BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Evergy Missouri Metro, Inc. d/b/a Evergy Missouri Metro's 2023 Integrated Resource Plan Annual Update Filing	)))	File No. EO-2023-0212
In the Matter of Evergy Missouri West, Inc. d/b/a Evergy Missouri West's 2023 Integrated Resource Plan Annual Update Filing	)))	File No. EO-2023-0213

CITY OF KANSAS CITY'S COMMENTS REGARDING INTEGRATED RESOURCE PLAN ANNUAL UPDATE FILINGS

Pursuant to 20 CSR 4240-22.080(3)(D), the City of Kansas City (the "City") hereby provides its comments to Evergy Missouri Metro's and Evergy Missouri West's (collectively "Evergy") filing of its 2023 Integrated Resource Plan Annual Update Summary Reports (the "2023 IRP Update").

INTRODUCTION

The City of Kansas City, Missouri, Climate Protection and Resiliency Plan, adopted by the City Council in 2022, focuses on a framework for how our community will work together to achieve a carbon-neutral, equity-focused, and resilient Kansas City by 2040. Evergy participated in the robust, community-driven planning process and in meetings with the Climate Protection Steering Committee, including discussions on utility-scale strategies.

A top priority for immediate action identified by the Committee is to "participate in energy decisions of the Public Service Commission." Specifically, Plan strategy E1.1: Expand utility-owned renewable energy production, compels this intervention and these comments by calling for the City to "encourage Evergy to continue to invest in local renewable energy production through utility-scale solar and wind projects, to increase the percentage of renewable energy in the grid mix through the integrated resource planning (IRP) process." This and other

strategies form the basis for these comments, and specifically, to call into question Evergy's 2023 IRP Update plan to significantly slow the adoption of renewables, not provide retirement dates for all coal plants, and to strongly urge specific consideration of risks, science and technology, and economic opportunities relevant to integrated resource planning.

The City has multiple concerns, more fully described below, as Evergy's 2023 IRP Update:

- Puts Kansas City at Risk of Violating National Ambient Air Quality Standards;
- Overestimates Costs of Renewables and Battery Storage;
- Underestimates the Impact of Historic Federal Funding;
- Does Not Include New FERC and SPP Rules which Streamline Approvals for New Projects;
- Does Not Include Existing and Planned Commercial Solar as a Resource;
- Does Not Consider Enhanced Geothermal;
- Underestimates the Impact of Time of Use Rates on Peak Demand;
- Does Not Include Virtual Power Plants;
- Does Not Provide Transparency;
- Does Not Align with the Kansas City Community's Goals; and
- Does Not Model Health Impacts and Costs.

DISCUSSION

1. ***Evergy's 2023 IRP Update Puts Kansas City at Risk of Violating National Ambient Air Quality Standards***

In 2023, ozone levels at all Kansas City region air monitoring stages have exceeded EPA's National Ambient Air Quality Standard of 70ppb. This puts Kansas City at risk of being

designated a nonattainment area under the Clean Air Act. Retiring Hawthorn, emissions from which contribute to ground level ozone, would likely bring the region into compliance. [1]

Date	JFK	JO CO. Heritage Park	Liberty	Richards Gebauer South	Rocky Creek	Watkins Mill	Leavenworth	Trimble, Clinton County
2021 4th High	70	64	64	63	71	65	63	63
2022 4th High	64	63	69	63	69	66	61	65
2023 4th High	77	73	74	73	74	71	74	73
21-23 Average	70	66	69	66	71	67	66	67

2. ***Evergy's 2023 IRP Update Overestimates Costs of Renewables and Battery Storage***

Evergy's model takes the highest price that solar generation has been recently, due to supply constraints and bottlenecks, and projects that forward into 2027. However, the National Renewable Energy Laboratory's ("NREL") projections for a middle-cost solar project is 12% lower in 2027 and dropping in future years. Also, due to the Inflation Reduction Act, more solar manufacturing is coming online in 2024-2025 in the United States which will create more downward pressure on solar prices. Battery availability is projected to increase markedly in the next one to five years, again, due to the Inflation Reduction Act.

In addition to production of the 4-hour lithium batteries being significantly ramped up, 100-hour iron-flow batteries are now entering the marketplace at a lower price point than lithium-ion batteries. Evergy should initiate RFPs for both battery technologies in time for the 2024 IRP. Based on these major trends occurring now and in the near term, Evergy's projection of the costs of closing Hawthorn Unit 5 and replacing it with renewables and batteries is significantly off the mark.

[1] Data obtained from the Mid-America Regional Council ("MARC").

3. ***Evergy's 2023 IRP Update Underestimates the Impact of Historic Federal Funding***

Evergy, in the 2024 IRP, should account for more federal funding coming to Missouri for transmission, renewables, low income rooftop solar, virtual power plants, and virtual solar as well as Kansas City's plans for more solar for its population due to the Inflation Reduction Act's funding. This should account for a higher percentage of the energy mix as well as capacity.

Kansas City is even more inclined to take matters into its own hands and speed up the build out of local renewables given Evergy's plans to slow down the transition to clean energy. Evergy should include this in their modeling.

4. ***Evergy's 2023 IRP Update Does Not Include New FERC and SPP Rules which Streamline Approvals for New Projects***

Evergy's assumptions for how long it will take to bring new renewable projects online are already outdated given the new rules adopted by FERC that speed up the approval process. Evergy should revise its estimates for project approvals.

5. ***Evergy's 2023 IRP Update Does Not Include Existing and Planned Commercial Solar as a Resource***

Evergy, in its 2024 IRP, should model all the commercial solar and storage energy that is already built or planned as a resource, including commercial installations like Panasonic or Google.

6. ***Evergy's 2023 IRP Update Does Not Consider Enhanced Geothermal***

Evergy should investigate prioritizing enhanced geothermal as a carbon-free, proven resource that is economically feasible today and should not wait on carbon capture and storage (CCS) or other risky, expensive, unproven technologies. Evergy should solicit RFPs on this technology.

7. ***Evergy's 2023 IRP Update Underestimates the Impact of Time of Use Rates on Peak Demand***

Time of Use (TOU) rates have the potential to shift customers' energy use away from peak demand times. Evergy should account for the potential shift in usage before committing to new gas peaker capacity, especially given the volatile nature of natural gas prices and the health impacts to surrounding communities. Evergy should report to the Commission the change in demand after the TOU rates have been in effect for 12, 24, and 36 months.

8. ***Evergy's 2023 IRP Update Does Not Include Virtual Power Plants***

The ability to participate in a virtual power plant is now possible due to the smart meters paid for by Evergy customers. This is a huge potential benefit to residents and businesses, especially those with a high energy burden.[2] Car manufacturers like GM and Ford have said many, if not all, of their electric cars will be able to participate in VPPs.[3] Evergy should be planning to utilize EV batteries for grid stabilization to allow their customers to share in the benefits of clean energy. We urge the Commission to require Evergy to consider Virtual Power Plants, made up of homes, buildings, and car/bus fleets, as a resource in their models that will decrease peak demand.

Evergy says in its IRP that if customers leave Evergy's demand response program to join third party virtual power plants, so that they may earn more money by conserving or selling power back to the grid when energy costs are high, that Evergy will have no choice but to add more capacity since Evergy would not be able to turn down the thermostat in those customers'

[2] MCE Unveils Plans for Virtual Power Plant to Benefit Disadvantaged Richmond Residents and Businesses-https://www.mcecleanenergy.org/press-releases/mce-unveils-plans-for-virtual-power-plant-to-benefit-disadvantaged-richmond-residents-and-businesses/.

[3] https://www.reuters.com/business/energy/gm-ford-google-partner-promote-virtual-power-plants-2023-01-10/.

homes anymore. This seems like an unnecessary expense to ratepayers since the demand response is not going away but being performed by someone other than Evergy. Evergy should advocate at the SPP to remove this requirement because it unfairly raises costs for customers.

9. ***Evergy's 2023 IRP Update Does Not Provide Transparency***

Kansas City appreciates the Commission requiring Evergy to analyze what it would take to meet Kansas City's energy and equity goals. However, Evergy did not provide full transparency around its modeling scenarios, inputs and assumptions as the City had asked. The City believes that reasonable adjustments to the model would produce a scenario that would satisfy the City's clean energy and equity goals at a cost competitive with Evergy's preferred scenario.

The City encourages the Commission to follow the lead of other states like Michigan which have implemented a more stakeholder-driven IRP process, including working with stakeholders to establish scenarios, inputs, and assumptions for all utilities to use in their IRPs. At a minimum, the City requests that the Commission require Evergy to provide full transparency of its modeling files to stakeholders, starting with the 2024 IRP, and clearly communicate inputs and assumptions.

10. ***Evergy's 2023 IRP Update Does Not Align with the Kansas City Community's Goals***

Kansas City has, since it passed its first climate plan in 2008, publicly stated its desire to have its homes and buildings powered by clean energy sources and phase out electricity generation that pollutes air and water. The 2022 Climate Protection Resiliency Plan sets new, clear targets to protect the health and wellbeing of the community and transition to affordable, renewable energy.

Evergy, as a monopoly, has an obligation to make a good faith, transparent, collaborative attempt to consider the goals of the communities they serve, who have no other choice for their energy supplier. Evergy has not fulfilled that obligation in this IRP. Instead of listening to stakeholders like Kansas City and accelerating the transition to clean energy, especially the retirement of the Hawthorn coal plant, Evergy sets no date for retiring Hawthorn and plans to slow the transition to clean energy sources. The 2023 Evergy IRP update is in direct opposition to what the citizens of Kansas City have been asking for since 2008.

11. ***Evergy's 2023 IRP Update Does Not Model Health Impacts and Costs***

Despite existing EPA regulations, burning coal still has significant health impacts to communities both near and downwind from coal plants. Evergy should model the health care costs of all communities impacted by burning coal at its power plants, similarly to how DTE stakeholders modeled it in the example below.[4]

[4] Testimony for health costs of DTE IRP: https://mi-psc.force.com/sfc/servlet.shepherd/version/download/0688y00000789Y1AAI

Table 4: Cumulative national public health impacts of DTE's coal power plants. Values are in instances or dollars per year. Estimates are from COBRA using a 3% discount rate for the monetized health impacts. Emissions used in the model are from Witness Marietta's work papers (BJM-1) (Portfolio #2).

	Belle River Units 1 & 2 2023-2026 Coal	**Monroe Units 3 & 4 2023-2028 Coal**	**Monroe Units 1 & 2 2023-2035 Coal**	**Monroe Units 1 & 2 2031-2035 Coal**
Total Health Costs	$2.51 billion - $5.66 billion	$804 million -$1.81 billion	$2.09 billion -$4.71 billion	$777 million -$1.75 billion
Mortalities	225-510	71-162	184-416	68-154
Upper Respiratory Symptoms	4,535	1,505	3,885	1,437
Asthma Exacerbation	4,738	1,544	3,951	1,453
Work Loss Days	23,270	7,232	18,276	6,666

CONCLUSION

Among the core objectives of the City is the preservation and improvement of the health, economic well-being and resiliency of its citizens and community. The long-range plans proposed by Evergy will have a profound impact on the City's ability to meet these objectives as well as its own municipal decarbonization goals. Continuing to rely on fossil fuel-based electricity generation runs counter to CPRP goals, is economically uncertain and leads to adverse health impacts, especially for low-income communities and for people of color.

The City has a rich history of partnering with Evergy on energy programs that benefit Kansas City residents, businesses and local government operations. The City looks forward and is committed to continuing to work successfully and collaboratively with Evergy and other stakeholders to enable solutions that will accelerate a more affordable, clean, equitable, resilient and reliable energy system.

Respectfully submitted,

ELLINGER BELL LLC

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served upon all of the parties of record or their counsel, pursuant to the Service List maintained by the Data Center of the Missouri Public Service Commission on August 31, 2023.

/s/ Stephanie S. Bell
Stephanie S. Bell