

ILLINOIS COMMERCE COMMISSION

DOCKET No. 11-0592

DIRECT TESTIMONY

OF

KENNETH C. WOOLCUTT

Submitted On Behalf

Of

**AMEREN ILLINOIS COMPANY
d/b/a Ameren Illinois**

July 31, 2012

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8 **I. INTRODUCTION**

9 **A. Witness Identification**

10 **Q. Please state your name and business address.**

11 A. My name is Kenneth C. Woolcutt. My business address is 300 Liberty Street,
12 Peoria, Illinois 61602.

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

14 A. I am the Managing Supervisor of Illinois Energy Efficiency for Ameren Illinois
15 Company d/b/a Ameren Illinois (“Ameren Illinois” or “AIC”).

16 **Q. What are your current job duties and responsibilities?**

17 A. I oversee the daily management of the residential and business energy efficiency
18 programs that make up Ameren Illinois’ Energy Efficiency portfolio.

19 **Q. Please describe your educational background and work experience.**

20 A. See my Statement of Qualifications attached hereto as an Appendix.

21 **B. Purpose, Scope and Identification of Exhibits**

22 **Q. What is the purpose of your direct testimony in this proceeding?**

23 A. My direct testimony identifies the independent third-party evaluators that
24 performed evaluations, measured savings and reported Ameren Illinois' electric energy
25 efficiency savings for Program Year ("PY") 3, which covers the period June 1, 2010
26 through May 31, 2011. These third-party evaluators have issued certain reports related to
27 the energy savings achieved by Ameren Illinois in PY3, which reports have been filed in
28 this docket. My testimony further identifies and discusses the electric energy efficiency
29 statutory goal for PY3. My testimony also demonstrates that Ameren Illinois met the
30 statutory goal for achieving electric energy savings in PY3. Finally, I explain and discuss
31 the calculated banked savings for PY1-3 that Ameren Illinois has accrued and intends to
32 apply to future program years, if necessary.

33 **Q. Are you filing any exhibits along with your direct testimony?**

34 A. No, I'm not.

35 **Q. Please summarize the conclusions of your direct testimony.**

36 A. As shown in the table below, Ameren Illinois achieved savings in PY3 that
37 exceeded statutory goal and can bank energy savings to be applied to future years, if
38 necessary:

| Program Year | Actual Throughput (MWH) | Statutory Savings Goal (MWH)* | AIC's Statutory Goal (80%)** (MWH) | Allowed banking for future years (MWH)*** |
|------------------------|-------------------------|-------------------------------|------------------------------------|---|
| PY3 | 37,866,031 | 227,196 | 181,757 | 18,176 |
| Per Y2 Docket #10-0519 | | | | 16,890 |
| Total | | | | 35,066 |

39
40
41
42

* PY3 goal is 0.6% of actual throughput.
** Ameren Illinois is only responsible for 80% of the statutory savings goal.
*** For PY3, Ameren Illinois may bank 10% of the energy savings required by statute in the year it was banked.

43 **II. THE PY3 AMEREN ILLINOIS ENERGY EFFICIENCY PORTFOLIO**

44 **Q. Please describe the PY3 Ameren Illinois Energy Efficiency portfolio.**

45 A. While I am not a lawyer, I understand that in Docket No. 07-0539 (“Plan 1
46 docket”) the Illinois Commerce Commission (“ICC”) approved Ameren Illinois’ three-
47 year Energy Efficiency and Demand-Response Plan (“Plan 1”) for PY1-3 pursuant to
48 Section 8-103 of the Public Utilities Act, 220 ILCS 5/1-101 *et seq.* (the “Act”). As a
49 result of implementing Plan 1, the PY3 Ameren Illinois Energy Efficiency plan
50 (excluding DCEO) offered eleven residential and business programs, had an overall
51 actual cost of \$ 37,819,126, and, based on the preliminary analysis which is subject to
52 update by our EM&V contractors, had a portfolio ex-poste TRC test result of greater than
53 2.0.¹ These amounts are for the Ameren Illinois portion of the portfolio only; that is to
54 say, the amounts exclude the portion of the portfolio administered by the Illinois
55 Department of Commerce & Economic Opportunity (“DCEO”). The residential portfolio
56 consisted of the following programs: Lighting and Appliances, Appliance Recycling,

¹ A portfolio TRC of greater than 2.0 exceeds the TRC of 1.0 required by the Act and the Commission's Orders. However, Ameren Illinois’ analysis is currently under review by Cadmus and internal staff and Ameren Illinois will supplement the TRC analysis in this docket following this review, if and as appropriate.

57 Multifamily, Home Energy Performance, Heating and Cooling, Behavior Modification
58 and ENERGY STAR New Homes. The business portfolio consisted of the following
59 programs: Standard Programs, Custom Programs, and Retro-commissioning. The E-
60 Smart thermostat program was jointly provided for both portfolios.

61 **III. AMEREN ILLINOIS' THIRD-PARTY EVALUATORS**

62 **Q. What entities evaluated and measured the electric energy efficiency savings**
63 **gained in PY3 by Ameren Illinois?**

64 A. Consistent with the ICC's directives in Docket No. 07-0539, Ameren Illinois
65 contracted with The Cadmus Group, Inc. ("Cadmus") to conduct an independent
66 evaluation of the electric energy savings for the residential programs and Opinion
67 Dynamics Corporation ("ODC") to conduct an independent evaluation of the electric
68 energy savings for the business programs. As required by the ICC, the contracts with
69 both of these evaluators include provisions that the ICC has the right to: approve or reject
70 the contract; direct Ameren Illinois to terminate the evaluator, if the ICC determines that
71 the evaluator is unable or unwilling to provide an independent evaluation; and approve
72 any action by the utility that would result in termination of the evaluator during the term
73 of the contract.

74 **Q. How were Cadmus and ODC selected to become the third-party evaluators**
75 **of Ameren Illinois' Energy Efficiency portfolio?**

76 A. Consistent with the Order on Rehearing for the Plan 1 docket, Ameren Illinois
77 issued a Request for Proposal ("RFP") for the selection of the program evaluators for the
78 three year plan cycle. The RFP was developed, and the selection of the evaluators was
79 performed, in collaboration with Staff and the stakeholder group, and the RFP and the

80 evaluation contracts were filed in the Plan 1 docket. Ultimately, Cadmus and ODC were
81 chosen. Over the course of the Cadmus's and ODC's engagements, the evaluators have
82 developed annual work plans and performed evaluations of the portfolio programs.
83 Ameren Illinois, together with ICC Staff hold bi-weekly routine meetings with the
84 evaluators to discuss the status of the workplans, and related evaluation activity and
85 reports. All workplans and reports are also distributed for review to a stakeholder
86 advisory group (a group consisting of representatives from utilities, Staff, the Attorney
87 General, the Citizens Utility Board and other interested entities, collectively referred to as
88 the "SAG").

89 **Q. Have Cadmus and ODC issued reports in the past?**

90 A. Yes. These third-party evaluators conducted and provided reports on PY1 and
91 PY2 savings. Both sets of reports were filed in ICC Docket No. 10-0519.

92 **Q. Have Cadmus and ODC issued their respective evaluations of the PY3
93 Ameren Illinois electric Energy Efficiency portfolio?**

94 A. Yes. The PY3 reports issued by Cadmus and ODC were filed in this docket on
95 June 1, 2012.

96 **Q. Do you have an opinion or understanding as to the savings achieved by
97 Ameren Illinois, as calculated by Cadmus?**

98 A. Yes. As I read the Cadmus reports, Cadmus calculated that, for PY3, Ameren
99 Illinois' residential programs achieved 124,734 MWH in energy savings. However,
100 Ameren Illinois notes that an adjustment was made for the savings achieved by the
101 Lighting program in order to be collaborative with the statewide technical resource

102 manual (“TRM”) process. In order to achieve statewide consistency for the evaluation
103 and application of lighting savings, Ameren Illinois voluntarily agreed to adjust its
104 lighting savings whereby only a portion of savings are claimed over a three year period,
105 as opposed to all savings being claimed in the first year. This adjustment is reflected in
106 the total savings figure provided here and in the evaluation report, and resulted in a
107 reduction of 26,513 MWH for the portfolio in PY3. However, Ameren Illinois reserves
108 its right to claim all first year savings, as needed and appropriate in future dockets.

109 **Q. Do you have an opinion or understanding as to the savings achieved by**
110 **Ameren Illinois, as calculated by ODC?**

111 A. Yes. As I read the reports, ODC calculated that, for PY3, Ameren Illinois’
112 business programs achieved 138,640 MWH in energy savings.

113 **Q. In the aggregate, what was the total amount of energy savings that the third-**
114 **party evaluators calculated for Ameren Illinois in PY2?**

115 A. When you combine the savings achieved by the residential programs (124,734
116 MWH, as reported by Cadmus) with the savings achieved by the business programs
117 (138,640 MWH, as reported by ODC), it totals 263,374 MWH in energy savings
118 achieved by the PY3 Ameren Illinois Energy Efficiency portfolio.

119 **Q. Would you like to provide comment on the third-party evaluators’**
120 **performance of their evaluations?**

121 A. Yes. As a general matter, Ameren Illinois commends the work performed by the
122 third-party evaluators who have worked with Ameren Illinois, ICC Staff, and stakeholders

123 during the initial program years. Ameren Illinois has no reason to dispute the savings
124 calculated by either Cadmus or ODC at this time.

125 **Q. Do the evaluators' calculated savings represent all of the savings achieved by**
126 **Ameren Illinois PY3 Energy Efficiency Portfolio?**

127 A. No. In fact, there were several programs and activities the evaluators did not
128 evaluate that likely produced energy savings. One was a home energy savings tool called
129 the "Aclara Home Energy Toolkit", which is an online version of an energy audit which
130 provides a detailed, practical and customized recommendations for managing a person's
131 own home's energy use. Another was a wattage measuring tool program called WATT
132 Solutions where a person can plug appliances and other electrical devices into a "Kill A
133 Watt EZ meter" that measures power usage. Another is a comprehensive outreach
134 program to teachers, students and parents called "Kid's Act On Energy" which provides a
135 K-6th grade curriculum about energy efficiency with online support. Another is a
136 proprietary "Practical Energy Management" tool that is provided for free to any
137 interested business to identify, measure, track, and incur energy efficiency savings. In
138 addition there are measures that incur additional savings that are not currently captured.
139 An example is the savings from the decrease in the furnace run time for dual fuel
140 customers with gas heat who performed shell measure retrofits. Finally, numerous
141 community presentations, lectures, business training sessions, marketing campaigns and
142 literature distribution occurred to inform customers about how to reduce their energy use.

143 **Q. Why were these program not evaluated?**

144 A. As I understand it, the Act limits the third-party evaluators' budgets to 3% of the
145 portfolio resources in any given year. In order to stay under that 3% cap, the evaluators

146 decided to only evaluate the highest savings producing programs. Given the spending
147 limitation, I understand the evaluators' rationale.

148 **IV. STATUTORY SAVINGS GOAL**

149 **Q. What is the statutory savings goal and how is it determined for PY3?**

150 A. While I am not a lawyer, I understand that Section 8-103 of the Act sets forth
151 electric savings goals with the aim to reduce energy delivered by 0.6 percent in PY3. The
152 statutory savings goal is determined on a total portfolio basis, but the Act directs that 25%
153 of the portfolio of programs and measures approved by the ICC as part of utility plans be
154 implemented by the DCEO. In Docket No. 07-0539, I understand that the Commission
155 interpreted this directive to mean that Ameren Illinois was responsible for achieving
156 approximately 80% of the total portfolio savings, while the DCEO was responsible for
157 achieving the remaining 20% of the total portfolio savings.

158 Additionally, I understand that Section 8-103 of the Act specifies that the savings
159 goal must be a percent of energy "delivered," which is interpreted to mean that the
160 savings goal must be adjusted to be a percent of "actual" throughput.

161 **Q. What was Ameren Illinois' PY3 energy savings goal?**

162 A. In PY3, Ameren Illinois delivered 37,866,031 MWH of energy. If you take 0.6%
163 of that actual throughput, the total savings goal (for both Ameren Illinois and the DCEO)
164 for PY3 is 227,196 MWH. Because Ameren Illinois is responsible for 80% of the total
165 savings goal, Ameren Illinois' PY3 energy savings goal equals 181,757 MWH.

166 **Q. Given that Ameren Illinois achieved savings of 263,374 MWH in PY3, and**
167 **the electric savings goal was 181,757 MWH for PY3, did Ameren Illinois achieve the**
168 **statutory savings goal?**

169 A. Yes. In fact, Ameren Illinois exceeded the goal by 81,618 MWH without
170 applying banked savings.

171 **V. BANKED SAVINGS**

172 **Q. What are banked savings?**

173 A. While I am not a lawyer, it is my understanding that banked savings are achieved
174 electric savings that exceed a utility's statutory savings goal for a given plan year. I also
175 understand that in Docket No. 07-0539, the Commission allowed Ameren Illinois to bank
176 excess energy savings, but limited such banking to no more than 10% of the energy
177 savings required by statute in the year in which it is banked.

178 **Q. Did Ameren Illinois bank any savings in previous years?**

179 A. Yes. Consistent with the above, in Docket No. 10-0519, the Commission found,
180 upon agreement by the Company, Staff and the Intervenors, "that a cumulative total of
181 16,890 MWH of energy savings is available for use in complying with future Plan
182 Years." ICC Docket No. 10-0519, Final Order, Jun. 6, 2012.

183 **Q. Is Ameren Illinois applying any banked savings to PY3?**

184 A. Because the evaluators' reports concluded that Ameren Illinois achieved savings
185 that exceeded the PY3 statutory savings goal, Ameren Illinois does not need to apply
186 banked savings to PY3 at this time. However, Ameren Illinois reserves the right to apply

187 its banked savings to PY3 and future program years, as needed, to achieve program year
188 savings goals.

189 **Q. What is the amount of savings that Ameren Illinois seeks to bank in this**
190 **docket?**

191 A. Ameren Illinois exceeded its statutory goal by 81,618 MWH in PY3. However,
192 as I understand it, Ameren Illinois can only bank 10% of the statutory savings goal for
193 PY3, or 18,176 MWH, and therefore can apply these savings towards future year's
194 annual savings. The sum of 16,890 MWH (the Commission approved amount of banked
195 savings thus far) and 18,176 MWH is 35,066 MWH, which equals the total amount of
196 savings that Ameren Illinois seeks to bank for future years.

197 **VI. CONCLUSION**

198 **Q. Does this conclude your direct testimony?**

199 A. Yes, it does.

APPENDIX

STATEMENT OF QUALIFICATIONS
KENNETH C. WOOLCUTT

My name is Kenneth Woolcutt. My business address is 300 Liberty Street, Peoria, IL 61602. My current title is Managing Supervisor of Energy Efficiency with duties that support the Ameren Illinois utilities.

I graduated from McKendree University in 1986 receiving a bachelor's of business administration degree. In 1999, I obtained a masters degree in business administration from Bradley University. My gas and electric utility experience began in August of 1987 with Illinois Power Company (IP) and included the following positions and assignments.

Through June of 1989 I held the position of Assistant Customer Service Supervisor where I performed various customer service duties in IP's Danville, IL office. Those duties included supervision of meter readers, meter changers, customer service representatives and the overall front office operation of customer service activities including payment handling, customer inquiries and billing disputes.

For the period of June of 1989 through October of 1992 I held the position Supervisor of Materials Management and Garage where I performed various duties related to the logistics and supply of materials and vehicles for the Galesburg service area.

Beginning in October of 1992 through August of 1995 I held the position of Supervisor of Customer Service in IP's Jacksonville office. There I served a combined role as Customer Service Supervisor, Consumer Service Advisor, and Customer Assistance Advisor in the Jacksonville region. My role included managing existing

customer relationships, and representing IP to the community. I supervised employees in customer service and metering functions.

From August of 1995 through November of 2004 I held the positions of Regional Manager for the Kewanee and Galesburg areas. My duties included developing and implementing strategies and account plans to insure the company maximized its opportunities to retain and increase sales of gas and electricity to assigned accounts in the Galesburg/Kewanee region. I represented the interests of IP to legislators, elected officials, and economic development organizations within the region.

In November of 2004 through February of 2008 I held the position of Supervisor of Business Administration and Customer Service. My duties included the administration of business office operations in AmerenIP's, and later, Ameren Illinois' Galesburg & Kewanee operating areas. I represented the interests of Ameren Illinois to the public on utility issues in the region and acted as account representative for municipal customers in the nine county area.

In February of 2008 I was promoted to Managing Supervisor of Energy Efficiency. My duties include oversight of the implementation of the energy efficiency and demand response programs for Ameren Illinois.