Exhibit No.:	
Issue(s):	*MEEIA*
Witness:	*Brad J. Fortson*
Sponsoring Party:	*MoPSC Staff*
Type of Exhibit:	*Surrebuttal Testimony*
Case Nos.:	*EO-2019-0132 and EO-2019-0133*
Date Testimony Prepared:	*September 16, 2019*

MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

ENERGY RESOURCES

SURREBUTTAL TESTIMONY

OF

BRAD J. FORTSON

KANSAS CITY POWER & LIGHT COMPANY
and
KCP&L GREATER MISSOURI OPERATIONS COMPANY

CASE NOS. EO-2019-0132 AND EO-2019-0133

Jefferson City, Missouri
September 2019

SURREBUTTAL TESTIMONY

OF

BRAD J. FORTSON

KANSAS CITY POWER & LIGHT COMPANY
and
KCP&L GREATER MISSOURI OPERATIONS COMPANY

CASE NOS. EO-2019-0132 AND EO-2019-0133

Q. Please state your name and business address.

A. My name is Brad J. Fortson, and my business address is Missouri Public Service Commission, P.O. Box 360, Jefferson City, Missouri, 65102.

Q. Are you the same Brad J. Fortson that sponsored testimony on August 19, 2019, as part of the Missouri Public Service Commission ("Commission") Staff's ("Staff") *Staff Rebuttal Report (Public and Confidential) with Appendix I* ("Staff Rebuttal Report") that was filed in response to Kansas City Power & Light Company ("KCPL") and KCP&L Greater Missouri Operations Company ("GMO") (collectively "the Companies" or "KCPL/GMO") *Application[s] to Approve DSIM Filing, Request for Variances and Motion to Adopt Procedural Schedule and MEEIA Cycle 3 2019-2022 Filing* ("Application") in Case Nos. EO-2019-0132 and EO-2019-0133?[1]

A. Yes, I am.

Q. What is the purpose of your surrebuttal testimony?

A. My surrebuttal testimony will reiterate that, for all of the reasons stated in the Staff Rebuttal Report, the Commission should reject the KCPL/GMO Application despite the

[1] On December 27, 2018, the Commission filed its *Order Granting Applications to Intervene and Order Granting Motion to Consolidate* allowing consolidation of Case No. EO-2019-0133 with Case No. EO-2019-0132.

testimony of the other parties that call for expanded MEEIA Cycle 3 portfolios. I also respond directly to Natural Resources Defense Council ("NRDC") witness Mr. Mosenthal's Rebuttal Testimony.

Q. What parties filed rebuttal testimony in this case?

A. Rebuttal testimony was filed by Staff, NRDC, the Office of the Public Counsel ("OPC"), Division of Energy ("DE"), National Housing Trust ("NHT"), and Renew Missouri ("Renew").

Q. How does Staff respond to the rebuttal testimony filed by the other parties in this case?

A. Many of the parties suggest that the budget for the Companies' MEEIA Application and/or the programs outlined in the Application should be increased. Staff continues to support its analysis as discussed in its Rebuttal Report and will not reiterate those arguments here. However, Staff will note that simply making the budget and programs larger will not resolve the issues identified by Staff in its Rebuttal Report, but will likely serve to exacerbate the impacts to customers (both participating and non-participating) that Staff identified. Using the Companies proposed level of energy and demand savings and Staff's avoided costs, Staff's analysis in its Rebuttal Report shows that a majority of KCPL/GMO programs are not cost-effective. Based on Staff's analysis in its Rebuttal Report, simply increasing the budget to achieve more savings will most likely cause those programs to be even less cost-effective. Staff continues to recommend that the KCPL/GMO Application be rejected for all of the reasons stated in its Staff Rebuttal Report.

Q. Please respond to Mr. Mosenthal's assertion that KCPL should be able to achieve additional cost-effective [energy] savings because the leading jurisdictions are currently capturing more than twice as much [energy] savings as KCPL's plan.[2]

A. It is Staff's understanding that the leading jurisdictions Mr. Mosenthal refers to are states with electricity demand-side programs which produce very high annual incremental energy savings as a percentage of annual retail energy sales. Based upon Staff's review of information in the 2018 ACEEE Scorecard,[3] each state with very high annual incremental energy savings as a percentage of annual retail energy sales also has an energy efficiency resource standard ("EERS") which is a legal mandate to achieve specified annual energy savings targets as a percentage of annual retail energy sales.

Q. Does Missouri have an EERS?

A. No. Demand-side programs and demand-side programs investment mechanisms under MEEIA and the Commission's MEEIA rules are voluntary on behalf of the utility.[4]

Q. Has Staff prepared an analysis of data in the 2018 ACEEE Scorecard to illustrate how Missouri's energy efficiency programs perform[5] relative to energy efficiency programs in states which have an EERS and states which do not have an EERS? If so, please provide the analysis and highlight the results.

A. Yes. Appendix 1 is Staff's analysis of data in the 2018 ACEEE Scorecard which assigns 1) up to 7 points for achievement of incremental 2017 electricity program

[2] Mosenthal rebuttal testimony page 7, lines 1-2.
[3] https://aceee.org/research-report/u1808.
[4] 20 CSR 4240-20.094(4)(H) and (M) specify that any Commission approval of modifications to proposed programs and proposed DSIM, respectively, must be "acceptable to the electric utility."
[5] Page 21 of the 2018 ACEEE Scorecard: Note that scores are for states as a whole and therefore may not be representative of the specific efforts of each utility within the state.

energy savings as a percentage of retail sales (columns *a* and *b* of Appendix 1), and 2) up to 2.5 points for 2017 electricity demand-side program spending as a percentage of statewide electricity utility revenues (columns *c* and *d* of Appendix 1). States with an EERS are color highlighted based upon mandated average annual incremental energy savings targets per year for 2016 onward (column *f* of Appendix 1). Appendix 1 demonstrates that based on 2017 achievement of energy savings and program spending levels:

1. Missouri ranks 21st out of 51 jurisdictions (50 states plus the District of Columbia);
2. Eighteen (18) of the twenty (20) states with higher column ***e*** point totals than Missouri have an EERS;
3. Among the eight (8) states which border Missouri, only Illinois, Iowa[6] and Arkansas have an EERS; and
4. Illinois is the only state bordering Missouri which has distinctively higher energy savings and program spending than those of Missouri as a result of Illinois' mandated 1.7% average annual incremental energy savings target for 2016 onward.

Q. Do any states with an EERS also have a legal mandate to achieve all cost-effective demand-side savings? If so, please identify those states.

A. Yes. States with a legal mandate to achieve all cost-effective demand-side savings include: California, Connecticut, Maine, Massachusetts, Rhode Island, Vermont, and Washington (Each of these states has **##** following the state's name in Appendix 1).

[6] Page 15 of the 2018 ACEEE Scorecard: "Iowa lost 3.5 points, posting the largest plunge in points of any state for the second year in a row. The Hawkeye State ranks 24th this year, a long way from its 12th-place finish in the *2015 Scorecard*, due largely to the signing of bill SF2311 earlier this year. The legislation, devastating to efficiency, imposes a debilitating spending cap on programs, removes efficiency program requirements that had been placed on municipal utilities and co-ops, and allows customers to opt out of paying for efficiency programs that fail to satisfy the ratepayer impact (RIM) test, a cost-effectiveness measure rejected by most states as ineffective. Early indications from utility filings point to a forecast drop in savings of 25– 50% for electric programs and 75–80% for natural gas programs, further jeopardizing Iowa's rank in future *Scorecards*."

Q. Does MEEIA mandate the achievement of all cost-effective demand-side savings? Please explain your answer.

A. No. While MEEIA has a stated goal of achieving all cost-effective demand-side savings, MEEIA is voluntary.

Q. Do any of the seven (7) states with a legal mandate to achieve all cost-effective demand-side savings also require that the programs provide benefits to all customers in the customer class in which the programs are proposed, regardless of whether the programs are utilized by all customers, i.e., a legal mandate that non-participants are expected to receive net benefits through lower bill payments as a result of the programs?

A. No.

Q. How do you respond to Mr. Mosenthal's assertion that, "Not approving the Plan, and offering benefits to all customers, would be inconsistent with the MEEIA statute and represent a U-turn to the policy followed by the Commission and supported by Staff over the last six years."[7]

A. First, it is Staff's position that the KCPL/GMO MEEIA Cycle 3 Application is not expected to be "beneficial to all customers in the customer class in which the programs are proposed, regardless of whether the programs are utilized by all customers."[8] Thus, approval of the MEEIA Cycle 3 Application would be inconsistent with the MEEIA statute. This is addressed in more detail by Staff witness Mr. John A. Rogers in the Staff Rebuttal Report. Second, KCPL's MEEIA Cycle 1 (Case No. EO-2014-0095) and MEEIA Cycle 2 (Case No. EO-2015-0240) as well as GMO's MEEIA Cycle 1 (Case No. EO-2012-0009) and MEEIA Cycle 2 (Case No. EO-2015-0241) were all resolved through stipulation and

[7] Mosenthal rebuttal testimony, page 26, lines 4 – 6.
[8] Section 393.1075.4, RSMo.

agreements[9] that were a result of settlement negotiations of which Staff was a party. Resolution of these prior cases through settlement negotiations has afforded Staff the opportunity to assist the Companies in balancing the Companies' needs and demand-side programs that are beneficial to all customers.

Q. Does this conclude your surrebuttal testimony?

A. Yes.

[9] On November 23, 2015, all parties, with the exception of Brightergy, filed a Stipulation and Agreement in which the signatories reached agreement on all issues related to KCPL/GMO MEEIA Cycle 2. Brightergy objected, but after a January 12, 2016, evidentiary hearing, the Commission on March 2, 2016, issued an Order approving the Stipulation and Agreement that had been filed November 23, 2015.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Kansas City Power & Light Company's Notice of Intent to File an Application for Authority to Establish a Demand-Side Programs Investment Mechanism	))))	Case No. EO-2019-0132
In the Matter of KCP&L Greater Missouri Operations Company's Notice of Intent to File an Application for Authority to Establish a Demand-Side Programs Investment Mechanism	))))	Case No. EO-2019-0133

AFFIDAVIT OF BRAD J. FORTSON

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW BRAD J. FORTSON and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Surrebuttal Testimony*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

Brad J. Fortson

BRAD J. FORTSON

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 16th day of September 2019.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2020
Commission Number: 12412070

D Suzie Mankin

Notary Public

Staff Analysis of *2018 ACEEE Scorecard* Electricity Demand-Side Program Savings and Spending

Sorted and Ranked Based On Column *e*	State	2017 Electricity Savings % of 2016 Retail Sales	2017 Electricity Program Savings (7 pts. max.)	2017 Program Spending % of Statewide Elect. Revenues	2017 Electricity Program Spending (2.5 pts. max.)	2017 Electricity Savings and Spending (9.5 pts. max.)	EERS Average Electricity Savings Target per Year (2016 onward)
		a	*b*	*c*	*d*	*e = b + d*	*f*
1	Massachusetts ##	2.57%	7	7.04%	2.5	9.5	2.9%
1	Rhode Island ##	3.08%	7	6.81%	2.5	9.5	2.6%
1	Vermont ##	3.33%	7	8.02%	2.5	9.5	2.1%
4	California ##	1.97%	6.5	3.61%	1.5	8	1.0%
5	Connecticut ##	1.62%	5.5	3.08%	1.5	7	1.5%
6	Washington ##	1.35%	4.5	4.13%	2	6.5	1.5%
7	Michigan	1.48%	5	1.91%	1	6	1.0%
8	Minnesota	1.31%	4.5	2.48%	1	5.5	1.5%
8	Oregon	1.21%	4	3.79%	1.5	5.5	1.3%
8	Hawaii	1.45%	5	0.92%	0.5	5.5	1.4%
8	Illinois	1.34%	4.5	2.64%	1	5.5	1.7%
12	New York	1.17%	4	2.10%	1	5	2.0%
12	Arizona	1.33%	4.5	1.31%	0.5	5	2.5%
14	Idaho	0.96%	3	3.46%	1.5	4.5	
15	Maryland	0.97%	3	2.69%	1	4	2.0%
16	Maine ##	0.85%	2.5	2.12%	1	3.5	2.4%
16	Colorado	0.88%	3	1.79%	0.5	3.5	1.6%
16	Utah	0.84%	2.5	1.95%	1	3.5	
16	Iowa	0.87%	2.5	2.71%	1	3.5	0.6%
16	Ohio	0.96%	3	1.26%	0.5	3.5	1.0%
21	**Missouri**	**0.78%**	**2.5**	**1.31%**	**0.5**	**3**	
21	Washington DC	0.75%	2.5	1.04%	0.5	3	
23	New Hampshire	0.71%	2	1.53%	0.5	2.5	1.0%
23	Wisconsin	0.66%	2	0.95%	0.5	2.5	0.8%
23	Arkansas	0.69%	2	1.83%	0.5	2.5	1.2%
23	Nevada	0.60%	2	1.68%	0.5	2.5	0.4%
23	North Carolina	0.69%	2	1.46%	0.5	2.5	0.4%
28	New Jersey	0.55%	1.5	1.13%	0.5	2	1.5%
28	New Mexico	0.52%	1.5	1.84%	0.5	2	0.6%
28	Montana	0.51%	1.5	1.04%	0.5	2	
28	Pennsylvania	0.55%	1.5	1.11%	0.5	2	0.8%
32	Oklahoma	0.41%	1	1.37%	0.5	1.5	
32	Indiana	0.41%	1	0.91%	0.5	1.5	
32	Kentucky	0.42%	1	1.35%	0.5	1.5	
35	South Carolina	0.38%	1	0.37%	0	1	
36	Delaware	0.11%	0	1.45%	0.5	0.5	
36	South Dakota	0.25%	0.5	0.37%	0	0.5	
36	Florida	0.09%	0	0.82%	0.5	0.5	
36	Georgia	0.24%	0.5	0.42%	0	0.5	
36	Mssissippi	0.20%	0.5	0.65%	0	0.5	
36	Tennessee	0.19%	0.5	0.64%	0	0.5	
36	Texas	0.20%	0.5	0.77%	0	0.5	0.2%
36	Wyoming	0.28%	0.5	0.77%	0	0.5	
36	Nebraska	0.25%	0.5	0.37%	0	0.5	
36	West Virginia	0.22%	0.5	0.49%	0	0.5	
46	Alaska	0.01%	0	0.00%	0	0	
46	Kansas	0.00%	0	0.00%	0	0	
46	Louisiana	0.05%	0	0.11%	0	0	
46	Virginia	0.09%	0	0.00%	0	0	
46	Alabama	0.06%	0	0.19%	0	0	
46	North Dakota	0.01%	0	0.00%	0	0	

Notes: ## States with a legal mandate to achieve all cost-effective demand-side savings (page 40 of 2018 ACEEE Scorecard).
Data in Columns *a* and *b* are from Table 8 of 2018 ACEEE Scorecard.
Data in Columns *c* and *d* are from Table 12 of 2018 ACEEE Scorecard.
Data in Column *f* are from Appendix D of 2018 ACEEE Scorecard.
Missouri and states that border on Missouri

EERS = or >2%	EERS = or > 1% and < 2%	EERS < 1%

Case Nos. EO-2019-0132
and EO-2019-0133
Appendix 1