

# EXHIBIT

Exhibit No.: 300  
Issue(s): Solar Rebates  
Witness/Type of Exhibit: Marke/Direct  
Sponsoring Party: Public Counsel  
Case No.: ER-2014-0370

Filed  
June 30, 2015  
Data Center  
Missouri Public  
Service Commission

## DIRECT TESTIMONY

OF

**GEOFF MARKE**

Submitted on Behalf of  
the Office of the Public Counsel

**KANSAS CITY POWER & LIGHT COMPANY**

Case No. ER-2014-0370

April 2, 2015

OPC Exhibit No. 300  
Date 6/15/15 Reporter AT  
File No. ER-2014-0370



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**OF**  
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**KANSAS CITY POWER & LIGHT COMPANY**  
**CASE NO. ER-2014-0370**

1 **I. INTRODUCTION**

2 **Q. Please state your name, title and business address.**

3 **A.** Dr. Geoffrey Marke, Economist, Office of the Public Counsel (OPC or Public Counsel), P.O.  
4 Box 2230, Jefferson City, Missouri 65102.

5 **Q. Please describe your education and employment background.**

6 **A.** I received a Bachelor of Arts Degree in English from The Citadel, a Masters of Arts Degree  
7 in English from The University of Missouri, St. Louis, and a Doctorate of Philosophy in  
8 Public Policy Analysis from Saint Louis University (SLU). At SLU, I served as a graduate  
9 assistant where I taught undergraduate and graduate course work in urban policy and public  
10 finance. I also conducted mixed-method research in transportation policy, economic  
11 development and emergency management.

12 I have been in my present position with OPC since April of 2014 where I have been  
13 responsible for economic analysis and policy research in electric and gas utility operations.  
14 Prior to joining OPC, I was employed by the Missouri Public Service Commission as a  
15 Utility Policy Analyst II in the Energy Resource Analysis Section, Energy Unit, Utility  
16 Operations Department, Regulatory Review Division. My primary duties in that role  
17 involved reviewing, analyzing and writing recommendations concerning electric integrated  
18 resource planning, renewable energy standards, and demand-side management programs for  
19 all investor-owned electric utilities in Missouri. I have also been employed by the Missouri  
20 Department of Natural Resources (later transferred to the Department of Economic  
21 Development), Energy Division where I served as a Planner III and functioned as the lead  
22 policy analyst on electric cases. I have worked in the private sector, most notably serving as

1 the Lead Researcher for Funston Advisory based out of Detroit, Michigan. My experience  
2 with Funston involved a variety of specialized consulting engagements with both private and  
3 public entities.

4 **Q. Have you been a member of, or participate in, any work groups, committees, or other**  
5 **groups that have addressed electric utility regulation and policy issues?**

6 A. Yes. I am currently a member of the National Association of State Consumer Advocates  
7 (NASUCA) Distributed Energy Resource Committee which shares information and  
8 establishes policies regarding energy efficiency, renewable generation, and distributed  
9 generation, and considers best practices for the development of cost-effective programs that  
10 promote fairness and value for all consumers. I am also a member of NASUCA's Electricity  
11 Committee that discusses current issues affecting residential electric consumers.  
12 Additionally, I have been selected to participate as a "consumer" voice on several working  
13 committees toward the development of a Missouri's Comprehensive State Energy Plan  
14 currently being undertaken by the Missouri Division of Energy.

15 **Q. Have you testified previously before the Missouri Public Service Commission?**

16 A. Yes. A listing of the cases in which I have previously filed testimony and/or comments  
17 before this commission is attached in GM-1.

18 **Q. What is the purpose of your direct testimony?**

19 A. To inform the Commission that OPC is concerned that actions of the Kansas City Power &  
20 Light Company (KCPL) may have violated the Commission's affiliate transaction rules  
21 through their unregulated affiliate, KCP&L Solar Inc.

22 OPC is currently investigating the prudence of solar rebates obtained by the unregulated  
23 affiliate and is awaiting responses from data requests issued to KCPL. We will provide  
24 future testimony pending the results of those data requests.

25

1 **II. SOLAR REBATE BACKGROUND**

2 **Q. Please provide a brief background on the issue.**

3 A. A finite pool of solar rebate money was agreed upon as a result of a stipulation and  
4 agreement settlement in ET-2014-0071 (KCPL \$36.5 million) for purposes of meeting the  
5 solar requirement related to Renewable Energy Standard (RES) compliance costs. Solar  
6 vendors and their customers utilized a KCPL controlled website queue to administer  
7 application and verification of installations as a requirement for the solar rebate. The date an  
8 application was submitted and approved by KCPL would ultimately determine a customer's  
9 place in the queue and whether they would ultimately be eligible for a solar rebate.

10 Additionally, stakeholders to the ET-2014-0071 and ET-2014-0059 cases agreed that

11 Solar rebate amounts paid and other RES compliance costs by GMO and  
12 KCP&L shall be included in regulatory assets to be considered for recovery  
13 in rates after December 31, 2013, either in a general rate case or through an  
14 approved Renewable Energy Standard Rate Adjustment Mechanism  
15 ("RESRAM"). . . . The Signatories reserve the right to raise prudence issues  
16 related to the solar rebates and RES compliance costs in future general rate  
17 cases, RESRAM cases, or other proceedings in which recovery of these costs  
18 are considered by the Commission.<sup>1</sup>

19 The current rate case presents the first opportunity for parties to raise prudence  
20 issues regarding KCPL's solar rebates.

21 **Q. What is the total amount of solar rebates the Company is requesting to recover in this**  
22 **rate case?**

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<sup>1</sup> Non-Unanimous Stipulation and Agreement ET-2014-0059 & ET-2014-0071. October 3, 2013.

1 A. KCPL has \$39.6 million in deferred solar rebates in account 182513—vintage 1 & 2. The  
2 Company proposed that \$7,664,452 of the \$39.6 million in deferred solar rebates to be  
3 included in this rate case which reflects 1% of the revenue requirement following the  
4 settlement of ET-2014-0071.

5 **Q. What is the total amount of solar rebates that OPC believes are imprudent?**

6 A. OPC is currently investigating the situation and is awaiting responses from data requests  
7 issued to KCPL. We will provide future testimony pending the results of those data requests.

8 **Q. Does this conclude your testimony?**

9 A. Yes.

CASE PARTICPATION OF  
GEOFF MARKE, PH.D.

Company Name	Employed Agency	Case Number	Issues
Rule Making	Office of Public Counsel (OPC)	EW-2015-0105	Missouri Energy Efficiency Investment Act Rule Revisions, Comments
Union Electric Company d/b/a Ameren Missouri	OPC	EO-2015-0084	Triennial Integrated Resource Planning Comments
Union Electric Company d/b/a Ameren Missouri	OPC	EO-2015-0055	<b>Rebuttal:</b> Demand-Side Investment Mechanism / MEEIA Cycle II Application
The Empire District Electric Company	OPC	EO-2015-0042	Integrated Resource Planning; Special Contemporary Topics Comments
KCP&L Greater Missouri Operations Company	OPC	EO-2015-0041	Integrated Resource Planning; Special Contemporary Topics Comments
Kansas City Power & Light	OPC	EO-2015-0040	Integrated Resource Planning; Special Contemporary Topics Comments
Union Electric Company d/b/a Ameren Missouri	OPC	EO-2015-0039	Integrated Resource Planning; Special Contemporary Topics Comments
Union Electric Company d/b/a Ameren Missouri	OPC	EO-2015-0029	Ameren MEEIA Cycle I Prudence Review Comments
Kansas City Power & Light	OPC	ER-2014-0370	<b>Direct</b> (Revenue Requirement): Solar Rebates
Rule Making	OPC	EX-2014-0352	Net Metering and Renewable Energy Standard Rule Revisions, Comments
The Empire District Electric Company	OPC	ER-2014-0351	<b>Rebuttal:</b> Rate Design/Energy Efficiency and Low-Income Considerations
Rule Making	OPC	AW-2014-0329	Utility Pay Stations and Loan Companies, Rule Drafting, Comments
Union Electric Company d/b/a Ameren Missouri	OPC	ER-2014-0258	<b>Direct:</b> Rate Design/Cost of Service Study/Economic Development Rider <b>Rebuttal:</b> Rate Design/ Cost of Service/ Low Income Considerations <b>Surrebuttal:</b> Rate Design/ Cost-of-Service/ Economic Development Rider
KCP&L Greater Missouri Operations Company	OPC	EO-2014-0189	<b>Rebuttal:</b> Sufficiency of Filing <b>Surrebuttal:</b> Sufficiency of Filing
KCP&L Greater Missouri Operations Company	OPC	EO-2014-0151	Renewable Energy Standard Rate Adjustment Mechanism (RESRAM) Comments
Liberty Natural Gas	OPC	GR-2014-0152	<b>Surrebuttal:</b> Energy Efficiency
Summit Natural Gas	OPC	GR-2014-0086	<b>Rebuttal:</b> Energy Efficiency <b>Surrebuttal:</b> Energy Efficiency



Union Electric Company d/b/a Ameren Missouri	OPC	ER-2012-0142	<b>Direct:</b> PY2013 EM&V results / Rebound Effect <b>Rebuttal:</b> PY2013 EM&V results <b>Surrebuttal:</b> PY2013 EM&V results
Kansas City Power & Light	Missouri Public Service Commission Staff	EO-2014-0095	<b>Rebuttal:</b> MEEIA Cycle I Application testimony adopted
KCP&L Greater Missouri Operations Company	Missouri Division of Energy (DE)	EO-2014-0065	Integrated Resource Planning: Special Contemporary Topics Comments
Kansas City Power & Light	DE	EO-2014-0064	Integrated Resource Planning: Special Contemporary Topics Comments
The Empire District Electric Company	DE	EO-2014-0063	Integrated Resource Planning: Special Contemporary Topics Comments
Union Electric Company d/b/a Ameren Missouri	DE	EO-2014-0062	Integrated Resource Planning: Special Contemporary Topics Comments
The Empire District Electric Company	DE	EO-2013-0547	Triennial Integrated Resource Planning Comments