

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

Filed
January 6, 2012
Data Center
Missouri Public
Service Commission

In re: Union Electric Company's
2011 Utility Resource Filing pursuant to
4 CSR 240 – Chapter 22.

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Case No. EO-2011-0271

AFFADAVIT OF JOHN NOLLER

STATE OF MISSOURI

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CITY OF JEFFERSON

John Noller of lawful age, being duly sworn on his oath, deposes and states:

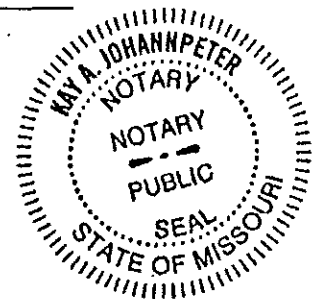
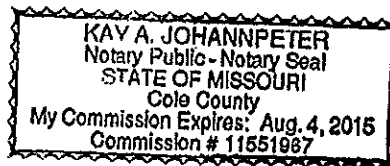
1. My name is John Noller. I work in the City of Jefferson, Missouri, and I am employed by the Missouri Department of Natural Resources' Division of Energy as a Policy Planner
2. Attached hereto and made a part hereof for all purposes are Highly Confidential and Public versions of my Surrebuttal Testimony on behalf of the Missouri Department of Natural Resources' Division of Energy, consisting of 5 pages in both the Highly Confidential and the Public versions, all of which have been prepared in written form for introduction into evidence in the above-referenced docket.
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.

MDNR Exhibit No. 26 NP
Date 12/15/11 Reporter JNB
File No. EO-2011-0271


John Noller

Subscribed and sworn to before me this December 7, 2011.


Notary Public



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)¹¹ 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."² 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"³
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.⁴ In MDNR's view, the company's

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

² Staff Rebuttal (Rogers), p 20

³ 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 portfolios⁵ 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.

⁵ 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 #8.⁶ 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."⁷

⁶ MDNR Comments, p. 26; MDNR Rebuttal (Noller), p. 22.

⁷ 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.”⁸ 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.⁹ 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.¹⁰

13
14 Q: Does this conclude your surrebuttal testimony?

15 A: Yes. Thank you.
16
17
18

⁸ Ameren Response, p. 12

⁹ MDNR Rebuttal (Noller), p. 22-23

¹⁰ OPC rebuttal (Woolf), p. 7; NRDC rebuttal (Mosenthal), p. 12