Exhibit No.:	
Issue(s):	
Witness:	Timothy E. Via
Type of Exhibit:	Direct Testimony
Sponsoring Party:	Union Electric Company
File No.:	EO-2018-0211
Date Testimony Prepared:	July 2, 2021

MISSOURI PUBLIC SERVICE COMMISSION

FILE NO. EO-2018-0211

DIRECT TESTIMONY

OF

Timothy E. Via

ON

BEHALF OF

UNION ELECTRIC COMPANY

d/b/a Ameren Missouri

St. Louis, Missouri

July 2, 2021

TABLE OF CONTENTS

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Timothy E. Via and my business address is One Ameren Plaza, 1901 Chouteau Avenue, St. Louis, Missouri 63103.

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

A. I am the Manager of Energy Efficiency, within the Energy Solutions group of Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company"), for the low income portfolio. In this role, I am responsible for overseeing all activities related to Ameren Missouri's income eligible and multifamily programs, which consists of both creating a long-term strategy and program design, and the implementation of programs in support of that strategy, in order to best serve the low income sector.

Prior to my promotion in February 2021, I served as the Senior Program Supervisor of the Income Eligible and Multifamily Market Rate programs. In that role, I was responsible for overseeing all activities related to the implementation, marketing and strategy of the Single Family (includes Grants) and Multifamily Low Income programs and the Multifamily Market Rate programs, as part of our Missouri Energy Efficiency Investment Act ("MEEIA") portfolio.

Q. Please describe your educational background and employment experience.

A. I received a Bachelor of Science in Electrical Engineering from West Virginia University in 1993 and a Masters in Business Administration from The Ohio State University in 2000.

I started my career as a distribution planning and operations electrical engineer with Appalachian Power Company in 1993 in Pulaski, VA where I worked in increasing levels of responsibility until 1997. During that period, I was responsible for design and project management of major capital improvement electric distribution projects, leading Company in mitigating power quality issues with large industrial and commercial customers and leading construction crews and coordination efforts during storm restoration events.

In 1997, I progressed my career as a Transmission Operations and Planning engineer in Columbus, Ohio with American Electric Power. Soon after, I returned to graduate school, at the Fisher School of Business at The Ohio State University. I received a Masters of Business Administration in 2000.

I started my career with Ameren in 2001, and was assigned jobs with increasing levels of responsibilities from business development executive to regulatory consultant. This led to me joining the newly formed energy efficiency group in 2008 as program supervisor. In this role I developed, launched and managed energy efficiency programs to help customers save energy and cost through technology while maintaining and increasing comfort. I continued with increasing levels of responsibilities, including serving as a key leader and collaborator in the development of the Company's Missouri MEEIA 2019-24 regulatory filing. The Commission approved the Company's current Program Year 2019-2021 ("PY19-21") plan (including six years of low income programs budgets through 2024), in November 2018. In February 2021, I was promoted to my current position and now serve as the Manager of Energy Efficiency, Low Income Programs. In this role I am responsible for the overall management, strategy and vision of the low income portfolio of programs.

II. PURPOSE OF TESTIMONY

Q. Please summarize your testimony.

A. Meeting the needs of low income customers is of significant importance to Ameren Missouri. As identified in the 2020 Market Potential Study ("MPS"), approximately 40 percent of Ameren Missouri's residential customers are income eligible. These customers typically have the greatest energy burden, defined as the proportion of energy bills to total income and face many barriers to participation in traditional energy efficiency programs.

To this end, Ameren Missouri proposes several low income programs, each designed to target a different customer segment and customer need. In this filing, Ameren Missouri has proposed a continuation of the Single Family and Multifamily Low Income programs and the new targeted Low Income Community Lighting program. The purpose of this testimony is to present the rationale and design of these programs for program year 2023 ("PY23"), the program budgets, savings targets, and the Earning Opportunity ("EO") criteria.

In addition, I also address how the portfolio of low income programs provides opportunities for low income customer participation across a broad suite of housing types, geographic regions, and levels of need. As part of this, I present an overview of Ameren Missouri's plan to continue and grow our partnership with natural gas utilities. I also provide an overview of Ameren Missouri's strategy to partner with community based organizations ("CBOs"), as a way to build relationships within communities of need. By aligning both utility and community resources with program design and delivery, Ameren Missouri can best help maximize the participation, efficiency and impact of its low income programs.

III. OVERVIEW OF PROPOSED PROGRAM YEAR 2023 ("PY23") LOW INCOME PROGRAM BUDGETS

Q. How does the proposed budget for PY23 for the Residential Low Income programs compare to the approved MEEIA 2019-21 Plan and modifications?

A. The proposed budgets for the Residential Low Income programs are consistent with budgets approved in the MEEIA 2019-21 Plan approved in File No. EO-2018-0211. The PY23 plans also include the Community Lighting Program, which was added as part of the program year 2022 ("PY22") extension. The total budget for the Residential Low Income programs, which consists of the Multifamily and Single Family Low Income and Community Lighting programs, is $12.5 million as compared to $10.4 million in PY22. In addition, the Company proposes to continue its business social services ("BSS") program in PY23, with a total budget request of $1.5 million. Combined, the total low income portfolio budget for PY23 is $14 million.

It is noteworthy that Ameren Missouri does not have control over the approved natural gas budgets to be allocated toward the low income multifamily co-delivery program. The filing budgets presented here only include electric implementation and incentive costs.

Q. How does the proposed budget for the Multifamily Income Eligible program compare to the approved MEEIA 2019-21 Plan and modifications?

A. In the original MEEIA 2019-21 Plan approved in File No. EO-2018-0211, the Multifamily Low Income ("MFLI") program was approved for six (6) years with an increasing budget (see Table 1). The MFLI program's six-year approval was designed to account for an increasing program ramp rate over time. This accounts for increasing adoption by low income multifamily owners and property management companies as they gain experience with the current program.

Per the MEEIA 2019-21 Plan Stipulation and Agreement, "In the event customer participation sustainably and significantly exceeds approved budget levels over the first 18 months, the Company will present those findings to stakeholders and explore recommended responsible actions, including the potential to request Commission approval for increased budgets."[1] Even accounting for these increasing adoption rates, the Company needed to request to move forward \$3.36 million in funds from 2023-2024 to 2019-2021 (see Table 1 below). This accounts for higher than forecast customer adoption of program offerings.

The \$6.4 million budget requested for 2023 is based on expected participation levels from multifamily projects and is consistent with, but slightly lower than, the budget originally approved as part of the MEEIA 2019-2021 Plan. The \$6.4 million represents a small increase relative to the PY22 extension MFLI program budget. The budget also accounts for continued increased program adoption and synergies we are experiencing with dual fuel projects based on our co-delivery partnership with natural gas utilities. The following table shows the evolution of the MFLI budget over time.

Table 1. MEEIA 2019-21 Multifamily Income Eligible Budgets

MFLI Approved/Proposed Budgets	Approved Date	2019	2020	2021	2022	2023	2024	TOTAL
Approved MEEIA 2019-21 Plan - MFLI Budget	Nov-2018	$1,540,000	$2,270,000	$3,470,000	$5,380,000	$6,680,000	$6,680,000	$26,020,000
Approved (Regulatory Stakeholders) MFLI Budget Shift*	Feb-2020	**$1,900,000**	**$4,270,000**	**$4,470,000**	$5,380,000	**$5,000,000**	**$5,000,000**	$26,020,000
Approved PY22 MFLI Budget	Sep-2020	$1,900,000	$4,270,000	$4,470,000	**$6,000,000**	$5,000,000	$5,000,000	$26,640,000
Proposed MFLI PY2023 Budget	XXX	$1,900,000	$4,270,000	$4,470,000	$6,000,000	**$6,400,000**	$5,000,000	$28,040,000
*Pulled forward $1.68 M from 2023 and 2024 (for a total of $3.36M) to 2019-2021								

[1] File No. EO-2018-0211, Stipulation and Agreement, p.7, filed October 25, 2018.

Q. How does the proposed budget for the Single Family Low Income program compare to the approved MEEIA 2019-21 Plan?

A. In the original MEEIA 2019-21 Plan approved in File No. EO-2018-0211, the Single Family Low Income ("SFLI") program was approved for six (6) years. Ameren Missouri is proposing to maintain the approved budget of $3.60 million. The SFLI program will continue to serve low income customers through multiple channels to encourage participation and overcome the specific hurdles of each property type. Multiple delivery channels will ensure a diversity of participants and equitable delivery across Ameren Missouri's service territory.

Q. Why is the Company proposing to continue and expand the Low Income Community Lighting program?

A. The Low Income Community Lighting program will provide affordable energy efficient LED options in low income communities. The 2020 Ameren Missouri Market Potential Study ("MPS") completed an analysis of the penetration and saturation of LEDs and found that income eligible homes only have 40 percent of the LEDs compared to market rate customers. To close this gap, the program will seek to market and incentivize LEDs within discount retail channels in hard-to-reach market segments and low income communities. The current proposed budget of $2.5 million represents an increase over the approved $1.44 million budget for the 2022 Low Income Community Lighting program. This budget will support closing the penetration and saturation gap disparity between low income and market rate customers, by providing low income customers access to LED technologies in retail channels that they frequent and shop within their communities.

As illustrated in Table 2, the total gap between low income and market rate customers (based on current saturation levels) is equal to nearly 2.5 million total bulbs. Expanding the program in year two creates the best opportunity to address this gap. In 2023, the Company forecasts that it will be able to help incentive approximately 750,000 LED bulbs. At this level, it would take nearly 3.5 years to close the penetration and saturation gap, assuming no change in the baseline saturation levels of market rate customers.

Table 2. Ameren Missouri LED Penetration

Parameter	Value	MR	IE	Source (2020 MPS)
Homes	[1]	566,527	393,193	Table 3-1
Total Sockets	[2]	72.02	28.91	Table 2-5
LEDs	[3]	30.15	5.59	
LED Penetration	[4] = [3]/[2]	42%	19%	
LED Bulbs to Reach Parity	[5] = ([4_MR]-[4_IE]) x[2]x[1]		2,560,748	
New Bulbs per home			6.51	

Q. How will the Pay-As-You-Save® ("PAYS®") program support low to moderate income customers?

A. There are more low income customers in need than there is available funding. Ameren Missouri strives to find opportunities for synergies and additional opportunities for income eligible customers to participate in other energy efficiency programs. The PAYS® program represents an important opportunity to address financial barriers to participation. Low and moderate income customers may apply and participate in the Ameren Missouri PAYS® program to complete comprehensive energy efficiency home improvements and then to finance qualifying upgrades through on-bill payments.[2] Bill payments are set to 80 percent of estimated bill savings, while the customer keeps the remaining 20 percent.

[2] Low income customers also receive available incentives as provided through the residential energy efficiency program.

In this sense, the PAYS® program helps support low income customers that may not have sufficient funds to pay for efficiency upgrades but can still pay their utility bills. In contrast, and as described below, Ameren Missouri markets the direct install approach employed in the MFLI and SFLI programs to those customers that may not be able to consistently pay their monthly utility bills.

Offering this opportunity to low to moderate income customers will provide Ameren Missouri with the information necessary to identify barriers and support expanding the program in future years, potentially including a more a dedicated income eligible component to the PAYS® program.

IV. OVERVIEW OF PROPOSED 2023 LOW INCOME PROGRAM SAVINGS TARGETS

Q. How do the proposed savings for the 2023 budget compare to previous targets?

A. The total projected savings target for the Residential Low Income programs is consistent with the savings targets approved in the MEEIA 2019-21 Plan approved in File No. EO-2018-0211, plus the addition of Low Income Community Lighting Program as part of the PY22 extension. The total projected demand and energy savings for Residential Low Income programs, which consist of Multifamily and Single Family Low Income and Low Income Community Lighting programs, is 2.8 megawatts ("MW") and 11,158 megawatt-hours ("MWh") respectively. This is comparable to the PY22 savings targets of 3.93 MW and 11,940 MWh. Note that both the PY22 and PY23 programs reflect an updated lighting baseline, assuming compact fluorescent ("CFL") technology.

Q. Please describe the proposed savings for the 2023 MFLI program?

A. The total projected savings target for the Multifamily Low Income Program is more than 6,244 MWh and 1.5 MW. The savings targets are based on the MFLI program participation and comprehensive measure upgrades.

In PY23, the Company proposes to continue its focus on achieving deep savings per property, and specifically, to drive the adoption of Air Source Heat Pump ("ASHP") technology to replace other older and inefficient heating sources. ASHP upgrades account for more than 50 percent of the programs energy savings in Program Years 2019 and 2020, even as program budgets and savings increased by a magnitude of 2.5, respectively. This yielded 125 ASHP upgrades in 2019 and 291 upgrades in 2020. The programs have been able to drive the adoption of a greater number of ASHP units. A continued focus on heating, ventilation and air conditioning ("HVAC") upgrades is necessary as lighting savings (per property) decrease due to the updated CFL baseline.

As I describe throughout my testimony, a key goal of the MFLI and SFLI low income programs is to make a meaningful difference for participating customers. In 2023, and consistent with prior years, the MFLI program will target an average 15 percent savings at participating properties. This is equivalent to saving approximately two utility bills. As I describe below, the Company will include the 15 percent per property target for electric properties as a criterion for its earnings opportunity.

Q. How will the Multifamily Low Income program achieve an average savings reduction of 15 percent per customer?

A. The MFLI program will seek to achieve this goal in two parts. First, the program will continue to identify and recruit all electric low income multifamily properties. As described above, the program has seen a year-over-year increase in the adoption of cold climate heat pump and ASHP technology to replace inefficient baseboard resistance and electric furnace heating systems. Supporting these upgrades provides a huge incentive for the multifamily property owner as well as the tenants. Second, the program will continue to partner with natural gas utilities to provide split incentives for dual fuel measures. This provides tremendous energy savings and benefits to the customers and multifamily property owners while making the program more efficient and cost effective.

Q. Please describe the proposed savings for the 2023 SFLI program?

A. The total projected savings target for the Single Family Low Income Program is more than 1,304 MWh and 0.55 MW. Similar to the MFLI program, the savings target are based on the SFLI program participation and measure uptake experienced in 2019-2020. The majority of savings within the SFLI program are due to the installation of ASHP replacements and upgrades in mobile homes and all electric homes. The SFLI program is witnessing an increase in HVAC and furnace replacement, which is influenced through its partnership with natural gas utilities. We expect this trend to continue as we build on these partnerships.

Q. Please describe the proposed savings for the 2023 Low Income Community Lighting Program?

A. The total projected savings for Low Income Community Lighting Program is more than 3,600 MWh and .54 MW, which is significantly higher than the savings in PY22. The inaugural 2022 Low Income Community Lighting Program is serving as a ramp-up period during the first year of implementation. Note that the PY22 and PY23 Community Lighting Program savings are estimated assuming a CFL baseline, consistent with the PY22 Stipulation and Agreement. In contrast, lighting programs for years PY19-PY21 relied on an incandescent baseline. Given the increase in baseline, lighting savings are more expensive on a per dollar basis, as compared to prior years.

Q. Will Ameren Missouri continue to partner with natural gas utilities to co-deliver Multifamily and Single Family Low Income programs?

A. Yes. Ameren Missouri remains committed to co-delivering its low income energy efficiency programs with its partner natural gas utilities. As part of the PY22 Stipulation and Agreement, Ameren Missouri agreed to do the following;

- Provide building and home assessments that includes an evaluation of the feasibility of both electric and natural gas measures;
- Support customers in their efforts to obtain incentives from natural gas utilities; and
- Report on co-delivery progress at quarterly Regulatory Stakeholder Meetings, including the number of measures, buildings and single family homes and multifamily units co-delivered.

Ameren Missouri will continue these efforts in PY23.

It is noteworthy that Ameren Missouri does not have control over the approved natural gas budgets to be allocated toward the low income multifamily co-delivery program. The filing budgets only include electric implementation and incentive costs.

V. OVERVIEW OF PROPOSED 2023 LOW INCOME PROGRAM DESIGNS

Q. How do all of the programs in the portfolio work together to meet the multiple needs of the low income community?

A. Over 40 percent of Ameren Missouri's customers have been identified as low income. The 2020 IRP notes that:

> Low income customers often use more energy (per square foot) due to lower energy efficiency equipment and housing stock, and not surprisingly, also pay a higher portion of their household budget for energy services. Bringing these customers back to a baseline level of use or energy burden represents an important policy goal to create more equitable conditions for customers.[3]

The 2020 IRP went on to conclude that:

> [T]here is no one single best delivery strategy that can meet all equity, equality, and efficiency goals. Instead, meeting the needs of customers will require a flexible approach across multiple programs and offerings, with continued programmatic funding and support. It will also require effective co-delivery with natural gas utilities for customers with gas heating. Ameren Missouri continues to position its programs to meet these multiple needs. Current strategies focus on tiered geographic and income based approach, and provide both broad and deep savings throughout the community.[3]

Programs proposed for PY23 extend the PY22 framework and are intended to help tailor offerings to serve a wide variety of low income customers, across multiple housing types, income levels, and geographic regions. Taken together, the MFLI, SFLI, Low Income Community Lighting, and the PAYS® programs offer multiple ways for low income customers to participate in energy efficiency programs. The level of direct financial program assistance provided within each program is designed to help make a meaningful difference for the most vulnerable customers, while also using approved budgets to maximize participation throughout the service territory.

Table 3 below provides additional insight into how the low income portfolio addresses the large spectrum of needs among low income customers within the Ameren Missouri territory. The table identifies the balance of multiple customer needs, criteria and targets.

[3] See IRP, File No. EO-2021-0021, Chapter 8, p. 9.

Table 3. Ameren Missouri LED Penetration

Program	Energy Intensity	Energy Burden	Scope	Purpose
Multifamily Low Income	Low to High	High	Targeted – multifamily properties throughout the service territory, with specific focus on neighborhoods with high levels of at need customers	Provides assistance to low income multifamily properties, targets deep savings (15% per property)
Single Family Low Income	Low to High	High	Targeted – to most vulnerable neighborhoods	Provides assistance to customers in-need at no cost, targets deep savings (10-15% per home)
Low Income Community Lighting	Low to High	Moderate to High	*Broad* – available across the full service territory	Addresses LED penetration and saturation gap
PAYS®*	High	Moderate	Available throughout the service territory	Address financial barriers to participation
*The PAYS® program is not a dedicated low income program, however it does help address financial barriers to participation, particularly for low-to-moderate income customers.				

The MFLI programs provides a one stop shop for income eligible multifamily properties to address the energy efficiency needs of renters and low income multifamily households. The program is marketed to cover all low income communities throughout the Ameren Missouri territory. The program includes an energy assessment of each property and serves a multitude of multifamily structures that consist of four or more dwelling units. The program seeks to reduce the average annual energy usage by greater than 15 percent which equates to eliminating two utility bills annually. The program also works with qualified properties to benchmark building performance within the EPA Energy Star manager system.

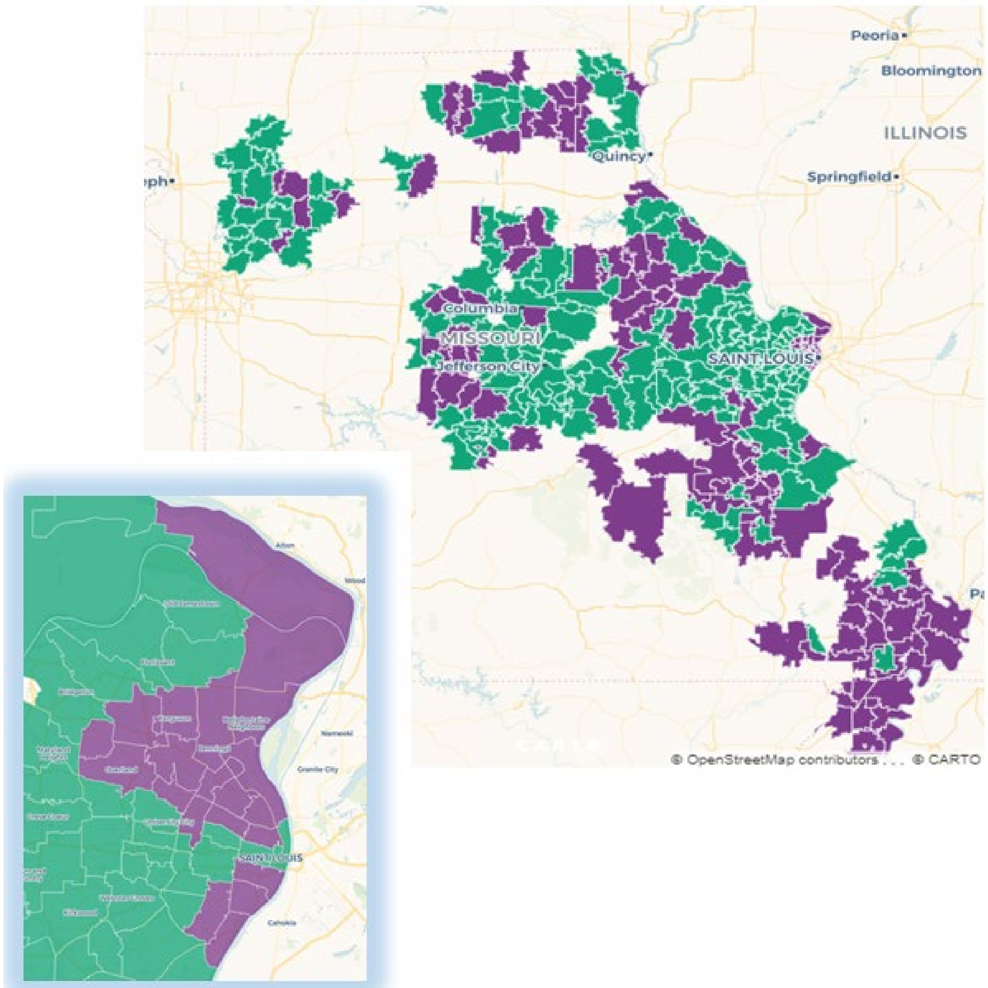
In contrast to the MFLI program, the SLFI program targets the highest need low income customers through a neighborhood based approach. Said another way, the SFLI program is only delivered to qualifying neighborhoods in each program year. Ameren Missouri relies on multiple criteria to select neighborhoods for program delivery in each program year. As a starting point, Ameren Missouri targets neighborhoods throughout its service territory, with a goal to select at least one area for program delivery each in St. Louis City, St. Louis County, and the broader region. Neighborhoods in each region are selected based on a consideration the concentration of customers below federal poverty guidelines within each census track; the age and makeup of building housing stock (including ratio of single family to multifamily property types), the presence and network of community-based partners to help support program delivery, and an assessment of need based on the number of customers receiving energy assistance.

The program addresses multiple housing stocks including single family detached housing, attached dwellings of four (4) or fewer units, and mobile homes. The program seeks to reduce the average annual energy usage of participating customers by more than 10 percent, which equates to eliminating approximately one and a half utility bills annually. The program does this by providing an assessment, and based on the results of that assessment, includes the direct install of low cost measures and comprehensive whole home upgrades (e.g. HVAC, furnace, smart thermostat, ceiling insulation, air sealing, etc.) at no cost to the customers.

Both the MFLI and SFLI programs also partner with natural gas utilities to co-deliver relevant measures.

The Low Income Community Lighting program provides opportunities for all low income customers to participate, independent of housing type or geographic location. Beginning in PY22, the Low Income Community Lighting Program will provide discounted LED bulbs in community retailers in zip codes within the Ameren Missouri service territory, where the at least 30 percent of the population is at or below 200 percent of the Federal Poverty Level, as defined by the American Community Survey. Below is a map of the total Ameren Missouri territory with the targeted low income areas identified in purple.

Figure 1: Map of targeted zip-codes for the Low Income Community Lighting within the Ameren Missouri service territory



Source: Presented to Stakeholders on May 13, 2021. Data source represents the United States Census, 2015-2019 American Community Survey 5-year data profile.

Collectively, the proposed income eligible suite of programs provides opportunities to serve a wide variety of low income customers, across multiple housing types, income levels, and geographic regions.

VI. EARNINGS OPPORTUNITY TARGET LOW INCOME PROGRAM

Q. Please describe the proposed earnings opportunity ("EO") framework for low income programs.

A. Ameren Missouri proposes to use the same EO framework that was approved for PY22 as outlined by the testimony of Mr. Craig P. Aubuchon.

Ameren Missouri will spend the minimum (floor) of $12 million for the low income portfolio of programs, of which Ameren Missouri will seek to spend a minimum of $5 million for the Multifamily Income Eligible program.

The earnings opportunity will be reduced by $1 million if the spending floor of $12 million for the low income program is missed. As a subcomponent of the $1 million spending floor penalty, the earnings opportunity will be reduced by $250,000 if the MFLI program does not achieve 15 percent or greater average percent energy savings per property, as calculated by the annual evaluation, measurement and verification ("EM&V") of electric properties.

Q. How will the average percent energy savings per property for the MFLI program be calculated?

A. The average percent energy savings per property will be calculated as the total MFLI Program evaluated electric energy savings for the program year divided by the total billed energy consumption for all of the electric service properties served during that program year. The total billed energy consumption for all of the properties will be the billed electric consumption for each property for the 12 months prior to the month the property participated in the program, as reported in the Company's billing system. For PY23, the EM&V report will report the MFLI Program's evaluated energy savings and the 12-month total.

As described above, the Company will include a 15 percent threshold for electric properties in its earnings opportunity calculation. In contrast, for co-delivered projects, the Company will work toward achieving a 10 percent average per property savings. Co-delivered projects will not count toward the portfolio total average percent energy savings per property metric. This is warranted because the Company does not have natural gas usage necessary to calculate a baseline and percent reduction.

VII. CONCLUSION

Q. Does that conclude your direct testimony?

A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Union Electric Company	)	
d/b/a Ameren Missouri's 3rd Filing to	)	
Implement Regulatory Changes in Furtherance	)	File No. EO-2018-0211
of Energy Efficiency as Allowed by MEEIA.	)	

AFFIDAVIT OF TIMOTHY E. VIA

STATE OF MISSOURI	)
	)
CITY OF ST. LOUIS	)

Timothy E. Via, being first duly sworn on his oath, states:

1. My name is Timothy E. Via. I work in the City of St. Louis, Missouri, and I am employed by Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri") as Manager of Energy Efficiency, within the Energy Solutions group.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Union Electric Company d/b/a Ameren Missouri consisting of 18 pages and no Schedules, all of which have been prepared in written form for introduction into evidence in the above-referenced docket.

3. Further, under the penalty of perjury, I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.

/s/Timothy E. Via
Timothy E. Via

This 2nd day of July, 2021.