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Non-Unanimous Stipulation and
Agreement

Martin Hyman

Missouri Department of Economic
Development – Division of Energy

Rebuttal Testimony

EA-2016-0208

MISSOURI PUBLIC SERVICE COMMISSION

UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI

CASE NO. EA-2016-0208

REBUTTAL TESTIMONY

OF

MARTIN R. HYMAN

ON

BEHALF OF

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

DIVISION OF ENERGY

Jefferson City, Missouri


September 7, 2016

DED Exhibit No. 250
Date 10-17-16 Reporter KF
File No EA-2016-0208

In the Matter of the Application of Union Electric)
Company d/b/a Ameren Missouri for Permission and)
Approval and a Certificate of Public Convenience and) Case No. EA-2016-0208
Necessity Authorizing it to Offer a Pilot Distributed)
Solar Program and File Associated Tariff)

STATE OF MISSOURI)
)
COUNTY OF COLE) ss

1. My name is Martin R. Hyman. I work in the City of Jefferson, Missouri, and I am employed by the Missouri Department of Economic Development as a Planner III, Division of Energy.
2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony on behalf of the Missouri Department of Economic Development – Division of Energy.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge.


Martin R. Hyman

LAURIE ANN ARNOLD
Notary Public - Notary Seal
State of Missouri
Commissioned for Callaway County
My Commission Expires: April 26, 2020
Commission Number: 16808714

Karen Ann Arnold
Notary Public

My commission expires: 4/26/20

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I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Martin R. Hyman. My business address is 301 West High Street, Suite 720,
PO Box 1766, Jefferson City, Missouri 65102.

Q. By whom and in what capacity are you employed?

A. I am employed by the Missouri Department of Economic Development – Division of
Energy (“DE”) as a Planner III.

Q. Please describe your educational background and employment experience.

A. In 2011, I graduated from the School of Public and Environmental Affairs at Indiana
University in Bloomington with a Master of Public Affairs and a Master of Science in
Environmental Science. There, I worked as a graduate assistant, primarily investigating
issues surrounding energy-related funding under the American Recovery and
Reinvestment Act of 2009. I also worked as a teaching assistant in graduate school and
interned at the White House Council on Environmental Quality in the summer of 2011. I
began employment with DE in September, 2014. Prior to that, I worked as a contractor
for the U.S. Environmental Protection Agency to coordinate intra-agency modeling
discussions.

**Q. Have you previously filed testimony before the Missouri Public Service Commission
(“PSC” or “Commission”) on behalf of DE or any other party?**

A. Yes. I submitted testimony in EO-2015-0055 on behalf of DE regarding Union Electric
Company d/b/a Ameren Missouri’s (“Ameren Missouri” or “Company”) proposed Cycle
II portfolio under the Missouri Energy Efficiency Investment Act. I also submitted
testimony on behalf of DE in ER-2014-0370 regarding Kansas City Power & Light

1 Company's ("KCP&L") proposed changes to its customer charges and time-
2 differentiated rates, as well as testimony regarding that company's proposals for the
3 Clean Charge Network. In WR-2015-0301 and SR-2015-0302, I submitted testimony on
4 behalf of DE regarding Missouri-American Water Company's and the Commission
5 Staff's ("Staff") rate design proposals and in order to propose a demand-side efficiency
6 mechanism. I provided testimony on behalf of DE in EA-2015-0256 in support of
7 KCP&L Greater Missouri Operations Company's ("GMO") application for a certificate
8 of convenience and necessity to construct its Greenwood solar facility. I submitted
9 testimony on behalf of DE in ER-2016-0023 regarding The Empire District Electric
10 Company's ("EDE") demand-side management ("DSM") portfolio, EDE's and Staff's
11 proposed residential rate designs, and the need for a working docket on residential rate
12 design. I submitted testimony on behalf of DE in EM-2016-0213 regarding the merger of
13 The Empire District Electric Company with Liberty Utilities (Central) Co. Most recently,
14 I submitted testimony on residential rate design, time-differentiated rates, and demand-
15 side management in ER-2016-0156, GMO's current general rate case.

16 **II. PURPOSE AND SUMMARY OF TESTIMONY**

17 **Q. What is the purpose of your Rebuttal Testimony in this proceeding?**

18 A. The purpose of my testimony is to discuss DE's support for the Non-Unanimous
19 Stipulation and Agreement ("Stipulation")¹ resolving issues related to Ameren Missouri's
20 proposed "Solar Partnership Pilot." Based on the Stipulation, many of DE's concerns
21 with the Company's original proposal, which are described below, have been addressed;

¹ Missouri Public Service Commission Case No. EA-2016-0208, *In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for Permission and Approval and a Certificate of Public Convenience and Necessity Authorizing it to Offer a Pilot Distributed Solar Program and File Associated Tariff*, Non-Unanimous Stipulation and Agreement, August 31, 2016.

1 therefore, DE recommends approval of the Company's proposal as modified by the
2 Stipulation.

3 **III. NON-UNANIMOUS STIPULATION AND AGREEMENT**

4 **Q. What was the Company's original request in this case?**

5 A. Ameren Missouri requested a "blanket" certificate of convenience and necessity so that it
6 may offer its Solar Partnership Pilot. The originally proposed program, which the
7 Company described as a learning opportunity, would have involved the construction and
8 ownership of small solar generation facilities on customer properties at sites yet to be
9 determined. The Company would have paid up to \$2.45 per watt-DC for each facility,
10 above which the participating customer would have to have made a contribution in aid of
11 construction.²

12 **Q. Is DE supportive of increased solar energy development?**

13 A. Yes. DE supports increased in-state solar energy development by Missouri's investor-
14 owned utilities' generation fleets, consistent with the overall recommendation in the
15 Missouri Comprehensive State Energy Plan to diversify the state's energy portfolio.³
16 Solar energy also provides a zero-emissions generation alternative and can spur economic
17 development. Additionally, many corporate customers are now demanding cleaner

² Missouri Public Service Commission Case No. EA-2016-0208, *In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for Permission and Approval and a Certificate of Public Convenience and Necessity Authorizing it to Offer a Pilot Distributed Solar Program and File Associated Tariff*, Application for a Blanket Certificate of Public Convenience and Necessity, April 27, 2016, pages 2-5.

³ Missouri Department of Economic Development – Division of Energy, 2015. "Missouri Comprehensive State Energy Plan." <https://energy.mo.gov/energy/docs/MCSEP.pdf>. Page 227.

energy, as evidenced by letters from several major corporations supporting Grain Belt Express Clean Line LLC's application for a certificate of convenience and necessity.⁴

Q. Has a Stipulation been filed in this case?

A. Yes. The Stipulation, to which DE is a signatory, reflects extensive discussions between the parties.

Q. Does this Stipulation address DE's concerns?

A. Yes, as a start for designing future programs. Under the program as originally proposed by the Company, customers would not have received a bill credit, lease payment, Solar Renewable Energy Credits ("SRECs"), or other form of compensation.⁵ DE was concerned that the lack of compensation for the use of host sites' properties would limit the program's success and participation; while the pilot may have been appropriate for a limited subset of non-profit and public-sector customers, it is unlikely it would have been an attractive and widely replicable model for commercial and industrial customers as a whole.

However, under the Stipulation, the Company will explore alternative future program designs;⁶ the Stipulation incorporates learning objectives upon which the Company will report – including whether or not compensation affects interest in the program by

⁴ Missouri Public Service Commission Case No. EA-2016-0358, *In the Matter of the Application of Grain Belt Express Clean Line LLC for a Certificate of Convenience and Necessity Authorizing it to Construct, Own, Control, Manage, Operate and Maintain a High Voltage, Direct Current Transmission Line and an Associated Converter Station Providing an Interconnection on the Maywood-Montgomery 345kV Transmission Line*, Direct Testimony of Michael P. Skelly on Behalf of Grain Belt Express Clean Line LLC, August 30, 2016, Schedule MPS-3.

⁵ Missouri Public Service Commission Case No. EA-2016-0208, *In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for Permission and Approval and a Certificate of Public Convenience and Necessity Authorizing it to Offer a Pilot Distributed Solar Program and File Associated Tariff*, Direct Testimony of Michael W. Harding on Behalf of Union Electric Company d/b/a Ameren Missouri, April 27, 2016, page 4, lines 4-9.

⁶ EA-2016-0208, Stipulation, page 3 and Appendix B.

1 potential participants – to aid the design of future programs.⁷ Additionally, the
2 Signatories have agreed that this program does not set a precedent for the design of future
3 programs.⁸ The Company may still work with other customers to propose alternative
4 arrangements.

5 **Q. What else is addressed by the Stipulation?**

6 A. The Stipulation allows host sites to contribute amounts to facility construction costs
7 beyond that required by the Company's cap.⁹ This provision allows facilities which
8 desire to have Company-owned solar facilities on their premises to compete for this
9 opportunity. Additionally, the cap on Company spending for individual facilities is now
10 \$2.20 per watt,¹⁰ recognizing the declining costs of solar.

11 **Q. Does the Stipulation address all of DE's concerns?**

12 A. DE expressed concern about the provision in Appendix A which involves an "additional"
13 consideration for site selection based on potential participants' creditworthiness.¹¹ DE
14 generally does not support using credit ratings or scores for determining eligibility for
15 utility programs given the limitations inherent to such ratings, such as detrimental
16 impacts from inquiries about creditworthiness, the potential for errors in credit reporting,
17 and the long-term credit impact of short-term financial difficulties. To the extent
18 creditworthiness is used to evaluate utility program eligibility, DE would prefer to use
19 utility bill payment history in determining eligibility.

⁷ *Ibid*, Appendix B.

⁸ *Ibid*, Stipulation, page 3.

⁹ *Ibid*, page 2.

¹⁰ *Ibid*.

¹¹ *Ibid*, Appendix A, page 1.

1 However, DE recognizes that this aspect of the Stipulation provides other parties with
2 some assurance that ratepayer investments under the program will be prudent and
3 therefore accepts the provision as a compromise to resolve this case. Such consent should
4 not be interpreted as acceptance of the use of credit scores, credit ratings, or
5 creditworthiness to determine eligibility for future utility programs.

6 **Q. Does DE recommend approval of the Stipulation?**

7 A. Yes.

8 **IV. CONCLUSIONS**

9 **Q. Please summarize your conclusions and the positions of DE.**

10 A. DE recognizes the general benefits of expanding customer access to solar energy. The
11 Stipulation in this case adequately resolves DE's concerns with the Company's proposed
12 pilot program; therefore, DE recommends approval of the Company's proposal subject to
13 the terms of the Stipulation.

14 **Q. Does this conclude your Rebuttal Testimony in this case?**

15 A. Yes.