Exhibit No.:	
Issues:	Ameren Missouri's Proposed MEEIA Cycle III Low-Income Multifamily offerings
Witness:	Annika Brink
Sponsoring Party:	National Housing Trust
Type of Exhibit:	Rebuttal Testimony
Case No.:	EO-2018-0211
Date Testimony Prepared:	August 30, 2018

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. EO-2018-0211

REBUTTAL TESTIMONY

OF

ANNIKA BRINK

ON

BEHALF OF

NATIONAL HOUSING TRUST

August 30, 2018

Q. Please state your name and business address.

A. Annika Brink, National Housing Trust, 1101 30th Street NW, Suite 100A, Washington, DC 20007.

Q. On whose behalf are you testifying?

A. I am testifying on behalf of the National Housing Trust (NHT). All work developing my testimony has been completed by me or under my direction.

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

A. I am employed by the National Housing Trust as its Midwest Director of Energy Efficiency Policy. In this capacity I work with state and local partners across the country to make multifamily housing healthy and affordable through energy efficiency. I have primary responsibility for NHT's energy efficiency policy work in the Midwest, including Missouri.

Q. Please provide a summary of your qualifications and experience.

A. I earned a Bachelor of Arts in both History and German Studies from Wesleyan University in 2005 and subsequently spent a year studying Architecture and Urban Planning at the Universität Stuttgart in Stuttgart, Germany. In 2011, I earned a Master in Public Policy from Harvard University where I focused on energy, sustainability, and social/urban policy and during which time I produced research on state and local policy solutions for rental sector energy efficiency.

I have eight years of professional experience with energy policy, affordable housing, and green building, both from an energy and a housing perspective. Beginning in 2011, I spent over two years leading the nonprofit Alliance to Save Energy's engagement of publicly-owned non-for-profit electric power utilities, helping utilities share best practices, consider energy efficiency program models, benchmark their energy efficiency portfolios, develop innovative online tools, and achieve consensus on priority topics. Since 2013 I have been a LEED Green Associate.

In my work for the National Housing Trust, I analyze state, local, and utility efficiency policies and programs, help disseminate best practices, and facilitate coordination among housing and energy stakeholders. I have filed comments with utility regulators in Missouri, Michigan, Minnesota, and Kansas. In 2014-2015 I worked with staff at the Natural Resources Defense Council to organize a series of five St. Louis metro area convenings to explore the experience, barriers, solutions, and potential recommendations related to expanding energy efficiency for affordable multifamily housing in Missouri and Illinois. I was a member of the energy usage stakeholder group that provided input to the Missouri Division of Energy as they developed the State Energy Plan. In February 2018 I began working with other stakeholders to form a "Low-Income Work Group" under the auspices of the Missouri Energy Efficiency Advisory Collaborative and I am currently serving on this work group's Steering Committee.

In addition to my work at the National Housing Trust, I have worked for affordable housing developers in Grand Rapids, Michigan (internship) and Minneapolis, Minnesota, including work on green affordable housing, community development, and multifamily rehabilitation projects.

Q. Have you previously testified before this Commission?

A. Yes, I previously provided testimony in Ameren Missouri's 2016-18 MEEIA filing, EO-2015-0055 and in Spire's 2017 rate cases, GR-2018-0215 and GR-2017-0216. I have also presented to Commissioners and stakeholders at various workshops, convenings, and meetings, such as the Missouri Energy Efficiency Advisory Collaborative (MEEAC).

Q. Please summarize your testimony.

A. My testimony begins by stating general support for Ameren Missouri's ("the Company") proposed MEEIA portfolio for 2019-2024 ("Cycle III") and its impact on low-income and/or affordable multifamily housing. I then give background on the energy efficiency needs of renters and low-income multifamily households and on the size of the opportunity for energy savings in the low-income multifamily sector in Ameren Missouri's service territory. I commend the Company on its ongoing and growing focus on low-income multifamily housing, while recommending tweaks to the distribution of budgets across Cycle III program years in order to better match program size to ramp-up needs for a comprehensive program design. Next, I suggest that the Company consider how it can ensure that low-income communities and especially people of color will benefit from the jobs created by its increased Cycle III investment. I go on to praise the Company's performance incentive structure, while suggesting a small tweak. I then explore the many ways in which Ameren's program design matches best practices such as the one-stop shop model and I offer some suggested improvements in the areas of eligibility pathways, comprehensive energy audits, incentive levels, and accommodations for substantial rehabilitation projects. Lastly, I stress the importance of providing an opportunity for low-income stakeholders, including non-intervenors, to participate in an accountability process for the Cycle III plan via a robust mid-cycle check-in.

Q. You indicate that you support Ameren's Cycle III filing and its impact on low-income/low-income multifamily households. Please explain.

A. The National Housing Trust generally supports the Company's proposed portfolio of energy efficiency programs. As an advocate for tenants and owners of low-income multifamily housing, we regularly advocate for well-designed multifamily programs. We also support energy efficiency investments more broadly because of their ability to lower system-wide energy costs for all customers, including in low-income multifamily housing. Well-designed energy efficiency programs serve as a demand-side resource, meeting energy needs at a lower cost than many supply-side resources such as fossil fuel plants, and enabling utilities to delay or avoid costly investments in new power plants or transmission and distribution infrastructure.

Q. What are the energy efficiency needs of renters and low-income multifamily households in the Ameren Missouri service territory?

A. Over 43% of renters in Missouri live in unaffordable housing, meaning they spend more than 30% of their income on rent and utilities.[1] For example, in St. Louis City 49% of renters pay an unaffordable amount for rent plus utilities, 45% in St. Louis County, 32% in Cole County, and 40% in St. Charles County. According to the U.S. Department of Housing and Urban Development, such households "may have difficulty affording necessities such as food, clothing, transportation and medical care."[2] In Missouri, a parent earning minimum wage would have to work 79 hours per week, or the equivalent of two full-time jobs, to afford a two-bedroom apartment at fair market rent.[3]

Low-income multifamily households face a higher energy burden than non-low-income households. A 2016 report by Energy Efficiency for All and ACEEE found that low-income multifamily households in the St. Louis metropolitan area had a median energy burden of 6.25%, compared to just 4.07% for the median household in the St. Louis metropolitan area. One quarter of low-income multifamily households in St. Louis spend over 12.87% of their income on energy utility costs—7th worst of the 48 large metropolitan areas analyzed in the study. Cities where the

[1] U.S. Census Table GCT2515. 2012-2016 American Community Survey 5-Year Estimates.
[2] Spending 30% of income on rent plus utilities is the U.S. Department of Housing and Urban Development's definition for whether a household is housing cost burdened. http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/
[3] Missouri 2018 "Out of Reach" fact sheet. National Low Income Housing Coalition. http://nlihc.org/sites/default/files/oor/files/reports/state/OOR_2018_MO.pdf.

median low-income multifamily household has a lower energy burden include Chicago, Oklahoma City, Milwaukee, Cleveland, Detroit, and Minneapolis.[4] This report also found that energy efficiency is a primary solution for relieving excess energy burden: for low-income multifamily households, "bringing housing stock up to the efficiency of the median household would eliminate 35% of excess energy burden."[5]

A historical lack of access to energy efficiency for U.S. multifamily rental housing presents an opportunity for Ameren Missouri to tap significant unrealized energy savings in the low-income multifamily sector. In fact, efficiency measures are far less likely to be installed in multifamily rentals than in any other type of housing. Nationally, multifamily units occupied by low-income renters had 4.1 fewer energy efficiency features in 2005 and 4.7 fewer in 2009 compared with other households.[6] This translates to significant unrealized energy savings.

According to Census data and housing subsidy information, as matched to the Census tracts that compose Ameren Missouri's service territory, there are approximately 124,388 units of low-income multifamily housing in buildings of 3+ units in Ameren Missouri's service territory.[7] This includes public housing, which is owned by cities or counties; subsidized housing, which has received a one-time subsidy or receives ongoing subsidies from entities or programs such as HUD, USDA, and LIHTC; and unsubsidized housing, which does not receive

[4] Drehobl, A. and Ross, L., *Lifting the High Energy Burden in America's Largest Cities: How Energy Efficiency Can Improve Low Income and Underserved Communities*, Energy Efficiency for All and ACEEE, April 2016. http://www.energyefficiencyforall.org/sites/default/files/Lifting%20the%20High%20Energy%20Burden_0.pdf. p. 46.
[5] Drehobl and Ross. April 2016.
[6] Gary Pivo, *Unequal access to energy efficiency in US multifamily rental housing: opportunities to improve*, 2014. Building Research & Information, 42:5, p. 551-573.
[7] U.S. Census American Community Survey 5-year estimates (2009-2012), National Housing Preservation Database (NHPD) from the Public and Affordable Housing Research Corporation and the National Low Income Housing Coalition, New Market Tax Credits Census tract data, 2014 Platts Geospatial Data. Analysis by Elevate Energy and the National Housing Trust.

subsidies, but generally has lower rents as a result of market conditions, location, property condition, etc.

<u>Table 1</u>

Estimates of Housing Unit Counts for Missouri and the Ameren Missouri Service Territory

	All Housing Units (SF+MF)	**All Multifamily (in buildings of 3+ units)**						
					Affordable			
Utility	Total	Total	Market-Rate	**Total Affordable**	Unsubsidized Affordable	Subsidized Affordable (HUD, LIHTC, Rural, etc.)		PHA-Owned Affordable
Missouri Statewide	2,710,506	505,058	222,929	282,129	154,877	109,488		18,260
				100%	55%	39%		6%
Ameren Missouri (electric)	1,150,566	252,647	128,259	**124,388**	67,711	48,587		8,378
				100%	54%	39%		7%
						LIHTC* 24,653 20%	Non-LIHTC 23,934 19%	

Sources: U.S. Census American Community Survey 5-year estimates (2009-2012), National Housing Preservation Database (NHPD) from the Public and Affordable Housing Research Corporation and the National Low Income Housing Coalition, New Market Tax Credits Census tract data, 2014 Platts Geospatial Data. Analysis by Elevate Energy and the National Housing Trust.
All subsidized information was pulled from the National Housing Preservation Database (NHPD) from the Public and Affordable Housing Research Corporation and the National Low Income Housing Coalition. This includes any property that has received at least one subsidy of any sort, including HUD, USDA Rural, LIHTC, PHA, and FHA. The "unsubsidized affordable" units are any units on low/moderate income census tracts, designated by the New Market Tax Credits, which do not have subsidies. These are calculated based on a combination of ACS 2012 5-year estimate total unit counts and the tract-level unit counts from NHPD. In some areas, the census estimates credited fewer units in total on a tract than were represented by NHPD subsidized unit records. In these cases, geocoded NHPD counts were trusted as reliable and used as total counts, so final unit estimates were slightly higher in some areas than the census data. After unit counts were determined at the census tract level, they were aggregated up to electric utility territories with 2014 Platts Geospatial Data.
*The number of LIHTC units in Ameren's service territory was determined after the original data analysis by matching federal LIHTC properties found in the National Housing Preservation Database to zip codes served by Ameren. Federal LIHTC awards closely track state LIHTC awards, so the number of federal LIHTC properties is used as a close proxy for state LIHTC properties.

Q. What are the opportunities presented by the energy efficiency needs of low-income multifamily housing stock located in the Company's service territory?

A. A 2015 potential study report by Optimal Energy for the Energy Efficiency for All initiative found that if Ameren Missouri pursued maximum achievable electric savings in the affordable multifamily sector from 2015-2034, the cumulative savings would equate to between 15.2% and 18.9% lower electric usage sector-wide in 2034 (147 to 183 GWh lower usage). And, for every dollar spent on energy efficiency, those investments would yield $1.90-$3.40 in benefits.[8] Importantly, these numbers underestimate the potential savings, because the study looked at low-income multifamily buildings of 5+ units, whereas Ameren's low-income multifamily program serves low-income multifamily buildings of 3+ units.

Table 2

Ameren Missouri Maximum Achievable Savings Estimates, 2015-2034[9] drawn from 2015 Optimal Energy potential study calculations							
	Cumulative Savings in GWh Year 20	Savings % of Total GWh Usage Year 20		Total Costs (Million 2015$)	Total Benefits (Million 2015$)	Net Benefits (Million 2015$)	BCR
Maximum Achievable, No Non-Energy Benefits	147	15.2%		$75	$139	$64	1.9
Maximum Achievable, High Non-Energy Benefits	183	18.9%		$131	$453	$321	3.4

Energy efficiency programs are extremely beneficial to low-income tenants and can help owners maintain the buildings they live in, especially in subsidized properties where owners are legally obligated to maintain low rents. Retrofits can result in water/wastewater bill savings, reduced maintenance costs, lower turnover rates, increased comfort, increased durability,

[8] Mosenthal, P. and Socks, M., *Potential for Energy Savings in Affordable Multifamily Housing*, Optimal Energy for NRDC, 2015. http://www.energyefficiencyforall.org/sites/default/files/EEFA%20Potential%20Study.pdf, drawn from study calculations.

[9] EEFA and Optimal Energy, "The Significant Potential for Energy Efficiency Savings in Missouri's Affordable Multifamily Housing." https://energyefficiencyforall.org/sites/default/files/EEFA_MO_Multifamily_Potential_Study_.pdf

improved safety, and improved health (e.g. less asthma or aggravation of chronic conditions from extreme heat and cold, resulting in fewer sick days from work and school). Utilities can benefit from reduced arrearage carrying costs, reduced customer collection calls/notices, reduced termination/reconnection costs, and reduced bad debt write-offs.

Q. To what extent is Ameren's Multifamily Low-Income program budget sized appropriately to match the need and the opportunity for energy savings within low-income multifamily housing?

A. The Company's proposed Multifamily Low-Income Cycle III budgets represent a large increase over Cycle II budgets and appear to be appropriately sized. However, in order to properly match the move to more comprehensive retrofits, some slight modifications may be needed, especially to meet savings goals in the later years of the program. Since the advent of its energy efficiency programs under MEEIA in 2013, the Company has demonstrated a commitment to serving low-income multifamily housing, a sector that is often overlooked by other utilities. According to the EEFA potential study cited above, it would cost between $3.75 and $6.56 million annually over 20 years to procure maximum achievable savings from this sector. The Company has grown its program over time, culminating in its current MEEIA proposal, which proposes six years of annual budgets, each within the above range (Appendix A, page 1).

The Company would likely benefit from changing how it has allocated budget across years. For example, its Year 1 budget is $3.85 million for 10 months, which is an annualized $4.62 million. This budget may not be realistic in a year when the Company is transitioning to a new implementer. For a comprehensive retrofit program it also may not make sense to have its highest budget years front-loaded in the earlier years, as the Company has proposed. The

Company's proposed Year 5 and Year 6 budgets ($4.29 and $4.10 million, respectively), are much lower than its Year 1-4 budgets (considering 2019 on an annualized basis at $4.62 million, then $4.51, $4.74, and $4.62 million, respectively).

Because relationship-building is so important in getting building owners to commit to comprehensive projects, we suggest the Company consider starting with lower budgets and then ramping up steadily over time. Independent of the general ramp-up, in order to hit savings goals in later years, the Company may need to increase its budget in later years. We generally support the type of ramp-up strategy laid out in the Rebuttal Testimony of NRDC witness Matt Socks. We will also note that properties that have received State Low-Income Housing Tax Credits only recently became fully eligible for MEEIA programs and represent 20% of the low-income multifamily housing stock in Ameren's service territory (approximately 24,653 units). Therefore, it is not realistic to assume that the market will become saturated in the next four years.

Lastly, the Company's Multifamily Low-Income program proposal, specifically, and its MEEIA Cycle III portfolio proposal, generally, represent a major increase in program size over previous years. As the Company increases its investments in the low-income sector, we recommend that it consider how it will ensure that low-income communities and especially people of color will benefit from the jobs created by this increased investment. A recent study found that only 7.0% of clean energy jobs (e.g. installers, technicians, etc.) in Missouri were held by black or African-American workers in 2017[10], despite this group making up 11.6% of Missouri's population.[11] The Company has an opportunity, through recruitment, training,

[10] Clean Energy Trust, Environmental Entrepreneurs, and BW Research, "Clean Jobs Midwest 2018 Report Data." August 2018. https://www.cleanjobsmidwest.com/wp-content/uploads/2018/08/CJM-2018-Final-Data.xlsx. The Missouri Executive Summary available at the below link explains which types of workers are included: https://www.cleanjobsmidwest.com/wp-content/uploads/2018/08/CJM-Executive-Summary-MO_2018.08.08.pdf.
[11] U.S. Census data, Table B02001 "Race: Total population" for Missouri, 2012-2016 American Community Survey 5-Year Estimates.

outreach, leveraging community groups as its (paid) messengers, and other methods, to help ensure that the benefits of its MEEIA programs have even more positive impact on the low-income communities it serves.

Q. Is Ameren's performance incentive set appropriately to incentivize a successful low-income multifamily program?

A. Yes. We applaud the Company for prioritizing the hard-to-serve low-income multifamily sector in its performance incentive via its own carve-out and further applaud the Company's thoughtful design for this carve-out. Setting an average percent-savings-per-property goal, as the Company has proposed, is an excellent approach. By doing so, the Company will be incentivized to provide more comprehensive energy retrofits to low-income multifamily buildings, rather than just direct install measures. A comprehensive approach is particularly well suited to the subsidized affordable multifamily sector, because properties generally refinance every 10-15 years, which is a point in time when owners have more capital available to consider energy efficiency projects. If a utility fails to induce an owner to undertake a comprehensive retrofit at this point in time (or during any other substantial rehabilitation), it may have to wait another 10-15 years for an equivalent opportunity at that property.

In general, it is helpful to be able to present all retrofit options at once as part of a package: this enables more cost-effective measures to subsidize less cost-effective measures, making the overall package of upgrades, including measures such as HVAC and building envelope measures, more attractive to the owner. And, multifamily owners are extremely busy, so once a utility has an owner's attention, it can be helpful to maximize the opportunity, rather than hoping to get the owner's attention again at a later date to address additional measures.

We find the average percentage savings goals have been set appropriately, at a challenging, but achievable level. The Company might consider pushing its goals back by one year, to account for its switch to a new implementer in 2019. Thus, the Company's low-income multifamily performance incentive would retain budget spend goals for all six years, but eliminate the average percent savings goal in 2019, set a goal of 10% in 2020, and 15% in 2021 and beyond. We find the Company's Multifamily Low-Income minimum budget spend requirement appropriate as proposed.

We would like to flag for the Company that multifamily rehabilitation projects are often delayed or follow a schedule that spans across MEEIA program years. It seems likely that the Company and its stakeholders will need to further discuss and agree on a rubric for counting percentage savings toward the Company's performance metric goals, so that the Company can fully claim the savings it has earned, in the spirit of the goal of achieving deep energy savings in each property. An overly strict method for counting these savings might tend to undermine the spirit of the goal.

Q. To what extent is Ameren's Multifamily Low-Income program appropriately designed to enable it to meet its budget and percent energy savings goals?

A. The Company's proposed Multifamily Low-Income program includes the majority of multifamily best practices we generally recommend to utilities and is the culmination of the Company's steady progress toward delivering a program that will deliver a better customer experience and deeper energy savings. This progress includes improvements included in the Company's MEEIA II settlement agreement, as well as design components proposed in its current plan. We are optimistic that the performance incentive the Company has proposed for average percent savings per property will motivate the Company to successfully implement many best practices recommended for the low-income multifamily sector. The best practices we refer to here draw from the National Housing Trust's experience, as well as two key best practice documents for overcoming multifamily barriers to participation in energy efficiency programs, summary checklists for which are included below. In response to later questions, we also make four recommendations for program design improvements.

Table 3

Energy Efficiency for All (http://energyefficiencyforall.org/sites/default/files/EEFA OneStopShop Fact Sheet (2).pdf) **One-Stop Shops for the Multifamily Sector** Identifying the Elements of a Complete One-Stop Shop	*ACEEE* (http://aceee.org/research-report/u1501) **Apartment Hunters: Programs Searching for Energy Savings in Multifamily Buildings** Best Practices for Multifamily Energy Efficiency Programs
1. Single point of contact (SPOC) coordinates access to other programs or has agreements in place for co-delivery. 2. A single application streamlines the process. SPOC assists customer with enrolling and applying 3. Comprehensive audit provides utility benchmarking to gauge efficiency compared with peers and evaluates electric, water, gas, and non-utility upgrade opportunities. 4. Energy auditor uses audit information to develop a recommended scope of work, including a comprehensive set of improvements, installation costs, available utility incentive programs, available financing options, and economic benefits. SPOC supports customer in making final project decisions. 5. SPOC assists with coordination of rebates, incentives, and financing options. Develops relationships with institutions (e.g., Community Development Financial Institutions, PACE, and housing institutions). 6. Client is provided with a list of qualified and available contractors. SPOC helps customer evaluate bides and select contractors, and facilitates scheduling to ease the administrative burden on the owner. 7. SPOC is involved in communications with contractors and project managers, and monitors progress. 8. Quality inspections on 100% of participating properties. Inspections are done during installation when necessary, and at project completion. Ongoing annual benchmarking services are provided. If quality issues arise, SPOC returns to site to resolve issues. SPOC ensures that all utility incentives are obtained.	1. Provide a one-stop shop for program services. 2. Incorporate on-bill repayment or low-cost financing. 3. Integrate direct installation and rebate programs. 4. Streamline rebates and incentivize in-unit measures to overcome split incentives. 5. Coordinate programs across electric, gas, and water utilities. 6. Provide escalating incentives for achieving greater savings levels. 7. Serve both low-income and market-rate multifamily households. 8. Align utility and housing finance programs. 9. Partner with the local multifamily housing industry. 10. Offer multiple pathways for participation to reach more buildings.

As these checklists demonstrate, a crucial piece of best practice program design is the one-stop shop.

Q. What does the phrase "one-stop shop" refer to in the context of efficiency programs targeted to low-income and affordable multifamily properties?

A. A "one-stop shop" program takes a whole-building, full-service approach to in order to streamline participation and achieve deeper savings per building: it provides multifamily owners with a single point of contact for both electric and gas, as well as in-unit and common area/building system measures (regardless of whether the impact is to a residential or commercial meter). It is targeted to breaking down barriers that prevent affordable multifamily building owners and tenants from participating in programs. This includes assistance with conducting an energy assessment, selecting measures, choosing contractors, securing low-cost financing if needed, applying for incentives, making the improvements themselves, and quality assurance. This program approach avoids undue administrative burdens on program participants and can generate deeper energy savings that reduce tenant bills in a more impactful way while enabling owners to maintain affordable rents.

Q. To what extent does the Company's proposed Multifamily Low-Income program design match the description of a one-stop shop?

A. The Company's proposed Multifamily Low-Income program design is impressive, because it incorporates many best practices for serving low-income multifamily buildings with a one-stop shop and wrap-around services. Among the many decisions we applaud are:

- A stand-alone multifamily program that is not combined with single family or other housing types that have very different barriers and needs.
- A commitment to co-delivery of the program with gas utilities, or, if co-delivery is not possible, assistance with applying for gas incentives.

- Separate budgets and goals for low-income and market-rate multifamily properties, which will help ensure that the hard-to-reach low-income multifamily sector is not neglected and that its treatment is clearly tracked via separate data reporting.
- An expanded menu of options for easier verification of eligibility for the program, including the ability to qualify a property by its location in a low-income Census tract. (See recommendations for improvement later in testimony.)
- Provision of in-unit and common area upgrades via a single program.
- Provision of direct install, prescriptive, and custom incentives via a single program, so that all potential measures can be considered at the same time.
- Assignment of a dedicated contact to assist owners/property managers throughout the process of program participation.
- Offering a free energy assessment to all participating properties, including a robust energy assessment report.
- Provision of a 12-month baseline of energy usage for the property and technical assistance for owners to begin benchmarking buildings in ENERGY STAR® Portfolio Manager.
- Identifying the scope of work, providing bid specifications and referrals to contractors for repair work, and securing qualified contractors, if required.
- Assisting with retrofit scheduling and completion, including quality assurance verification.
- Provision of incentives to attend Building Operator Certification training for managers of participating properties, which will help with achievement and maintenance of projected savings.

- A pledge to help owners access financing or other funding, if needed.

We are especially pleased to see the Company's Multifamily Low-Income program focus on meeting the needs of Low-Income Housing Tax Credit applicant properties, which are undertaking substantial rehabilitation projects and are more able to invest capital in energy efficiency upgrades, if the case for investment can be successfully made. Among the decisions we applaud are:

- A commitment to working with Missouri Housing Development Commission staff to meet these properties' unique needs as they go through a fairly inflexible re-financing process.
- Provision of incentives for ASHRAE Level II audits, which provide better information to support comprehensive upgrades, for certain properties. (See recommendations for improvement later in testimony.)

Q. You mentioned several improvements you recommend the Company make to its Multifamily Low-Income program. Please outline the types of program improvements you recommend.

A. Overall, the Company's proposed Multifamily Low-Income program is aligned with best practices and need in terms of its size, its program design, its intentional partnerships, and its goals and accountability to those goals via the performance incentive. However, we have a few recommendations for changes that we believe would better enable the Company to meet its own goals and to make participation easier for multifamily owners. In this document we have already provided recommendations on tweaking the budget ramp-up design across the six-year cycle as well as the performance incentive. Our additional recommendations address eligibility pathways, comprehensive energy audits, incentive levels, and accommodations for substantial rehabilitation projects.

Q. What are your recommendations concerning pathways to program eligibility?

A. The Company shared in response to an NHT Discovery Request[12] that it does not yet know how many multifamily buildings are located in the Census tracts that meet its chosen definition of an eligible Census tract. We suggest the Company not settle on an exact definition and remain flexible until the implications of this definition are clear. We also suggest, to better match the varied low-income definitions of other low-income programs outside the MEEIA space, that the Company expand its "proof of income" definition to specify that the residents may meet an 80% of area median income *or instead* a 200% of federal poverty level definition. Lastly, we recommend that the income eligibility requirements be rephrased to specify eligible properties, rather than residents. It is ultimately the owner making an investment decision for the whole property. Thus, the eligibility pathways language would read: "Participating properties will be required to meet one of the following income eligibility requirements:

- Participation in a federal, state, or local subsidized housing program.
- Proof of resident income levels at or below 80% of area median income or 200% of federal poverty level.
- Fall within a Census tract included on the Company's list of eligible low-income Census tracts."

Q. What are your recommendations concerning comprehensive energy audits?

A. The Company proposes to provide incentives for ASHRAE Level II audits to properties applying for Low-Income Housing Tax Credits (LIHTC) that are four or more stories. The

[12] Ameren Missouri Response to Data Request NHT 006, File No. EO-2018-0211.

majority of properties funded by Missouri's LIHTC program each year are three stories or fewer, so this would likely have the effect of making most LIHTC applicants ineligible for these comprehensive audits. We suggest that the Company extend the offer of an incentive for an ASHRAE Level II audit to all applying properties, regardless of height. For garden-style properties without central systems, where a HERS audit may be more appropriate, a HERS option should be available as well. Additionally, we recommend that the Company offer comprehensive audits to any property, LIHTC or not, that is pursuing what the Company deems to be a suitably "substantial" rehabilitation. Lastly, we recommend that the Company determine via an interview with the owner or property manager whether a comprehensive audit is warranted. The Company's current proposal is to conduct a Level I audit to make this determination: however, we believe the Company can skip this step if it instead includes thoughtful questions about planned capital upgrades and substantial rehabilitation in a pre-audit interview.

Q. What are your recommendations concerning measure incentive levels?

A. The Company has published a list of measures it will incentivize, including the high and low end of the range for incentive levels across the Company's many programs. In response to an NHT Discovery Request,[13] the Company provided starting incentive levels for the Multifamily Low-Income program. We are concerned that several items that we understand to have previously been provided via free direct install to low-income multifamily properties are now listed with starting incentive amounts: that is, they no longer appear to be free. These include LED bulbs, faucet aerators, showerheads, and thermostats. We continue to believe that low-income properties deserve access to free direct install measures.

[13] Ameren Missouri Response to Data Request NHT DR 009 (Attachment), File No. EO-2018-0211.

In general, in setting incentive levels, we recommend that the Company provide non-lighting incentives that are higher than its Cycle II Multifamily Low-Income incentive levels, in order to better induce owners to invest in more comprehensive retrofits. We strongly believe that the Company will need to do so, in fact, in order to meet its goal of 15% average savings across participating properties. This is especially true for properties where tenants pay for electricity, since in this scenario owners have less motivation for pursuing energy savings. As general guidelines, we believe that incentives should cover, at a minimum, 100% of *incremental cost* and, ideally, to properly incentivize owners to act, should cover at least 40-50% of *total cost on average* across incentives.

Q. What are your recommendations with respect to accommodations for substantial rehabilitation projects?

A. We applaud the steps the Company has already taken and has signaled it will take to partner more closely with the Missouri Housing Development Commission (MHDC), especially for LIHTC properties. However, we believe the Company would have an easier time working with LIHTC properties and other properties that are re-financing, as well as other substantial rehabilitation projects, if it would commit to providing incentive commitment letters to developers/owners, guaranteeing that the developer/owner can count on a certain level of incentive funding for a certain amount of time (24-36 months, for example), even if construction timelines are delayed. And, importantly, even if construction timelines extend across MEEIA program years or MEEIA cycle transitions. Providing certainty to developers/owners regarding incentive availability helps to ensure that energy-saving measures get locked into the architectural designs and will not be value-engineered out when there are cost overruns or construction delays.

Q. How can Ameren better work with stakeholders to ensure program accountability and success?

A. We have found the Company to be open to discussion and collaboration, both in the months leading up to their program filing, and throughout the implementation of their Cycle II programs. This is exemplified by the Company's participation in the newly-formed MEEAC Low-Income Work Group and the Company's decision to join its Steering Committee.

We commend the Company for committing to meaningful data reporting, including accountability to the Missouri Energy Efficiency Advisory Collaborative ("MEEAC"). We suggest that the reporting of low-income program data to the MEEAC is best suited to occur within the MEEAC Low-Income Work Group, which is targeting many non-energy and community-based stakeholders with an interest in this and other low-income programs, but who do not traditionally participate in utility regulatory proceedings or meetings. These groups will have new insights and diverse perspectives into how these programs are working or not working on the ground, that will be extremely valuable for evaluation and future program design purposes.

Q. What is your opinion of Ameren's Missouri's proposed six-year portfolio cycle length?

A. The Company is currently proposing a six-year program cycle, twice the length of its previous portfolios. This could be very helpful in offering long-term certainty about incentive availability for long-lead substantial rehabilitation projects in the low-income multifamily sector, especially if paired with commitment letter guarantees. However, it is critical that low-income stakeholders, including those that are not parties to this case, have an opportunity to comment on and propose changes to the Company's programs during these six years. NHT supports a framework for a robust mid-cycle check-in or review process that would allow parties to recommend adjustments, additions, or deletions from the Company's portfolio. It is already difficult for low-income stakeholders to participate in utility regulatory processes: eliminating all opportunities to participate for six years would make it even harder for low-income stakeholders to make their voices heard.

Over the last four years I have been encouraged to see local stakeholders express high interest in energy efficiency in low-income multifamily housing. I look forward to working alongside these stakeholders, including the Company and the Public Service Commission, to continue to break down barriers and develop innovative solutions for serving this hard-to-reach sector.

Q. Does this conclude your rebuttal testimony?

A. Yes it does.

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 of Energy Efficiency as Allowed by MEEIA	)))))	File No. EO-2018-0211

AFFIDAVIT OF ANNIKA BRINK

CITY OF WASHINGTON,	**)**	
	)	**SS**
DISTRICT OF COLUMBIA	**)**	

Annika Brink, of lawful age and being first duly sworn on her oath, states:

1. My name is Annika Brink. I work in the City of Washington, District of Columbia and I am employed by The National Housing Trust as its Midwest Director of Energy Efficiency Policy.

2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony on behalf of The National Housing Trust, which has been prepared in written form for introduction into evidence in the above-referenced docket before the Missouri Public Service Commission.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.

/s/ Annika Brink
Annika Brink

Subscribed and sworn to me this 30th day of August, 2018

/s/
Notary Public

My commission expires: January 31, 2020

JOSHUA ZINMAN
NOTARY PUBLIC
DISTRICT OF COLUMBIA
EXP. 1-31-2020