

Exhibit No.:	
Issue:	Surrebuttal
Witness:	John Noller
Sponsoring Party:	Missouri Department of Natural Resources
Type of Exhibit:	Surrebuttal Testimony
File No.:	EO-2011-0271
Date testimony Prepared:	November 30, 2011

MISSOURI DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF ENERGY

SURREBUTTAL TESTIMONY OF

John Noller

UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI

FILE NO. EO-2011-0271

*Jefferson City, Missouri*  
*November 2011*

## SURREBUTTAL TESTIMONY

OF

John Noller

UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI

FILE NO. EO-2011-0271

**Q: Please state your name and business address.**

A: My name is John Noller. My business address is Missouri Department of Natural Resources,  
1101 Riverside Drive, Jefferson City, Missouri 65102. (MDNR)

Q: What is your present position at the Missouri Department of Natural Resources?

A: I am a Planner III in the Division of Energy.

Q: Are you the same John Noller who filed rebuttal testimony in this case on October 28 and October 30, 2011?

A: Yes I am.

Q. What is the purpose of your surrebuttal testimony?

A. The purpose of my surrebuttal testimony is to respond to the Rebuttal Testimony of Staff witness John Rogers on whether Ameren Missouri's preferred resource plan meets the statutory goal of the Missouri Energy Efficiency Act (MEEIA) to achieve all cost-effective demand-side savings goal and savings targets of the MEEIA rule (Page 20).

Q. What is MDNR's position on whether Ameren Missouri's preferred resource plan meets the "all cost effective" goal?

1 A. MDNR's position is that Ameren Missouri does not meet that goal and in addition that  
2 Ameren Missouri could have met that goal by retaining its Maximum Achievable Potential  
3 (MAP)<sup>11</sup> resource plans in its risk analysis and strategy selection.  
4

5 Q. How did Staff's rebuttal testimony address the issue of whether Ameren met the "all cost  
6 effective" goal?  
7

8 A. Staff's rebuttal testimony states that "Staff does not consider a Low Risk DSM portfolio to  
9 demonstrate progress toward an expectation of all cost-effective demand-side savings."<sup>2</sup> Staff  
10 makes this statement in its discussion of the company's response to Staff Concern E. Staff  
11 Concern E states that "Ameren Missouri's preferred resource plan does not meet the statutory  
12 goal of the Missouri Energy Efficiency Act to achieve all cost-effective demand-side savings"<sup>3</sup>  
13

14 Q. What is MDNR's position regarding this concern?  
15

16 A: MDNR agrees with Staff's position that a Low Risk DSM portfolio does not demonstrate  
17 progress toward an expectation of all cost-effective demand-side savings. However, the  
18 discussion of Staff's Concern E in Staff's rebuttal testimony makes no reference to the  
19 company's treatment of the alternative resource plans containing the company's MAP demand-  
20 side resource portfolio. The company's MAP resource plans most closely approach achieving  
21 the energy savings goals set forth in the MEEIA rules.<sup>4</sup> In MDNR's view, the company's

---

<sup>1</sup> The "MAP" portfolio refers to the portfolio of demand-side resources that the company designated as representing

<sup>2</sup> Staff Rebuttal (Rogers), p. 20

<sup>3</sup> Staff Comments p. 43

1 decision to exclude its MAP resource plans from risk analysis and strategy selection provides  
2 **further** evidence that the company fails to demonstrate sufficient progress toward the MEEIA  
3 statutory goal cited by Staff.

4  
5 Q. Why do you say that the company's MAP resource plans most closely approach achieving  
6 energy savings goals set forth in the MEEIA rules?

7  
8 A. MEEIA's cumulative energy savings goals are set forth in set forth in 4 CSR 240-  
9 20.094(2)(B) as the cumulative percentage of baseline energy use that is saved as the result of  
10 the utility's demand-side programs. These percentages can be calculated for the various demand-  
11 side portfolios that the company identifies in its filing. Specifically, the company's filing  
12 provides forecasts of customer energy use for both its MAP and RAP portfolios<sup>5</sup> over the 20-  
13 year planning horizon. These forecasts can be compared to the company's business-as-usual  
14 forecast to derive demand-side energy savings as a percentage of baseline energy use.

15  
16 A comparison of the cumulative energy savings for the company's MAP and RAP portfolios to  
17 the MEEIA cumulative goals in 4 CSR 240-20.094(2)(B) reveals that plans continuing the  
18 company's MAP portfolio come closer to meeting the MEEIA goals than plans containing the  
19 company's RAP portfolio. For example, MEEIA sets an 8 percent goal for cumulative energy  
20 savings in 2020 as a percent of business-as-usual energy use. The corresponding cumulative  
21 energy savings percentages for the company's MAP and RAP portfolios are [REDACTED] percent  
22 (MAP) and [REDACTED] percent (RAP). While neither portfolio reaches the MEEIA goal for 2020,  
23 the MAP portfolio comes closer to achieving the goal.

---

<sup>5</sup> Calculated from data in work papers, "Portfolio\_Rollup\_Viewer\_MO\_2010-12-06.xlsx" Sheet: "Totals"

1  
2 Q. What is MDNR's position on the company's treatment of its resource plans containing the  
3 MAP demand-side portfolio?  
4

5 A. In an early stage of its integrated analysis, the company did identify two resource plans  
6 containing its MAP portfolio as "candidate" resource plans. However, as documented in  
7 MDNR's comments on MDNR Deficiency #8, the company elected to drop these MAP resource  
8 plans as candidate resource plans before proceeding to risk analysis and selection of its preferred  
9 plan and resource acquisition strategy.  
10

11 In MDNR's view, the company should have retained its MAP resource plans in its risk analysis  
12 and strategy selection. MDNR has already presented arguments supporting this view in its  
13 statements concerning MDNR Deficiency #8.<sup>6</sup> The additional consideration being presented in  
14 this surrebuttal is that out of the 16 alternative resource plans that passed the company's initial  
15 screening, the plans that most closely approach achieving the MEEIA energy savings goals in 4  
16 CSR 240-20.094(2)(B) are the two plans containing its MAP demand-side portfolio. The  
17 company's decision to summarily discard these two plans before moving to risk analysis and  
18 integrated analysis casts doubt on whether the filing demonstrates a sufficient effort to progress  
19 toward the state policy goal of achieving all cost-effective demand-side savings.  
20

21 One of the company's statements in response to MDNR Deficiency #8 is that MAP "by  
22 definition, is the maximum achievable potential that might be realized under ideal conditions."<sup>7</sup>

---

<sup>6</sup> MDNR Comments, p. 26; MDNR Rebuttal (Noller), p. 22.

<sup>7</sup> Ameren Response p. 32

1 Elsewhere in its Response the company states that MAP “by definition is a hypothetical upper-  
2 boundary of achievable savings potential.”<sup>8</sup> The company’s statement appears to downplay the  
3 significance of the company’s decision to exclude its “MAP” resource plans from risk analysis  
4 and strategy selection by implying that the MAP portfolio represents only a theoretical maximum  
5 under ideal conditions.

6  
7 The portfolio of demand-side resource that the company chose to designate as “MAP” is not, in  
8 fact, the theoretical maximum portfolio that could be achieved under ideal conditions.<sup>9</sup> For  
9 example, the company’s “MAP” portfolio excludes any measures that have a payback period  
10 shorter than one year. The rebuttal testimony filed by two other parties provides comments that  
11 appear to concur with MDNR’s view that the company’s MAP portfolio does not represent the  
12 theoretical upper bound of achievable demand-side potential.<sup>10</sup>

13  
14 Q: Does this conclude your surrebuttal testimony?

15 A: Yes. Thank you.  
16  
17  
18

---

<sup>8</sup> Ameren Response, p. 12

<sup>9</sup> MDNR Rebuttal (Noller), p. 22-23

<sup>10</sup> OPC rebuttal (Woolf), p. 7; NRDC rebuttal (Mosenthal), p. 12