

MISSOURI PUBLIC SERVICE COMMISSION

STAFF REPORT

**FIRST PRUDENCE REVIEW OF CYCLE 3 COSTS
RELATED TO THE
MISSOURI ENERGY EFFICIENCY INVESTMENT ACT
AND CYCLE 2 LONG-LEAD PROJECTS**

FOR THE ELECTRIC OPERATIONS

OF

**EVERGY MISSOURI WEST, INC., d/b/a Evergy Missouri West
("Evergy Missouri West"), f/k/a KCP&L Greater Missouri
Operations Company ("GMO")**

January 1, 2020 through March 31, 2021

FILE NO. EO-2021-0416

*Jefferson City, Missouri
October 28, 2021*

**** Denotes Confidential Information ****

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EVERGY MISSOURI WEST, INC.
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I. Executive Summary

The Missouri Public Service Commission (“Commission”) Staff (“Staff”) reviewed and analyzed a variety of items in examining whether Evergy Missouri West, Inc., d/b/a Evergy Missouri West (“Evergy Missouri West” or “Company”), reasonably and prudently incurred costs associated with its demand-side programs and demand-side programs investment mechanism (“DSIM”) which were approved by the Commission’s *Amended Report and Order*¹ in Case No. EO-2019-0132² (“Cycle 3 Plan”).

This prudence review report (“Report”) reflects Staff’s first prudence review for Evergy Missouri West’s Missouri Energy Efficiency Investment Act³ (“MEEIA”) demand-side programs and DSIM Cycle 3 costs in File No. EO-2019-0132, which included the review period of January 1, 2020 through March 31, 2021 (“Review Period”). This Report addresses prudence review costs for Evergy Missouri West’s Cycle 3 program costs (“Program Costs”), annual energy and demand savings, Throughput Disincentive (“TD”), interest, and Cycle 2 long-lead projects.

Based on its review, Staff has identified disallowances of expenses for conferences and meetings; memberships and sponsorships; implementation contractors’ expenses; other expenses; and Home Energy Reports TD, during the Review Period, identified in Table 1 below.

¹ On December 11, 2019, the Commission issued its *Report and Order*, and on March 11, 2020, the Commission issued its *Amended Report and Order*.

² On December 27, 2018, the Commission’s *Order Granting Applications to Intervene and Order Granting Motion to Consolidate* granted consolidation of Evergy Missouri Metro’s MEEIA Cycle 3 case, EO-2019-0132, with Evergy Missouri West’s MEEIA Cycle 3 case, EO-2019-0133, with the lead case being EO-2019-0132.

³ Section 393.1075, RSMo. Supp 2017.

Staff is recommending an ordered adjustment (“OA”) in the amount of \$1,600,615.79 including interest,⁴ in Evergy Missouri West’s next DSIM Rider rate adjustment filing to adjust for these disallowed expenses. The recommended OA amount is explained in detail later in this Report.

Costs	Explanation of Costs	Disallowed Cost	Interest	Recommended Disallowance
Conferences and Meetings	Page 19	\$ 647.50	\$ 4.12	\$ 651.62
Memberships/Sponsorships/Dues	Page 21	\$ 11,572.50	\$ 75.29	\$ 11,647.79
Other Expenses	Page 23	\$ 168.49	\$ 2.34	\$ 170.83
Implementation Contractors Expenses	Page 24	\$ 10,394.66	\$ 148.89	\$ 10,543.55
Home Energy Report Savings/Eval and TD	Page 34	\$ 1,577,602.00	\$ -	\$ 1,577,602.00
Total		\$ 1,600,385.15	\$ 230.64	\$ 1,600,615.79

BACKGROUND

The Commission’s October 19, 2017, *Order Approving Stipulation and Agreement* in Case No. EO-2015-0240 approved a *Stipulation and Agreement Regarding Cycle 2 Transition Plan for Certain Long-Lead Projects and Special Provision for Income-Eligible Multi-Family Program Under the MEEIA Cycle 2 Program Plan* (“Transition Agreement”) that was filed October 2, 2017. The Transition Agreement was agreed to by the Company, Staff, the Office of the Public Counsel (“OPC”), the Missouri Department of Economic Development - Division of Energy, and Renew Missouri Advocates. The Transition Agreement allowed for the Company to establish a process for long-lead energy efficiency projects’ implementation and completion; Evaluation, Measurement, and Verification (“EM&V”); and demand-side programs investment mechanism treatment. It also allowed for a special provision for the incentives paid to participants in Kansas City Power and Light Company and KCP&L Greater Missouri Operations Company’s⁵ Income Eligible Multi-Family program.

On November 29, 2018, Evergy Missouri West filed, in Case No. EO-2019-0132, its application under the MEEIA statute⁶ and the Commission’s MEEIA rules⁷ for approval of

⁴ Interest calculated on disallowances for Actual Program Costs, Sections A, C, D, and F through March 31, 2021, however interest was not calculated on the Home Energy Report Savings/Eval and TD adjustment, in the Throughput Disincentive Section VIII.B.

⁵ Evergy Missouri West is f/k/a KCP&L Greater Missouri Operations Company and Evergy Missouri Metro is f/k/a Kansas City Power and Light Company.

⁶ § 393.1075, RSMo.

⁷ 20 CSR 4240-20.092, 20 CSR 4240-20.093 and 20 CSR 4240-20.094.

1 Evergy Missouri West’s MEEIA application. On March 11, 2020, in Case No. EO-2019-0132,
2 the Commission authorized through its *Amended Report and Order*, Evergy Missouri West to
3 implement its three-year “Plan” including: 1) twelve (12) demand-side programs
4 (“MEEIA Programs”) described in Evergy Missouri West’s November 29, 2018, *MEEIA Cycle*
5 *3 2019-2022 Filing*, 2) a technical resource manual (“TRM”), 3) a demand-side programs
6 investment mechanism, 4) a Research & Pilot budget, and 5) a Pay As You Save® (“PAYS®”)
7 pilot program.⁸ In its *Amended Report and Order*, the Commission also approved rates for the
8 DSIM Rider and approved a DSIM Charge⁹ in Case No. EO-2019-0132 to be effective on
9 January 1, 2020.

10 The Commission’s February 27, 2019, *Order Approving Stipulation and Agreement* in
11 Case No. EO-2019-0132, approved a *Stipulation and Agreement Regarding Extension of*
12 *MEEIA 2 Programs During Pendency of MEEIA 3 Case* that was filed on February 15, 2019.
13 In this agreement, the Signatory Parties recommended that the Commission approve the MEEIA
14 Cycle 2 Extension Plan to allow MEEIA 2 to continue beyond the scheduled expiration date of
15 March 31, 2019, and the procedures for a path forward for further discussion and resolution of
16 the MEEIA Cycle 3 Program. It also allowed a new Long Lead Project period that will
17 end 12 months from the completion date of MEEIA Cycle 2’s extension.¹⁰

18 The Commission’s April 15, 2020, *Order Approving Evergy Missouri Metro and*
19 *Evergy Missouri West’s Modified Technical Resource Manuals* approved *Evergy Application for*
20 *Approval of Modification to its Technical Resource Manual* that was filed on March 2, 2020.
21 This modified TRM had proposed revisions based on: 1) incorporating additional EM&V results
22 of the Company’s MEEIA Cycle 2 program year 3; 2) updating calculations with incremental
23 cost input updates to formulas for certain lines that were referencing incorrect cells;
24 3) updating hard coded values to use the applicable formulas; 4) updating measure units;

⁸ In its *Order Clarifying the Time in Which to File the Proposed PAYS Pilot Program*, the Commission clarified that the Company could offer the one year pilot program at a time of its choosing, sometime during the Cycle 3 Plan, and that the proposed PAYS® pilot program be filed at least 60 days before the program would be put into effect.

⁹ From Evergy Missouri West’s Original Sheet No. 138.09: Charges arising from the MEEIA Cycle 3 Plan that are the subject of this DSIM Rider shall be reflected in one “DSIM Charge” on customers’ bills in combination with any charges arising from a rider that is applicable to post-MEEIA cycle 3 Plan demand-side management programs approved under the MEEIA. This will include any unrecovered amounts for Program Costs, TD from MEEIA Cycle 2 and any Earnings Opportunity, etc. earned/remaining from MEEIA Cycle 2 that is expected to begin recovery in early 2020.

¹⁰ This means the Long Lead Project period will be extended through December 31, 2020.

1 and 5) updating page numbers and sources to resolve inconsistencies. The Commission approved
2 these changes to be effective May 1, 2020.

3 The Commission's December 16, 2020, *Order Approving Modifications to*
4 *Evergy Missouri Metro and Evergy Missouri West's Technical Resource Manuals* approved
5 *Evergy Application for Approval of Modification to its Technical Resource Manual* that was filed
6 on November 25, 2020. This modified TRM had proposed approval of modifications to its
7 TRM to incorporate final EM&V results from Evergy's Program Year 4 of the MEEIA Cycle 2.
8 The Commission approved these changes to be effective January 1, 2021.

9 The Commission's February 24, 2021, *Order Approving an Update to Evergy Missouri*
10 *Metro and Evergy Missouri West's Evaluation, Measurement, and Verification Plans* approved
11 *Application to updated MEEIA Cycle 3 Evaluation, Measurement, and Verification Plans* that
12 was filed on February 2, 2021. In this filing, Evergy sought to modify the plans to reflect updated
13 EM&V methodologies and responsibilities, report formats, and reporting timeliness. The
14 Commission approved these changes to be effective March 26, 2021.

15 Commission Rule 20 CSR 4240-20.093(11) requires that the Staff conduct prudence
16 reviews of an electric utility's costs for its DSIM no less frequently than every
17 twenty-four (24) months. This report documents Staff's second review of the prudence of
18 Evergy Missouri West's Cycle 3 Program Costs, Cycle 2 long-lead projects, annual energy and
19 demand savings, TD, interest for the Review Period, and the over/under collection from the
20 Commission approved Cycle 2 Earnings Opportunity ("EO").

21 Commission Rule 20 CSR 4240-20.093(10) requires that Evergy Missouri West file
22 a quarterly Surveillance Monitoring Report ("QSMR"). Attached as Addendum A to this report
23 is Page 6 of Evergy Missouri West's QSMR including status of the MEEIA Programs and
24 DSIM costs for the quarter ended, and cumulative total ended, March 31, 2021. Addendum B to
25 this Report is Page 7 of Evergy Missouri West's Cycle 3 QSMR including status of the
26 MEEIA Programs and DSIM cost and savings for the quarter ended, and cumulative total ended
27 March 31, 2021.

1 Table 2 (A) below identifies the line items and amounts from Addendum A which are the
 2 subject of Staff’s prudence review. Table 2 (B) below,¹¹ identifies the line items and
 3 Review Period amounts from Addendum B which are the subject of Staff’s prudence review.

Table 2 (A)		
Cycle 2 Totals for January 1, 2020 through March 31, 2021		
Category	Descriptor	Period Total
Total Program Costs (\$)	Billed	\$ 4,468,572
Total Program Costs (\$)	Actual	\$ 3,286,556
Total Program Costs (\$)	Variance	\$ (1,182,025)
Total Program Costs (\$)	Interest	\$ (6,152)
Gross Energy Savings (kWh)	Target	0
Gross Energy Savings (kWh)	Deemed Actual	0
Gross Energy Savings (kWh)	Variance	0
Gross Deemed Savings (kW)	Target	0
Gross Deemed Savings (kW)	Deemed Actual	0
Gross Deemed Savings (kW)	Variance	0
Throughput Disincentive Costs (\$)	Billed	\$ 6,191,621
Throughput Disincentive Costs (\$)	Actual	\$ 5,650,222
Throughput Disincentive Costs (\$)	Variance	\$ (541,397)
Throughput Disincentive Costs (\$)	Interest	\$ 19,655

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¹¹ The total throughput disincentive as reported in the Quarterly Surveillance Reports amounted to \$2,915,750, a difference of \$529. The second quarter 2020 amount was incorrectly reported and was corrected in the cumulative total in the third quarter 2020 throughput disincentive.

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Table 2 (B)		
Cycle 3 Totals for January 1, 2020 through March 31, 2021		
Category	Descriptor	Period Total
Total Program Costs (\$)	Billed	\$ 16,412,823
Total Program Costs (\$)	Actual	\$ 16,136,053
Total Program Costs (\$)	Variance	\$ (276,771)
Total Program Costs (\$)	Interest	\$ 20,486
Gross Energy Savings (kWh)	Target	75,631,374
Gross Energy Savings (kWh)	Deemed Actual	79,525,145
Gross Energy Savings (kWh)	Variance	3,893,771
Gross Deemed Savings (kW)	Target	73,413
Gross Deemed Savings (kW)	Deemed Actual	70,859
Gross Deemed Savings (kW)	Variance	(2,554)
Throughput Disincentive Costs (\$)	Billed	\$ 3,395,495
Throughput Disincentive Costs (\$)	Actual	\$ 2,916,279
Throughput Disincentive Costs (\$)	Variance	\$ (479,216)
Throughput Disincentive Costs (\$)	Interest	\$ (129)

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In evaluating prudence, Staff reviews whether a reasonable person making the same decision would find both the information the decision-maker relied on and the process the decision-maker employed to be reasonable based on the circumstances and information known at the time the decision was made, *i.e.*, without the benefit of hindsight. If either the information relied upon or the decision-making process employed was imprudent, then Staff examines whether the imprudent decision caused any harm to ratepayers. Only if an imprudent decision resulted in harm to ratepayers, will Staff recommend a disallowance. However, if an imprudent decision did not result in harm to Evergy Missouri Metro’s customers, then Staff may further evaluate the decision-making process, and may recommend changes to the company’s business practice going forward. A more detailed discussion of the legal foundation for Staff’s definition of imprudence is presented in Section IV.

Staff Expert: Brooke Mastrogiannis

II. MEEIA Programs

Evergy Missouri West used various request-for-proposal (“RFP”) processes to contract: 1) implementers for its individual MEEIA Programs, 2) EM&V contractors for its residential and business MEEIA Programs, and 3) its comprehensive demand-side programs’ data management system Nexant, Inc. (“Nexant”).

Table 3 summarizes for each of the twelve (12) MEEIA Programs, Research & Pilot, and PAYS®: Commission-approved cumulative annual energy and demand savings targets, program implementers and program EM&V contractor:

Table 3				
Cycle 3 January 2020 - March 2021 Evergy Missouri West Energy Efficiency Plan				
MEEIA Programs	Energy Savings Targets (kWh)	Demand Savings Targets (kW)	Program Implementers	Program EM&V Contractors
Income-Eligible Multi-Family	1,684,429	299	ICF	ADM
Residential Demand Response	1,571,212	11,873	CLEAResult	ADM
Business Demand Response	-	49,488	CLEAResult	ADM
Business Smart Thermostat	42,552	311	CLEAResult	ADM
Online Home Energy Audit	-	-	Oracle/Opower	ADM
Online Business Energy Audit	-	-	Oracle/Opower	Guidehouse
Business Custom	3,582,681	568	TRC	Guidehouse
Business Process Efficiency	3,618,889	31	TRC	Guidehouse
Business Standard	17,759,656	2,824	TRC	Guidehouse
Home Energy Report	20,355,375	2,550	Oracle/Opower	ADM
Energy Saving Products	15,642,876	1,144	ICF	ADM
Heating, Cooling & Home Comfort	9,178,452	3,981	ICF	ADM
Research & Pilot - Business	1,097,626	172	ICF	ADM
Research & Pilot - Residential	1,097,626	172	ICF	ADM
Pay As You Save (PAYS)	-	-	Eetility	ADM
Evergy West Total	75,631,374	73,413		

Staff Expert: Brooke Mastrogiannis

III. Prudence Review Process

On June 4, 2021, Staff initiated its first prudence review of Cycle 3 costs of Evergy Missouri West’s DSIM in compliance with 20 CSR 4240-20.093(11) as authorized under Sections 393.1075.3 and 393.1075.11, RSMo. This prudence review was performed by members of the Industry Analysis Division. Staff obtained and analyzed a variety of documents, records, reports, data request responses, work papers, and emails, and had numerous phone discussions with Evergy Missouri West personnel to complete its prudence review of costs for the DSIM Rider for the Review Period of January 1, 2020 through March 31, 2021. In compliance

1 with 20 CSR 4240-20.093(11), this prudence review was completed within one-hundred-fifty
2 (150) days of its initiation.

3 If the Commission were to order any disallowance of costs as a result of prudence reviews
4 and/or corrections, such a disallowance amount shall be an OA in a future Evergy Missouri West
5 DSIM Rider rate adjustment filing.¹²

6 *Staff Expert: Brooke Mastrogiannis*

7 **IV. Prudence Review Standard**

8 In *State ex rel. Associated Natural Gas Co. v. Public Service Com'n of State of Mo.*,
9 the Western District Court of Appeals stated the Commission defined its prudence standard
10 as follows:

11 [A] utility's costs are presumed to be prudently incurred....
12 However, the presumption does not survive “a showing of
13 inefficiency or improvidence... [W]here some other participant in
14 the proceeding creates a serious doubt as to the prudence of
15 expenditure, then the applicant has the burden of dispelling these
16 doubts and proving the questioned expenditure to have been
17 prudent.

18 In the same case, the PSC noted that this test of prudence should
19 not be based upon hindsight, but upon a reasonableness standard:
20 [T]he company's conduct should be judged by asking whether the
21 conduct was reasonable at the time, under all the circumstances,
22 considering that the company had to solve its problem
23 prospectively rather than in reliance on hindsight. In effect, our
24 responsibility is to determine how reasonable people would have
25 performed the tasks that confronted the company.

26 954 S.W.2d 520, 528-29 (Mo. App. W.D., 1997) (citations omitted).

27 In reversing the Commission in that case, the Court did not criticize the Commission’s definition
28 of prudence, but held, in part, that to disallow a utility's recovery of costs from its ratepayers
29 based on imprudence, the Commission must determine the detrimental impact of that imprudence
30 on the utility’s ratepayers. *Id.* at 529-30. This is the prudence standard Staff has followed in this

¹² Evergy Missouri West DSIM Rider Original Sheet No. 138.12: OA= Ordered Adjustment is the amount of any adjustment to the DSIM ordered by the Commission as a result of prudence reviews and/or corrections under this DSIM Rider. Such amounts shall include monthly interest at the Company's monthly Short-Term Borrowing Rate.

1 review. Staff reviewed for prudence the areas identified and discussed below for Evergy Missouri
2 West's DSIM Rider.

3 *Staff Expert: Brooke Mastrogiannis*

4 **V. Billed Revenue**

5 **1. Description**

6 For the Review Period, Evergy Missouri West billed customers through a separate line
7 item on customers' bills titled "DSIM Charge" to recover estimated energy efficiency programs'
8 costs and estimated Company TD. The DSIM Charge is based on the customer's monthly
9 consumption and the applicable energy efficiency investment rates approved by the
10 Commission initially in Case No. EO-2015-0241 and EO-2019-0132 and subsequently in
11 Case Nos. ER-2020-0389, ER-2021-0153, and ER-2021-0411.

12 Evergy Missouri West provided a random sample of actual customer bills¹³ that Staff
13 reviewed and determined Evergy Missouri West was charging the appropriate rates to its
14 customers for the recovery of program and TD costs.

15 During the Review Period of January 1, 2020 through March 31, 2021, Evergy Missouri
16 West billed customers \$4,468,572 to recover its estimated energy efficiency programs' costs for
17 MEEIA Cycle 2. For the same period, Evergy Missouri West actually spent \$3,286,556 on its
18 energy efficiency programs. Thus, Evergy Missouri West over-collected \$1,182,025 from its
19 customers during the Review Period for MEEIA Cycle 2 program costs. During this same Review
20 Period, Evergy Missouri West billed customers \$16,412,823 to recover its estimated energy
21 efficiency programs' costs for MEEIA Cycle 3. For the same period, Evergy Missouri West
22 actually spent \$16,136,053 on its energy efficiency programs. Thus, Evergy Missouri West
23 over-collected \$276,771 from its customers during the Review Period for MEEIA Cycle 3
24 Program Costs.

25 During the Review Period of January 1, 2020 through March 31, 2021, for MEEIA
26 Cycle 2, Evergy Missouri West billed customers \$6,191,621 for estimated Company TD. For the
27 same period, Evergy Missouri West actually spent \$5,650,222 on actual Company TD. Thus,
28 Evergy Missouri West over-collected \$541,397 from its customers during the Review Period for

¹³ Evergy Missouri West's Response to Staff's Data Request No. 0010.

1 MEEIA Cycle 2 TD. During this same Review Period, Evergy Missouri West billed customers
2 \$3,395,495 for estimated Company TD for MEEIA Cycle 3. For the same period,
3 Evergy Missouri West actually spent \$2,916,279 on actual Company TD. Thus, Evergy Missouri
4 West over-collected \$479,216 from its customers during the Review Period for MEEIA
5 Cycle 3 TD.

6 The monthly amounts that are either over- or under-collected from customers are tracked
7 in a regulatory asset account, along with monthly interest, until Evergy Missouri West files for
8 rate adjustments under its DSIM Rider and new energy efficiency investment rates are approved
9 by the Commission. The interest associated with these over- or under-collected amounts is
10 provided in Section X of this Report.

11 **2. Summary of Cost Implications**

12 If Evergy Missouri West was imprudent in its decisions relating to the determination of
13 the DSIM Charge for customers' bills, ratepayer harm could result in an increase in
14 billed revenue.

15 **3. Conclusion**

16 Staff found no indication that Evergy Missouri West has acted imprudently regarding
17 the determination of the DSIM Charge for customers' bills except as discussed below in
18 Section VII Actual Program Costs.

19 **4. Documents Reviewed**

- 20 a. Evergy Missouri West's MEEIA Cycle 2 and Cycle 3 Plan;
- 21 b. Approved MEEIA Energy Efficiency and Demand Side Management
22 Programs Tariff Sheets;
- 23 c. Evergy Missouri West's work papers included in Case Nos.
24 ER-2020-0389, ER-2021-0153, and ER-2021-0411
- 25 d. Evergy Missouri West's Quarterly Surveillance Monitoring Reports,
26 Page 6 and 7; and
- 27 e. Staff Data Requests: 0003, 0005, 0010, 0020, and 0023.

28 *Staff Expert: Brooke Mastrogiannis*

1 **VI. Nexant Tracking Software**

2 **1. Description**

3 In January 2016, Evergy Missouri West contracted an integrated software tracking system
4 called Nexant to allow Evergy Missouri West to store, manage and process data for its
5 DSM portfolio over the life-cycle of each measure in Evergy Missouri West’s Cycle 2
6 and Cycle 3 Plan. Nexant specifically allowed Evergy Missouri West to develop operating rules
7 for its approved energy efficiency programs, process customers’ applications, support processing
8 and payment of incentives (rebates)¹⁴ and provide regulatory compliance and management
9 reporting. Before Evergy Missouri West contracted with Nexant in Cycle 2 it considered
10 four vendors, and Nexant was selected based on the best overall score for the criteria of meeting
11 core requirements, company experience and performance, growth opportunity, pricing, diversity
12 participation, and Evergy Missouri West Information Technology involvement needed.
13 Evergy Missouri West extended their contract with Nexant for Cycle 3 MEEIA programs and
14 the contract added support and implementation work called the “Nexant Care Package”.

15 The primary implementers that are able to use this tracking system are CLEAResult,
16 TRC and ICF. CLEAResult uses it for all of the Demand Response and the Thermostat Programs,
17 ICF uses it for all Residential Programs, and TRC uses it for all Business Programs. For the low
18 volume programs the incentive amounts and energy and demand savings amounts are manually
19 put into the Nexant system.

20 Staff reviewed the controls Evergy Missouri West has developed to assure demand-side
21 program incentive payments are accounted for properly. Staff also reviewed the incentive
22 amounts paid to customers to verify they complied with incentive levels for individual measures
23 approved for each energy efficiency program. Data management and recordkeeping is critical
24 for the proper administration of the DSIM Rider.

25 Evergy Missouri West granted Staff remote on-line access to the Nexant system for
26 Staff’s use in conducting Staff’s MEEIA prudence review. Staff reviewed a sample of customer
27 data, incentive levels, and annual energy and demand savings for all of Evergy Missouri West’s
28 approved energy efficiency programs. During its review, Staff found that while some program

¹⁴ Evergy Missouri West 3rd Revised Sheet No. 138.10: “Incentive” means any consideration provided by the Company, including buy downs, markdowns, rebates, bill credits, payments to third parties, direct installation, giveaways, and education, which encourages the adoption of program measures.

1 reporting in Nexant did match to the incentives reported in Table 4 below, which is created from
2 the general ledger, other programs did not match to total incentives reported in Table 4. Staff had
3 to rely on Evergy Missouri West's general ledger to accurately review the total incentives
4 reported in program costs, instead of the data exported from the Nexant system. Subsequently,
5 Evergy Missouri West provided in Data Request No. 0017 a reconciliation of incentives paid to
6 residential and commercial customers for the Review Period. This reconciliation provided Staff
7 with additional details for the differences between the general ledger and Nexant.
8 Some reconciliation differences include: 1) a 1% vendor carrying cost for specific programs;
9 2) duplicate rebates paid; and 3) rebates coded to Evergy Missouri Metro instead of
10 Evergy Missouri West. Evergy Missouri West notes that the misclassifications will be reversed
11 and corrected.

12 Despite the discrepancies, Nexant did allow Staff to verify deemed annual energy and
13 demand savings detail at a total program level. Staff had to request annual energy and demand
14 savings detail for each program to verify savings reported in Nexant matched the savings in the
15 Company's work papers and QSMRs. Evergy Missouri West also provided in Data Request
16 Nos. 0017, 0020.1, and 0023 separate detailed files for the thermostat programs and
17 Demand Response Incentive Program, which are not tracked in Nexant.

18 While the Company was able to verify and reconcile incentive levels and annual energy
19 and demand savings for the programs, Staff recommends Evergy Missouri West continue to
20 timely track and reconcile the differences in incentives between the Nexant tracking system and
21 the general ledger and to make timely corrections as needed, so that this reconciliation
22 information is readily available to Staff and completed before the next prudence review.

23 **2. Summary of Cost Implications**

24 If Evergy Missouri West was imprudent in its decisions relating to the administration and
25 implementation of the Nexant system, ratepayer harm could result in an increase in future
26 DSIM Charge amounts.

27 **3. Conclusion**

28 Staff found no indication that Evergy Missouri West has acted imprudently regarding the
29 implementation and administration of the Nexant system; however, in order for Staff to complete
30 this review, Staff had to review a complete reconciliation provided by the Company instead of
31 just reviewing the details provided by the Nexant system.

1 **4. Documents Reviewed**

- 2 a. Evergy Missouri West’s Cycle 2 and Cycle 3 Plan;
3 b. Approved MEEIA Energy Efficiency and Demand Side Management
4 Programs Tariff Sheets;
5 c. Staff Data Requests: 0003, 0008, 0017, 0020.1, 0021, 0023, and 0024; and
6 d. Evergy Missouri West MEEIA Vendor and Implementer Contracts.

7 *Staff Experts: Brooke Mastrogiannis*

8 **VII. Actual Program Costs**

9 Evergy Missouri West’s programs’ costs include: 1) incentive payments; 2) program
10 administration costs for residential and business programs; and 3) strategic initiative program
11 costs for general, accounting, regulatory, administrative, implementation and marketing costs.

12 Staff reviewed all actual program costs Evergy Missouri West sought to recover through
13 its DSIM Charge to ensure only reasonable and prudently incurred costs are being recovered
14 through the DSIM Rider. Staff reviewed and analyzed, for prudence, Evergy Missouri West’s
15 adherence to contractual obligations, adequacy of controls and compliance with approved tariff
16 sheets. Evergy Missouri West provided Staff accounting records for all programs’ costs it
17 incurred during the Review Period. Staff categorized these costs by program and segregated them
18 between incentives payments and program administrative costs.

19 During this Review Period, there were Cycle 2 and Cycle 3 program costs. The results of
20 Staff’s categorization of programs’ costs are provided in Table 4 as a total for the Review Period
21 and then broken out by Cycle 2 (Table 4A) and Cycle 3 (Table 4B) shown below:

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Table 4 Total Cycle 2 & Cycle 3 Actual Rebate and Program Cost Totals Program Costs January 1, 2020 through March 31, 2021			
	TOTAL COSTS	REBATES	PROGRAM ADMINISTRATION
RESIDENTIAL:			
Research & Pilot-Residential	\$ 83,206	\$ 200	\$ 83,006
Income Eligible Mult-Family	\$ 1,048,319	\$ 164,620	\$ 883,699
Residential Programmable Thermostat	\$ 149,283	\$ -	\$ 149,283
Residential Demand Response	\$ 2,094,832	\$ 423,700	\$ 1,671,132
Online Home Energy Audit	\$ 207,588	\$ -	\$ 207,588
Pay As You Save (PAYS)	\$ 14,474	\$ -	\$ 14,474
Home Energy Report	\$ 873,513	\$ -	\$ 873,513
Home Lighting Rebate	\$ 547,735	\$ 458,613	\$ 89,122
Energy Saving Products	\$ 2,299,675	\$ 1,047,964	\$ 1,251,711
Whole House Efficiency	\$ 137,106	\$ 118,425	\$ 18,681
Heating, Cooling & Home Comfort	\$ 2,050,458	\$ 1,128,564	\$ 921,894
Subtotal Residential Programs	\$ 9,506,189	\$ 3,342,085	\$ 6,164,104
BUSINESS:			
Research & Pilot	\$ 91,137	\$ -	\$ 91,137
Business Demand Response	\$ 3,335,745	\$ 1,160,279	\$ 2,175,466
Business Smart Thermostat	\$ 59,003	\$ 5,050	\$ 53,953
Online Business Energy Audit	\$ 5,712	\$ -	\$ 5,712
Business Energy Efficiency Rebate	\$ 2,142,939	\$ 1,772,098	\$ 370,841
Block Bidding	\$ 72,726	\$ 49,389	\$ 23,336
Business Custom	\$ 1,008,329	\$ 448,980	\$ 559,349
Business Process Efficiency	\$ 149,742	\$ -	\$ 149,742
Business Standard	\$ 3,051,092	\$ 1,778,042	\$ 1,273,050
Subtotal Business Programs	\$ 9,916,423	\$ 5,213,839	\$ 4,702,584
Grand Total--All Programs	\$ 19,422,612	\$ 8,555,924	\$ 10,866,688
COSTS BY SUBACCOUNTS:			
Customer Rebates	\$ 8,555,924		
Implementation Contractors	\$ 7,602,784		
Evaluation	\$ 627,671		
Marketing	\$ 733,511		
Administrative	\$ 1,902,721		
Total Program Costs (Subaccounts)	\$ 19,422,612		

Table 4A			
Cycle 2			
Actual Rebate and Program Cost Totals			
Program Costs January 1, 2020 through March 31, 2021			
	TOTAL COSTS	REBATES	PROGRAM ADMINISTRATION
RESIDENTIAL:			
Income-Eligible Weatherization	\$ -	\$ -	\$ -
Income-Eligible Multi-Family	\$ 140,005	\$ 94,818	\$ 45,187
Residential Programmable Thermostat	\$ 149,283	\$ -	\$ 149,283
On-line Home Energy Audit	\$ 11,837	\$ -	\$ 11,837
Home Energy Reports	\$ 16,579	\$ -	\$ 16,579
Home Lighting Rebate	\$ 547,735	\$ 458,613	\$ 89,122
Whole House Efficiency	\$ 137,106	\$ 118,425	\$ 18,681
Subtotal Residential Programs	\$ 1,002,546	\$ 671,856	\$ 330,690
Demand Response Incentive	\$ 29,423	\$ -	\$ 29,423
Commercial Programmable Thermostat	\$ 464	\$ -	\$ 464
On-line Business Energy Audit	\$ 406	\$ -	\$ 406
Strategic Energy Management	\$ -	\$ -	\$ -
Block Bidding	\$ 72,726	\$ 49,389	\$ 23,336
Small Business Direct Install	\$ -	\$ -	\$ -
Business Energy Efficiency Rebate-C	\$ 733,628	\$ 570,640	\$ 162,988
Business Energy Efficiency Rebate-S	\$ 1,409,312	\$ 1,201,458	\$ 207,854
Subtotal Business Programs	\$ 2,245,957	\$ 1,821,488	\$ 424,469
Research and Pilot	\$ 38,055	\$ -	\$ 38,055
Grand Total--All Programs	\$ 3,286,557	\$ 2,493,343	\$ 793,214
COSTS BY SUBACCOUNTS:			
Customer Rebates	\$ 2,493,343		
Implementation Contractors	\$ 411,272		
Evaluation	\$ 299,225		
Marketing	\$ 90,551		
Administrative	\$ (7,834)		
Total Program Costs (Subaccounts)	\$ 3,286,557		

Table 4B Cycle 3 Actual Rebate and Program Cost Totals Program Costs January 1, 2020 through March 31, 2021			
	TOTAL COSTS	REBATES	PROGRAM ADMINISTRATION
RESIDENTIAL:			
Research & Pilot-Residential	\$ 83,206	\$ 200	\$ 83,006
Income Eligible Mult-Family	\$ 908,314	\$ 69,802	\$ 838,512
Residential Demand Response	\$ 2,094,832	\$ 423,700	\$ 1,671,132
Online Home Energy Audit	\$ 195,751	\$ -	\$ 195,751
Pay As You Save (PAYS)	\$ 14,474	\$ -	\$ 14,474
Home Energy Report	\$ 856,934	\$ -	\$ 856,934
Energy Saving Products	\$ 2,299,675	\$ 1,047,964	\$ 1,251,711
Heating, Cooling & Home Comfort	\$ 2,050,458	\$ 1,128,564	\$ 921,894
Subtotal Residential Programs	\$ 8,503,643	\$ 2,670,229	\$ 5,833,414
BUSINESS:			
Research & Pilot-Business	\$ 53,082	\$ -	\$ 53,082
Business Demand Response	\$ 3,306,322	\$ 1,160,279	\$ 2,146,043
Business Smart Thermostat	\$ 58,539	\$ 5,050	\$ 53,489
Online Business Energy Audit	\$ 5,306	\$ -	\$ 5,306
Business Custom	\$ 1,008,329	\$ 448,980	\$ 559,349
Business Process Efficiency	\$ 149,742	\$ -	\$ 149,742
Business Standard	\$ 3,051,092	\$ 1,778,042	\$ 1,273,050
Subtotal Business Programs	\$ 7,632,411	\$ 3,392,351	\$ 4,240,060
Grand Total--All Programs	\$ 16,136,054	\$ 6,062,580	\$ 10,073,474
COSTS BY SUBACCOUNTS:			
Customer Rebates	\$ 6,062,580		
Implementation Contractors	\$ 7,191,512		
Evaluation	\$ 328,446		
Marketing	\$ 642,961		
Administrative	\$ 1,910,555		
Total Program Costs (Subaccounts)	\$ 16,136,054		

1 The total program costs for Cycle 2 long lead projects was \$0. While a small number of
2 projects were identified as potential long lead projects during the course of Cycle 2, these projects
3 were not deemed as “long lead” for one of the following reasons: 1) the project was eventually
4 completed during the “extension period” from April 2019 through December 2019 and thus still
5 within the MEEIA Cycle 2 timeframe, 2) the project was completed after 2020 but was deemed
6 as a Cycle 3 project and claimed under the currently Cycle 3, or 3) the project was discontinued.
7 A number of long lead projects eventually completed during the additional extension period in
8 2019. Once Cycle 3 was approved, with a similar customer and incentive program design, it was
9 determined that the remaining projects would be claimed under Cycle 3 but under the incentive
10 amounts preapproved during the previous cycle.¹⁵

11 Energys Missouri West incurs administrative costs that are directly related to the
12 implementation of its approved energy efficiency programs. Staff uses the term “administrative”
13 to mean all costs other than incentives.¹⁶ Staff reviewed each administrative category of cost to
14 determine the reasonableness of each individual item of cost and if the costs being sought for
15 recovery were directly related to energy efficiency programs and recoverable from customers
16 through the DSIM Charge.

17 Energys Missouri West provides incentive payments to its customers as part of its
18 approved energy efficiency programs. Incentive payments are an important instrument for
19 encouraging investment in energy efficient technologies and products by lowering higher upfront
20 costs for energy efficiency measures compared to the cost of standard measures. Incentive
21 payments can also complement other efficiency policies such as appliance standards and energy
22 codes to help overcome market barriers for cost-effective technologies.

23 Energys Missouri West has also developed internal controls that allow for review and
24 approval at various stages for the accounting of costs for its energy efficiency programs.
25 Energys Missouri West has developed internal procedures that provide program managers and
26 other reviewers a detailed and approved method for reviewing invoices. Energys Missouri West
27 also provided Staff with its policies related to reimbursement of employee-incurred business
28 expenses and approval authority for business transactions.

¹⁵ Data Request Response 0033.

¹⁶ Incentives are program costs for direct and indirect incentive payments to encourage customer and/or retail partner participation in programs and the costs of measures which are provided at no cost as a part of a program.

1 In the *Rebuttal Testimony of Geoff Marke*, witness for OPC, filed on September 11, 2020,
2 in Case No. EO-2020-0227, Dr. Marke took issue with the incentive cost to program
3 administrative cost ratio for Evergy Missouri West. For the review period in that case, April 1,
4 2018, through December 31, 2019, 41% of total costs were for incentives and 59% of total costs
5 were for program administrative costs. In the *Surrebuttal Testimony of Cynthia M. Tandy*,
6 witness for Staff, filed on October 14, 2020, Ms. Tandy stated that “Staff acknowledges this is a
7 valid concern and will continue to closely monitor this issue going forward... Staff is of the
8 opinion that this is a policy issue that deserves a more robust discussion, prospectively, outside
9 of a prudence review, to more appropriately determine how to address it. Additionally, though,
10 Staff would support any requirement the Commission may order that better encourages Evergy
11 to decrease its non-incentive costs.”

12 For this current review period, the incentive cost to program administrative cost ratio for
13 Evergy Missouri West grew further apart. For Cycle 3 costs alone in this review period, 38% of
14 total costs were for incentives and 62% of total costs were for program administrative costs. It
15 should be noted however, that by including Cycle 2 costs in this review period with Cycle 3 costs
16 in this review period, 44% of total costs were for incentives and 56% of total costs were for
17 program administrative costs. This is due to the fact that 76% of Cycle 2 costs in this review
18 period were for incentives and 24% were for program administrative costs.

19 Evergy Missouri West will likely be filing for an extension to Cycle 3 or for a Cycle 4 in
20 the very near future. With that said, Staff reiterates its opinion from the previous Evergy Missouri
21 West MEEIA prudence review that this is a policy issue that deserves a more robust discussion,
22 prospectively, outside of a prudence review, to more appropriately determine how to address it.
23 Evergy Missouri West’s filing for an extension to Cycle 3 or for a Cycle 4 would be an
24 appropriate platform to have these discussions. However, Evergy Missouri West should strive to
25 improve its incentive to program administrative cost ratio for the remainder of Cycle 3.

26 *Staff Experts: Cynthia M. Tandy and Brad Fortson*

27 **A. Administrative Costs - Conferences and Meetings**

28 **1. Description**

29 During this MEEIA prudence review, Staff evaluated all administrative expenses incurred
30 and identified Cycle 3 expenses that were not specifically MEEIA related under this category.
31 Staff requested the Company provide invoices related to conferences and meetings along with

1 the agendas or related information. Staff reviewed each conference agenda and the paid invoices,
2 and determined one of the conferences was general and not primarily related to MEEIA. Staff
3 recommends this conference/meeting expense should be disallowed and determined not
4 recoverable through the Evergy Missouri West DSIM Rider. Additional details about the expense
5 are identified in Table 5 below.

Table 5			
Costs	Month(s)	Reason for Disallowance	Disallowed Cost
EUCI Conference	October 20	General-Not MEEIA Specific	\$ 647.50
Total			\$ 647.50

6
7 There were also two “sponsorships” under conferences and meetings category that were
8 coded under Memberships, Sponsorships and Association Fees; and those will be discussed in
9 Section VII.C below.

10 2. Summary of Cost Implications

11 If Evergy Missouri West was imprudent in its decisions relating to the accountability of
12 expenses of the Residential and Business Energy Efficiency Programs, ratepayer harm could
13 result in an increase in future DSIM Charge amounts.

14 3. Conclusion

15 Staff has identified expenses for conferences and meetings that were either not primarily
16 MEEIA related and therefore should not be recoverable through the DSIM Rider. Staff is
17 proposing a disallowance of \$647.50 plus interest of \$4.12, for a total disallowance of \$651.62.

18 4. Documents Reviewed

- 19 a. Staff Data Requests: 0003, 0012, 0012.1, 0014, 0032 and 0033.

20 *Staff Expert: Cynthia M. Tandy*

21 B. Administrative Costs – Fleet Loads Expenses

22 1. Description

23 During this MEEIA prudence review, Staff identified expenses labeled as Fleet Loads
24 that were included for recovery through the DSIM Rider for MEEIA Cycle 3. Subsequently, Staff
25 sent Data Request 0003.1 to the Company and their response stated, “Upon further review of the

1 support for this allocation the Company has concluded that these Fleet Allocation costs in
2 Resource Code 9200 associated with department 510 labor do not relate to or support
3 MEEIA programs and should be removed.” After discussions between the Company and Staff,
4 the Company agreed to reverse those entries for the review period. Those entries were made in
5 September 2021 and Staff received copies of the entries to verify those were completed.

6 **2. Summary of Cost Implications**

7 If Evergy Missouri West was imprudent in its decisions relating to the accountability of
8 expenses of the Residential and Business Energy Efficiency Programs, ratepayer harm could
9 result in an increase in future DSIM Charge amounts.

10 **3. Conclusion**

11 Since Evergy Missouri West provided support for the reversal entries and Staff was able
12 to verify they were completed, Staff found no indications of imprudence.

13 **4. Documents Reviewed**

- 14 a. Staff Data Requests: 0003 and 0003.1.

15 *Staff Expert: Cynthia M. Tandy*

16 **C. Administrative Costs – Memberships, Sponsorships and Association Fees**

17 **1. Description**

18 During this MEEIA prudence review, Staff identified expenses for memberships and
19 sponsorships that were included for recovery through the DSIM Rider for MEEIA Cycle 3. Staff
20 requested¹⁷ copies of receipts for all membership dues and/or trade associations. In the general
21 ledger there were some program costs coded as “Conferences and Meetings” and
22 “Office Expenses Other,” that Staff found to be sponsorship and membership expenses instead.
23 Consequently, Staff put these sponsorship and membership expenses under the Memberships,
24 Sponsorships and Association Fees section in this report since that seems to be a more accurate
25 category for those disallowed costs. After reviewing all invoices and general ledger entries,
26 Staff reviewed the membership and sponsorships to determine whether those expenses were
27 justified by their relationship to the MEEIA programs. Further, the Commission’s

¹⁷ Staff Data Request No. 0019.

1 *Order Approving Unanimous Partial Stipulation and Agreement* issued on February 17, 2021, in
 2 Case No. EO-2020-0227,¹⁸ established that “Evergy shall only seek recovery of costs associated
 3 with conferences and memberships through DSIM rates if those costs would not be incurred but
 4 for the Company’s offering of MEEIA programs.” The Company did not provide any
 5 justification that the costs for the memberships listed would not be incurred but for the
 6 Company’s offering of MEEIA programs. In addition, Staff was unclear why sponsorships were
 7 necessary in addition to the memberships. Therefore, Staff recommends these
 8 membership/sponsorship expenses should be disallowed and determined not recoverable through
 9 the Evergy Missouri West DSIM Rider. Additional details about the expenses are identified in
 10 Table 6 below:

Table 6			
Payee	Month(s)	Reason for Disallowance	Disallowed Cost
AEE Membership	Nov 2020	No justification provided per Stipulation	\$ 97.50
AEE Certification	Jan 20	Certifications not specific to MEEIA	\$ 300.00
MEEA Sponsorships*	Mar 20 & Mar 21	Sponsorships not necessary in addition to memberships	\$ 5,500.00
PLMA Membership Dues	Nov 2020	General Expenses--Not specific to MEEIA	\$ 2,475.00
St. Joseph Construction Assn.**	Feb 2021 & Mar 2021	No justification provided per Stipulation	\$ 700.00
US Green Council Sponsorship	Mar 2021	Unclear why sponsorship is necessary in the MEEIA Program	\$ 2,500.00
Total			\$ 11,572.50
*\$5,500 was under "Conference and Meetings" Category			
**\$350 was under "Office Expense" Category			

11
 12 **2. Summary of Cost Implications**

13 If Evergy Missouri West was imprudent in its decisions relating to the accountability of
 14 expenses of the Residential and Business Energy Efficiency Programs, ratepayer harm could
 15 result in an increase in future DSIM Charge amounts.

16 **3. Conclusion**

17 Staff is proposing a disallowance of \$11,572.50 plus interest of \$75.29 on the
 18 disallowance through March 31, 2021, for a total disallowance of \$11,647.79.

¹⁸ Evergy Missouri West’s previous MEEIA prudence review, Case No. EO-2020-0228 was consolidated to Case No. EO-2020-0227, Evergy Missouri Metro’s previous MEEIA prudence review.

4. Documents Reviewed

a. Staff Data Requests: 0003, 0019, 0024, 0032 and 0033.

Staff Experts: Brad Fortson and Cynthia M. Tandy

D. Administrative Costs - Other Expenses

1. Description

During this MEEIA prudence review, Staff evaluated all administrative expenses and identified some Cycle 3 expenses that did not fall into the three categories discussed above; these expenses are classified as “Other Expenses.” Staff recommends these “Other expenses”, should be disallowed and determined not recoverable through the Evergy Missouri West DSIM Rider. Additional details about the expenses are identified in Table 7 below.

Costs	Month(s)	Reason for Disallowance	Disallowed Cost
Business Journal Subscription	Jun 20	General Expense	\$ 65.00
Business Meals	Jan & Apr 2020	Cover Receipt but no detail	\$ 103.49
Total			\$ 168.49

2. Summary of Cost Implications

If Evergy Missouri West was imprudent in its decisions relating to the accountability of expenses of the Residential and Business Energy Efficiency Programs, ratepayer harm could result in an increase in future DSIM Charge amounts.

3. Conclusion

Staff has identified some general administrative expenses that were either recorded as general expenses or unnecessary fees. Staff is proposing a disallowance of \$168.49 plus interest of \$2.34 on the disallowance through March 31, 2021, for a total disallowance of \$170.83.

4. Documents Reviewed

a. Staff Data Requests: 0003, 0032 and 0033.

Staff Experts: Cynthia M. Tandy

1 **E. Rebates**

2 **1. Description**

3 Evergy Missouri West provides rebates and incentive payments based upon the type and
4 nature of measures installed by customers to promote the adoption of energy efficiency measures.
5 Staff reviewed the rebate and incentive amounts to ensure Evergy Missouri West was providing
6 the proper incentive level agreed to in its MEEIA plan. See the Nexant Tracking Software section
7 for a more detailed explanation regarding the reconciliation for rebates and incentives in the
8 general ledger versus the Nexant Tracking Software.

9 **2. Summary of Cost Implications**

10 If Evergy Missouri West was imprudent in providing the wrong level of rebates or
11 incentives to its customers, ratepayer harm could result in customers not receiving the full benefit
12 of the energy efficiency plan or paying increased costs from failing to achieve the target level of
13 savings.

14 **3. Conclusion**

15 Staff found no indication that Evergy Missouri West has acted imprudently regarding
16 paying out plan rebates or incentives.

17 **4. Documents Reviewed**

- 18 a. Evergy Missouri West’s Cycle 2 and Cycle 3 Plan;
19 b. Approved MEEIA Energy Efficiency and Demand Side Management
20 Programs Tariff Sheets; and
21 c. Staff Data Requests: 0003, 0008, 0017, 0020.1, 0021, 0023, and 0024

22 *Staff Experts: Brooke Mastrogiannis*

23 **F. Implementation Contractors**

24 **1. Description**

25 Evergy Missouri West hired business partners for design, implementation and delivery of
26 its portfolio of residential and business energy efficiency programs to customers. Contracting
27 with competent, experienced and reliable program implementers is extremely important to the
28 success of Evergy Missouri West’s energy efficiency programs and for affording
29 Evergy Missouri West’s customers the greatest benefits.

1 Evergy Missouri West issued RFPs at the beginning of Cycle 2 and Cycle 3 for program
2 implementers to directly administer one or more of Evergy Missouri West’s energy efficiency
3 programs. Evergy Missouri West selected and contracted with the organizations identified in
4 Table 3 to implement individual MEEIA Programs. All of the implementers identified on
5 Table 3 are nationally recognized contractors that have solid histories of energy efficiency
6 programs’ design and implementation.

7 Staff reviewed Evergy Missouri West’s relationship with its implementers to gauge if
8 Evergy Missouri West acted prudently in the selection and oversight of its program
9 implementers. Staff examined the contracts between Evergy Missouri West and the implementers
10 in an effort to determine if the terms of the contract were followed during the implementation of
11 the residential and business programs. Staff also reviewed a large sample of over 600 invoices
12 paid to the implementers identified in Table 3, and traced these costs to the general ledger,
13 program costs in Data Request No. 0003.

14 Comparing actual cumulative deemed annual energy and demand savings relative to the
15 planned cumulative annual energy and demand savings for the same period is important to
16 understanding the overall performance of Evergy Missouri West’s energy efficiency programs
17 and its implementation contractors.

18 Table 8 below provides a comparison of achieved energy and demand savings and
19 planned deemed energy and demand savings for Evergy Missouri West’s residential and business
20 programs for the Review Period. If Evergy Missouri West was unable to achieve its planned
21 energy and demand savings levels, that could be an indication the programs were not being
22 prudently administered by the implementers and by Evergy Missouri West. Although some of
23 Evergy Missouri West’s individual programs did not meet energy and demand savings targets,
24 the programs in total achieved and exceeded the overall energy efficiency portfolio annual energy
25 savings targets; however they did not achieve and exceed the overall annual demand savings
26 targets. Staff will continue to monitor the achieved energy and demand savings throughout the
27 course of Cycle 3.

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31 *continued on next page*

Table 8

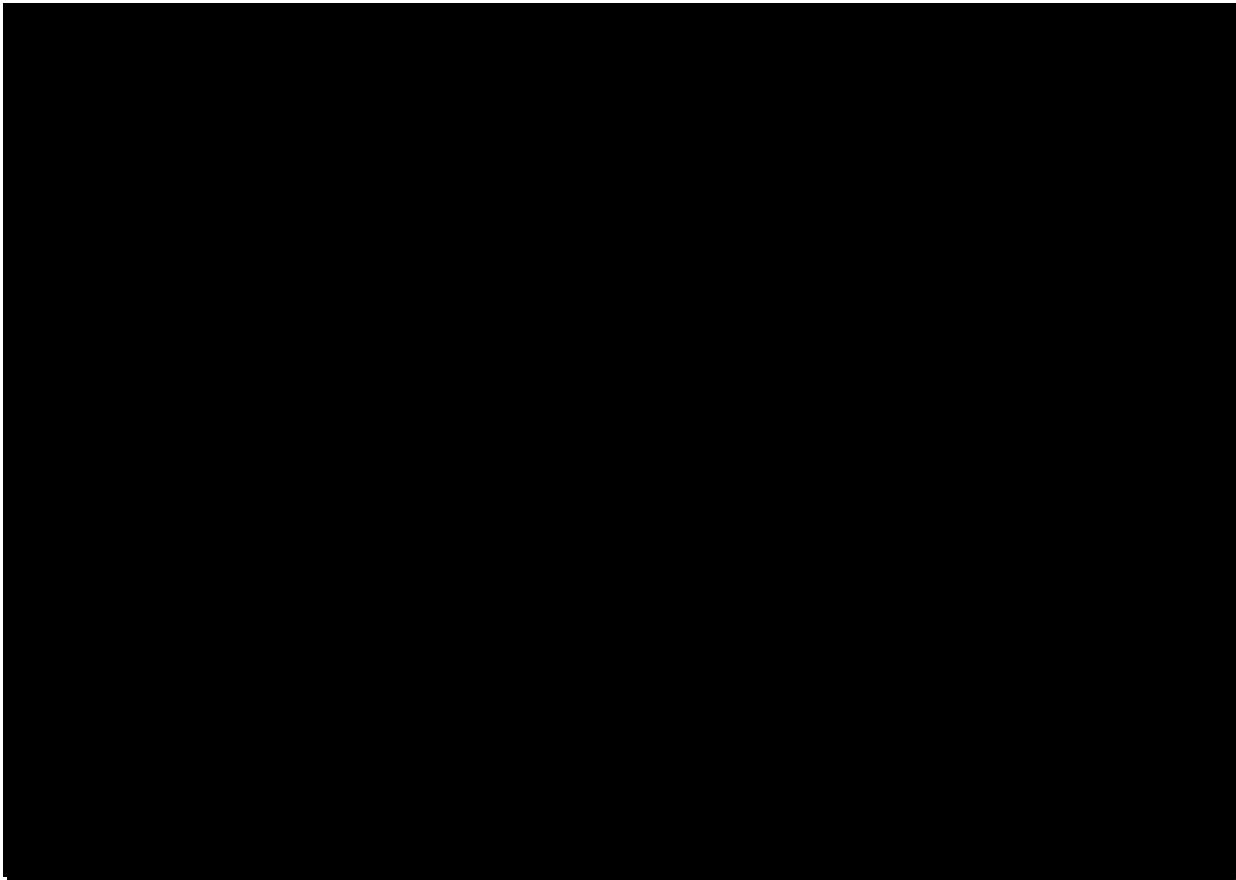
Cycle 3 January 1, 2020 through March 31, 2021						
	Achieved Annual Energy Savings (kWh)	Planned Annual Energy Savings (kWh)	Variance	Achieved Annual Demand Savings (kW)	Planned Annual Demand Savings (kW)	Variance
MEEIA Programs						
Income-Eligible Multi-Family	942,117	1,684,429	(742,312)	126	299	(173)
Residential Demand Response	656,207	1,571,212	(915,005)	5,478	11,873	(6,395)
Business Demand Response	-	-	-	49,818	49,488	330
Business Smart Thermostat	12,017	42,552	(30,535)	109	311	(202)
Online Home Energy Audit	-	-	-	-	-	-
Online Business Energy Audit	-	-	-	-	-	-
Business Custom	6,018,105	3,582,681	2,435,424	1,109	568	541
Business Process Efficiency	-	3,618,889	(3,618,889)	-	31	(31)
Business Standard	15,380,125	17,759,656	(2,379,531)	2,710	2,824	(114)
Home Energy Report	20,548,339	20,355,375	192,964	4,037	2,550	1,487
Energy Saving Products	29,270,295	15,642,876	13,627,419	3,698	1,144	2,554
Heating, Cooling & Home Comfort	6,697,757	9,178,452	(2,480,695)	3,774	3,981	(207)
Research & Pilot - Business	-	1,097,626	(1,097,626)	-	172	(172)
Research & Pilot - Residential	183	1,097,626	(1,097,443)	-	172	(172)
Pay As You Save (PAYS)	-	-	-	-	-	-
Evergy West Total	79,525,145	75,631,374	3,893,771	70,859	73,413	(2,554)

During this MEEIA prudence review, Staff evaluated all expenses incurred under the Implementation Contractor’s invoices and whether they were specific to MEEIA. There were a couple Implementation Contractors’ invoices where Evergy purchased shirts that had just the Evergy logo. Staff is of the opinion that these shirts are not specific to MEEIA. There were several instances where Evergy Missouri West and ICF held award ceremonies for their trade allies. Staff is of the opinion that the awards and venue held provide no benefit to Evergy Missouri West’s customers. Staff recommends these “Implementation Contractors Expenses,” should be disallowed and determined not recoverable through the Evergy Missouri West DSIM Rider. Additional details about the expenses are identified in Confidential Table 9 below:

continued on next page

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2. Summary of Cost Implications

If Evergy Missouri West was imprudent in its decisions related to the selection and supervision of its program implementers and the expenses that are incurred by the program implementers, ratepayer harm could result in an increase in the future DSIM Charge amounts.

3. Conclusion

Staff has identified some implementer contractor's expenses that were disallowed for the reasons stated. Staff is proposing a disallowance of \$10,394.66 plus interest of \$148.89 on the disallowance through March 31, 2021, for a total disallowance of \$10,543.55.

4. Documents Reviewed

- a. Evergy Missouri West's Cycle 2 and Cycle 3 Plans;
- b. Approved MEEIA Energy Efficiency and Demand Side Management Programs Tariff Sheets; and

1 c. Staff Data Requests: 0003, 0007, 0020, 0020.1, 0020.2, 0023, 0023.2,
2 0024, 0024.1, 0024.2, 0024.3, 0024.4, 0024.5, 0024.6 and 0024.7.

3 *Staff Expert: Cynthia M. Tandy and Lisa Wildhaber*

4 **G. EM&V Contractors**

5 **1. Description**

6 Evergy Missouri West is required to hire independent contractor(s) to perform and report
7 EM&V of each Commission-approved demand-side program. Commission rules allow
8 Evergy Missouri West to spend approximately 5% of its total program costs budget for EM&V.¹⁹
9 As part of its *Report and Order*, filed on March 2, 2016, in Case No. EO-2015-0241, the
10 Commission approved the *Non-Unanimous Stipulation and Agreement Resolving MEEIA Filings*
11 which provided for a provision to allow Evergy Missouri West to increase its EM&V budget up
12 to 6% of the Commission-approved program costs budget. Navigant Consulting, Inc.
13 (“Navigant”) conducted and reported the EM&V results for Evergy Missouri West’s Cycle 2
14 programs. Guidehouse Inc. (“Guidehouse”)²⁰ and ADM Associates, Inc. (“ADM”) conducted
15 and reported the EM&V results for Evergy Missouri West’s Cycle 3 programs²¹.

16 During the Review Period, Evergy Missouri West expended \$433,730 for Cycle 2
17 EM&V. This amount, combined with the \$2,692,148 EM&V Cycle 2 cumulative costs reported
18 previously, amounts to \$3,125,878, or 4.62% of the \$67,649,804 total programs’ costs budget for
19 Cycle 2. Thus, the costs associated with the EM&V did not exceed the 6% maximum cap for
20 Cycle 2. During the Review Period, Evergy Missouri West expended \$236,350 for Cycle 3
21 EM&V, which represents .5% of the \$52,428,711 total Cycle 3 budget for programs’ costs. Thus,
22 the costs associated with Cycle 3 EM&V costs did not exceed the 5% maximum cap. Staff will
23 continue to monitor EM&V costs throughout the life of Cycle 3, to ensure Evergy Missouri West
24 does not exceed the 5% maximum cap of the total Cycle 3 budget.

¹⁹ 20 CSR 4240-20.093(8)(A) Each utility’s EM&V budget shall not exceed five percent (5%) of the utility’s total budget for all approved demand-side program costs.

²⁰ Guidehouse was known as Navigant in Cycle 2.

²¹ See table 3 for the breakout of programs between ADM and Guidehouse.

1 **2. Summary of Cost Implications**

2 If Evergy Missouri West was imprudent in its decisions relating to the selection and
3 supervision of its EM&V contractors then ratepayer harm could result in an increase in future
4 DSIM Charge amounts.

5 **3. Conclusion**

6 Staff found no indication that Evergy Missouri West has acted imprudently regarding the
7 selection and supervision of its EM&V contractors.

8 **4. Documents Reviewed**

- 9 a. Evergy Missouri West’s Cycle 2 and Cycle 3 Plan;
10 b. Approved MEEIA Energy Efficiency and Demand Side Management
11 Programs Tariff Sheets; and
12 c. Staff Data Requests: 0002, 0003, 0005, 0006, 0009, 0018, and 0031.

13 *Staff Expert: Brooke Mastrogiannis*

14 **H. MEEIA Labor**

15 **1. Description**

16 For MEEIA Cycle 2, Evergy Missouri West included labor costs that are allocated
17 towards the MEEIA DSIM Rider, and excluded from base rates in its cost of service. In the most
18 recent general rate case which had an effective date of December 2018, a total of 12.5 Full Time
19 Employees (“FTE’s”) were excluded from base rates. Evergy Missouri West provided Staff with
20 a file that included hours charged monthly to MEEIA by individual to total chargeable hours for
21 those individuals excluding paid time off, for the Review Period of January 1, 2020 through
22 March 31, 2021. Staff then created a reconciliation between the names of individuals charged to
23 MEEIA as provided by Evergy Missouri West in this MEEIA prudence review and the
24 individuals associated with the 12.5 FTEs that were excluded from the last rate case and the
25 previous prudence review. Upon further review Staff came to the understanding that during the
26 course of this MEEIA prudence Review Period, certain employees moved in and out of the group
27 by either leaving the company, joining the company, or internal transfer. Staff was informed
28 during the previous prudence review that since the last general rate case there were two positions
29 that were added to MEEIA labor charges that were not in place at the time of the 12.5 FTEs
30 reported at the 2018 general rate case since, at the time of the 2018 general rate case,

1 those two positions were vacant. Those positions were an EM&V Manager and a Residential DR
2 Program Manager. In addition, during the current review period, existing MEEIA employees
3 shifted positions to two newly created positions in the PAYS ® program and the Manager,
4 EE programs.

5 **2. Summary of Cost Implications**

6 If Evergy Missouri West was imprudent in its reporting and/or calculating labor charged
7 towards MEEIA, ratepayer harm could result in an increase DSIM Charge amounts.

8 **3. Conclusion**

9 Staff found no indication that Evergy Missouri West has acted imprudently regarding the
10 calculation of MEEIA labor.

11 **4. Documents Reviewed**

- 12 a. Evergy Missouri West's Cycle 2 and Cycle 3 Plan;
13 b. 2016 Stipulation and Agreement, EO-2015-0240;
14 c. Tariff sheets 138.09-138.18; and
15 d. Staff Data Requests: 0022 and 0022.1.

16 *Staff Expert: Lisa Wildhaber*

17 **I. Demand Response**

18 **1. Description**

19 **a. Residential Demand Response Program**

20 In this review period, Evergy Missouri West offered eligible smart thermostats at
21 discounted prices along with discounted or no-cost installation options. Eligible devices included
22 Google Nest Thermostat, Google Nest Learning Thermostat, Ecobee3 Lite, and Ecobee Smart
23 Thermostats. In the Residential Demand Response Program, customers can participate in Energy
24 Savings Events. These Energy Savings Events allow for customers' thermostats to be remotely

1 turned up on extreme heat days. Enrolled customers get paid to participate in the Energy Savings
2 Events with an annual incentive of \$25 after the first year of participation.

3 **b. Business Demand Response Program**

4 Evergy Missouri West’s Business Demand Response Program (“BDR”) compensates
5 commercial customers who reduce, or curtail, their electrical load during high-demand days.
6 Participants work with Evergy Missouri West to identify electrical load that can be eliminated or
7 shifted during curtailment events, which are typically during the hottest days of the summer.
8 Evergy Missouri West and the participant work together to determine which strategies are best
9 for the unique business needs and create a curtailment plan. When curtailment events are
10 anticipated, Evergy Missouri West will notify the customer with instructions to execute their
11 plan. At the end of the curtailment season, Evergy Missouri West pays the customer for the
12 load reduced.

13 **c. Evergy Missouri West’s Previous MEEIA Prudence Review**
14 **(Case No. EO-2020-0227)**

15 In *Staff’s Report of Second MEEIA Prudence Review of Cycle 2 Costs Related to the*
16 *Missouri Energy Efficiency Investment Act* filed on June 30, 2020, in Case No, EO-2020-0227,
17 Staff raised a number of issues with Evergy Missouri West’s Cycle 2 Demand Response
18 Programs. Those issues were a part of an Evidentiary Hearing held on April 21 – 22, 2021.
19 Reply Briefs were filed on June 25, 2021, however a report and order resolving those issues has
20 not been issued at the time of this fling.

21 **d. Differences Between Cycle 2 and Cycle 3 Demand Response Programs**

22 Although a report and order has yet to be issued resolving the Demand Response issues
23 from Evergy Missouri West’s previous MEEIA prudence review, Staff is not recommending any
24 disallowances in this current Evergy Missouri West MEEIA prudence review. Staff’s
25 determination to not recommend any disallowances at this time is heavily reliant upon certain

1 changes Evergy Missouri West has made to its Demand Response Programs from Cycle 2 to
2 Cycle 3. For the Residential Demand Response Program, those differences include the following:

- 3 • Thermostat is no longer free (Cycle 2 offered a free device. Now, 3 out of
4 the 4 options require a co-payment from the customer).
- 5 • Professional installations are no longer free (Cycle 2 offered free professional
6 installation).
- 7 • More device choice for the customer (brought in Ecobee as another option).
- 8 • No Do-It-Yourself (“DIY”) activation incentive (Cycle 2 offered a \$50 check
9 when a DIY was activated).
- 10 • Bring-Your-Own (“BYO”) incentive reduced to \$50 (Cycle 2 offered
11 a \$100 check when a BYO was enrolled in the program).
- 12 • Distributed Energy Resources Management System (“DERMS”) is being used to
13 initiate all Demand Response events (Cycle 2 did not use DERMS until 2019).

14 For the Business Demand Response Program, those differences include the following:

- 15 • Aggregators can participate as participants (Cycle 2 did not allow aggregators).
- 16 • No minimum kW contract size (Cycle 2 required at least 25 kW to sign up).
- 17 • No upfront incentive for signing a contract (Cycle 2 offered an upfront incentive).
- 18 • Payment structure is now “pay for performance” (Cycle 2 offered payment based
19 on a customer hitting their Firm Power Level during an event).
- 20 • Event performance is averaged across each hour of all events for one final
21 payment at the end of the season (Cycle 2 would pay for each event separately).
- 22 • DERMS is being used to generate the baselines for all customers (Cycle 2 used
23 Estimated Peak Demands and Firm Power Levels).
- 24 • DERMS is being used as the notification system for all participants (Cycle 2 did
25 not use DERMS until 2019).

26 **2. Summary of Cost Implications**

27 If Evergy Missouri West was imprudent in its management of its Demand Response
28 Programs, ratepayer harm could result in an increase to the DSIM Charge amounts.
29

1 **3. Conclusion**

2 Staff found no indication that Evergy Missouri West has acted imprudently regarding the
3 management of its Demand Response Programs.

4 **4. Documents Reviewed**

5 a. Evergy Missouri West Responses to Staff Data Requests: 25, 26, and 27.

6 *Staff Expert: Jordan Hull*

7 **VIII. Throughput Disincentive (“TD”)**

8 **A. Actual TD**

9 **1. Description**

10 For a utility that operates under a traditional regulated utility model, a
11 “throughput disincentive” is created when a utility’s increase in revenues is linked directly to its
12 increase in sales. This relationship between revenues and sales creates a financial disincentive
13 for the utility to engage in any activity that would decrease sales, such as utility-sponsored energy
14 efficiency programs.

15 The TD allows the utility to recover its lost margin revenues associated with the
16 successful implementation of the MEEIA programs. The Cycle 3 TD calculation is described in
17 Evergy Missouri West’s tariff sheet nos. 138.13 through 138.15 and sheet no. 138.18 (for the net
18 margin revenue rates). Generally, the TD for each program is determined by multiplying the
19 monthly energy savings²² by the net margin revenue rates (tariff sheet no. 138.8) and by the
20 net to gross factor for contemporaneous TD recovery.

21 Staff has verified each component of the TD calculation that was provided by
22 Evergy Missouri West in the response to Data Request 0020. Staff recalculated a sample of the
23 monthly TD calculations and found no errors. Staff has also verified the TD calculation work
24 papers, and compared the kWh savings impact and TD with the MEEIA rate adjustment filings,
25 along with the QSMRs. In Data Request No. 0020.2, Evergy Missouri West provided a
26 reconciliation reflecting adjustments made to their TD calculation workpapers. Staff found no
27 discrepancies between Evergy Missouri West’s TD calculation workpapers, QSMRs, and the

²² Monthly savings are obtained by taking the sum of all programs’ monthly savings and applying monthly loadshapes.

1 MEEIA rate adjustment filings. The MEEIA rate adjustment filings and the QSMRs
2 both demonstrate TD that customers are responsible for paying is \$2,916,279 for Cycle 3
3 and \$5,650,223 for Cycle 2.

4 **2. Summary of Cost Implications**

5 If Evergy Missouri West was imprudent in its reporting and/or calculating the Company
6 TD, ratepayer harm could result in an increase of DSIM Charge amounts.

7 **3. Conclusion**

8 Other than the proposed adjustment related to throughput disincentive for the
9 Home Energy Reports program, referenced in Section VIII.B, Staff found no indication that
10 Evergy Missouri West has acted imprudently regarding the calculation of its TD.

11 **4. Documents Reviewed**

- 12 a. Evergy Missouri West's Cycle 2 and Cycle 3 Plan;
- 13 b. Tariff Sheets Nos. 138.09 through 138.18;
- 14 c. Evergy Missouri West's work papers included in Case Nos.
15 ER-2020-0389, ER-2021-0153, and ER-2021-0411;
- 16 d. QSMR; and
- 17 e. Staff Data Requests: 0005, 0020, 0020.1 and 0020.2.

18 *Staff Expert: Lisa Wildhaber*

19 **B. Home Energy Report Savings, Evaluations and TD Impacts**

20 **1. Description**

21 Staff reviewed the savings reported by Evergy Missouri West to be used in the
22 Company's Throughput Disincentive mechanism for its Home Energy Report ("HER") program.
23 Evergy Missouri West's HER program consists of a report mailed to the customer quarterly or
24 emailed to the customer monthly regarding the customer's monthly energy usage. For this case,
25 Staff reviewed Evergy Missouri West's monthly reported savings, number of customers in the
26 treatment and control groups and the Company's model used by its thirdparty implementer to
27 calculate the monthly savings attributable to the HER program.

28 In its review, Staff identified several areas of concern;

- 29 • the Company's model does not take into account rate case timing,

- the Company’s model also does not take into account participation in other EE programs, and
- the HER program is assumed to have a net-to-gross of 1 in EM&V.

Staff found that Evergy Missouri West first added customers to its HER program in 2013 and subsequently added customers to its program in 2015, 2016, 2017, 2019, 2020 and 2021. Below in table 10 is the number of customers added to the HER program.

Table 10

Evergy Missouri West		
Year	RECIPIENT	CONTROL
2013	40,464	26,373
2015	11,296	9,598
2016	71,196	9,989
2017	25,865	12,000
2019	59,967	23,567
2020	10,000	3,928
2021	15,000	5,892
Total	233,788	91,347

Evergy Missouri West’s model used to determine HER savings is dependent upon a treatment group or customers who receive the HER report and a control group or customers who do not receive a report. In its 2020 Annual Report, Evergy Missouri West reported an average of 291,448 monthly residential customers. Alarming it appears that in total in 2021 approximately 80% of Evergy Missouri West’s residential customers receive a HER and 112% of its residential customers participate in either the treatment or control group. It appears that Evergy Missouri West is reporting that approximately 325,086 customers including both the treatment and control group are involved in the HER program when Evergy Missouri West is only reporting 291,448 total residential customers. Even if Evergy Missouri West grew by more than 34,000 residential customers since 2020, Staff would be concerned that all residential customers are somehow participating in the HER program. For example, continuously adding new recipients and new control participants implies there are customers still not exposed to or aware of the program. Staff recommends that Evergy Missouri West’s HER program be suspended until the program can be re-evaluated and structured to fit within its current residential customer base.

Staff further found that the Evergy Missouri West’s model uses the customer’s pre-participation period usage in determining savings attributable to the HER. For a customer

1 who started receiving the HER in 2013, this means the model is using the customer's usage from
2 2012 or from months prior to the customer participating in the program in 2013. Staff's concern
3 with this approach is that it does not take into account rate case timing. For example,
4 Evergy Missouri West filed a rate case in 2018 that took effect on December 6, 2018. For the
5 customers receiving the HER during the test year in that case, the reduced monthly usage that
6 occurred to them receiving the HER is already reflected in the Company's currently effective
7 rates. However, the Company's current model does not take into account what level of usage the
8 Company's currently effective rates already reflect.

9 Essentially, the model keeps calculating savings for HER participants as if the Company
10 should be made whole for deemed savings occurring before the customer entered the
11 HER program, rather than the difference in usage that occurred from the Company's most
12 recently effective rates. For example, customers who were participating in the HER program
13 from 2014 through 2016 would have been receiving the HER during the test period January 1,
14 2017 through December 31, 2017. During this same time the Company was also reporting a
15 deemed level of savings in its TD²³ for these customers for every month of the test period. The
16 Company has not made an adjustment to the TD to reflect that a certain level of HER savings is
17 already reflected in currently effective rates. There was also no adjustment in the rate case to
18 remove HER savings from the test period usage used to develop rates in that case. Therefore,
19 Evergy Missouri West's TD is double counting savings that the Company has already been made
20 whole for. In order to address this issue, Staff recommends the Company make an adjustment in
21 the TD mechanism to remove savings that are already reflected in the currently effective rates.
22 Going forward, the Company could also change its model to use post-rate case usage instead of
23 pre-participation period usage. An adjustment to the TD to remove savings reflected in currently
24 effective rates is consistent with Ameren Missouri's treatment of the HER program savings in its
25 TD mechanism.

26 For Evergy Missouri West this would result in a decrease of approximately \$1.2 million
27 in its Cycle 2 TD and a reduction in its Cycle 3 TD of approximately \$1.7 million through the
28 duration of the Cycle TDs. Specifically only for the duration January 1, 2020 through March 31,
29 2021 the decrease is \$1,577,602.²⁴

²³ The TD makes the Company whole for any lost revenues related to the deemed savings.

²⁴ TD from HER programs accounts for over half of the Company's total residential TD.

1 Further, the Company’s model also does not take into account participation in other
2 energy efficiency programs. With over 80% of Evergy Missouri West’s residential customers
3 receiving a HER, it is likely they have also participated in other energy efficiency programs,
4 especially since some residential customers have been receiving the HER since 2013. Staff’s
5 independent auditor also raised this concern. The audit report for program year 2017 states:

6 The issue we raised in the PY2016 audit relates to how participation in
7 other efficiency programs is addressed in the impact analysis. The
8 comparison between the treatment and control groups in the pre-period
9 should include a comparison of participation rates in the other
10 KCP&L/GMO energy efficiency programs *during the pre-period*. It is not
11 enough to simply adjust the regression results for the post period to
12 account for ‘uplift’ that is attributable to the HER program.

13 Differences between the groups in program participation in the pre-period
14 can affect the savings estimates in two ways. First, if there are differences
15 in program participation rates, then some of the observed savings from the
16 HER in the post-period should be attributed to the other efficiency
17 programs. Second, the estimate of program uptake in the post-period will
18 also be affected if there are already unequal levels of program participation
19 in the pre-period. The magnitude of both these effects can be estimated by
20 including a variable for program participation in the billing regression, if
21 in fact there are differences in participation rates between treatment and
22 control groups.²⁵

23 The independent auditor further noted that it would be meeting with Navigant²⁶ in early 2019
24 with the expectation to resolve the issue. Evergy Missouri West’s latest evaluator
25 is ADM Associates (“ADM”) and its latest EM&V reports states that savings from joint programs
26 is removed. However, Oracle is Evergy Missouri West’s third-party contractor that calculates
27 and reports the monthly savings used in Evergy Missouri West’s TD calculation. Oracle’s model
28 provided in response to Staff data request No. 30, does not provide a step in its model process
29 where savings from other energy efficiency programs are either removed or compared to the
30 control group. Further, Evergy Missouri West’s latest EM&V published in July 2021 states that
31 because HER is defined as a randomized control trial it assumes a net-to-gross of 1. This means
32 that all savings reported by Oracle is deemed to be 100% correct, even if Oracle doesn’t remove
33 savings from other energy efficiency programs or mistakenly enrolls more customers than the

²⁵ Page 6 of Evergreen Economics EM&V report for PY2017.

²⁶ Navigant is no longer Evergy’s evaluator.

1 Company currently has. Further, ADM reported that few than 10% of the customer have accessed
2 the tools of the Home Energy Analyzer program that is included as part of HER. However, a
3 HER participant's percentage of accessing the program or opening the HER email is not
4 accounted for in EM&V.

5 Ameren Missouri's evaluator, Opinion Dynamics, does not automatically assume a net-
6 to-gross of one and provides a more detailed evaluation of the Company's HER program.
7 Further, Staff recommends that all deemed savings reported in the Company's TD be adjusted
8 based on the evaluated savings taking into consideration joint savings from other energy
9 efficiency programs. Staff's recommendation is consistent with Ameren Missouri's treatment of
10 its HER program in its TD mechanism.

11 **2. Summary of Cost Implications**

12 If Evergy Missouri West was imprudent in its reporting and/or calculating the
13 Company TD, ratepayer harm could result in an increase of DSIM Charge amounts.

14 **3. Conclusion**

15 Staff found that Evergy Missouri West has acted imprudently regarding the calculation
16 of its TD. Staff is recommending a disallowance of \$1,577,602, plus interest, and that the
17 Commission Order the Company to adjust its TD mechanism in its next semi-annual rate filing.

18 **4. Documents Reviewed**

- 19 a. Evergy Missouri West's Cycle 2 and Cycle 3 Plan;
- 20 b. Tariff Sheets Nos. 138.09 through 138.18;
- 21 c. Evergy Missouri West's work papers included in Case Nos.
22 ER-2020-0389, ER-2021-0153, and ER-2021-0411;
- 23 d. QSMR; and
- 24 e. Staff Data Requests: 0029, 0030, 0030.1, 0030.2, 0030.3, 0030.4 and
25 0030.5.

26 *Staff Expert: Robin Kliethermes*

27 **C. Gross Deemed Annual Energy and Demand Savings**

28 **1. Description**

29 Staff reviewed the monthly calculation of kWh savings from Evergy Missouri West's
30 MEEIA Programs calculated with the Nexant software. Evergy Missouri West provided Staff

1 additional details supporting the Nexant system results to show how the kWh savings were
2 calculated during the Review Period.

3 To begin its review of Evergy Missouri West’s calculations of its monthly kWh savings
4 for the Review Period, Staff verified that the total kWhs and kW for each program as reported
5 in Nexant were in agreement with the QSMR, the kWh savings used in the TD calculations, and
6 the Company work papers provided.

7 The Company provided work papers to support the kWh savings for the program
8 measures. These work papers provided individual detailed project savings pulled from Nexant
9 with a calculation of the kWh and kW savings per measure per customer. Staff chose a sample
10 of program measures and compared the kWh savings as reported in the Company details to the
11 measure savings as reported in the TRM and subsequent updates to the TRM.²⁷

12 For the selected sample, Staff verified the kWh savings calculations using Nexant
13 supporting details the Company provided in the Nexant reports and Data Request No. 0020.2
14 supplemental response. In these files, Staff was provided with the kWh per unit, kW per unit, the
15 measure name, and the unit tonnage/quantity installed. Staff was able to verify the kWh
16 calculated savings by using this information. Staff was then able to verify that this information
17 was in agreement with the original Data Request No. 0020 TD calculation kWh savings
18 at the meter.

19 Staff also compared the Total Resource Cost (“TRC”) test for each program to the
20 TRC targets identified in the Cycle 3 Plan. Staff notes that in the Company response to Data
21 Request No. 0023.2 supplemental response, which provides TRC results for Cycle 3 Program
22 Year 1, two programs reflected a TRC of less than 1.0: **** [REDACTED] **** and
23 **** [REDACTED] ****. Commission Rule 20 CSR 4240-20.094(6)(B)
24 states in part that, “Nothing herein requires utilities to end any demand-side program which is
25 subject to a cost-effectiveness test deemed not cost-effective immediately.” Staff will continue
26 to monitor the cost-effectiveness of the Cycle 3 programs and may make recommendations in
27 future Staff reports if a pattern of non-cost-effectiveness persists.

²⁷ The TRM was updated in Case No. EO-2019-0132 by a Commission *Order Approving Evergy Missouri Metro and Evergy Missouri West’s Modified Technical Resource Manuals* on April 15, 2020 and again by a Commission *Order Approving Modifications to Evergy Missouri Metro and Evergy Missouri West’s Technical Resource Manuals* filed on December 16, 2020.

1 In reviewing all sources of kWh savings and kW savings, Staff was able to verify the
2 reported 79,525,145 kWh of energy savings and 70,859 kW of demand savings for the Cycle 3
3 MEEIA Programs during the Review Period by reconciling the QSMR, the Nexant data base,
4 and the Company's workpapers provided.

5 **2. Summary of Cost Implications**

6 If Evergy Missouri West was imprudent in its decisions related to calculating the gross
7 energy and demand savings of each program, ratepayer harm could result in an increase
8 in DSIM Charge amounts in future.

9 **3. Conclusion**

10 Staff found no indication that Evergy Missouri West has acted imprudently regarding the
11 calculation of the gross energy and demand savings.

12 **4. Documents Reviewed**

- 13 a. Evergy Missouri West's Cycle 3 Plan;
14 b. QSMR;
15 c. Technical Resource Manual, updated 4-1-20 and 1-1-21; and
16 d. Staff Data Requests: 0008, 0020, 0020.1, 0020.2, 0020.3, 0023, 0023.1 and
17 0023.2.

18 *Staff Expert: Lisa Wildhaber*

19 **IX. Earnings Opportunity ("EO")**

20 **1. Description**

21 Commission Rule 20 CSR 4240-20.092(1)(S) defines the earnings opportunity
22 component of a DSIM as the methodology approved by the Commission in a utility's filing for
23 demand-side program approval to allow the utility to receive an earnings opportunity. The Rule
24 further states that any earnings opportunity component of a DSIM shall be implemented on a
25 retrospective basis, and all energy and demand savings used to determine a DSIM earnings
26 opportunity amount shall be verified and documented through EM&V reports.

1 Evergy Missouri West's tariff sheet defines the Cycle 2 EO as:

2 Cycle 2 Earnings Opportunity" (EO) means the incentive ordered
3 by the Commission based on actual performance verified through
4 EM&V against planned targets. The Company's EO will be
5 \$10.4M²⁸ if 100% achievement of the planned targets are met. EO
6 is capped at \$20.0M, which reflects adjustment for TD verified by
7 EM&V. Potential Earnings Opportunity adjustments are described
8 on Sheet No. 138.6. The Earnings Opportunity Matrix outlining
9 the payout rates, weightings, and caps can be found in 138.8.

10 Staff reviewed the Cycle 2 EO from the calculations provided in response to
11 Data Request 28 and the calculations in the DSIM Riders in dockets ER-2020-0389,
12 ER-2021-0153, and ER-2021-0411 for the months in this Review Period. During the review,
13 Staff was able to verify that Evergy Missouri West did not recover more than its approved
14 EO for Cycle 2. EO awarded for Cycle 2 during this Review Period was \$5,913,581.

15 No EO for Cycle 3 is being recovered during this Review Period.

16 **2. Summary of Cost Implications**

17 If Evergy Missouri West was imprudent in its reporting and/or calculation of the EO,
18 ratepayer harm could result in an increase in future DSIM Charge amounts.

19 **3. Conclusion**

20 Staff has verified that Evergy Missouri West did not recover more than its
21 approved EO for Cycle 2.

22 **4. Documents Reviewed**

- 23 a. Evergy Missouri West's Cycle 2 Plan;
- 24 b. Evergy Missouri West's Quarterly Surveillance Monitoring Report,
25 Page 6;
- 26 c. Tariff Sheets Nos. 138 through 138.8;
- 27 d. Evergy Missouri West's work papers included in Case Nos.
28 ER-2020-0389, ER-2021-0153, and ER-2021-0411; and
- 29 e. Staff Data Requests: 0002, 0003, 0009, and 0028.

²⁸ In the Commission's February 27, 2019 *Order Approving Stipulation and Agreement* in Case No. EO-2019-0132 approved a *Stipulation and Agreement Regarding Extension of MEEIA 2 Programs During Pendency of MEEIA 3 Case* that was filed on February 15, 2019, the Commission approved the total cycle budget, Plan Energy (kWh) and Demand (kW) savings targets, and Earnings Opportunity (EO) targets and caps to increase by 25%.

Staff Expert: Krishna Poudel and Brooke Mastrogiannis

X. INTEREST COSTS

1. Description

Staff reviewed the interest calculations for program costs and TD, broken out by cycles, as provided in Evergy Missouri West’s response to Data Request No. 0005 for the Review Period of January 1, 2020 through March 31, 2021. Evergy Missouri West’s tariff sheets provide that for program costs and TD: “Such amounts shall include monthly interest on cumulative over- or under-balances at the Company’s monthly Short-Term Borrowing Rate.” Staff verified the Company’s average monthly short-term borrowing rates were applied correctly to the over- or under-recovered balances for program costs and TD.

During the Review Period Evergy Missouri West’s total for the interest amount accrued for the Company’s program costs as reported on Evergy Missouri West’s QSMRs were as follows:

Table 11				
INTEREST				
	For Review Period January 1, 2020 through March 31, 2021	(Over)/ Under Billed	Cumulative Interest	(Over)/ Under Billed
MEEIA Cycle 2	\$ (6,152)	Under	\$ 228,446	Over
MEEIA Cycle 3	\$ 20,486	Over	\$ 20,486	Over
TD Cycle 2	\$ 19,655	Over	\$ 75,062	Over
TD Cycle 3	\$ (129)	Under	\$ (129)	Under

2. Summary of Cost Implications

If Evergy Missouri West was imprudent in its reporting and/or calculating of the interest associated to over- or under-recovery of energy efficiency programs’ costs and/ or TD, ratepayer harm could result in an increase in future DSIM Charge amounts.

3. Conclusion

Staff has verified that Evergy Missouri West interest calculations and interest amounts for inclusion in its March 31, 2021, response to Data Request 0005 are correct and are calculated

1 properly on a monthly basis as provided in the Staff Data Request Response No. 0005 for the
2 Review Period.

3 **4. Documents Reviewed**

- 4 a. Approved MEEIA Energy Efficiency and Demand Side Management
5 Programs Tariff Sheets;
6 b. Evergy Missouri West Quarterly Surveillance Monitoring Reports; and
7 c. Staff Data Requests: 0005 and 0009.

8 *Staff Expert: Cynthia M. Tandy*

9 *See Attached Addendum A and Addendum B*

Evergy Missouri West, Inc.
Quarter Ended, 12 Months Ended and Cumulative Cycle 2 Total Ended March 31, 2020
SURVEILLANCE MONITORING REPORT
Missouri Energy Efficiency Investment Act of 2009 (MEEIA)
Status of MEEIA Demand-Side Programs and Demand-Side Programs Investment Mechanism
For MEEIA Cycle 2 Started April 1, 2016

DSM Program Name	Start Date	Planned End Date	Actual End Date
Business Energy Efficiency Rebate - Standard	04/01/16	3/31/2019	
Business Energy Efficiency Rebate - Custom	04/01/16	3/31/2019	
Strategic Energy Management	04/01/16	3/31/2019	
Block Bidding	04/01/16	3/31/2019	
Small Business Direct Install	04/01/16	3/31/2019	
Business Programmable Thermostat	04/01/16	3/31/2019	
Demand Response Incentive	04/01/16	3/31/2019	
Online Business Energy Audit	04/01/16	3/31/2019	
Home Lighting Rebate	04/01/16	3/31/2019	5/11/2016
Home Appliance Recycling Rebate	04/01/16	3/31/2019	
Home Energy Report	04/01/16	3/31/2019	
Whole House Efficiency	04/01/16	3/31/2019	
Income-Eligible Multi-Family	04/01/16	3/31/2019	
Income-Eligible Weatherization	04/01/16	3/31/2019	
Residential Programmable Thermostat	04/01/16	3/31/2019	
Online Home Energy Audit	04/01/16	3/31/2019	

Category	Descriptor	Quarter Ended	12 Months Ended	Cumulative Total
Total Program Costs (\$)	Billed	\$ 4,302,924	\$ 19,707,339	\$ 72,787,423
Total Program Costs (\$)	(1) Actual	\$ 3,063,231	\$ 19,691,151	\$ 72,076,589
Total Program Costs (\$)	(6) Variance	\$ (1,239,692)	\$ (16,188)	\$ (710,834)
Total Program Costs (\$)	(7) Interest	\$ 3,987	\$ 42,510	\$ 238,585
First Year Gross Annual Energy Savings (kWh)	(2) Target	-	55,364,774	225,383,508
First Year Gross Annual Energy Savings (kWh)	(4) Deemed Actual	-	76,932,708	315,832,146
First Year Gross Annual Energy Savings (kWh)	Variance	-	21,567,935	90,448,638
First Year Gross Annual Demand Savings (kW)	(3) Target	-	15,680	117,502
First Year Gross Annual Demand Savings (kW)	(4) Deemed Actual	-	9,071	126,582
First Year Gross Annual Demand Savings (kW)	Variance	-	(6,609)	9,079
Throughput Disincentive Costs (\$)	Billed	\$ 1,000,894	\$ 4,025,242	\$ 18,084,822
Throughput Disincentive Costs (\$)	(5) Actual	\$ 907,318	\$ 4,565,557	\$ 18,857,861
Throughput Disincentive Costs (\$)	(6) Variance	\$ (93,576)	\$ 540,315	\$ 773,040
Throughput Disincentive Costs (\$)	(7) Interest	\$ 6,043	\$ 14,969	\$ 61,451

Footnotes:

- (1) Actual program costs incurred.
- (2) Target energy savings (kWh) savings.
- (3) Target demand savings (kW) savings.
- (4) Actual demand and energy savings.
- (5) Throughput disincentive on kWh savings at NTG Factor of 85%.
- (6) Under- or (over) collection.
- (7) Carrying costs on under- or over-collection at short-term borrowing rate.

Eversource Missouri West, Inc.
 Quarter Ended, 12 Months Ended and Cumulative Cycle 2 Total Ended June 30, 2020
SURVEILLANCE MONITORING REPORT
 Missouri Energy Efficiency Investment Act of 2009 (MEEIA)
 Status of MEEIA Demand-Side Programs and Demand-Side Programs Investment Mechanism
 For MEEIA Cycle 2 Started April 1, 2016

DSM Program Name	Start Date	Planned End Date	Actual End Date
Business Energy Efficiency Rebate - Standard	04/01/16	3/31/2019	
Business Energy Efficiency Rebate - Custom	04/01/16	3/31/2019	
Strategic Energy Management	04/01/16	3/31/2019	
Block Bidding	04/01/16	3/31/2019	
Small Business Direct Install	04/01/16	3/31/2019	
Business Programmable Thermostat	04/01/16	3/31/2019	
Demand Response Incentive	04/01/16	3/31/2019	
Online Business Energy Audit	04/01/16	3/31/2019	
Home Lighting Rebate	04/01/16	3/31/2019	5/11/2016
Home Appliance Recycling Rebate	04/01/16	3/31/2019	
Home Energy Report	04/01/16	3/31/2019	
Whole House Efficiency	04/01/16	3/31/2019	
Income-Eligible Multi-Family	04/01/16	3/31/2019	
Income-Eligible Weatherization	04/01/16	3/31/2019	
Residential Programmable Thermostat	04/01/16	3/31/2019	
Online Home Energy Audit	04/01/16	3/31/2019	

Category	Descriptor	Quarter Ended	12 Months Ended	Cumulative Total
Total Program Costs (\$)	Billed	\$ 463,419	\$ 15,926,275	\$ 73,250,842
Total Program Costs (\$)	(1) Actual	\$ 39,097	\$ 12,559,183	\$ 72,115,686
Total Program Costs (\$)	(6) Variance	\$ (424,322)	\$ (3,367,091)	\$ (1,135,155)
Total Program Costs (\$)	(7) Interest	\$ (2,616)	\$ 30,148	\$ 235,969
First Year Gross Annual Energy Savings (kWh)	(2) Target	-	27,222,570	225,383,508
First Year Gross Annual Energy Savings (kWh)	(4) Deemed Actual	-	51,147,807	315,832,146
First Year Gross Annual Energy Savings (kWh)	Variance	-	23,925,237	90,448,638
First Year Gross Annual Demand Savings (kW)	(3) Target	-	7,765	117,502
First Year Gross Annual Demand Savings (kW)	(4) Deemed Actual	-	18,863	126,582
First Year Gross Annual Demand Savings (kW)	Variance	-	11,098	9,079
Throughput Disincentive Costs (\$)	Billed	\$ 1,021,635	\$ 3,663,851	\$ 19,106,456
Throughput Disincentive Costs (\$)	(5) Actual	\$ 1,196,166	\$ 4,410,697	\$ 20,054,028
Throughput Disincentive Costs (\$)	(6) Variance	\$ 174,531	\$ 746,846	\$ 947,571
Throughput Disincentive Costs (\$)	(7) Interest	\$ 3,471	\$ 21,434	\$ 64,922

Footnotes:

- (1) Actual program costs incurred.
- (2) Target energy savings (kWh) savings.
- (3) Target demand savings (kW) savings.
- (4) Actual demand and energy savings.
- (5) Throughput disincentive on kWh savings at NTG Factor of 85%.
- (6) Under- or (over) collection.
- (7) Carrying costs on under- or over-collection at short-term borrowing rate.

Energy Missouri West, Inc.
Quarter Ended, 12 Months Ended and Cumulative Cycle 2 Total Ended September 30, 2020
SURVEILLANCE MONITORING REPORT
Missouri Energy Efficiency Investment Act of 2009 (MEEIA)
Status of MEEIA Demand-Side Programs and Demand-Side Programs Investment Mechanism
For MEEIA Cycle 2 Started April 1, 2016

DSM Program Name	Start Date	Planned End Date	Actual End Date
Business Energy Efficiency Rebate - Standard	04/01/16	3/31/2019	
Business Energy Efficiency Rebate - Custom	04/01/16	3/31/2019	
Strategic Energy Management	04/01/16	3/31/2019	
Block Bidding	04/01/16	3/31/2019	
Small Business Direct Install	04/01/16	3/31/2019	
Business Programmable Thermostat	04/01/16	3/31/2019	
Demand Response Incentive	04/01/16	3/31/2019	
Online Business Energy Audit	04/01/16	3/31/2019	
Home Lighting Rebate	04/01/16	3/31/2019	
Home Appliance Recycling Rebate	04/01/16	3/31/2019	5/11/2016
Home Energy Report	04/01/16	3/31/2019	
Whole House Efficiency	04/01/16	3/31/2019	
Income-Eligible Multi-Family	04/01/16	3/31/2019	
Income-Eligible Weatherization	04/01/16	3/31/2019	
Residential Programmable Thermostat	04/01/16	3/31/2019	
Online Home Energy Audit	04/01/16	3/31/2019	

Category	Descriptor	Quarter Ended	12 Months Ended	Cumulative Total
Total Program Costs (\$)	Billed	\$ 69,103	\$ 10,625,750	\$ 73,319,945
Total Program Costs (\$)	(1) Actual	\$ 195,498	\$ 8,404,798	\$ 72,311,185
Total Program Costs (\$)	(6) Variance	\$ 126,395	\$ (2,220,951)	\$ (1,008,760)
Total Program Costs (\$)	(7) Interest	\$ (3,447)	\$ 5,806	\$ 232,523
First Year Gross Annual Energy Savings (kWh)	(2) Target	-	13,611,285	225,383,508
First Year Gross Annual Energy Savings (kWh)	(4) Deemed Actual	-	39,532,098	315,832,146
First Year Gross Annual Energy Savings (kWh)	Variance	-	25,920,813	90,448,638
First Year Gross Annual Demand Savings (kW)	(3) Target	-	3,882	117,502
First Year Gross Annual Demand Savings (kW)	(4) Deemed Actual	-	9,312	126,582
First Year Gross Annual Demand Savings (kW)	Variance	-	5,430	9,079
Throughput Disincentive Costs (\$)	Billed	\$ 1,511,667	\$ 4,373,844	\$ 20,618,123
Throughput Disincentive Costs (\$)	(5) Actual	\$ 1,686,870	\$ 4,695,256	\$ 21,740,898
Throughput Disincentive Costs (\$)	(6) Variance	\$ 175,204	\$ 321,412	\$ 1,122,775
Throughput Disincentive Costs (\$)	(7) Interest	\$ 3,938	\$ 20,112	\$ 68,860

Footnotes:

- (1) Actual program costs incurred.
- (2) Target energy savings (kWh) savings.
- (3) Target demand savings (kW) savings.
- (4) Actual demand and energy savings.
- (5) Throughput disincentive on kWh savings at NTG Factor of 85%.
- (6) Under- or (over) collection.
- (7) Carrying costs on under- or over-collection at short-term borrowing rate.

Evergy Missouri West, Inc.
Quarter Ended, 12 Months Ended and Cumulative Cycle 2 Total Ended December 31, 2020
SURVEILLANCE MONITORING REPORT
Missouri Energy Efficiency Investment Act of 2009 (MEEIA)
Status of MEEIA Demand-Side Programs and Demand-Side Programs Investment Mechanism
For MEEIA Cycle 2 Started April 1, 2016

DSM Program Name	Start Date	Planned End Date	Actual End Date
Business Energy Efficiency Rebate - Standard	04/01/16	3/31/2019	
Business Energy Efficiency Rebate - Custom	04/01/16	3/31/2019	
Strategic Energy Management	04/01/16	3/31/2019	
Block Bidding	04/01/16	3/31/2019	
Small Business Direct Install	04/01/16	3/31/2019	
Business Programmable Thermostat	04/01/16	3/31/2019	
Demand Response Incentive	04/01/16	3/31/2019	
Online Business Energy Audit	04/01/16	3/31/2019	
Home Lighting Rebate	04/01/16	3/31/2019	
Home Appliance Recycling Rebate	04/01/16	3/31/2019	5/11/2016
Home Energy Report	04/01/16	3/31/2019	
Whole House Efficiency	04/01/16	3/31/2019	
Income-Eligible Multi-Family	04/01/16	3/31/2019	
Income-Eligible Weatherization	04/01/16	3/31/2019	
Residential Programmable Thermostat	04/01/16	3/31/2019	
Online Home Energy Audit	04/01/16	3/31/2019	

Category	Descriptor	Quarter Ended	12 Months Ended	Cumulative Total
Total Program Costs (\$)	Billed	\$ (210,765)	\$ 4,624,681	\$ 73,109,180
Total Program Costs (\$)	(1) Actual	\$ (34,110)	\$ 3,263,717	\$ 72,277,075
Total Program Costs (\$)	(6) Variance	\$ 176,655	\$ (1,360,964)	\$ (832,106)
Total Program Costs (\$)	(7) Interest	\$ (2,392)	\$ (4,468)	\$ 230,130
First Year Gross Annual Energy Savings (kWh)	(2) Target	-	-	225,383,508
First Year Gross Annual Energy Savings (kWh)	(4) Deemed Actual	-	-	315,832,146
First Year Gross Annual Energy Savings (kWh)	Variance	-	-	90,448,638
First Year Gross Annual Demand Savings (kW)	(3) Target	-	-	117,502
First Year Gross Annual Demand Savings (kW)	(4) Deemed Actual	-	-	126,582
First Year Gross Annual Demand Savings (kW)	Variance	-	-	9,079
Throughput Disincentive Costs (\$)	Billed	\$ 1,158,644	\$ 4,692,839	\$ 21,776,766
Throughput Disincentive Costs (\$)	(5) Actual	\$ 952,550	\$ 4,742,905	\$ 22,693,448
Throughput Disincentive Costs (\$)	(6) Variance	\$ (206,093)	\$ 50,066	\$ 916,682
Throughput Disincentive Costs (\$)	(7) Interest	\$ 3,889	\$ 17,341	\$ 72,749

Footnotes:

- (1) Actual program costs incurred.
- (2) Target energy savings (kWh) savings.
- (3) Target demand savings (kW) savings.
- (4) Actual demand and energy savings.
- (5) Throughput disincentive on kWh savings at NTG Factor of 85%.
- (6) Under- or (over) collection.
- (7) Carrying costs on under- or over-collection at short-term borrowing rate.

Evergy Missouri West, Inc.
Quarter Ended, 12 Months Ended and Cumulative Cycle 2 Total Ended March 31, 2021
SURVEILLANCE MONITORING REPORT
Missouri Energy Programs and Demand-Side Programs Investment Mechanism
Status of MEEIA Demand-Side Programs and Demand-Side Programs Investment Mechanism
For MEEIA Cycle 2 Started April 1, 2016

DSM Program Name	Start Date	Planned End Date	Actual End Date
Business Energy Efficiency Rebate - Standard	04/01/16	3/31/2019	
Business Energy Efficiency Rebate - Custom	04/01/16	3/31/2019	
Strategic Energy Management	04/01/16	3/31/2019	
Block Bidding	04/01/16	3/31/2019	
Small Business Direct Install	04/01/16	3/31/2019	
Business Programmable Thermostat	04/01/16	3/31/2019	
Demand Response Incentive	04/01/16	3/31/2019	
Online Business Energy Audit	04/01/16	3/31/2019	
Home Lighting Rebate	04/01/16	3/31/2019	
Home Appliance Recycling Rebate	04/01/16	3/31/2019	5/11/2016
Home Energy Report	04/01/16	3/31/2019	
Whole House Efficiency	04/01/16	3/31/2019	
Income-Eligible Multi-Family	04/01/16	3/31/2019	
Income-Eligible Weatherization	04/01/16	3/31/2019	
Residential Programmable Thermostat	04/01/16	3/31/2019	
Online Home Energy Audit	04/01/16	3/31/2019	

Category	Descriptor	Quarter Ended	12 Months Ended	Cumulative Total
Total Program Costs (\$)	Billed	\$ (156,109)	\$ 4,624,681	\$ 72,953,071
Total Program Costs (\$)	(1) Actual	\$ 22,840	\$ 3,263,717	\$ 72,299,915
Total Program Costs (\$)	(6) Variance	\$ 178,949	\$ (1,360,964)	\$ (653,156)
Total Program Costs (\$)	(7) Interest	\$ (1,684)	\$ (4,468)	\$ 228,446
First Year Gross Annual Energy Savings (kWh)	(2) Target	-	-	225,383,508
First Year Gross Annual Energy Savings (kWh)	(*) Deemed Actual	-	-	315,832,146
First Year Gross Annual Energy Savings (kWh)	Variance	-	-	90,448,638
First Year Gross Annual Demand Savings (kW)	(3) Target	-	-	117,502
First Year Gross Annual Demand Savings (kW)	(4) Deemed Actual	-	-	126,582
First Year Gross Annual Demand Savings (kW)	Variance	-	-	9,079
Throughput Disincentive Costs (\$)	Billed	\$ 1,498,781	\$ 4,692,839	\$ 23,275,547
Throughput Disincentive Costs (\$)	(5) Actual	\$ 907,318	\$ 4,742,905	\$ 23,600,766
Throughput Disincentive Costs (\$)	(6) Variance	\$ (591,463)	\$ 50,066	\$ 325,219
Throughput Disincentive Costs (\$)	(7) Interest	\$ 2,314	\$ 17,341	\$ 75,062

Footnotes:

- (1) Actual program costs incurred.
- (2) Target energy savings (kWh) savings.
- (3) Target demand savings (kW) savings.
- (4) Actual demand and energy savings.
- (5) Throughput disincentive on kWh savings at NTG Factor of 85%.
- (6) Under- or (over) collection.
- (7) Carrying costs on under- or over-collection at short-term borrowing rate.

Eversource Missouri West, Inc.
Quarter Ended, 12 Months Ended and Cumulative Cycle 3 Total Ended March 31, 2020
SURVEILLANCE MONITORING REPORT
Missouri Energy Efficiency Investment Act of 2009 (MEEIA)
Status of MEEIA Demand-Side Programs and Demand-Side Programs Investment Mechanism
For MEEIA Cycle 3 Started January 1, 2020

DSM Program Name	Start Date	Planned End Date	Actual End Date
Business Standard	01/01/20	12/31/2022	
Business Custom	01/01/20	12/31/2022	
Business Process Efficiency	01/01/20	12/31/2022	
Business Smart Thermostat	01/01/20	12/31/2022	
Business Demand Response	01/01/20	12/31/2022	
Online Business Energy Audit	01/01/20	12/31/2022	
Energy Saving Products	01/01/20	12/31/2022	
Home Energy Report	01/01/20	12/31/2022	
Heating, Cooling & Home Comfort	01/01/20	12/31/2022	
Income-Eligible Multi-Family	01/01/20	12/31/2022	
Residential Demand Response	01/01/20	12/31/2022	
Online Home Energy Audit	01/01/20	12/31/2022	
Research & Pilot	01/01/20	12/31/2022	

Category	Descriptor	Quarter Ended	12 Months Ended	Cumulative Total
Total Program Costs (\$)	Billed	\$ 1,091,559	\$ 1,091,559	\$ 1,091,559
Total Program Costs (\$)	(1) Actual	\$ 2,263,159	\$ 2,263,159	\$ 2,263,159
Total Program Costs (\$)	(6) Variance	\$ 1,171,601	\$ 1,171,601	\$ 1,171,601
Total Program Costs (\$)	(7) Interest	\$ 5,069	\$ 5,069	\$ 5,069
First Year Gross Annual Energy Savings (kWh)	(2) Target	14,661,594	14,661,594	14,661,594
First Year Gross Annual Energy Savings (kWh)	(4) Deemed Actual	8,221,797	8,221,797	8,221,797
First Year Gross Annual Energy Savings (kWh)	Variance	(6,439,797)	(6,439,797)	(6,439,797)
First Year Gross Annual Demand Savings (kW)	(3) Target	4,048	4,048	4,048
First Year Gross Annual Demand Savings (kW)	(4) Deemed Actual	606	606	606
First Year Gross Annual Demand Savings (kW)	Variance	(3,442)	(3,442)	(3,442)
Throughput Disincentive Costs (\$)	Billed	\$ 185,981	\$ 185,981	\$ 185,981
Throughput Disincentive Costs (\$)	(5) Actual	\$ 258,892	\$ 258,892	\$ 258,892
Throughput Disincentive Costs (\$)	(6) Variance	\$ 72,911	\$ 72,911	\$ 72,911
Throughput Disincentive Costs (\$)	(7) Interest	\$ 588	\$ 588	\$ 588

Footnotes:

- (1) Actual program costs incurred.
- (2) Target energy savings (kWh) savings.
- (3) Target demand savings (kW) savings.
- (4) Actual demand and energy savings.
- (5) Throughput disincentive on kWh savings at NTG Factors for each program
- (6) Under- or (over) collection.
- (7) Carrying costs on under- or over-collection at short-term borrowing rate.

Evergy Missouri West, Inc.
Quarter Ended, 12 Months Ended and Cumulative Cycle 3 Total Ended June 30, 2020
SURVEILLANCE MONITORING REPORT
Missouri Energy Efficiency Investment Act of 2009 (MEEIA)
Status of MEEIA Demand-Side Programs and Demand-Side Programs Investment Mechanism
For MEEIA Cycle 3 Started January 1, 2020

DSM Program Name	Start Date	Planned End Date	Actual End Date
Business Standard	1/1/2020	12/31/2022	
Business Custom	1/1/2020	12/31/2022	
Business Process Efficiency	1/1/2020	12/31/2022	
Business Smart Thermostat	1/1/2020	12/31/2022	
Business Demand Response	1/1/2020	12/31/2022	
Online Business Energy Audit	1/1/2020	12/31/2022	
Energy Saving Products	1/1/2020	12/31/2022	
Home Energy Report	1/1/2020	12/31/2022	
Heating, Cooling & Home Comfort	1/1/2020	12/31/2022	
Income-Eligible Multi-Family	1/1/2020	12/31/2022	
Residential Demand Response	1/1/2020	12/31/2022	
Online Home Energy Audit	1/1/2020	12/31/2022	
Research & Pilot	1/1/2020	12/31/2022	

Category	Descriptor	Quarter Ended	12 Months Ended	Cumulative Total
Total Program Costs (\$)	Billed	\$ 2,887,367	\$ 3,978,925	\$ 3,978,925
Total Program Costs (\$)	(1) Actual	\$ 3,249,154	\$ 5,512,314	\$ 5,512,314
Total Program Costs (\$)	(6) Variance	\$ 361,788	\$ 1,533,389	\$ 1,533,389
Total Program Costs (\$)	(7) Interest	\$ 5,206	\$ 10,275	\$ 10,275
First Year Gross Annual Energy Savings (kWh)	(2) Target	14,661,594	29,323,188	29,323,188
First Year Gross Annual Energy Savings (kWh)	(4) Deemed Actual	16,269,123	24,490,921	24,490,921
First Year Gross Annual Energy Savings (kWh)	Variance	1,607,530	(4,832,267)	(4,832,267)
First Year Gross Annual Demand Savings (kW)	(3) Target	53,536	57,584	57,584
First Year Gross Annual Demand Savings (kW)	(4) Deemed Actual	52,996	53,602	53,602
First Year Gross Annual Demand Savings (kW)	Variance	(540)	(3,982)	(3,982)
Throughput Disincentive Costs (\$)	Billed	\$ 487,533	\$ 673,514	\$ 673,514
Throughput Disincentive Costs (\$)	(5) Actual	\$ 406,946	\$ 665,838	\$ 665,838
Throughput Disincentive Costs (\$)	(6) Variance	\$ (80,587)	\$ (7,676)	\$ (7,676)
Throughput Disincentive Costs (\$)	(7) Interest	\$ 69	\$ 657	\$ 657

Footnotes:

- (1) Actual program costs incurred.
- (2) Target energy savings (kWh) savings.
- (3) Target demand savings (kW) savings.
- (4) Actual demand and energy savings.
- (5) Throughput disincentive on kWh savings at NTG Factors for each program
- (6) Under- or (over) collection.
- (7) Carrying costs on under- or over-collection at short-term borrowing rate.

Evergy Missouri West, Inc.
Quarter Ended, 12 Months Ended and Cumulative Cycle 3 Total Ended September 30, 2020
SURVEILLANCE MONITORING REPORT
Missouri Energy Efficiency Investment Act of 2009 (MEEIA)
Status of MEEIA Demand-Side Programs and Demand-Side Programs Investment Mechanism
For MEEIA Cycle 3 Started January 1, 2020

DSM Program Name	Start Date	Planned End Date	Actual End Date
Business Standard	1/1/2020	12/31/2022	
Business Custom	1/1/2020	12/31/2022	
Business Process Efficiency	1/1/2020	12/31/2022	
Business Smart Thermostat	1/1/2020	12/31/2022	
Business Demand Response	1/1/2020	12/31/2022	
Online Business Energy Audit	1/1/2020	12/31/2022	
Energy Saving Products	1/1/2020	12/31/2022	
Home Energy Report	1/1/2020	12/31/2022	
Heating, Cooling & Home Comfort	1/1/2020	12/31/2022	
Income-Eligible Multi-Family	1/1/2020	12/31/2022	
Residential Demand Response	1/1/2020	12/31/2022	
Online Home Energy Audit	1/1/2020	12/31/2022	
Research & Pilot	1/1/2020	12/31/2022	

Category	Descriptor	Quarter Ended	12 Months Ended	Cumulative Total
Total Program Costs (\$)	Billed	\$ 4,438,197	\$ 8,417,122	\$ 8,417,122
Total Program Costs (\$)	(1) Actual	\$ 3,873,775	\$ 9,386,089	\$ 9,386,089
Total Program Costs (\$)	(6) Variance	\$ (564,422)	\$ 968,967	\$ 968,967
Total Program Costs (\$)	(7) Interest	\$ 4,240	\$ 14,516	\$ 14,516
First Year Gross Annual Energy Savings (kWh)	(2) Target	14,927,954	44,251,142	44,251,142
First Year Gross Annual Energy Savings (kWh)	(4) Deemed Actual	18,015,318	42,506,239	42,506,239
First Year Gross Annual Energy Savings (kWh)	Variance	3,087,364	(1,744,903)	(1,744,903)
First Year Gross Annual Demand Savings (kW)	(3) Target	6,640	64,224	64,224
First Year Gross Annual Demand Savings (kW)	(4) Deemed Actual	9,503	63,105	63,105
First Year Gross Annual Demand Savings (kW)	Variance	2,863	(1,119)	(1,119)
Throughput Disincentive Costs (\$)	Billed	\$ 830,611	\$ 1,504,125	\$ 1,504,125
Throughput Disincentive Costs (\$)	(5)(8) Actual	\$ 859,330	\$ 1,525,697	\$ 1,525,697
Throughput Disincentive Costs (\$)	(6) Variance	\$ 28,719	\$ 21,572	\$ 21,572
Throughput Disincentive Costs (\$)	(7)(8) Interest	\$ (62)	\$ 596	\$ 596

Footnotes:

- (1) Actual program costs incurred.
- (2) Target energy savings (kWh) savings.
- (3) Target demand savings (kW) savings.
- (4) Actual demand and energy savings.
- (5) Throughput disincentive on kWh savings at NTG Factors for each program
- (6) Under- or (over) collection.
- (7) Carrying costs on under- or over-collection at short-term borrowing rate.
- (8) Note: A minor correction was made retroactively in the Throughput Disincentive calculation and related carrying costs due to an error in the NTG factor applied to the Business Standard and Business Custom kWh savings

Throughput Disincentive Costs (\$)	Actual	\$ 529	\$ 529
Throughput Disincentive Costs (\$)	Interest	\$ 1	\$ 1

Evergy Missouri West, Inc.
 Quarter Ended, 12 Months Ended and Cumulative Cycle 3 Total Ended December 31, 2020
SURVEILLANCE MONITORING REPORT
 Missouri Energy Efficiency Investment Act of 2009 (MEEIA)
 Status of MEEIA Demand-Side Programs and Demand-Side Programs Investment Mechanism
 For MEEIA Cycle 3 Started January 1, 2020

DSM Program Name	Start Date	Planned End Date	Actual End Date
Business Standard	1/1/2020	12/31/2022	
Business Custom	1/1/2020	12/31/2022	
Business Process Efficiency	1/1/2020	12/31/2022	
Business Smart Thermostat	1/1/2020	12/31/2022	
Business Demand Response	1/1/2020	12/31/2022	
Online Business Energy Audit	1/1/2020	12/31/2022	
Energy Saving Products	1/1/2020	12/31/2022	
Home Energy Report	1/1/2020	12/31/2022	
Heating, Cooling & Home Comfort	1/1/2020	12/31/2022	
Income-Eligible Multi-Family	1/1/2020	12/31/2022	
Residential Demand Response	1/1/2020	12/31/2022	
Online Home Energy Audit	1/1/2020	12/31/2022	
Research & Pilot	1/1/2020	12/31/2022	

Category	Descriptor	Quarter Ended	12 Months Ended	Cumulative Total
Total Program Costs (\$)	Billed	\$ 3,496,524	\$ 11,913,647	\$ 11,913,647
Total Program Costs (\$)	(1) Actual	\$ 4,107,561	\$ 13,493,650	\$ 13,493,650
Total Program Costs (\$)	(6) Variance	\$ 611,037	\$ 1,580,004	\$ 1,580,004
Total Program Costs (\$)	(7) Interest	\$ 4,887	\$ 19,403	\$ 19,403
First Year Gross Annual Energy Savings (kWh)	(2) Target	20,677,724	64,928,866	64,928,866
First Year Gross Annual Energy Savings (kWh)	(4) Deemed Actual	25,485,475	67,991,714	67,991,714
First Year Gross Annual Energy Savings (kWh)	Variance	4,807,751	3,062,848	3,062,848
First Year Gross Annual Demand Savings (kW)	(3) Target	4,459	68,683	68,683
First Year Gross Annual Demand Savings (kW)	(4) Deemed Actual	4,981	68,087	68,087
First Year Gross Annual Demand Savings (kW)	Variance	522	(596)	(596)
Throughput Disincentive Costs (\$)	Billed	\$ 642,374	\$ 2,146,499	\$ 2,146,499
Throughput Disincentive Costs (\$)	(5) Actual	\$ 596,032	\$ 2,121,728	\$ 2,121,728
Throughput Disincentive Costs (\$)	(6) Variance	\$ (46,342)	\$ (24,770)	\$ (24,770)
Throughput Disincentive Costs (\$)	(7) Interest	\$ 10	\$ 606	\$ 606

Footnotes:

- (1) Actual program costs incurred.
- (2) Target energy savings (kWh) savings.
- (3) Target demand savings (kW) savings.
- (4) Actual demand and energy savings.
- (5) Throughput disincentive on kWh savings at NTG Factors for each program
- (6) Under- or (over) collection.
- (7) Carrying costs on under- or over-collection at short-term borrowing rate.

Energy Missouri West, Inc.
Quarter Ended, 12 Months Ended and Cumulative Cycle 3 Total Ended March 31, 2021
SURVEILLANCE MONITORING REPORT
Missouri Energy Efficiency Investment Act of 2009 (MEEIA)
Status of MEEIA Demand-Side Programs and Demand-Side Programs Investment Mechanism
For MEEIA Cycle 3 Started January 1, 2020

DSM Program Name	Start Date	Planned End Date	Actual End Date
Business Standard	1/1/2020	12/31/2022	
Business Custom	1/1/2020	12/31/2022	
Business Process Efficiency	1/1/2020	12/31/2022	
Business Smart Thermostat	1/1/2020	12/31/2022	
Business Demand Response	1/1/2020	12/31/2022	
Online Business Energy Audit	1/1/2020	12/31/2022	
Energy Saving Products	1/1/2020	12/31/2022	
Home Energy Report	1/1/2020	12/31/2022	
Heating, Cooling & Home Comfort	1/1/2020	12/31/2022	
Income-Eligible Multi-Family	1/1/2020	12/31/2022	
Residential Demand Response	1/1/2020	12/31/2022	
Online Home Energy Audit	1/1/2020	12/31/2022	
Research & Pilot	1/1/2020	12/31/2022	

Category	Descriptor	Quarter Ended	12 Months Ended	Cumulative Total
Total Program Costs (\$)	Billed	\$ 4,499,179	\$ 15,321,267	\$ 16,412,826
Total Program Costs (\$)	(1) Actual	\$ 2,642,404	\$ 13,872,895	\$ 16,136,054
Total Program Costs (\$)	(6) Variance	\$ (1,856,775)	\$ (1,448,372)	\$ (276,771)
Total Program Costs (\$)	(7) Interest	\$ 1,084	\$ 15,418	\$ 20,487
First Year Gross Annual Energy Savings (kWh)	(2) Target	10,702,509	60,969,780	75,631,374
First Year Gross Annual Energy Savings (kWh)	(4) Deemed Actual	11,533,431	71,303,347	79,525,145
First Year Gross Annual Energy Savings (kWh)	Variance	830,922	10,333,567	3,893,770
First Year Gross Annual Demand Savings (kW)	(3) Target	4,730	69,365	73,413
First Year Gross Annual Demand Savings (kW)	(4) Deemed Actual	2,774	70,255	70,861
First Year Gross Annual Demand Savings (kW)	Variance	(1,956)	890	(2,552)
Throughput Disincentive Costs (\$)	Billed	\$ 1,248,996	\$ 3,209,514	\$ 3,395,495
Throughput Disincentive Costs (\$)	(5) Actual	\$ 794,550	\$ 2,657,355	\$ 2,916,278
Throughput Disincentive Costs (\$)	(6) Variance	\$ (454,447)	\$ (552,159)	\$ (479,217)
Throughput Disincentive Costs (\$)	(7) Interest	\$ (734)	\$ (716)	\$ (128)

Footnotes:

- (1) Actual program costs incurred.
- (2) Target energy savings (kWh) savings.
- (3) Target demand savings (kW) savings.
- (4) Actual demand and energy savings.
- (5) Throughput disincentive on kWh savings at NTG Factors for each program
- (6) Under- or (over) collection.
- (7) Carrying costs on under- or over-collection at short-term borrowing rate.