Exhibit: Transportation Electrification

Issues: Portfolio

Witness: Charles A. Caisley
Type of Exhibit: Direct Testimony

Sponsoring Party: Evergy Missouri Metro and

Evergy Missouri West

Case No. ET-2021-0151 / ET-2021-\_

Date Testimony Prepared: February 24, 2021

#### MISSOURI PUBLIC SERVICE COMMISSION

CASE NOS.: ET-2021-0151 / ET-2021-\_\_\_\_

#### **DIRECT TESTIMONY**

**OF** 

**CHARLES A. CAISLEY** 

#### ON BEHALF OF

EVERGY METRO, INC. D/B/A EVERGY MISSOURI METRO AND EVERGY MISSOURI WEST, INC. D/B/A EVERGY MISSOURI WEST

Kansas City, Missouri February 2021

# DIRECT TESTIMONY

# OF

# **CHARLES A. CAISLEY**

# Case No. ET-2021-0151

1	Q:	Please state your name and business address.
2	A:	My name is Charles A. Caisley. My business address is 1200 Main, Kansas City, Missouri
3		64105.
4	Q:	By whom and in what capacity are you employed?
5	A:	I am employed by Evergy Metro, Inc. I serve as Senior Vice President Marketing and
6		Public Affairs, as well as Chief Customer Officer for Evergy, Inc., Evergy Metro, Inc. d/b/a
7		Evergy Missouri Metro ("Evergy Missouri Metro") and Evergy Kansas Metro ("Evergy
8		Kansas Metro"); Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("Evergy
9		Missouri West"); and Evergy Kansas Central, Inc. d/b/a/ Evergy Kansas Central ("Evergy
10		Kansas Central").
11	Q:	On whose behalf are you testifying?
12	A <b>:</b>	I am testifying on behalf of Evergy Missouri Metro and Evergy Missouri West
13		(collectively, "Evergy" or "Company").
14	Q:	What are your responsibilities?
15		I am the executive responsible for leading the Customer and Community Solutions
16		Division at Evergy. That division is focused on everything that directly interacts with and
17		serves customers and communities within Evergy's service territories. Within that
18		division, I am responsible for small-scale distributed and renewable generation projects,
19		energy products and services platforms, energy efficiency and demand response portfolio,

community and customer strategy and communications, marketing, economic development, governmental affairs and public relations functions. Many of these areas are responsible for direct interaction with Evergy customers and stakeholders. These areas of direct customer interaction include: online/electronic transactions and portals, social media, community affairs, business customers, customer complaints, city franchises and regulated and non-regulated products and services. In addition, the Company's customer service operations, including our call centers as well as our billing and metering operations are also part of the Customer and Community Solutions Division. I am also responsible for leading a cross-functional team of individuals with responsibility for our overall customer experience and strategy. This includes customer research and segmentation as well as customer data analytics.

## 12 Q: Please describe your education, experience and employment history.

A:

I graduated from the University of Illinois in Urbana-Champaign with a bachelor's degree in political science. I earned a Juris Doctorate degree from St. Louis University School of Law and a Master of Business Administration from Washington University in St. Louis. I joined KCP&L (now Evergy Metro) in 2007 as Director of Government Affairs. Prior to joining Evergy, I was employed by the Missouri Energy Development Association ("MEDA"), the Missouri Industry Association for Missouri investor-owned utilities, as President. Prior to that I was employed as the Chief of Staff to the Speaker of the Missouri House. In both positions, I dealt extensively with Missouri utility law and energy policy.

- 1 Q: Have you previously testified in a proceeding at the Missouri Public Service
- 2 Commission ("Commission" or "PSC") or before any other utility regulatory agency?
- 3 A: Yes, I have testified before both the PSC and State Corporation Commission for the State
- 4 of Kansas ("KCC").
- 5 Q: What is the purpose of your testimony?
- 6 A: The purpose of my testimony is to sponsor the Evergy Transportation Electrification
- Portfolio Filing Report ("Report") that is being filed concurrently with this testimony and
- 8 application and introduce Company Witnesses.
- 9 Q: Why is the Company proposing these programs now?
- 10 A: Consistent with our Sustainability Transformation Plan, Evergy wants to grow our business
- but do so in a beneficial way with our communities and customers. The last non-electrified
- segment of the world economy is transportation. We should be encouraging customers to
- utilize enabling technology to charge electric vehicles ("EVs") overnight or in off peak
- hours when the grid has plenty of generation and there are no transmission or distribution
- 15 capacity constraints. It makes sense to lean in and grow our business in a beneficial way
- through electrification transportation.

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It is an important time for utilities to be proactively and strategically planning for this impact given the avalanche of preemptive carbon announcements by auto manufacturers. Ford recently announced that it will invest \$29 billion in autonomous vehicles and EVs through 2025, a dramatic ramp-up of its spending in those areas. In addition, the Alliance for Automotive Innovation, a group representing auto makers producing 99% of the cars and trucks sold in the United States, announced in February 2021 that its members will invest \$250 billion in vehicle electrification by 2023. These

announcements will have an enormous impact on the electric industry. Utilities cannot take a wait and see approach. We need to be planning for this change and working with our customers now.

Q: How does your portfolio support future needs of customers that choose electric vehicles?

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A:

In 2015, Evergy developed a vision to launch a utility-owned, public network of more than 900 charging stations to help address range anxiety and charging access concerns. Our Clean Charge Network ("CCN") now supports nearly 8,000 EV drivers – and that number will only increase. Evergy has seen significant growth in EV adoption in the Kansas City area where the CCN predominantly exists relative to our Kansas Central jurisdiction to which we will be expanding the CCN. Our experience has taught us that establishing a robust charging network is key to increasing EV adoption. This Transportation Electrification ("TE") Portfolio filing builds on the success of our CCN by seeking increased EV infrastructure investment for underserved areas, and also seeks Commission approval to establish programs and rates so that customers choosing EVs can manage their charging so that it does not negatively impact the grid. Rather, our proposed programs and rates in this filing will incent customers to charge their EV at the right time that is beneficial to the grid. Our proposal includes rebates to offset the cost of managed charging in residential homes, which the customer can choose to pair with our time of use rates. Our proposal also includes rebates for third parties to establish additional EV infrastructure, as well as business and transit time of use rates, to incent charging in off peak periods when these rates are lower, for customers who are wanting to establish workplace charging and transition their fleet to EVs. Our proposed portfolio is well rounded, balanced, and seeks
 to address the needs of our customers during this pivotal time.

### 3 Q: How will your portfolio lower long-term energy costs for customers?

A:

As supported by Company (ICF) witness Ambika Coletti in the Section 3.4 of the Report, in addition to the direct cost savings EV drivers realize by using lower-cost electricity to fuel their vehicles, our cost effectiveness analysis demonstrates that *all* Evergy customers benefit from increased EV adoption, whether they are an EV driver or not.. The electricity sales resulting from EV adoption can put downward pressure on rates. As electricity consumption by EVs spreads the fixed costs of the utility across a wider base of sales, non-participating customers benefit because their share of the utility's fixed costs decreases. As I noted prior, EVs can be charged during off-peak periods when the grid is underutilized. This increases system efficiency, increases utilization of off-peak capacity, and helps to mitigate the impact of EV-related demand. A pragmatic way to think about this concept is that the incremental revenue provided by EVs helps to fund the utility's ongoing efforts to create a modern, capable grid that is ready for an increasingly electrified future.

### Q: Please briefly describe the outline of what is covered in the Report

- 17 A: The Report includes Company Witness direct testimony and is structured in the following manner:
  - Section 1 recaps Evergy's role and experience with TE, introduces the benefits of transportation electrification, and summarizes the request before the Commission.
  - Section 2 outlines growth trends for TE, both on the national level and within Evergy's service territory.

Section 3 describes various customer benefits from TE.

A:

- 2 Section 4 lays out the specific components of the proposed TE portfolio
  - Appendices A-G provide more details on program descriptions, list the specific proposed tariff sheets, the cost effectiveness evaluation for the proposed programs, an overview of TE technology, Evergy's previous experience with TE, stakeholder letters of support for the proposed programs, and the list of Company Witnesses testifying to each section of the Report.

### Q: Please briefly describe the programs that are being proposed in Evergy's Report.

This report outlines Evergy's request for TE pilot programs and rates to support EV adoption, enable off-peak charging, educate customers and other key stakeholders, and inform Evergy's future efforts to maximize the benefits of TE for all customers. Evergy's proposed portfolio includes (1) rebates to incentivize the installation of a 240V outlet at residential locations to encourage the installation of Level 2 (L2) charging in residential homes, (2) rebates to developers to incentivize the installation of a 240V outlet at residential locations to encourage the installation of L2 charging in the construction of new homes, (3) rebates to incent installation of commercial EV charging infrastructure by a third party, (4) rates that encourage off-peak fleet and commercial EV charging, (5) customer education and program administration for the proposed programs and rates and (6) additional charging stations to build on the success of Evergy's CCN.

#### Q: Who are the Company Witnesses testifying on behalf of Evergy in this proceeding?

22 A: Company Witnesses offering direct testimony in this Report include the following individuals:

1 2		<ul> <li>Charles Caisley, Chief Customer Officer and Senior Vice President of Marketing and Public Affairs</li> </ul>						
3		■ Darrin Ives, Vice President of Regulatory Affairs						
4		<ul> <li>Kimberly Winslow, Senior Director of Energy Solutions</li> </ul>						
5		■ Ed Hedges, Consulting Engineer						
6		<ul> <li>Brad Lutz, Director of Regulatory Affairs</li> </ul>						
7		<ul> <li>Nick Voris, Senior Manager of Products and Solutions</li> </ul>						
8		Ambika Coletti, Beneficial Electrification Manager (ICF International, Inc.)						
9		Appendix G of the Report includes the witness details and the specific sections of the report						
10		that are addressed by each Company Witness.						
11	Q:	Please summarize Evergy's request before the Commission related to the application						
12		to approve Evergy's Transportation Electrification Portfolio Filing.						
13	A:	The application seeks an Order from the Commission allowing the Company to implement						
14		tariffs that authorize and enable new Transportation Electrification pilot programs and						
15		rates, authorization to use a deferral accounting mechanism to track pilot program costs						
16		(incentive rebates and other program costs such as customer education and program						
17		administration) for recovery of prudently incurred costs in future rate cases through						
18		expense amortization over a period of 5 years, related variances from the Commission's						
19		promotional practices rules, and a modification to the cap on the number of EV charging						
20		stations that are authorized in the Company's service territory with a request that the						
21		Commission finds that the limited and targeted CCN expansion plans in this filing are						
22		prudent from a decisional perspective.						
23	Q:	Does this conclude your testimony?						

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A:

Yes.

#### **DECLARATION OF CHARLES A. CAISLEY**

State of Missouri	,				
State of Missouri	)				

County of Jackson

Charles A. Caisley, being duly sworn, deposes and says that the information accompanying the attached testimony was prepared by his or under his direction and supervision.

Under penalty of perjury, I declare that the foregoing is true and correct to the best of my knowledge and belief.<sup>1</sup>

Evergy, Inc.

Charles A. Caisley, Declarant

<sup>&</sup>lt;sup>1</sup> See Letter from the Commission, dated March 24, 2020: "[A]ny person may file an affidavit in any matter before the Commission without being notarized so long as the affidavit contains the following declaration: [']Under penalty of perjury, I declare that the foregoing is true and correct to the best of my knowledge and belief.[']

Signature of Declarant[.] This guidance applies both to pleadings filed in cases before the Commission and to required annual reports and statements of income."