

BEFORE THE CORPORATION COMMISSION OF OKLAHOMA

IN THE MATTER OF THE APPLICATION OF )  
OKLAHOMA GAS AND ELECTRIC COMPANY )  
FOR AN ORDER OF THE COMMISSION )  
APPROVING THE COMPANY'S 2016 DEMAND )  
PORTFOLIO AND AUTHORIZING RECOVERY )  
OF THE COSTS OF THE DEMAND PROGRAMS )  
THROUGH THE DEMAND PROGRAM RIDER )

CAUSE NO. PUD 2015 500217

**FILED**  
JUL 01, 2015

COURT CLERK'S OFFICE - OKC  
CORPORATION COMMISSION  
OF OKLAHOMA

Direct Testimony

of

Alek Antczak

of

CLEAResult Consulting Inc.

on behalf of

Oklahoma Gas and Electric Company

July 1, 2015

## I. INTRODUCTION

1 Q. **Please state your name, position, by whom you are employed and business**  
2 **address.**

3 A. My name is Alek Antczak. I am a Senior Consultant for CLEAResult Consulting Inc.  
4 (“CLEAResult”). My business address is 4301 Westbank Drive, Austin, Texas, 78746.

5  
6 Q. **What are your responsibilities in this position?**

7 A. I am responsible for providing subject matter expertise for program planning and  
8 design efforts, evaluation management, and economic modeling for our clients.  
9 CLEAResult has been employed by Oklahoma Gas and Electric Company (“OG&E”  
10 or “Company”) to provide program planning and cost-effectiveness analysis of its  
11 2016 program year energy efficiency portfolio. This includes the Integrated Volt-  
12 VAR Control system (“IVVC”) program.

13  
14 Q. **Briefly summarize your education and professional qualifications.**

15 A. I have a bachelor’s degree in environmental chemistry and a Master’s of Science in  
16 Environment, Society, and Public Affairs, both from University of Vermont. I have  
17 been employed in the energy efficiency industry for 10 years.

18  
19 Q. **Have you previously testified before the Oklahoma Corporation Commission**  
20 **(“OCC” or “Commission”)?**

21 A. No, I have not testified before the OCC previously.

1

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

3 A. The purpose of my testimony is to support the inclusion of the IVVC program in  
4 OG&E's 2016-2018 portfolio of comprehensive demand programs. I will also discuss  
5 the proposed program cost and the benefits customers will realize as a result of  
6 continued implementation.

7

8 Q. **How will the program contribute to the goals of OG&E's comprehensive demand  
9 program portfolio?**

10 A. The IVVC program allows the Company to improve energy efficiency and reduce  
11 demand during peak times.

12

13 Q. **Why is the Company including the IVVC program in the demand program  
14 portfolio at this time?**

15 A. The IVVC program is an integral part of the continued deferral of additional  
16 generation requirements at OG&E. This program is a cost-effective investment that  
17 will return positive net benefits to all customers.

18

19 Q. **What benefits will be achieved through the IVVC program?**

20 A. CLEAResult has calculated the annual demand and energy savings, at full operation,  
21 to be an estimated 27 MW and 11,000 MWh. The savings will return an estimated  
22 \$69 million in total benefits to OG&E customers over the life of the IVVC program.

1 Q. **What is the annual cost, of the IVVC program, as used to calculate cost benefits?**

2 A. The revenue requirement for the IVVC program is used to calculate the net present  
3 value of the payment stream, discounted using the Company's own weighted average  
4 cost of capital.

5 There is a distinction between the revenue requirement and the program cost as it  
6 pertains to the TRC test result. The TRC test, as explained in the California Standard  
7 Practice Manual, compares the costs and benefits of a demand program to determine  
8 what the net effect of the investment will be on energy costs, from the perspective of  
9 the entire utility service territory. For the cost-effectiveness analysis, the revenue  
10 requirement is used rather than nominal costs.

11

12 Q. **What is the TRC ratio of the IVVC program?**

13 A. The total resource cost test ("TRC") ratio is 2.20 and the utility cost test ("UCT") is  
14 2.20. This means that for every \$1 invested in the IVVC system by the program, it  
15 returns \$2.20 in benefits to customers.

16

17 Q. **What is your recommendation to the Commission?**

18 A. My recommendation is that the Commission approve the IVVC program as requested  
19 by OG&E.

20

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

22 A. Yes.

