**STATE OF ILLINOIS**

**ILLINOIS COMMERCE COMMISSION**

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| **AMEREN ILLINOIS COMPANY** | **)** | |
| **D/B/A AMEREN ILLINOIS** | **)** | |
| **PETITION FOR APPROVAL OF BENEFICIAL** | **)** | **Docket No. 22-0431/22-0443** |
| **ELECTRIFICATION PURSUANT TO SECTION** | **)** | |
| **45 OF THE ELECTRIC VEHICLE ACT** | **)** | |

# Rebuttal Testimony of

# Eric Borden and Courtney Lane

## On Behalf of

## The People of the State of Illinois

## AG Exhibit 2.0

## November 7, 2022

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## I. INTRODUCTION AND QUALIFICATIONS

**Q. Please state your name, title, and employer.**

A. **Mr. Borden:** My name is Eric Borden. I am a Principal Associate at Synapse Energy Economics ("Synapse"), located at 485 Massachusetts Avenue, Suite 3, Cambridge, MA 02139.

**Ms. Lane:** My name is Courtney Lane. I am a Principal Associate at Synapse Energy Economics, located at 485 Massachusetts Avenue, Suite 3, Cambridge, MA 02139.

**Q. Have you previously submitted testimony in this proceeding?**

A. Yes. We submitted direct testimony in this proceeding on behalf of People of the State of Illinois represented by the Office of the Attorney General ("AG") on September 15, 2022.

**Q. What is the purpose of your rebuttal testimony?**

A. The purpose of our rebuttal testimony is to respond to the rebuttal testimony provided by the Ameren Illinois Company ("Ameren" or the "Company") and to support aspects of direct testimony submitted by the Staff of the Illinois Commerce Commission ("ICC Staff"). While we are not addressing the testimony of other parties, this should not be seen as supporting or agreeing with testimony we do not address.

**Q. What materials did you rely on to develop your testimony?**

A. In addition to reviewing the testimony of the Company and ICC Staff, the sources for our testimony are public documents, responses to discovery requests, and our knowledge and experience in this field.

**Q. Please summarize the issues and recommendations discussed in this testimony.**

A. Our testimony discusses the following issues:

- Ameren's rebuttal testimony seeks to significantly increase its budget beyond expected participation levels. This has a significant effect on program cost effectiveness. This aspect of the proposal should be denied, and budgets should be set at Ameren's original forecast. If the Company wishes to exceed this amount, it must request permission from the Commission.

- We agree with ICC Staff's concern regarding Ameren's request to track operations and maintenance ("O&M") expenses in a new rider ("Rider BE"). The tracking is unnecessary, will result in increased regulatory costs and complexity, and should be denied.

- Data collection should consider how to track charging station utilization and the effect of Ameren's bill credits on electric vehicle ("EV") charging times.

- Independent evaluations are needed to assess free ridership and provide for improved net to gross ("NTG") ratios using actual data from Ameren's initial program rollout.

## II. RESPONSE TO AMEREN REBUTTAL TESTIMONY

**<u>Rebates – Statutory Limitations & Policy Concerns</u>**

**Q. Do you have any concerns with Ameren's rebates?**

A. We understand that a proposed interim order in ICC Docket Nos. 22-0432 & 22-0442 (consol.) would limit Commonwealth Edison Company's ("ComEd") ability to offer rebates through its BE Plan for passenger EVs and to public and private organizations and companies for the installation and maintenance of Level 2 and Level 3 charging stations because the Illinois General Assembly granted the authority to administer these specific types of rebates to the Illinois Environmental Protection Agency ("IEPA").[1]

[1] *See Commonwealth Edison Co.*, *Petition for Approval of Beneficial Electrification Plan under the Electric Vehicle Act, 20 ILCS 627/45 and New EV Charging Delivery Classes under the Public Utilities Act, Article IX*, ICC Docket Nos. 22-0432 & 22-0442, Proposed Interim Order at 22–24 (Oct. 18, 2022).

As we described in our direct testimony, some of Ameren's programs appear to offer rebates that fall into these restricted categories. For example, the Company's proposed Transit Facility and Education Facility programs offer rebates to participating transit facilities and education facilities, respectively, for installation of Level 2 or Level 3 chargers, while its Driver Education program would provide rebates to purchase passenger EVs. To the extent that these programs fall within the jurisdiction and responsibility of the IEPA, we understand those legal issues will be discussed in briefing.

**<u>Rebates for Residential Charging to Address Equity Issues</u>**

**Q. Did Ameren change its proposed incentive levels for Level 2 chargers for Equity Investment Eligible ("EIEC") and/or low-income residential customers within its rebuttal testimony?**

A. Yes. Ameren now proposes to cover 100 percent of the cost to install Level 2 charging for Equity Investment Eligible ("EIEC") and/or low-income residential customers that participate in Rider EVCP.[2]

**Q. Does this address your concerns regarding Level 2 charger rebates that you raised in your direct testimony?**

A. No, it does not. Our recommendation was not to increase the incentive amount for Level 2 chargers. The concerns we raised in direct testimony were related to whether these rebates are the best way to increase adoption of EVs by low-income customers and whether Ameren conducted any outreach to these communities to determine what their needs are related to the electrification of the transportation sector.[3] If the high upfront cost of an EV is the main barrier to low-income customers adopting this technology, it is

[2] Ameren Ex. 6.0 at 4:85–88.
[3] AG Ex. 1.0 at 16:297–17:310.

unclear how rebates for Level 2 chargers will address this problem or enable customers to benefit from electrification.

**Q. What is your recommendation?**

A. We recommend that Ameren shift at least half of its proposed funds for Level 2 chargers ($1.36 million)[4] to its Community Engagement and Consultation Program to support low-income and EIEC incentives in those communities. These funds should be set aside to be used to incentivize specific program offerings that are the most suitable for the specific low-income or EIEC community. For certain communities, Level 2 rebates could be appropriate if there is a higher interest in, or ability to purchase, EVs as well as access to on-site or garage charging. However, in other low-income or EIEC communities, car ownership may be low, and people may not have a garage or other on-site electricity available for a Level 2 charger. Using funds to support electrification of buses and fleets could provide better access to the benefits of electrification in low-income and EIEC communities that rely more heavily on these types of transportation and lack on-site outdoor electricity.

Importantly, we do not presume to know exactly what the needs of local communities are. The Community Engagement and Consultation Program is intended to reach out to low-income and EIEC communities and hear their actual needs. Thus, a granular approach to "equity" that utilizes the Community Engagement and Consultation Program

[4] Ameren Ex. 6.2 - Program Cost Details Worksheet, tab "Cost Breakdown".

is more appropriate than the single approach to fund Level 2 charging stations which the Company has not shown will provide benefits to low-income and EIEC customers.

**Q. Other than the Community Engagement and Consultation Program, how does Ameren propose to address equity issues?**

A. The Company proposes several initiatives to invest in public charging stations in low-income and EIEC areas, such as the "Public Charging Facility" and "Corridor Charging Facility" programs.

**Q. Do you believe that these initiatives will promote low-income EV adoption?**

A. We have not seen any studies that indicate that initiatives like these will promote low-income EV adoption. Regarding the Public Charging Facility program, Ameren has not provided any evidence that placing public chargers in low-income and EIEC areas incent these customers to adopt EVs. Data from California indicates that despite higher access to Level 2 and Direct Current Fast Charging in low and middle-income communities, high-income individuals have been the overwhelming adopters of EVs.[5] Furthermore, we are also aware that pricing for public charging varies depending on the site and can be significantly more expensive than actual commercial or residential rates.

In addition, we also have concerns that building out commercial charging will not encourage low-income customers to adopt EVs due to the uncertain costs of commercial charging. For example, Electrify America charges $0.43/kWh to non-members in

[5] *See* California Energy Commission (CEC), *SB 1000 Electric Vehicle Charging Infrastructure Assessment*, June 4, 2020; Testimony of Eric Borden on Behalf of The Utility Reform Network, July 12, 2022, p. 8 (EV adoption by income level in California).

Ameren's service territory;[6] whereas Ameren's current price-to-compare for its residential supply customers is $0.12/kWh.[7] Other charging station intervenors described the amounts charged to the public either in price per minute[8] or declined to provide their rates.[9] The cost to charge an EV in low-income and EIEC communities where potential EV owners do not have access to on-site charging at either standard residential or Rider EVCP rates must be known before the Company and the Commission can evaluate whether it might be beneficial to promote commercial charging in low-income and EIEC areas. The Commission should not approve a program that will result in low-income and EIEC communities paying more for electric "fuel" than other communities that can utilize on-site charging and benefit from Rider EVCP.

As with our recommendation for residential charging rebates, we propose that instead of funding public charging stations in low-income and EIEC areas, Ameren should instead allocate these funds to its Community Engagement and Consultation Program and direct

[6] *See* Electrify America response to AG 1.0(e) and Attachment 1 ("Most Electrify America customers take service by downloading the mobile app and becoming a member and account holder. App users agree to the terms and conditions of service through the app which are provided as Attachment 2. Non-members or one-time users paying at individual charging stations have a different customer experience than app users and must agree to disclaimers at the charging station prior to use.").

[7] *See* Plug-in Illinois, *Historical Prices-to-Compare*, https://www.pluginillinois.org/FixedRateBreakdownAmeren.aspx (last visited Nov. 7, 2022) (accessed by clicking "Historical Prices to Compare" on the linked webpage). In addition to the supply charge, the additional delivery cost per kWh for residential customers includes, but is not limited to: (1) Delivery charges – 5.555 cents per kWh in summer and 3.249 or 1.724 cents per kWh for non-summer usage for up to and more than 800 kWh per bill, respectively; (2) 0.12484 cents per kWh for EDT; (3) 0.2473 cents per kWh for energy efficiency and demand response investment; (4) 0.177 cents per kWh for the Clean Energy Assistance Charge; (5) 0.458 cents per kWh for the Renewable Energy Adjustment; and (6) 0.072 cents per kWh for the Energy Transition Assistance Charge. These charges add between 2.73114 to 6.62914 cents per kWh of additional charges depending on whether the usage is summer or non-summer and exceeds 800 kWh for the billing period. Ameren's rates are available at: https://www.ameren.com/illinois/residential/rates/electric-rates.

[8] *See* EVgo response to AG 1.01(c).

[9] *See* ChargePoint response to AG 1.01.

these funds to be used in a manner that incentivizes program offerings that are the most suitable for the specific low-income or EIEC community.

**<u>Budget and Cost-Effectiveness</u>**

**Q. Did Ameren change its proposed budget in its rebuttal testimony?**

A. Yes. Ameren increases its proposed budget "closer to the [statutory] retail rate impact cap" to "allow the BE Plan to support the market as participation grows, [and] ensure the Company has ample budget and resources to appropriately support electric vehicle growth in its service territory in a manner consistent with the EV Act's goals."[10] This is purportedly to accommodate "concerns of other witnesses" and "the Commission's final order in Docket No. 22-0063."[11]

**Q. How does Ameren's new proposal compare with what the Company presented in its direct testimony?**

A. Ameren proposes to increase the budget in 2024 and includes an additional year (2025). Overall, the budget proposal increased 181 percent between direct and rebuttal testimony.

**Table 1. Ameren Budget Proposals – Direct vs. Rebuttal Testimony**[12]

| | Direct | Rebuttal | Difference ($) | Difference (%) |
|---|---|---|---|---|
| 2023 | $ 5,121,162 | $ 4,908,735 | $ (212,427) | -4% |
| 2024 | $ 8,236,737 | $ 11,738,582 | $ 3,501,845 | 43% |
| 2025 | $ - | $ 20,905,101 | $ 20,905,101 | N/A |
| **Total** | **$ 13,357,899** | **$ 37,552,418** | **$ 24,194,519** | **181%** |

[10] Ameren Ex. 5.0 at 8:162–171.
[11] *Id.* at 7:146–149.
[12] Ameren Ex. 4.0 Cottrell_Workpaper (Benefit-Cost Analysis)_Corrected, "BE Plan Tables" tab, Table 32 (direct); Ameren Ex. 8.0 Cottrell_Workpaper (Benefit-Cost Analysis)_Corrected, "BE Plan Tables" tab 34 (rebuttal).

**Q. What concerns do you have with this increase in budget?**

A. While we are not lawyers and do not offer a legal opinion, pursuant to the EV Act, a BE Plan's annual rate impact is limited to 1 percent of its delivery revenue requirement, [13] which for Ameren equals approximately $10.5 million.[14] We have been advised that this issue will be further discussed in briefing. In total, Ameren's proposed level of spending is not required by the EV Act or any existing Commission order, is excessive, and is unlikely to provide commensurate benefits to ratepayers.

**Q. Does the Commission's order in ICC Docket No. 22-0063 require the Company to increase its BE Plan budget?**

A. No. The order creates various tracking and performance incentive mechanisms for Ameren if it chooses to file a Multi-Year Rate Plan ("MYRP"). It is our understanding that the Peak Load Reduction Metric approved in that docket would allow Ameren, if it chooses to file a MYRP, to earn additional basis points on its return on equity if it increases residential enrollment in Rider EVCP. This incentive was based on a benefit-cost analysis provided in that docket. The substantial increase that Ameren requests for program spend in rebuttal can be expected to affect its ability to increase residential participation in Rider EVCP and improve its ability to achieve increased profit. This may affect whether the Peak Load Reduction Metric remains cost-effective. The order in ICC Docket No. 22-0063, rather than suggesting an increase to Rider EVCP spending,

[13] *See* 20 ILCS 627/45(g).

[14] *See Ameren Illinois Company*, *Rate MAP-P Modernization Action Plan - Pricing Annual Update Filing*, ICC Docket No. 22-0297, Ameren Ex. 13.0 at 2:24–31 (Aug. 30, 2022). This document reflects Ameren's revenue requirement requested in its surrebuttal testimony from its latest formula rate update and is subject to change pending a final order from the Commission.

indicates that Rider EVCP spend should remain consistent with the levels approved in that docket.

**Q. Has Ameren demonstrated that its increased budget is reasonable and in the ratepayer interest?**

A. In our view, no. Ameren's previous budget was based upon expected participation in the Company's programs.[15] In its rebuttal, Ameren increases its budgets without any updated expected participation figures or any other justification except for wanting to address the concerns of other witnesses in this case.[16] Ameren's budget should be based on an assessment of estimated participation and demand for its programs and not artificially inflated to support the interests of other witnesses.

If Ameren's budgets are not based on reasonably estimated participation, then ratepayers will overpay for the BE Plans. The Company indicates in response to discovery requests that the costs it collects from ratepayers in a given year of the BE Plan will be equal to the forecasted budget for that year.[17] However, if forecasted budgets are not based on reasonably estimated participation and customer demand, and instead based on stakeholder requests for additional funding, ratepayers will end up paying more than is reasonable or required for the BE Plans to address statutory goals. The money collected can be expected to exceed program spend, according to Ameren's own assumptions at the beginning of this proceeding, causing unnecessary rate increases.

[15] Ameren Ex. 5.0 at 6:121–122.
[16] *Id*. at 7:146–8:172 ("In an effort to minimize issues that the Commission will need to resolve, better understand how other witnesses are viewing the estimated participation and resulting expenditures as a budget cap with no flexibility to grow in a given year as participation may grow, and after considering Mr. Deal's concerns, I recommend that the Commission approve a BE Plan with annual budgets closer to the retail rate impact cap.").
[17] Ameren response to AG 4.02.

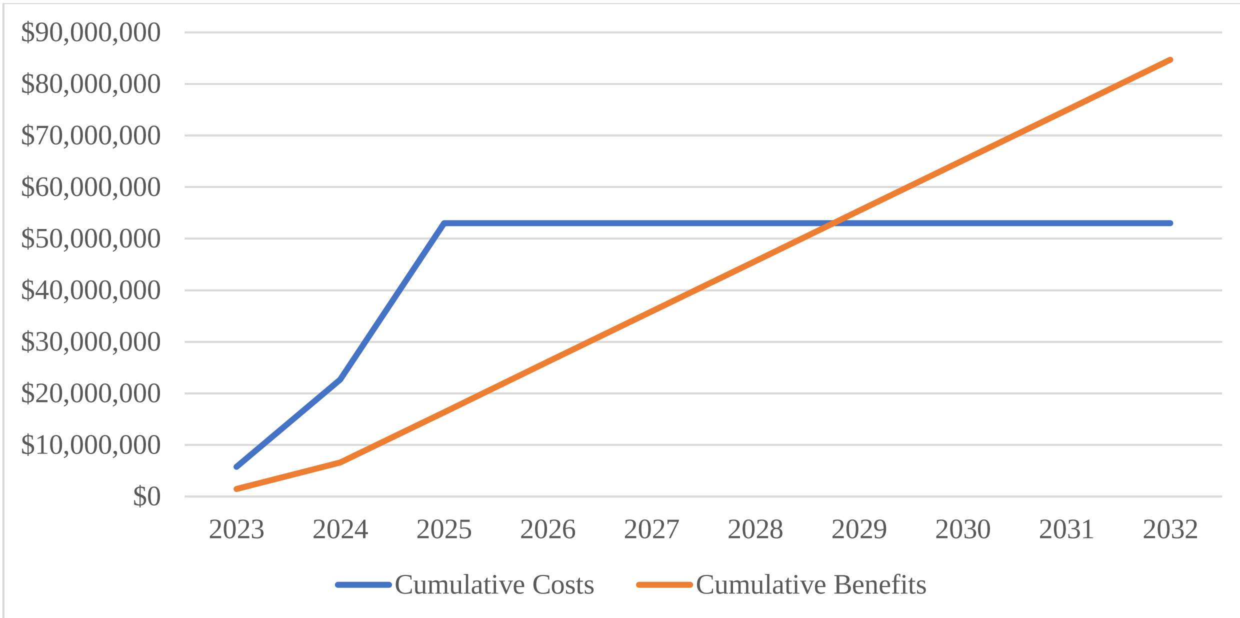
The impact of this overcollection is significant as Ameren almost tripled its original budget from direct to rebuttal testimony, going from $13.3 million to $37.5 million. However, Ameren has not provided any data showing expected program enrollment necessitates this level of increased spend. Thus, the Company should only charge ratepayers the amount which it reasonably expects to expend and retain the original BE Plan budget described in its direct testimony.

**Q. How does the increased budget impact cost-effectiveness?**

The Company included an updated Ratepayer Impact Measure ("RIM") benefit-cost test, which considers impacts on utility rates. The updated RIM test shows substantially worse results. The RIM benefit-cost ratio for the plan decreases significantly from 1.39 to 1.03, a 35 percent decrease due to the larger budget.[18] This means any long-term downward pressure on rates, even assuming no free ridership, will be very small and accrue slowly over time and only after ratepayers experience a short-term increase in rates. These increases will be felt most acutely by low-income customers and should be considered by the Commission as it evaluates Ameren's budget increase. This is shown illustratively in Figure 1 below, which uses data from Ameren's updated benefit-cost analysis that calculates the number of years until its program proposal reaches a RIM benefit-cost ratio of 1.0.

[18] Ameren Ex. 4.0 Cottrell_Workpaper (Benefit-Cost Analysis)_Corrected, "BE Plan Tables" tab, Table 2 (RIM BCR of 1.39); Ameren Ex. 8.0 Cottrell_Workpaper (Benefit-Cost Analysis)_Corrected, "BE Plan Tables" tab, Table 2 (RIM BCR of 1.03). The Company excludes 2021 and 2022 costs from its rebuttal analysis; it is not clear how including these costs would affect the results.

**Figure 1. RIM Benefit-Cost Analysis Annual Benefit vs. Cost Evaluation**[19]




As seen above, the RIM benefit-cost ratio is not expected to be greater than one until just after 2028,[20] meaning customers will experience an increase in electric rates from 2023 to 2028 under Ameren's rebuttal proposal, even when accounting for increased load. By contrast, Ameren's original budget would have resulted in downward pressure on rates within less than five years, around 2027.[21] The expected increase in electric rates should be evaluated against the EV Act's requirement that the Company's BE Plan be "cost-beneficial and in the public interest"[22] and language stating that the Commission will

[19] Utilizes the data in Ameren's analysis to calculate the "Years of benefit to Reach 1.0 RIM." Ameren calculates this will occur between 2028 and 2029. Ameren Ex. 8.0 Cottrell_Workpaper (Benefit-Cost Analysis)_Corrected, "BE Plan Tables" tab, Table 3.
[20] Ameren calculates that it takes 3.24 years after all costs are incurred for RIM to equal 1.0 according to this analysis. Ameren Ex. 8.0 Cottrell_Workpaper (Benefit-Cost Analysis)_Corrected, "BE Plan Tables" tab, Table 3, "Years of Benefits to Reach 1.0 RIM" .
[21] Calculated using the same methodology shown in Ameren Ex. 8.0. *See* Ameren Ex. 4.0 Cottrell_Workpaper (Benefit-Cost Analysis)_Corrected, "BE Plan Tables" tab, Table 3.
[22] 20 ILCS 627/45(d).

consider in its analysis whether the BE Plan is reasonably expected to provide for "rate reductions so that nonparticipants can benefit."[23]

**Q. Does Ameren consider free ridership in its updated cost-effectiveness analysis?**

A. The Company rejects our concern that there will be significant free ridership in its programs and thus that the NTG ratio for its Total Resource Cost ("TRC") analysis should be lower. However, Ameren did run a sensitivity analysis using an 80 percent NTG ratio. The Company states that it took the 80 percent NTG ratio from unidentified energy efficiency evaluations but did not include the basis for that NTG ratio. Ameren states that its sensitivity analysis leads to a TRC benefit-cost ratio of 1.11 and a RIM benefit-cost ratio of 1.01.[24]

**Q. Does Ameren's analysis of free ridership alleviate any of your concerns about this issue?**

A. No. Ameren does not provide justifications for why it is appropriate to use a NTG ratio based on evaluations for energy efficiency. Transportation electrification programs are at a different stage of the technology development curve and do not have the same level of program maturity as energy efficiency. The cost profiles of EVs and associated infrastructure also differ from energy efficiency. All these factors impact free ridership levels, thereby making it inappropriate to assume energy efficiency and EVs are directly comparable. The Company also fails to explain which types of energy efficiency programs it considered. NTG ratios can differ widely based on the type of energy efficiency measure and program. While we agree that the true degree of free ridership is

[23] *Id.* at 627/45(d)(1).
[24] Ameren Ex. 8.0 at 4:84–89.

not known at this time, the scenario outlined by Ameren is not likely to be a reasonable one. As we indicated in our direct testimony, a recent evaluation specific to the EV sector found an average free ridership level of 50 percent.[25] ICC Staff provided similar information, citing a recent study of federal EV tax credits that found 70 percent of recipients would have purchased an EV absent the credit.[26]

We are unable to compare the 80 percent NTG factor used by Ameren to these cited free ridership levels because NTG considers both free ridership and spillover, defined as customers who are influenced to take the desired action (*e.g.*, buy an EV charger) by a utility program but did not actually participate in the program. The formula to calculate a NTG ratio is one minus the rate of free ridership, plus spillover. Any NTG ratio less than 100 percent indicates that free ridership is higher than spillover, and the lower the NTG ratio the higher the level of free ridership. However, if we use the free ridership levels from the recent studies cited above, and assuming a spillover rate of zero, the resulting NTG ratios would range between 30 percent and 50 percent, significantly lower than the 80 percent Ameren uses in its sensitivity analysis.

**Q. How would Ameren's benefit-cost analysis change if it applied higher free ridership levels?**

A. While we are unable to conduct our own sensitivity analysis of Ameren's benefit-cost analysis with higher levels of free ridership, higher free-ridership rates will lower the cost-effectiveness of the programs.

[25] AG Ex. 1.0 at 24:454–456.
[26] Staff Ex. 3.0 REV at 24:530–532.

We are not able to determine if higher free-ridership levels will lower the TRC below 1.0, but it is likely that the RIM results would no longer be cost-effective. The Company indicates that the three-year portfolio RIM would be 1.01 using an NTG ratio of 80 percent. It is reasonable to assume that if a lower NTG ratio was applied based on the recent EV evaluations cited above, that the RIM would drop below 1.0. A RIM below 1.0 indicates that the programs will cost more than they produce in benefits and thus cause upward pressure on rates in the short and long term, even accounting for increased EV adoption. This should not be an acceptable outcome for this Commission.

**Q. What is your recommendation?**

We recommend the Commission set a budget equal to Ameren's original proposed budget. However, we do support ICC Staff witness Ms. Poon's recommendation that Ameren be allowed to adjust its spending within each year of the BE Plan filing, as long as the total spend between 2023 and 2025 is equal to or below its approved budget and annual spend is below that statutory cap.[27] We continue to believe, however, that it is necessary for Ameren to provide an explanation and justification for any changes to expenditures compared to its authorized budget.

**<u>Cost Recovery</u>**

**Q. What is Ameren's proposal regarding the cost recovery of BE Plan O&M expenses and capital?**

A. Ameren proposes to recover all expenses related to its BE Plan in Rider BE and to include BE Plan capital costs in base delivery rates.

[27] Staff Ex. 7.0 at 13:260–263.

**Q. Do you agree with Commission Staff's recommendation that recovering BE Plan expenses in Rider BE is inappropriate?**

A. We do. In particular, we agree with Ms. Poon's concern that "[i]solating certain costs to be recovered outside of base rates, as the Company is proposing to do through Rider BE, could lead to an inaccurate revenue requirement and to unreasonable customer rates. . . . Utility revenue requirements should be based on examining <u>all</u> changes in the Company's cost of service <u>in the aggregate</u> and <u>not just isolated increases</u>,"[28] which may also mask the true extent of forecast and incurred rate increases.

We further agree with Ms. Poon's argument that riders are appropriate only "when they address a unique situation generally outside the normal utility company's day-to-day operations and/or include[] costs that are nonrecurring, unpredictable, or beyond the company's ability to control."[29] These circumstances do not apply here because the Company is designing and implementing the BE Plan, and so has control over its spending. Further, Ameren's costs should be fairly certain over the lifetime of the BE Plan and not subject to the swings imposed by third parties or market forces, which are conditions traditionally associated with riders. Further, we agree that riders are likely to increase regulatory costs.[30]

**Q. Are you concerned that the Company proposes to allocate costs between Rider BE and base rates?**

A. Yes, we are. Ameren's proposal splits cost recovery between two different processes, thereby increasing the amount of time that stakeholders must spend identifying and

[28] *Id*. at 6:114–122 (third emphasis added).
[29] *Id*. at 9:196–10:199.
[30] *Id*. at 9:177–189.

reviewing these costs. Under the Company's proposal, its forecast of O&M expenses will be incorporated into rates through a rider surcharge and trued up on an annual basis through Rider BE.[31] Meanwhile, capital costs may be included in base rates through the MYRP or through a rate case.[32] Our understanding is that the MYRP includes a true-up to "actual cost" that applies to total Company expenditures after the rate year in which costs are collected.[33] This means that if Ameren chooses a MYRP, it will have the opportunity to true-up all of its BE Plan costs as part of its total cost of service. A separate BE surcharge and reconciliation for O&M expenses would only unnecessarily separate BE Plan costs into different cost recovery methods, potentially mask the total amount spent on the BE Plan, and burden the Commission and stakeholders with reviewing both an extra rider and Ameren's allocation of costs to O&M and capital.

**Q. Did the Company respond to this issue in its rebuttal?**

A. Somewhat. The Company's primary argument is that there is uncertainty regarding the timing of its next BE Plan and the upcoming MYRP. The mismatch of timing between the next BE Plan and the final years of the MYRP, according to the Company, makes a rider necessary.[34] The Company admits "it is possible" that a rider will increase regulatory costs.[35]

**Q. Are these timing concerns valid in your opinion?**

[31] Ameren response to AG 4.02.
[32] *Id.*
[33] 220 ILCS 5/16-108.18(f)(6)(A)(i).
[34] Ameren Ex. 7.0 at 4:78–5:98.
[35] *Id.* at 6:124–125.

A. No. While we are not lawyers, we understand that the MYRP features an annual reconciliation where the Company will be able to recover any under-recovered costs from a given delivery year up to 105 percent of its delivery service revenue requirement.[36] Thus, if Ameren files a MYRP, which would run from 2024-2027, and includes projected costs for its proposed BE Plan (covering years 2023-2025 of the MYRP) and an updated BE Plan (covering years 2026-2027 of the MYRP) in its MYRP projected costs, it will be able to fully recover its BE Plan costs for both plans each year so long as the total amount of under-recovery in a given year does not exceed 105 percent of its total delivery service revenue requirement, subject to statutory exclusions.

**Q. What does Ameren's discussion of cost recovery issues demonstrate, and what is your recommendation?**

A. First, the Company's discussion of cost recovery issues underscores our proposal to limit Ameren's budget only to what is necessary and demonstrated to be prudent for this initial BE Plan. Customer rates should not be any higher than necessary to implement these programs and the plan should ensure that data is collected that can help optimize deployment in the future. Second, Rider BE is unnecessary, adds to regulatory costs, and will lead to a confusing mismatch of capital and O&M expenditures when these costs are reviewed in an MYRP, rate case, or other similar venue. The affordability impacts of utility proposals are often masked by arbitrarily segregating some expenditures from others for purposes of review; this should be avoided wherever possible. Ameren has not

[36] 220 ILCS 5/16-108.18(f)(6)(A)(i).

demonstrated that a separate rider for cost recovery is warranted or in the ratepayers' interest in this case. A separate rider for cost recovery should be denied.[37]

**Data Collection and Evaluation**

**Q. What were your recommendations regarding improvements to Ameren's data collection and evaluation metrics in direct testimony?**

A. We made multiple recommendations, including data collection metrics to track and report on load profiles not initially included in Ameren's BE Plan.[38] We also recommended independent evaluation of Ameren's BE Plan, including, critically "net-to-gross evaluations to determine the levels of free ridership by program."[39]

**Q. What was Ameren's response to these recommendations?**

A. Ameren states that data showing only EV charging usage, referred to as charging utilization data, "is simply not available at this time" because "Ameren Illinois is not proposing sub-metering electric vehicles" and its tariffs are for the whole house.[40] Ameren agreed to an independent evaluation of its program and claims it therefore "satisfies the AG's recommendation and resolves this issue from the AG's direct filing."[41] We disagree with this characterization and continue to have concerns with the Company's evaluation processes.

[37] Ameren notes that it is not asking the Commission to approve Rider BE in this proceeding and instead requests the Commission, in its final order, "provide comment on Rider BE, Revised Rider EVCP, and tariff sheets as proposed or modified and direct Ameren Illinois to file Rider BE, Revised Rider EVCP, and accompanying tariffs sheets, as proposed or modified during this proceeding." Ameren Ex. 7.0 at 25:500–508. Regardless of how the Commission treats Ameren's Rider BE discussion, it should clarify in its final order in this proceeding that Rider BE shall not be used for cost-recovery.
[38] AG Ex. 1.0 at 29:555–30:571.
[39] *Id.* at 30:584–31:585.
[40] Ameren Ex. 5.0 at 14:299–302.
[41] *Id.* at 17:386–393.

### Charging Utilization

**Q. Regarding the charging utilization data issue, is Ameren correct that the data requested is "not available?"**

A. This is unclear. On one hand, Ameren states that it will report on utilization data by time period,[42] ostensibly to demonstrate the effectiveness of its proposed bill credits. On the other hand, the Company states that it will not have any submetering of EV charging stations at facilities that include other uses.[43] It thus appears Ameren's intention is to monitor an entire facilities' load profile, including non-EV load, which will have *de minimis* value when trying to evaluate the effect of Ameren's proposed bill credits on EV charging behavior.

**Q. How can Ameren report useful information regarding EV charging behavior?**

A. There are at least two ways. First, if a customer chooses to separately meter EV charging load, this data is much more useful than usage data from an entire facility. Ameren's responses were not clear whether this may be the case at some of its sites.[44] Second, at facilities that include non-EV load, the utility can utilize data collected by charging stations themselves through submetering. Data collection sharing requirements should be agreed to by any site that signs up for Ameren's programs.

### Evaluation

**Q. Does Ameren's independent evaluator proposal "resolve" the AG's concerns regarding the evaluation of free ridership?**

[42] *Id.* at 18:406–408.
[43] Ameren response to AG 4.04.
[44] *See id.*

A. While we are pleased that Ameren has agreed to an independent evaluation of its program, none of the proposed language addresses a primary goal of this evaluation, to independently assess the actual NTG ratio of the program (*i.e.*, free ridership).[45] While Ameren states these issues "will be determined closer to time of the evaluation,"[46] given the importance of the free ridership issue, the Commission should expressly direct that Ameren collect sufficient data to evaluate free ridership and that the independent evaluation specifically address this issue. We therefore do not agree that this issue has been "resolved."

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

A. Yes, it does.

[45] AG Ex. 1.0 at 30:584–31:585; Ameren Ex. 5.0 at 18:397–425 (this language does not address free ridership).
[46] Ameren response to AG 4.03(c).