Reporter TR
File No. EO-2015-0055

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

In the Matter of Union Electric Company)
d/b/a Ameren Missouri's 2nd Filing to)
Implement Regulatory Changes in)
Furtherance of Energy Efficiency as)
allowed by MEEIA)

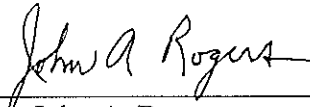
Case No. EO-2015-0055

AFFIDAVIT OF JOHN A. ROGERS

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Comes now, John A. Rogers on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Supplemental Direct Testimony; and that the same is true and correct according to his best knowledge and belief.

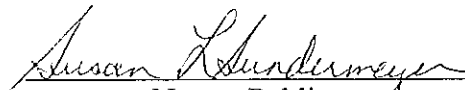
Further the Affiant Sayeth not.



John A. Rogers

Subscribed and sworn to before me this 9th day of July, 2015.

SUSAN L. SUNDERMEYER Notary Public - Notary Seal State of Missouri Commissioned for Callaway County My Commission Expires: October 28, 2018 Commission Number: 14942086
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Notary Public

1 SUPPLEMENTAL DIRECT TESTIMONY

2 OF

3 JOHN A. ROGERS

4 UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI

5 FILE NO. EO-2015-0055

6 Q. Please state your name and business address.

7 A. My name is John A. Rogers, and my business address is Missouri Public
8 Service Commission, P. O. Box 360, Jefferson City, Missouri 65102.

9 Q. What is your present position at the Missouri Public Service Commission
10 (“Commission”)?

11 A. I am a Utility Regulatory Manager in the Energy Unit of the Regulatory
12 Review Division.

13 Q. Are you the same John A. Rogers that filed rebuttal testimony in this case on
14 March 20, 2015, and surrebuttal testimony in this case on April 27, 2015?

15 A. Yes, I am.

16 Q. Would you please summarize the purpose of your supplemental direct
17 testimony?

18 A. I will provide support for certain provisions within the Non-Unanimous
19 Stipulation and Agreement (“Non-Utility Stipulation”) filed on July 7, 2015, and as amended
20 on July 8, 2015, concerning Union Electric Company’s d/b/a Ameren Missouri (“Ameren
21 Missouri” or “Company”) application for approval of its second cycle of MEEIA programs. I
22 discuss how the portfolio of demand-side programs in the Non-Utility Stipulation (“Appendix
23 A” or “Non-Utility Portfolio”) is cost effective. I next discuss how Appendix A can move

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1 toward achievement of the MEEIA goal of “all cost-effective” demand-side savings through:
2 a) an expert panel convened by a mediator to focus on potentially improving the participation
3 rates for the programs in Appendix A, and b) a cooperative process whereby Ameren
4 Missouri and interested stakeholders would identify additional cost-effective energy savings
5 strategies which, if implemented, can be beneficial to all customers when combined with the
6 demand-side programs investment mechanism¹ (“DSIM”) in the Non-Utility Stipulation.

7 Q. Is the portfolio of demand-side programs in Appendix A cost effective?

8 A. Yes.

9 Q. Why?

10 A. The TRC test results for the individual programs in the Non-Utility Portfolio
11 are included in Schedule JAR-1 which expands the information in Appendix A to include
12 known TRC data. All programs in the Non-Utility Portfolio have a total resource cost
13 (“TRC”) greater than 1.00 except for the Multi-Family Low-Income program which has a
14 TRC of 0.96. The Multi-Family Low-Income program is not required to have a TRC greater
15 than 1.00, since it is a low-income program.² While I am not able to provide the TRC for the
16 full portfolio in Appendix A,³ I conclude from the TRC data on Schedule JAR-1 that the TRC
17 for the portfolio is likely close to 1.50 based upon a comparison of the available TRC values

¹ Supplemental direct testimony concerning the DSIM in the Non-Utility Stipulation is provided by Staff witnesses Sarah Kliethermes and Mark Oligschlaeger.

² 393.1075 4: ... Programs targeted to low-income customers or general education campaigns do not need to meet a cost-effectiveness test, so long as the commission determines that the program or campaign is in the public interest. ...

³ Staff is unable to calculate the TRC for the portfolio in Appendix A of the Non-Utility Stipulation, because this calculation can only be performed with the DSMore model and the input files for each program which is in the possession of Ameren Missouri. Staff has not requested that such an analysis be performed because it is not necessary to understand whether or not the Non-Utility Portfolio is cost effective.

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1 for Ameren Missouri's December 22, 2014 Plan⁴ and the Non-Unanimous Stipulation filed by
2 Ameren Missouri on June 30, 2015.⁵

3 Q. Does a TRC close to 1.50 mean Appendix A is cost-effective? Please explain.

4 A. Appendix A is cost effective. Any demand-side program or demand-side
5 portfolio with a TRC greater than 1.00 is considered to be cost effective since expected
6 benefits are greater than expected costs.

7 Q. In your rebuttal testimony in this case, you raise concerns with the benefits
8 provided to customers. Does Appendix A demonstrate progress toward achieving a goal of
9 "all cost-effective" demand-side savings that will provide benefits to all customers?

10 A. The programs and annual energy and demand savings in Appendix A, in and of
11 themselves, do not meet the MEEIA goal of "all cost-effective" demand-side savings that will
12 provide benefits to all customers. However, the Non-Utility Stipulation provides two avenues
13 to move toward this goal: a) an expert panel convened by a mediator to focus on potentially
14 improving the participation rates for the programs in Appendix A, and b) a cooperative
15 process whereby Ameren Missouri and interested stakeholders would identify additional cost-
16 effective energy savings strategies which, if implemented, can result in a portfolio that
17 demonstrates progress toward achievement of MEEIA's goal of "all cost-effective" demand-
18 side savings that is beneficial to all customers. Further, the demand-side programs investment
19 mechanism⁶ ("DSIM") in the Non-Utility Stipulation provides incentives for Ameren
20 Missouri to actively participate and engage in these two avenues, and to implement programs

⁴ Table 2.3 of 2016 - 2018 Energy Efficiency Plan filed on December 22, 2014 in Case No. EO-2015-0055.

⁵ Table 2 of Non-Unanimous Stipulation and Agreement filed on June 30, 2015 in Case No. EO-2015-0055.

⁶ Supplemental direct testimony concerning the DSIM in the Non-Utility Stipulation is provided by Staff witnesses Sarah Kliethermes and Mark Oligschlaeger.

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1 and/or increase participation take rates, as a result of the expert panel and the cooperative
2 processes.

3 Q. If the Commission approves the Non-Utility Stipulation and Ameren Missouri
4 agrees to implement it, do you have an expectation that the implementation will result in
5 benefits to all customers, even those customers that do not participate directly in the
6 programs?

7 A. If the Commission approves the Non-Utility Stipulation and Ameren Missouri
8 agrees to implement it, I expect that Appendix A, when combined with the Non-Utility
9 Stipulation DSIM and its incentives, will significantly improve programs and/or participation
10 take rates and the overall benefits for all customers, thus making great strides toward
11 addressing Staff's concern regarding benefits for all customers.

12 Q. Does this conclude your testimony?

13 A. Yes.

July 7, 2015 Non-Utility Non-Unanimous Stipulation and Agreement Portfolio

Source	Programs	Net Incremental Energy Savings Targets (GWh)				Net Incremental Demand Savings Targets (GW)				Annual Budget (\$ Millions)				TRC	12/22/14 Plan TRC	6/30/15 NS&A TRC
		2016	2017	2018	Total	2016	2017	2018	Total	2016	2017	2018	Total		Note 2	Note 3
1	Lighting	20.2	18.3	22.9	61.4	0.0	0.0	0.0	0.0	\$ 4.8	\$ 4.7	\$ 5.7	\$ 15.2	1.24	1.24	1.12
1	Efficient Products	5.7	1.9	6.7	14.3	2.1	0.7	2.2	5.0	\$ 1.9	\$ 1.1	\$ 2.0	\$ 5.0	1.48	1.48	1.49
1	HVAC	19.9	13.9	17.2	51.0	8.9	6.2	7.7	22.8	\$ 7.3	\$ 6.2	\$ 6.9	\$ 20.4	1.45	1.45	1.42
1	Appliance Recycling	3.0	2.7	4.1	9.8	0.7	0.7	1.0	2.4	\$ 0.8	\$ 0.7	\$ 1.0	\$ 2.5	1.73	1.73	1.34
2	Multi-Family Low-Income	5.0	4.7	4.0	13.7	1.6	1.5	1.2	4.3	\$ 3.8	\$ 3.6	\$ 3.4	\$ 10.8	0.96	0.79	0.96
1	EE Kits	6.2	6.2	6.2	18.6	1.0	1.0	1.0	3.0	\$ 1.8	\$ 1.8	\$ 1.8	\$ 5.4	1.53	1.53	1.53
	Total Residential	60.0	47.7	61.1	168.8	14.3	10.1	13.1	37.5	\$20.4	\$18.1	\$20.8	\$ 59.3	Note 1	1.36	1.13
1	Standard	22.3	25.3	26.8	74.4	4.0	4.5	4.8	13.3	\$ 6.7	\$ 7.6	\$ 8.0	\$ 22.3	1.53	1.53	1.54
1	Custom	45.9	52.1	55.1	153.1	16.7	18.9	20.1	55.7	\$ 13.4	\$ 15.1	\$ 16.0	\$ 44.5	1.74	1.74	1.74
1	Recommissioning	5.7	6.4	6.8	18.9	1.8	2.1	2.2	6.1	\$ 2.2	\$ 2.5	\$ 2.6	\$ 7.3	1.40	1.40	1.36
1	New Construction	4.3	4.8	5.1	14.2	1.0	1.2	1.2	3.4	\$ 1.5	\$ 1.7	\$ 1.8	\$ 5.0	1.48	1.48	1.48
3	Small Bus. Direct	6.0	11.4	12.6	30.0	1.0	2.0	2.2	5.1	\$ 2.0	\$ 3.8	\$ 4.2	\$ 9.9	1.29	n/a	1.29
	Total Business	84.2	100.0	106.4	290.6	24.5	28.7	30.5	83.6	\$25.8	\$30.7	\$32.6	\$ 89.0	Note 1	1.64	1.62
	Total Portfolio	144.2	147.7	167.5	459.4	38.8	38.7	43.6	121.1	\$46.2	\$48.8	\$53.3	\$148.3	Note 1	1.53	1.50

Source 1: Table 2.3 of 2016 - 2018 Plan filed on December 22, 2014 in Case No. EO-2015-0055.

Source 2: Ameren-BATCH_TOOLS_01_Att_Aggregate_07LI MEEIA_Negotiation_2015-06-19.

Source 3: Ameren-BATCH_TOOLS_01_Att_Aggregate_14SBDI MEEIA_Negotiation_2015-05-21.

Note 1: TRC for Total Residential, Total Business and Total Portfolio are not available but should be slightly higher than 1.36, slightly lower than 1.64 and close to 1.50, respectively, based on a comparison of the available TRC values for the July 7, 2015 Non-Unanimous Stipulation, the December 22, 2014 Plan and the June 30, 2015 Non-Unanimous Stipulation.

Note 2: TRC values from Table 2.5 of 2016 - 2018 Plan filed on December 22, 2014 in Case No. EO-2015-0055.

Note 3: TRC values from Table 2 of Non-Unanimous Stipulation and Agreement filed on June 30, 2015 in Case No. EO-2015-0055.