

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

In the Matter of Kansas City Power & Light)
Company’s Notice of Intent to File an)
Application for Authority to Establish a Demand-)
Side Programs Investment Mechanism) File No. EO-2019-0132

PUBLIC COUNSEL’S POSITION STATEMENT

COMES NOW, the Office of the Public Counsel (OPC) to present its position statement as follows:

1. Should the Commission approve, reject, or modify the Company’s MEEIA Cycle 3 Plans ("MEEIA 3"), along with the waivers in the Company's application intended to enable its implementation?

The Commission should reject Kansas City Power & Light (“KCPL”) and KCP&L Greater Missouri Operations Company (“GMO”) Missouri Energy Efficiency Investment Act (“MEEIA”) Cycle 3 applications and waivers. OPC recommends a rejection because of “the low avoided costs, long capacity and other pertinent variables that negate a traditional MEEIA application.”¹

• If MEEIA 3 should be modified, how should the plans be modified?

OPC witness Geoff Marke has proposed an alternative annual default MEEIA level in rebuttal testimony. The proposed annual default MEEIA level could serve as a bridge to a future scenario where demand-side management programs could be ratcheted up if warranted. It would also maintain a degree of program activity and reasonable spending level that would recognize the historic sunk costs, the potential need to increase MEEIA funding in the future, and explore alternative deliverables in which a MEEIA could provide

¹ Rebuttal Testimony of Dr. Geoff Marke, p. 4.

equitable benefits to all ratepayers.

2. When it developed MEEIA 3, did the Company value demand-side investments equal to traditional investments in supply and delivery infrastructure?

No. There is no deferral of any supply-side investment within the 20-year planning period. As part of its Application, KCPL/GMO did not provide analysis that demonstrates the savings from substituting demand-side programs for existing and new supply-side resources. Instead, KCPL/GMO relied upon analysis that grossly overstates what the potential savings could be, which violates the fundamental objective of long-term resource planning as required by 20 CSR Chapter 22 by not analyzing demand-side resources, renewable energy, and supply-side resources on an equivalent basis.

There is also no deferral of any transmission and distribution investment within the 20-year planning period as a result of the MEEIA Cycle 3 application. In fact, since the MEEIA Cycle 3 application was filed, KCPL/GMO announced over \$1 billion in planned capital investment in transmission distribution related to SB 564's Plant-In-Service-Accounting ("PISA").²

Additionally, KCPL/GMO is also requesting an earnings opportunity that greatly exceeds its most recently approved return on investment. KCPL/GMO will need to invest the same amount of supply-side resources in 2033 for SPP resource adequacy requirements, whether it implements a MEEIA Cycle 3 or not.

3. Is the proposed MEEIA 3, as designed by the Company, expected to provide benefits to all customers in the customer class in which the programs are proposed, regardless of whether the programs are utilized by all customers?

No. Under today's conditions, it will only benefit ratepayers that participate at the

² Ibid. p. 12

expense of non-participants, in particular low-income customers. The absence of any supply-side deferral and low avoided costs mean that MEEIA will only serve as a wealth transfer, primarily to higher income households and to utility shareholders. Benefits will not be realized by nonparticipants and will disproportionately impact those least able to bare the increased costs.

4. If the Commission approves or modifies MEEIA 3, what DSIM provisions should be approved to align recovery with the MEEIA statute?

If the Commission approves or modifies MEEIA 3, the DSIM provisions within the default MEEIA level and attendant provisions articulated in Issue 1 above as well, as the proposed alternative recommendations outlined in OPC witness Geoff Marke’s rebuttal testimony should be approved to help ensure benefits for all customers. Those DSIM provisions include an application that includes the adoption of an energy efficiency equitable baseline analysis, the Pay As You Save (“PAYS”) on-tariff financing, the WattTime: Automated Emissions Reduction software feature, and Research and Development targeted at Urban Heat Island mitigation efforts.

5. Should Opt-Out Customers be eligible to participate in Business Demand Response programs?

No. Customers who opt-out of paying the costs of MEEIA should not be able to “opt-in” to receive the participant benefits. Opt-out customers can already participate in Company-sponsored demand response events. In Case Nos: ER-2018-045 and ER-2018-0146 the Commission approved a Demand Response Incentive Tariff in which opt-out customers can participate. Approving opt-out customer’s benefits while exempting opt-out customer costs merely compounds an already inequitable designed application and likely further cannibalize the remaining MEEIA participants by inducing further opt-out.

- **MECG sub issue: “Should GMO be required to publish in its tariff the participation payment to customers that participate in the Business Demand Response programs?”**

OPC Position: Yes. OPC supports the transparent exchange of services.

Wherefore, the OPC presents its position statement.

Respectfully,

OFFICE OF THE PUBLIC COUNSEL

/s/ Caleb Hall

Caleb Hall, #68112

Senior Counsel

200 Madison Street, Suite 650

Jefferson City, MO 65102

P: (573) 751-4857

F: (573) 751-5562

Caleb.hall@ded.mo.gov

**Attorney for the Office of the Public
Counsel**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served, either electronically or by hand delivery or by First Class United States Mail, postage prepaid, on this 18th day of September, 2019, with notice of the same being sent to all counsel of record.

/s/ Caleb Hall