

Exhibit No.:
Issue(s):
Witness/Type of Exhibit:
Sponsoring Party:
Case No.:

Solar Rebates
Marke/Direct
Public Counsel
ER-2014-0370

DIRECT TESTIMONY

OF

GEOFF MARKE

Submitted on Behalf of
the Office of the Public Counsel

KANSAS CITY POWER & LIGHT COMPANY

Case No. ER-2014-0370

April 2, 2015

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

In the Matter of Kansas City Power & Light Company's Request for Authority to Implement a General Rate Increase for Electric Service.)
)
)
)

Case No. ER-2014-0370

AFFIDAVIT OF GEOFF MARKE

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Geoff Marke, of lawful age and being first duly sworn, deposes and states:

1. My name is Geoff Marke. I am a Regulatory Economist for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my direct testimony.
3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.



Geoff Marke

Subscribed and sworn to me this 2nd day of April 2015.



JERENE A. BUCKMAN
My Commission Expires
August 23, 2017
Cole County
Commission #13754037



Jerene A. Buckman
Notary Public

My Commission expires August 23, 2017.

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DIRECT TESTIMONY
OF
GEOFF MARKE
KANSAS CITY POWER & LIGHT COMPANY
CASE NO. ER-2014-0370

1 **I. INTRODUCTION**

2 **Q. Please state your name, title and business address.**

3 A. Dr. Geoffrey Marke, Economist, Office of the Public Counsel (OPC or Public Counsel), P.O.
4 Box 2230, Jefferson City, Missouri 65102.

5 **Q. Please describe your education and employment background.**

6 A. I received a Bachelor of Arts Degree in English from The Citadel, a Masters of Arts Degree
7 in English from The University of Missouri, St. Louis, and a Doctorate of Philosophy in
8 Public Policy Analysis from Saint Louis University (SLU). At SLU, I served as a graduate
9 assistant where I taught undergraduate and graduate course work in urban policy and public
10 finance. I also conducted mixed-method research in transportation policy, economic
11 development and emergency management.

12 I have been in my present position with OPC since April of 2014 where I have been
13 responsible for economic analysis and policy research in electric and gas utility operations.
14 Prior to joining OPC, I was employed by the Missouri Public Service Commission as a
15 Utility Policy Analyst II in the Energy Resource Analysis Section, Energy Unit, Utility
16 Operations Department, Regulatory Review Division. My primary duties in that role
17 involved reviewing, analyzing and writing recommendations concerning electric integrated
18 resource planning, renewable energy standards, and demand-side management programs for
19 all investor-owned electric utilities in Missouri. I have also been employed by the Missouri
20 Department of Natural Resources (later transferred to the Department of Economic
21 Development), Energy Division where I served as a Planner III and functioned as the lead
22 policy analyst on electric cases. I have worked in the private sector, most notably serving as

1 the Lead Researcher for Funston Advisory based out of Detroit, Michigan. My experience
2 with Funston involved a variety of specialized consulting engagements with both private and
3 public entities.

4 **Q. Have you been a member of, or participate in, any work groups, committees, or other**
5 **groups that have addressed electric utility regulation and policy issues?**

6 A. Yes. I am currently a member of the National Association of State Consumer Advocates
7 (NASUCA) Distributed Energy Resource Committee which shares information and
8 establishes policies regarding energy efficiency, renewable generation, and distributed
9 generation, and considers best practices for the development of cost-effective programs that
10 promote fairness and value for all consumers. I am also a member of NASUCA's Electricity
11 Committee that discusses current issues affecting residential electric consumers.
12 Additionally, I have been selected to participate as a "consumer" voice on several working
13 committees toward the development of a Missouri's Comprehensive State Energy Plan
14 currently being undertaken by the Missouri Division of Energy.

15 **Q. Have you testified previously before the Missouri Public Service Commission?**

16 A. Yes. A listing of the cases in which I have previously filed testimony and/or comments
17 before this commission is attached in GM-1.

18 **Q. What is the purpose of your direct testimony?**

19 A. To inform the Commission that OPC is concerned that actions of the Kansas City Power &
20 Light Company (KCPL) may have violated the Commission's affiliate transaction rules
21 through their unregulated affiliate, KCP&L Solar Inc.

22 OPC is currently investigating the prudence of solar rebates obtained by the unregulated
23 affiliate and is awaiting responses from data requests issued to KCPL. We will provide
24 future testimony pending the results of those data requests.

1 **II. SOLAR REBATE BACKGROUND**

2 **Q. Please provide a brief background on the issue.**

3 A. A finite pool of solar rebate money was agreed upon as a result of a stipulation and
4 agreement settlement in ET-2014-0071 (KCPL \$36.5 million) for purposes of meeting the
5 solar requirement related to Renewable Energy Standard (RES) compliance costs. Solar
6 vendors and their customers utilized a KCPL controlled website queue to administer
7 application and verification of installations as a requirement for the solar rebate. The date an
8 application was submitted and approved by KCPL would ultimately determine a customer's
9 place in the queue and whether they would ultimately be eligible for a solar rebate.

10 Additionally, stakeholders to the ET-2014-0071 and ET-2014-0059 cases agreed that

11 Solar rebate amounts paid and other RES compliance costs by GMO and
12 KCP&L shall be included in regulatory assets to be considered for recovery
13 in rates after December 31, 2013, either in a general rate case or through an
14 approved Renewable Energy Standard Rate Adjustment Mechanism
15 ("RESRAM"). . . . The Signatories reserve the right to raise prudence issues
16 related to the solar rebates and RES compliance costs in future general rate
17 cases, RESRAM cases, or other proceedings in which recovery of these costs
18 are considered by the Commission.¹

19 The current rate case presents the first opportunity for parties to raise prudence
20 issues regarding KCPL's solar rebates.

21 **Q. What is the total amount of solar rebates the Company is requesting to recover in this**
22 **rate case?**

¹ Non-Unanimous Stipulation and Agreement ET-2014-0059 & ET-2014-0071. October 3, 2013.

1 A. KCPL has \$39.6 million in deferred solar rebates in account 182513—vintage 1 & 2. The
2 Company proposed that \$7,664,452 of the \$39.6 million in deferred solar rebates to be
3 included in this rate case which reflects 1% of the revenue requirement following the
4 settlement of ET-2014-0071.

5 **Q. What is the total amount of solar rebates that OPC believes are imprudent?**

6 A. OPC is currently investigating the situation and is awaiting responses from data requests
7 issued to KCPL. We will provide future testimony pending the results of those data requests.

8 **Q. Does this conclude your testimony?**

9 A. Yes.

CASE PARTICPATION OF
GEOFF MARKE, PH.D.

Company Name	Employed Agency	Case Number	Issues
Rule Making	Office of Public Counsel (OPC)	EW-2015-0105	Missouri Energy Efficiency Investment Act Rule Revisions, Comments
Union Electric Company d/b/a Ameren Missouri	OPC	EO-2015-0084	Triennial Integrated Resource Planning Comments
Union Electric Company d/b/a Ameren Missouri	OPC	EO-2015-0055	Rebuttal: Demand-Side Investment Mechanism / MEEIA Cycle II Application
The Empire District Electric Company	OPC	EO-2015-0042	Integrated Resource Planning: Special Contemporary Topics Comments
KCP&L Greater Missouri Operations Company	OPC	EO-2015-0041	Integrated Resource Planning: Special Contemporary Topics Comments
Kansas City Power & Light	OPC	EO-2015-0040	Integrated Resource Planning: Special Contemporary Topics Comments
Union Electric Company d/b/a Ameren Missouri	OPC	EO-2015-0039	Integrated Resource Planning: Special Contemporary Topics Comments
Union Electric Company d/b/a Ameren Missouri	OPC	EO-2015-0029	Ameren MEEIA Cycle I Prudence Review Comments
Kansas City Power & Light	OPC	ER-2014-0370	Direct (Revenue Requirement): Solar Rebates
Rule Making	OPC	EX-2014-0352	Net Metering and Renewable Energy Standard Rule Revisions, Comments
The Empire District Electric Company	OPC	ER-2014-0351	Rebuttal: Rate Design/Energy Efficiency and Low-Income Considerations
Rule Making	OPC	AW-2014-0329	Utility Pay Stations and Loan Companies, Rule Drafting, Comments
Union Electric Company d/b/a Ameren Missouri	OPC	ER-2014-0258	Direct: Rate Design/Cost of Service Study/Economic Development Rider Rebuttal: Rate Design/ Cost of Service/ Low Income Considerations Surrebuttal: Rate Design/ Cost-of-Service/ Economic Development Rider
KCP&L Greater Missouri Operations Company	OPC	EO-2014-0189	Rebuttal: Sufficiency of Filing Surrebuttal: Sufficiency of Filing
KCP&L Greater Missouri Operations Company	OPC	EO-2014-0151	Renewable Energy Standard Rate Adjustment Mechanism (RESRAM) Comments
Liberty Natural Gas	OPC	GR-2014-0152	Surrebuttal: Energy Efficiency
Summit Natural Gas	OPC	GR-2014-0086	Rebuttal: Energy Efficiency Surrebuttal: Energy Efficiency

Union Electric Company d/b/a Ameren Missouri	OPC	ER-2012-0142	Direct: PY2013 EM&V results / Rebound Effect Rebuttal: PY2013 EM&V results Surrebuttal: PY2013 EM&V results
Kansas City Power & Light	Missouri Public Service Commission Staff	EO-2014-0095	Rebuttal: MEEIA Cycle I Application testimony adopted
KCP&L Greater Missouri Operations Company	Missouri Division of Energy (DE)	EO-2014-0065	Integrated Resource Planning: Special Contemporary Topics Comments
Kansas City Power & Light	DE	EO-2014-0064	Integrated Resource Planning: Special Contemporary Topics Comments
The Empire District Electric Company	DE	EO-2014-0063	Integrated Resource Planning: Special Contemporary Topics Comments
Union Electric Company d/b/a Ameren Missouri	DE	EO-2014-0062	Integrated Resource Planning: Special Contemporary Topics Comments
The Empire District Electric Company	DE	EO-2013-0547	Triennial Integrated Resource Planning Comments