

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

In the Matter of the Consideration of Proposed)	
Amendments to the Missouri Public Service)	Case No. EW-2019-0002
Commission's Rules Regarding Solar)	
Rebates (4 CSR 240-20.100(4)))	

**COMMENTS OF KANSAS CITY POWER & LIGHT COMPANY AND
KCP&L GREATER MISSOURI OPERATIONS COMPANY
IN RESPONSE TO ORDER ESTABLISHING A WORKING CASE**

Kansas City Power & Light Company ("KCP&L") and KCP&L Greater Missouri Operations Company ("GMO") (collectively, "KCP&L" or "the Company") hereby submits Comments in response to the Commission's *Order Establishing A Working Case To Consider Rulemaking Concepts Regarding Solar Rebates* issued on July 5, 2018.

1. On July 2, 2018, the Staff of the Missouri Public Service Commission ("Commission") filed a Motion To Open Rulemaking Workshop ("Motion"), including draft concept rules regarding solar rebates. According to Staff's Motion, the draft concept rules are aimed at ensuring equitable access to solar rebates to applicants in low-income communities, in high poverty level areas, multifamily dwellings, areas with over-utilized circuits or high congestion areas. (Motion, pp. 1-2).

2. On July 5, 2018, the Commission issued its *Order Establishing A Working Case To Consider Rulemaking Concepts Regarding Solar Rebates* ("Order") which directed stakeholders to file written comments regarding the draft rules prepared by Staff no later than July 16, 2018, and scheduled a workshop for July 20, 2018. These Comments are being filed in response to the Commission's Order.

COMMENTS

3. KCP&L is generally supportive of the goals described in Staff's Motion to ensure equitable access to solar rebates, including low-income customers. However, the Company has concerns that the limitations and restrictions proposed in the concept rules may be in conflict with the statutes and case law regarding non-discrimination in the provision of utility services and as a result, may result in litigation. The courts have held that the purpose of the Public Service Commission Law is to secure equality in service in rates for all who need or desire these services and who are similarly situated. See Section 393.130(2), RSMo; Reinhold v. Fee Fee Trunk Sewer, 664 S.W.2d 599 (Mo. App. 1984), *cert. denied* 105 S.Ct. 121, 469 U.S. 832, 83 L.Ed.2d 63, *citing* May Department Stores Co. v. Union Electric Light and Power Co., 341 Mo. 299, 107 S.W.2d 41, 49 (Mo. 1937); State ex rel. Federal Reserve Bank of Kansas City v. Public Service Commission, 191 S.W.2d 307 (Mo. App. 1946).

4. As KCP&L understands Staff's concept rules, the electric utilities would define specific areas or criteria for targeted solar rebates offered to low-income communities, high poverty level areas, multi-dwelling facilities, and areas with over-utilized circuits or high congestion areas. KCP&L is concerned that if the result of the targeting or prioritization (or allocation or other method of selecting) of recipients of solar rebates based on factors not set forth in SB 564 results in other customers being denied solar rebates that they would otherwise have qualified for under the terms of the statute, it is possible that such a prioritization methodology would be challenged and possibly struck down as being unauthorized by SB 564 or other statutes. This result is more likely because the solar rebates authorized by SB 564 are limited and finite both in time and total amounts for the solar rebates available. (i.e. no more than \$8 million for the period 2019-2023 for each of KCP&L and GMO).

5. KCP&L supports increasing customer access to renewable energy. The Company continues to add renewable resources and Evergy's utility subsidiaries will meet nearly half of their energy needs for the homes and businesses they serve with energy from zero-emission sources, with nearly one-third of Evergy's resource portfolio coming from renewable energy. For programs to effectively support low-income customers on limited budgets, the programs should be simple and straightforward providing immediate benefit without significant up-front expenditures to participate in the programs. KCP&L has ongoing efforts to work with and educate low-income customers regarding ways to reduce their energy consumption, such as by helping them with whole house improvements, including participation in low-income weatherization programs, and providing customers with additional energy education tools. Specific to rooftop solar, even with solar rebates, there is complexity and up-front costs of solar facilities and related maintenance activities. In addition, many low-income customers do not have access to rooftop facilities as they are renting single family homes or multi-family buildings. There are likely more cost-effective endeavors for assisting the low-income customers than placing rooftop solar facilities on their homes. Given these concerns, KCP&L believes that SB 564 does not authorize or contemplate carve-outs, targeting or prioritizing solar rebates to specific categories of customers. KCP&L instead believes that the statute authorizes solar rebates to be offered on a first-come, first-serve basis.

6. The stakeholders of the workshop should also consider other alternatives that would benefit low-income customers. For example, the Company has offered a pilot solar subscription rider that would provide additional opportunities for customers, including low-income customers, to participate in solar projects without the need to individually purchase rooftop solar systems. Section 393.1665 has provisions for utility-owned solar facilities.

KCP&L and GMO are required to invest no less than \$4 million each in utility-owned solar facilities. Such expenditures will indirectly provide low-income and other customers with access to additional renewable facilities.

7. Section 393.1610 also authorizes the Commission to approve small-scale pilot projects to encourage innovation in areas including, but not limited to, renewable energy, micro-grids or energy storage projects. Such projects are intended to advance the electrical corporation's knowledge of deploying such technologies, including information on how to maximize operating efficiencies that will result in customer savings and benefits. Such projects will benefit all customers, including low-income customers.

8. As another alternative, it may be possible to focus a part of utility-owned solar facilities referenced above for low-income communities or non-profit housing developments. This focus may allow low-income customers to participate in solar projects in a customer-friendly manner without increasing the financial burden on such customers.

Such an approach has been offered elsewhere. For example and for discussion purposes only, the TEP (Tucson Electric Power) Residential Solar Program is designed to allow residential customers an opportunity to have solar installed at their homes without any maintenance or installation costs.¹ In exchange for 'hosting' the system, customers will pay a one-time fee of \$250 and will have a set energy charge (see Levelized Price) for up to twenty-five years. This energy charge is based on a customer's historic usage, and should they continue to use energy within a predetermined bandwidth around historical precedence, the charge will not fluctuate. In addition, the customer keeps all energy generated from the array unless usage characteristics allow for export, in which case the energy will not be credited back to the customer's bill but

¹ See <https://www.tep.com/residential-solar/>

rather benefit the customer base. Elements of such a TEP-like program could potentially be considered for this purpose and be modified to include multi-family dwellings that house low-income customers, with the ability to install larger sites enabling greater benefits to low-income customers.

COMPANY PLANS FOR IMPLEMENTATION OF SB 564, Section 393.1670

9. The Company has tentatively made the following plans to implement the solar rebate provisions of SB 564:

- The Company intends to update its solar rebate tariff and file in early August, requesting an effective date for early-to-mid September, after the effective date of the law on August 28, 2018;
- The Company intends to publicize and begin receiving solar rebate applications in November after receiving approval from the Commission for the new tariff;
- All projects interested in receiving a solar rebate would need to apply;
- Projects that were submitted for a rebate in the previous round of solar rebates and were denied because of the rebate cap, and have since become operational and interconnected, would not be eligible for a solar rebate;
- Projects that were submitted for a rebate in the previous round of solar rebates and were denied because of the rebate cap, and have subsequently not interconnected with the Company's grid, would need to reapply for the new round of solar rebates;
- Those applications first in the queue once the Company begins receiving applications in November would be reviewed in a timely manner to be eligible to receive the rebates starting on January 1, 2019;

- The Company would not carve out targeted rebates to certain classes or splits (residential vs. commercial), unless directed to do so by the Commission;
- The Company would not intend to limit the sizes of installations available for rebates outside of the limitations provided for in SB 564;
- Section 393.1670(2) provides that KCP&L/GMO “shall not be obligated to pay solar rebates in any calendar year from 2019 through 2023 in an amount exceeding one million six hundred thousand dollars or in an aggregate amount during those calendar years exceeding eight million dollars.” The Company proposes to have a single queue for each KCP&L and GMO and pay out the total dollars available for each company on a first-come, first-serve basis and not limit dollar amounts in certain years;
- In addition, the Company is considering that the solar rebate application reside within a tariff outside of the Net Metering and Parallel Generation Tariffs. This is due to the rebate sizing limits which allow eligible customers to install/expand systems anywhere from 1 to 150 kW. Dependent upon the system design, the customer’s system will have to connect via Net Metering, Parallel Generation/Cogeneration or a Facilities Interconnection Agreement (should the system exceed 100 kW). As such a separate rebate application would streamline pre-approvals with a requirement to quickly follow pre-approval with the customer’s selected type of interconnection agreement;
- The Company will utilize an external portal for online applications and has started vendor trials. The portal should be fully operational by end of summer.

RECOMMENDATIONS

10. The Company requests that the Commission and the stakeholders to the workshop consider the following recommendations or approaches:

- For the solar rebate portion of SB 564, the Company believes the law does not restrict availability of solar rebates and the opportunity to receive should be based on a non-discriminatory, first-come, first-serve basis;
- The Company does not recommend a rule to restrict a portion of solar rebates to low-income customers or to reserve a portion of solar rebates for specific circuits;

WHEREFORE, the Company respectfully requests that the Commission and stakeholders consider the foregoing Comments and recommendations in this workshop proceeding.

Respectfully submitted,

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