



January 18, 2023

Secretary of the Commission  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 6510290360

**RE: Compliance Filing for Docket No. EO-2019-0132**

Dear Mr. Secretary:

Enclosed please find the DSM Advisory Group Quarterly Meeting presentation given on December 12, 2022 which covers the PAYS 12-month update. The update provides the number of participants with project costs below \$2,000, \$2,001-\$5,000, \$5,001-\$10,000 and greater than \$10,000 as required in the Commission Order issued on September 15, 2021.

Please contact me directly at 816-652-1120 or [tia.alexander@evergy.com](mailto:tia.alexander@evergy.com) if you require further information.

Sincerely,

*Tia Alexander*

Tia Alexander  
Sr. Regulatory Analyst

# PAYS 12-Month Update

*Sept 27, 2021- Sept 30, 2022*



 Agenda

- 12-Month PAYS Pilot Executive Summary
- 12-Month PAYS Overview
- Customer Satisfaction
- Marketing & Participation Insights
- Next Steps
- Q&A

Benchmarking Metrics Include:
Participation Rates
Customer Progression Through Tiers
LMI Zip Code Participation
Barriers to Participation
Avg Amount Financed per Home
Incentive Spend
Project Sizes
Measure Installation Rates
Impact to Utility Financials
Customer Satisfaction
Long Term Cost-Effectiveness



# 12-Month PAYS Pilot Executive Summary

## Implementation

### 1) High Customer Interest But Low Conversion

Customers are interested in the concept of PAYS and are extremely responsive to marketing. Maintaining the flow between the process steps has proven to be difficult - with a 5% completion rate of interested customers receiving an upgrade/on-bill tariff.

### 2) Start-up / Scale Challenges

EEtility had some staffing challenges; however, by the end of 12-month term were fully staffed with Data Collectors as well as a 3rd party solution (utilizing a local energy auditor).

### 3) Co-Delivery with Spire

Retrofitted 22 homes in the 4-months the co-delivery was in place during the pilot term. However, this equals less per project financed amount for each of the utilities (splitting the upgrade/project cost). Also, there were significant data/tracking issues to be worked through on the back-end with EEtility.

## 12-Month PAYS Pilot Executive Summary

### Participants

#### 4) Income Above 200% FPL

In absence of customer income information, it is necessary to provide no-cost alternate options upfront to customers that think they may be eligible for other programs, such as the Weatherization Assistance Program.

#### 5) Older Homes (50+ years old), Uninsulated with Electric Resistance Heat

These homes offer the highest opportunity for required PAYS bill savings with insulation, air sealing and heat pumps – more likely to have no co-pay required.

### Long-Term Cost Effectiveness

#### 6) Expensive to Operate

All-in cost per kW/kWh much higher than other programs (Outreach, In-Person, Easy Plans, etc.) with lower energy and demand savings.

#### 7) TRC Not Cost-Effective

Preliminary / Unofficial EM&V computations shows that this pilot is not cost effective –  $< 0.5$ .





# PAYS Overview

Participation rates, Barriers, LMI

## Participation Rates

- **2,095** Interested / Enrolled Customers
- **1,281** Benefited from Direct Installs
- **103** PAYS Tariffs / Customer Retrofits
  - 14 Retrofits in LMI zip codes
  - 1 Renter retrofit complete

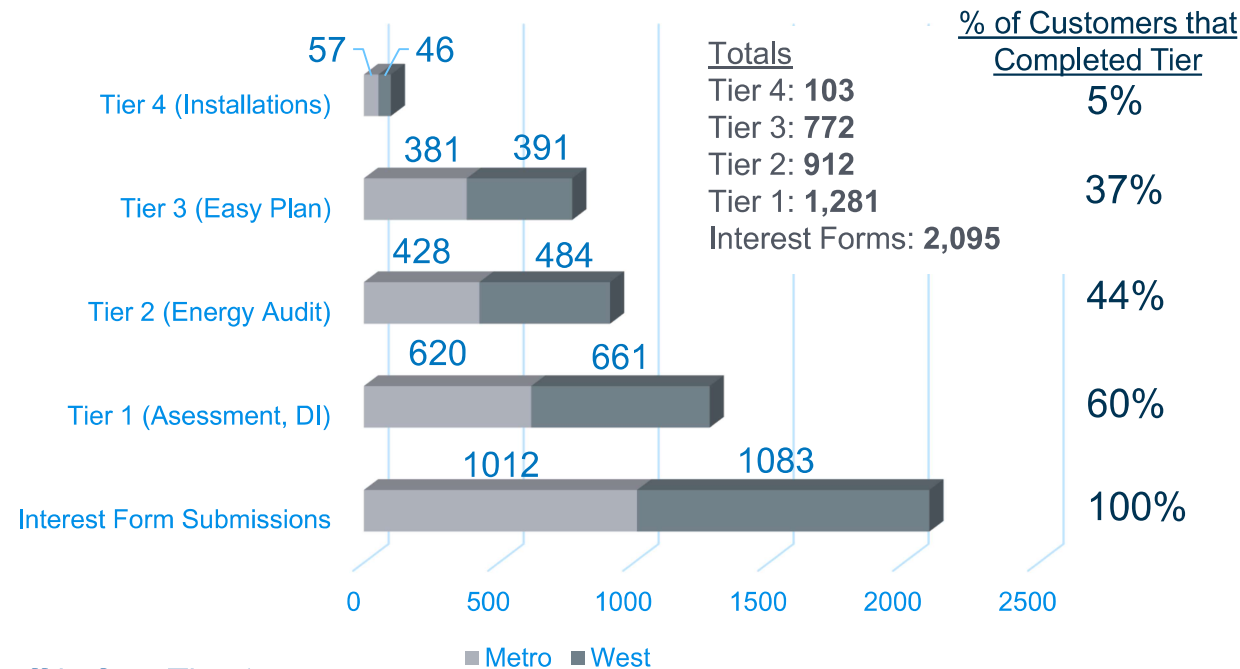
## Barriers to Participation

### Early-Stage Barriers:

- Customer Responsiveness (40%) – *drop off before Tier 1*
- Asbestos, Mold, Envelope/Structural Issues (25%) – *identified during Tier 1 so cannot proceed*

### Post Easy Plan Delivery Barriers:

- Co-Pays
  - Easy Plans offered were declined due to Co-Pays (75%)
    - Customers that did proceed with a Co-Pay averaged around \$3,000, many financed by Contractors
  - Avg Co-Pay of HVAC installs was \$6,156
    - Cost of HVAC equipment upgrades is difficult to meet the required 20% PAYS rule in bill savings



# PAYS Overview

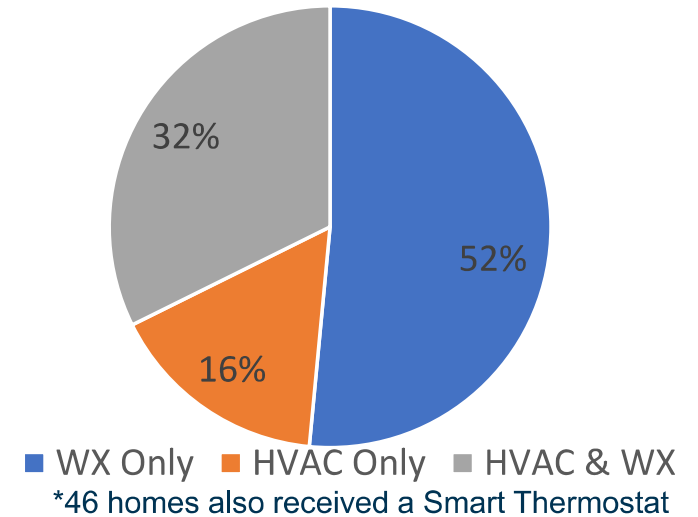
Avg project size, Incentive Spend, Measure Rates

	12 Mo. Spend	Approved Budget
Incentive Spend (rebates, DI)	\$366,581	\$1,004,840
Financed Project Amount	\$382,450	\$7,005,000

	MO West	Mo Metro
Average Financed Project Size	\$4,047	\$3,443

Project Size	Projects Completed
Under \$2,000	28
\$2,000-\$5,000	50
\$5,000-\$10,000	23
Over \$10,000	2

Measure Installation Rates



Cost of Acquisition	PAYS	HC2
Price per kW	\$3,444	\$439
Price per kWh	\$1.09	\$.24

# Customer Satisfaction

## What Customers Are Saying...

### Post Assessment Survey – After Tier 1

CSAT Score **8.1**

*“There were no cost-effective recommendations for my home.”*

### Post Installation Survey – After Tier 4

CSAT Score **9.5**

*“The program itself was great and we were able to get the attic insulation done for far less than we would have to pay out of pocket had we done it on our own.”*

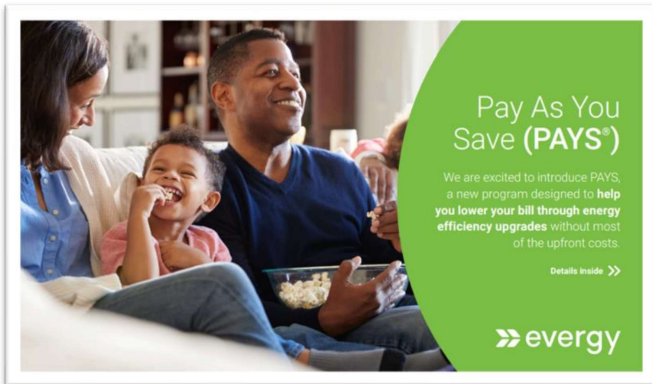


#### **Introducing Pay As You Save (PAYS®)**

Significantly lower your bill through energy efficiency upgrades with little to no upfront costs. You simply pay as you save with a fixed monthly charge on your current monthly Evergy bill.



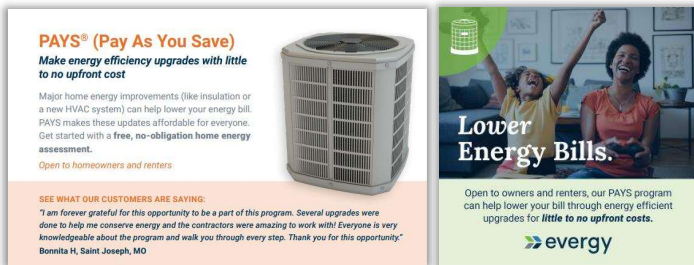
# Marketing & Participant Insights



- Marketing incorporated customer journey: direct mail followed by email



- Digital advertising supplemented marketing through search, display and social
- Reached Q1 goal after 6 weeks, and more than doubled goal at end of Q1 (808)
- Paused marketing in early Q2 to allow assessments to catch up - Resumed in Q4



Tactics	Number of Sessions (GA)
Display	5,393
Facebook	3,755
Search	2,356
Direct Mail	1,583
Email	755
Home Energy Report	239
Marketplace Cross Promo	166

14,726 Sessions

25,863 Pageviews

57% Bounce Rate



## Next Steps – PAYS Beyond Original 12-Month Pilot Term

### Approved Pilot Tariff Extensions

- Through 2022 (Oct-Dec 2022)
- Through 2023 (MEEIA Cycle 3 Extension Year)

### Identified Improvement Opportunities into 2023

- Customer Engagement
  - Incorporate automated customer self-scheduling capability
  - Incorporate scheduling capabilities during initial interest call to Call Center support
  - Remote ‘Live-Stream’ assessment of household to determine eligibility before truck roll
- Contractor Management (pilot support recruitment)
- Additional Market Research; identify how to best reach ‘donut hole’ customers

### LED Impact

- Beginning in 2023 Evergy will no longer claim savings on non-low-income LEDs due to EISA backstop  
Below are our options:
  - Continue to install
    - Do not claim savings through DSIM or Do claim savings through DSIM
    - Continue to factor into savings calcs
  - Discontinue installs