

Evergy Missouri West, Inc. d/b/a Evergy Missouri West
KANSAS CITY, MO 64106

For Missouri Retail Service Area

RULES AND REGULATIONS
ELECTRIC

10.16 RESIDENTIAL PAY AS YOU SAVE® PILOT PROGRAM

PURPOSE:

The objective of the Pay As You Save® Pilot Program, or PAYS®, (Program) is to promote the installation of energy efficient measures and create long-term energy savings and bill reduction opportunities for residential participants through an on-bill charge tied to the location.

DEFINITIONS APPLICABLE TO RESIDENTIAL PAY AS YOU SAVE® PILOT:

Analysis – Initial home visit, walk through with report and energy saving measures provided as a direct installation service, with customer education.

Assessment – Detailed home performance data collection, analysis of qualifying upgrades, preparation, and one-on-one presentation of program offer.

Efficiency Upgrade Agreement – Agreement signed by Participants defining customer benefits and obligations, including service charges and duration of payments. If the home is a rental, this agreement will be signed by the owner and the tenant/customer.

Energy Efficiency Plan – Document prepared by the Program Administrator to identify recommended upgrades.

Estimated Life – The expected duration of the savings for each individual measure or upgrade.

Owner's Agreement – A separate required document indicating the owner's obligations (if participant is not the owner of the location).

Property Notice – Notice attached by the Program to property records outlining benefits and obligations associated with the upgrades. In jurisdictions in which the Program cannot attach a Property Notice to property records, and in any case where a subsequent tenant is executing a rental agreement, Property Notice form must be signed by successor customer or purchaser indicating they accept benefits and obligations associated with the upgrades at the location before the sale or rental of the property.

Participant – Customer who agrees to the Energy Efficiency Plan, signs the Efficiency Upgrade Agreement, and who will be responsible for the monthly Service Charge.

Program Administrator – a vendor the Company has hired to provide the necessary services to effectively implement the program.

Program Partner – An independent contractor that the Company or the Program Administrator has approved to provide specific program services through execution of an approved service agreement.

Project – Scope of work determined by the Program based on home characteristics, program data collection, and analysis.

Qualifying Project – Project scope of work meeting Program criteria (Project cost, including Program Partner/Contractor/Trade Ally pricing and Program fees, is equal to or less than 80% of the estimated post upgrade cost savings over 80% of the upgrades Estimated Life).

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Service Charge – Monthly charge assigned to the location recovering Program costs for upgrades, fees, any required taxes, applicable cost of capital, or costs for customer-caused repairs as described in section 4.

AVAILABILITY:

The Pilot Program is available for participation to qualifying residential customers receiving services under Missouri Residential rates for the Pilot period of September 13, 2021-September 30, 2022. The Service Charge for Participants will not exceed 12 years from the first Service Charge.

In order to qualify as a Participant, customers must either own the home or the owner must sign an Owner Agreement agreeing to maintain the upgrades, and to not damage or remove the upgrades from the location. The owner must also agree to provide Property Notice of the benefits and obligations associated with the upgrades at the location to the next owner or customer before the sale or rental of the property.

Projects that address upgrades to existing homes deemed unlikely to be habitable or to serve their intended purpose for the duration of the Company's cost recovery term will not be approved unless repairs are made that will extend the life through the Company's cost recovery period. If a building is a manufactured home, it must be built on a permanent foundation and fabricated after 1996 to be eligible.

For homes with concerns identified in the initial Analysis, a referral process will be put in place to provide customers with other programs or organizations that can help resolve those concerns.

PROGRAM DESCRIPTION:

The Company will hire a Program Administrator to implement the Pilot Program. The Program Administrator will provide the necessary services to effectively implement the program.

The Program will include the following:

- **Tier 1** - Visual home inspection with direct install of energy saving measures
- **Tier 2** - Homes that do not have concerns which make the location unlikely to produce benefits for the lifetime of the energy efficiency upgrades will move forward with more in-depth data collection using blowing door and cut blaster/pressure pans to record actual home features and conditions.
- **Tier 3** - Custom project – the program analyzes usage history, assessment data, and Program Partner installation costs to determine each participant's unique qualifying scope of work. The qualifying scope of work ensures that 80% of the estimated post upgrade savings over 80% of the lifetime of the measures makes up the monthly tariff charge; while 20% of the estimated post upgrade savings immediately flow to the participant, capped at 12 years.
 - Co-Pay option: If a project is not cost-effective, customers may agree to pay the portion of a project's cost that prevents it from qualifying for the Program as an upfront payment to the Program Partner.
 - The first three Tiers of the process described above are completed in the initial home visit.

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PROGRAM DESCRIPTION: (Continued)

- **Tier 4** - If Participant agrees to custom scope of work, the Program will facilitate installation through a network of trained Program Partners.
 - Post-install QC inspections – 100% of installations will be remotely inspected for quality assurance using geo coded and time stamped photo documentation.
 - Upon closeout, the customer will receive a “Pearl” home certificate and appraiser’s letter. Pearl Home Certifications and accompanying appraisal letters are recognized by the Board of Realtors as homes with lower energy bills, more comfortable, and healthier than a comparable home without the energy efficient features listed in the certification report.
 - Program Administrator to notarize and file Property Notice with the location’s property records.
 - Company to initiate on-bill charge 45 days following verification of installation.
1. **Participation:** To participate in the Program, a customer must: 1) request a utility analysis of cost-effective upgrades, 2) sign the Efficiency Upgrade Agreement and 3) complete any Qualifying Project.
 - 1.1 **Location Ownership:** If the participant is not the owner of the location, the owner must sign an Owner Agreement. The owner must agree to have a Property Notice attached to their property records.
 - 1.2 **Notice:** Failure to obtain the signature of a successor customer who is renting the location on the Property Notice Form, or a purchaser in jurisdictions in which the company cannot attach the Property Notice to property records indicating that the successor customer received notice, will constitute the owner’s acceptance of consequential damages and permission for a tenant or purchaser to break their lease or sales agreement without penalty.
 - 1.3 **Energy History:** The customer authorizes the use of energy usage history by the Program Administrator in order to true up its energy analysis and determine qualifying recommendations.
 2. **Energy Efficiency Plans:** The Company will have its Program Administrator perform a cost analysis and prepare an Energy Efficiency Plan (Plan) identifying recommended upgrades to improve energy efficiency and lower utility costs.
 - 2.1 **Incentive Payment:** The Company will offer incentives currently available for an eligible residential Measure as defined in the Company’s MEEIA 3 Demand-Side Plan.
 - 2.2 **Net Savings:** Recommended upgrades shall be limited to those where the annual Service Charges, including program fees and the utility’s cost for capital, are no greater than 80% of the estimated annual benefit from reduction to customer annual utility charges based on current rates in electricity and/or gas costs.
 - 2.3 **Co-Pay Option:** If a project is not cost effective, customers may agree to pay the portion of a project’s cost that prevents it from qualifying for the Program as an upfront payment to the contractor. The Company will assume no responsibility for such upfront payments to the Program Partner. Co-payments will be applied after applying relevant incentive payments as defined in 2.1.

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3. Analysis and Assessment fees: The Company will not recover Analysis or Assessment fee costs from participants through a Service Charge. These fees will be treated as Program Administrative costs.

3.1 Participant Close-out fee: Participants will be charged a close out fee of \$490. The close out fee is included in the project cost-effectiveness calculation and the Program Service Charge.

4. Service Charge: The Company will recover the costs for its investments including any fees as allowed in this tariff through a monthly Service Charge assigned to the location where upgrades are installed and paid by the Participant or successor occupying that location until all Company costs have been recovered. The Service Charge will also be set for a duration not to exceed the greater of 1) the length of the full parts and labor warranty or 2) 80 percent (80%) of the estimated life of the upgrades, and in no case longer than twelve years. The Service Charge and duration of payments will be included in the Efficiency Upgrade Agreement.

4.1 Cost Recovery: No sooner than 45 days after approval by the Company or its Program Administrator, the Participant shall be billed the monthly Service Charge as determined by the Company. The Company will bill and collect Service Charges until cost recovery is complete, except in cases discussed in section 4. Prepayment of unbilled charges will not be permitted to facilitate installed upgrades remaining and continuing to function at the location for at least the duration of cost recovery.

4.2 Eligible Upgrades: All upgrades must have Energy Star certification, if applicable, the Program Administrator may seek to negotiate with contractors or upgrade suppliers extended warranties to minimize the risk of upgrade failure on behalf of customers.

4.3 Ownership of Upgrades: During the duration that Service Charges are billed to customers at locations where upgrades have been installed, the Company will retain ownership of the installed upgrades. Upon completion of the cost recovery, ownership will be transferred to the owner of the location.

4.4 Maintenance of Upgrades: Participating customers and owner of the location (if the participant is not the owner) shall keep the installed upgrades in place, in working order, and maintained per manufacturer's instructions for the duration of the cost recovery. Participating customers shall report the failure of the installed upgrades to the Program Administrator or Company as soon as possible. If an upgrade fails, the Company is responsible for determining its cause and for repairing the equipment in a timely manner. If the owner, customer, or occupants caused the damage to the installed upgrades, they will reimburse the Company as described in section 4.

4.5 Termination of Service Charge: Once the utility's costs for the upgrades at a location have been recovered, including its cost of capital, the cost paid to the Program Partner to perform the work, costs for any repairs made to the upgrades as described in 4.11, the monthly Service Charge shall no longer be billed, except as described in 4.7 or 4.11.

4.6 Vacancy: If a location at which upgrades have been installed becomes vacant for any reason and electric service is disconnected, the Service Charge will be suspended until a successor customer takes occupancy. If the owner maintains electric service at the location, the owner will be billed the Service Charge as part of any charges it incurs while electric service is turned on.

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- 4.7 Extension of Program Charge: If the monthly service charge is reduced or suspended for any reason, once repairs have been successfully effected or service reconnected, the number of total monthly payments shall be extended until the total collected through the Service Charge is equal to the Company's cost for installation as described in section 4, including costs associated with repairs, deferred payments, and missed payments as long as the current occupant is still benefiting from the upgrades.
- 4.8 Tied to the Location: Until cost recovery for upgrades at a location is complete or the upgrades fail as described in section 4.4, the terms of this tariff shall be binding on the metered structure or facility and any future customer who shall receive service at that location.
- 4.9 Disconnection for Non-Payment: As a charge paid in furtherance of an approved energy efficiency program, the Company may disconnect the metered structure for non-payment of the Service Charge under the same provisions as for any other electric service.
- 4.10 Non-Payment: Costs associated with participants who have fallen into non-pay status before complete recovery of equipment costs have been received will be recovered as a MEEIA Program cost.
- 4.11 Confirm Savings Actually Exceeded Tariffed-Charge: Program Administrator will perform a bi-annual analysis to evaluate weather-normalized 12-month post-upgrade Project cost savings and confirm that the Service Charge remains lower than the estimated Project cost savings. In the event the analysis indicates the Service Charge exceeds the estimated project cost savings due to inaccurate saving estimates, the Service Charge may be reduced or eliminated to the extent needed in order for the Participant to realize Project savings.
- 4.12 Repairs: Should at any future time during the billing of the Service Charge the Company determines that the installed upgrades are no longer functioning as intended, and that the occupant or building owner as applicable did not damage or fail to maintain the installed upgrades, the Company shall reduce or suspend the Service Charge until such time as the Company and/or its Program Partner can repair the upgrades. If the upgrades cannot be repaired or replaced cost effectively, the Company will waive remaining Service Charges. If the Company determines the occupant or owner of the location as applicable, damaged or failed to maintain the upgrades in place as described in section 4.4, it will seek to recover all costs associated with the installation, including any fees, incentives paid to lower Project costs, and legal fees. The Service Charge will continue until Company's cost recovery is complete, as long as the upgrades continue to function. The Company will not guarantee perfect operation of installed upgrades in every circumstance, and any suspension or waiver of unbilled Service Charges shall not entitle the Participant or owner to any refund or cancellation of previously billed Service Charges.

EVALUATION:

The Company will hire a third-party evaluator to perform an Evaluation, Measurement, and Verification (EM&V) on this pilot program.