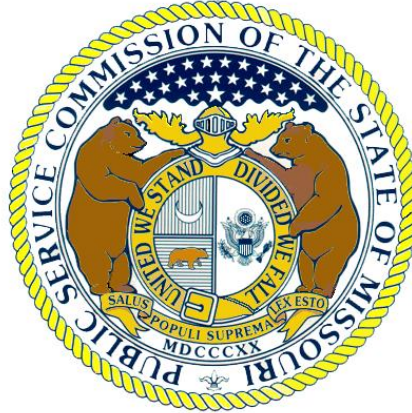


**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**



In the Matter of the Application of Evergy)
Metro, Inc. d/b/a Evergy Missouri Metro and)
Evergy Missouri West d/b/a Evergy)
Missouri West for Approval of a)
Transportation Electrification Portfolio)

File No. ET-2021-0151
Tracking Nos. JE-2021-0161,
and YE-2021-0160

REPORT AND ORDER

Issue Date: January 12, 2022

Effective Date: January 24, 2022

TABLE OF CONTENTS

COUNSEL.....	4
PROCEDURAL HISTORY.....	5
GENERAL FINDINGS OF FACT	6
GENERAL CONCLUSIONS OF LAW.....	11
ISSUE 1: RESIDENTIAL EV OUTLET REBATE PROGRAM.....	12
ISSUE 1A: REQUIRED PARTICIPATION IN TIME-OF-USE RATES.....	15
ISSUE 1B: CHARGEPOINT’S RECOMMENDATIONS.....	17
ISSUE 2: RESIDENTIAL DEVELOPER EV OUTLET REBATE	19
ISSUE 3: COMMERCIAL EV CHARGER REBATE PROGRAM	22
ISSUE 4: ELECTRIC TRANSIT SERVICE RATE	24
ISSUE 4A: LAWFULNESS OUTSIDE A GENERAL RATE CASE	27
ISSUE 4B: LAWFULNESS REGARDING PISA.....	29
ISSUE 4C: REVENUE TO OFFSET COSTS.....	30
ISSUE 5: BUSINESS EV CHARGING SERVICE RATE	31
ISSUE 6: CAP INCREASE FOR CLEAN CHARGE NETWORK EXPANSION.....	33
ISSUE 6A: CLEAN CHARGE NETWORK EXPANSION – HIGHWAY CORRIDORS	36
ISSUE 6B: STREETLIGHT CHARGER INSTALLATIONS	37
ISSUE 6C: CLEAN CHARGE NETWORK EXPANSION – RIDESHARE	38
ISSUE 6D: DECISIONAL PRUDENCE	39
ISSUE 6E: CLEAN CHARGE NETWORK – SITE OWNER CHOICE	41
ISSUE 7: CUSTOMER EDUCATION AND PROGRAM ADMINISTRATION	43
ISSUE 8: FIVE-YEAR PERIOD OF PROGRAMS.....	44
ISSUE 9: REGULATORY ASSET TRACKING MECHANISM	45

ISSUE 9A: FIVE-YEAR AMORTIZATION PERIOD 47
ISSUE 10: REQUESTED VARIANCES 48
ORDERED PARAGRAPHS 49

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REPORT AND ORDER

Procedural History

On February 24, 2021, Evergy Metro, Inc. d/b/a Evergy Missouri Metro and Evergy Missouri West, Inc. d/b/a Evergy Missouri West (collectively Evergy) filed an application asking the Commission to approve a suite of programs, including implementing tariffs, that would enable Evergy to implement a transportation electrification pilot program, including the installation of additional electric vehicle charging stations, and the deferral of costs associated with the program, including related variances from the Commission's promotional practices rule.¹ Evergy also sought a finding from the Commission that Evergy's plan to expand its Clean Charge Network is prudent from a decisional perspective. Along with its application, Evergy filed the direct testimony of Charles A. Caisley and an extensive Transportation Electrification Portfolio Filing Report.²

In response to Evergy's application, the Commission directed that notice of the application be provided to potentially interested parties and established March 19, 2021, as the deadline for filing applications to intervene. The following parties filed timely applications and were allowed to intervene: Renew Missouri Advocates d/b/a Renew Missouri; Union Electric Company d/b/a Ameren Missouri; Midwest Energy Consumers Group (MECG); The Empire District Electric Company d/b/a Liberty; Sierra Club; the Natural Resources Defense Council (NRDC); ChargePoint, Inc.; and Spire Missouri, Inc.

¹ Although Evergy Missouri Metro and Evergy Missouri West filed a joint application, that application was initially filed in separate files for the two companies. ET-2021-0269 was designated as the file to handle Evergy Missouri West's filing and ET-2021-0151 was designated as the file to handle Evergy Missouri Metro's filing. The two files were consolidated by order of the Commission on April 15, 2021, with ET-2021-0151 designated as the lead case.

² Evergy filed an updated version of this report on May 6, 2021. That version of the report was admitted into evidence as Exhibit 1.

The implementing tariffs that Evergy filed along with its application carried an effective date of March 26, 2021. The Commission initially suspended those tariffs for 120 days beyond their proposed effective date until July 24, 2021. Subsequently, those tariffs were suspended an additional six months, until January 24, 2022, the maximum amount of time allowed by the controlling statute.³

The Commission's Staff (Staff) filed an initial recommendation regarding Evergy's application on March 29, 2021, advising the Commission to either reject the application outright, or to establish a procedural schedule to consider changes to the portfolio of programs included in the application. The Commission established a procedural schedule that directed the parties to prefile testimony and scheduled an evidentiary hearing.

The parties prefiled direct, rebuttal, and surrebuttal testimony. The evidentiary hearing began on October 12 and 13, 2021, and concluded on October 19, 2021. The parties filed initial post-hearing briefs on November 19, 2021, and reply briefs on November 29, 2021.⁴

Introduction

General Findings of Fact

1. Evergy Missouri Metro is a Missouri corporation with its principal office and place of business at 1200 Main Street, Kansas City, Missouri 64105. It is engaged in the generation, transmission, distribution, and sale of electricity in western Missouri and eastern Kansas, operating primarily in the Kansas City metropolitan area. Evergy Missouri Metro is an "electrical corporation" and a "public utility" subject to the jurisdiction,

³ Section 393.150, RSMo 2016.

⁴ The case is considered submitted as of the date of the final brief. 20 CSR 4240-2.150(1).

supervision, and control of the Public Service Commission under Chapters 386 and 393, RSMo 2016.⁵

2. Evergy Missouri West is a Delaware corporation with its principal office and place of business at 1200 Main Street, Kansas City, Missouri 64105. It is engaged in the generation, transmission, distribution, and sale of electricity in western Missouri, including the suburban Kansas City metropolitan area, St. Joseph, and surrounding counties. Evergy Missouri West is an “electrical corporation” and a “public utility” subject to the jurisdiction, supervision, and control of the Public Service Commission under Chapters 386 and 393, RSMo 2016.⁶

3. Evergy Missouri Metro and Evergy Missouri West are wholly-owned subsidiaries of Evergy, Inc.⁷

4. The Office of the Public Counsel (Public Counsel) is a party to this case pursuant to Section 386.710(2), RSMo, and by Commission Rule 20 CSR 4240-2.010(10).

5. Staff is a party to this case pursuant to Commission Rule 20 CSR 4240-2.010(10).

6. As part of its application that commenced this case, Evergy requested approval of a transportation electrification portfolio consisting of eight elements:

- Residential Customer EV Outlet Rebate;
- Residential Developer EV Outlet Rebate;
- Commercial EV Charger Rebate;
- Electric Transit Service Rate;

⁵ Application, Paragraph 1.

⁶ Application, Paragraph 3.

⁷ Application, Paragraph 5.

- Business EV Charging Service Rate;
- Customer Education and Program Administration;
- Regulatory Considerations; and
- Clean Charge Network Expansion.⁸

7. Evergy believes that transportation electrification – the transition from the use of vehicles with internal combustion engines to electric vehicles (EVs) - will accelerate in the coming years. Evergy’s proposal purports to encourage its customers to utilize enabling technology to charge EVs overnight or in off peak hours when the electrical grid has plenty of generation and there are no transmission or distribution capacity constraints.⁹

8. EPRI (Electric Power Research Institute) projects that, under a medium adoption scenario, the total number of EVs operating in Evergy Missouri Metro’s service territory will grow from 2,040 as of September 2020, to approximately 11,350 by 2025, and 32,500 by 2030. Similarly, the total number of EVs operating in Evergy Missouri West’s service territory will grow from 970 EVs as of September 2020 to approximately 5,960 by 2025, and 20,750 by 2030.¹⁰

9. Evergy contends it has proposed modestly sized pilot programs to further Evergy’s ability to manage EV load and realize benefits to all its customers over the long term.¹¹

⁸ Portfolio Filing, Exhibit 1.

⁹ Caisley Direct, Exhibit 2, Page 3, Lines 10-16.

¹⁰ Portfolio Filing, Exhibit 1, Page 13.

¹¹ Caisley Surrebuttal, Exhibit 3, Page 10, Lines 18-20.

10. Evergy proposes a five-year budget for the items in its proposed portfolio as follows:¹²

Program Component	Evergy Missouri Metro	Evergy Missouri West	Missouri Total
Residential Customer EV Outlet Rebate	\$ 650,000	\$ 350,000	\$ 1,000,000
Residential Developer EV Outlet Rebate	\$ 30,000	\$ 60,000	\$ 90,000
Commercial EV Charger Rebate	\$ 6,500,000	\$ 3,500,000	\$ 10,000,000
Customer Education and Program Administration	\$ 1,100,00	\$ 600,000	\$ 1,700,000
Total	\$ 8,300,000	\$ 4,500,000	\$ 12,800,000

11. In addition, Evergy proposed a spending plan related to its request to increase the current cap on construction of its Clean Charge Network as follows:¹³

Jurisdiction	Current Cap	Identified Need	Requested Revised Cap	Spending Plan
Evergy Missouri Metro	400	450	500	\$1,200,000
Evergy Missouri West	250	275	300	\$1,600,000
Total	650	725	800	\$2,800,000

12. Evergy commissioned a study to evaluate the cost effects resulting from the adoption of additional EVs within its Evergy Missouri Metro and Evergy Missouri West service areas. Those studies, prepared for Evergy by ICF, a consulting firm, show that there is a net benefit to all customers when the revenues from EV adoption over the next ten years are weighed against the projected costs to serve those EVs in terms of energy, capacity, and charging infrastructure.¹⁴

¹² Portfolio Filing, Exhibit 1, Page 22.

¹³ Portfolio Filing, Exhibit 1, Page 34.

¹⁴ Nelson Surrebuttal, Exhibit 6, Page 8, Lines 4-7.

13. That study estimates a net present value of EV adoption over ten years of \$42,500,000 for Evergy Missouri Metro, and \$22,600,000 for Evergy Missouri West in a medium EV adoption scenario.¹⁵

14. The ICF study considered the costs and benefits of market-wide EV adoption as a whole, but did not attempt to model the cost effectiveness of each program proposed by Evergy, neither did it consider the costs and benefits of the proposed portfolio of programs.¹⁶

15. Widespread EV adoption, which requires widespread access to charging where people live, work, and play, will result in significant downward pressure on rates if charging is properly managed.¹⁷

16. There is also a wild card in the deck regarding funding from the federal government related to electrification efforts. Under the recently enacted Infrastructure Investment and Jobs Act, Missouri expects to receive approximately \$99 million over five years to support the expansion of an EV charging network in this state.¹⁸

17. Although Evergy presented its proposed portfolio as a package, Charles Caisley, Evergy's Senior Vice President Marketing and Public Affairs,¹⁹ testified that the portfolio is not a take-it-or-leave-it proposal. Rather, the Commission is free to approve those parts of the portfolio it likes and reject those it does not.²⁰

¹⁵ Portfolio Filing, Exhibit 1, Appendix C.

¹⁶ Nelson Surrebuttal, Exhibit 6, Page 7, Lines 18-23.

¹⁷ Baumhefner Surrebuttal, Ex. 700, Page 11, Lines 16-18.

¹⁸ Marke Rebuttal, Exhibit 200, Page 12, Lines 9-16.

¹⁹ Caisley Direct, Exhibit 2, Page 1, Lines 4-6.

²⁰ Transcript, Pages 91-92, Lines 16-25, 1-12.

General Conclusions of Law

A. Evergy Missouri Metro and Evergy Missouri West are public utilities, and electrical corporations, as those terms are defined in Subsections 386.020(15) and (43), RSMo (Supp. 2020). As such, they are subject to the Commission's jurisdiction pursuant to Chapters 386 and 393, RSMo.

B. The Commission's subject matter jurisdiction over Evergy's application and proposed tariffs is established under Section 393.150, RSMo.

C. Section 393.150, RSMo, authorizes the Commission to suspend the effective date of a proposed tariff for 120 days beyond the effective date of the tariff, plus an additional six months.

D. Evergy filed its application pursuant to Section 393.1610.1, RSMo (Supp. 2020), which authorizes the Commission to:

approve investments by an electrical corporation in small scale or pilot innovative technology projects, including but not limited to renewable generation, micro grids, or energy storage, if the small scale or pilot program is designed to advance the electrical corporation's operational knowledge of deploying such technologies, including gaining operating efficiencies that result in customer savings and benefits as the technology is scaled across the grid or network.

E. Utilities are required to provide safe and adequate service.²¹

F. In determining the rates Evergy may charge its customers, the Commission is required to determine whether the proposed rates are just and reasonable.²²

G. Evergy has the burden of proving its proposed rates are just and reasonable, pursuant to Section 393.150.2, RSMo, "[a]t any hearing involving a rate

²¹ Sections 393.130 and 393.140, RSMo.

²² Section 393.150.2, RSMo.

sought to be increased, the burden of proof to show that the increased rate or proposed increased rate is just and reasonable shall be upon the ... electrical corporation”

H. In order to carry its burden of proof, Evergy must meet the preponderance of the evidence standard.²³ In order to meet this standard, the company must convince the Commission it is “more likely than not” that Evergy’s proposed tariff adjustments are just and reasonable.²⁴

I. Witness credibility is solely a matter for the fact-finder, “which is free to believe none, part, or all of the testimony.”²⁵

J. An administrative agency, as fact finder, also receives deference when choosing between conflicting evidence.²⁶

The Issues

1. Should the Commission approve Evergy’s proposed Residential Customer EV Outlet Program?

Findings of Fact

18. Evergy proposes to offer a rebate of 50 percent of installation cost, up to \$500, to homeowners who own an EV, who install a 240V outlet at their home. The goal of the rebate program is to encourage homeowners to utilize a faster Level 2 charger to charge their car rather than a slower Level 1 charger.²⁷

²³ *Bonney v. Environmental Engineering, Inc.*, 224 S.W.3d 109, 120 (Mo. App. 2007).

²⁴ *Holt v. Director of Revenue, State of Mo.*, 3 S.W.3d 427, 430 (Mo. App. 1999).

²⁵ *State ex rel. Public Counsel v. Missouri Public Service Comm’n*, 289 S.W.3d 240, 247 (Mo. App. 2009).

²⁶ *State ex rel. Missouri Office of Public Counsel v. Public Service Comm’n of State*, 293 S.W.3d 63, 80 (Mo. App. 2009).

²⁷ Portfolio Filing, Exhibit 1, Page 23.

19. A Level 2 charger requires the use of a 240V source of power, much as would an electric range or a clothes dryer. A Level 1 charger can be plugged into a typical 120V outlet in a home.²⁸

20. A Level 1 charger adds about 4 miles of range to the EV's battery per hour, while a Level 2 charger adds about 25 miles of range per hour. Encouraging a customer to move from a Level 1 charger to a Level 2 charger will allow the customer to complete the charging of their EV in a shorter amount of time while avoiding charging during peak hours.²⁹

21. A customer who uses a Level 1 charger to charge their EV overnight will need to be plugged in and drawing power for 8 to 10 hours, meaning they are likely to plug in when they get home from work at what may be a peak usage time. A customer using a Level 2 charger will only need to be drawing power from the grid for a few hours during the night. That means they can do their charging during the early morning hours when demand on the electric grid is low.³⁰

22. Because Evergy intends to offer this rebate as part of a pilot program, it should have a goal of gaining additional knowledge to assist the company in moving forward. Since Level 2 charging occurs at a higher power level than Level 1 charging, it will be more readily identified (disaggregated) within customer AMI data, allowing Evergy to develop and refine its AMI disaggregation models. Those models will serve as tools for grid analysis, grid management and future program design.³¹

²⁸ Transcript, Pages 185-186, Lines 24-25, 1-9.

²⁹ Voris Surrebuttal, Exhibit 7, Page 11, Lines 13-19.

³⁰ Transcript, Pages 187-188, Lines 5-25, 1-8.

³¹ Voris Surrebuttal, Exhibit 7, Page 12, Lines 3-9.

23. Rebate recipients will be required to sign a customer agreement that enrolls them as a participant in the pilot project wherein Evergy will use their information to closely examine recipients' charging behaviors and attempt to influence their charging behavior.³²

24. Further, Evergy plans to use the connection to customers who accept the rebate to evaluate education efforts to encourage those customers to program their vehicle to charge off-peak.³³

25. In concept, a "free rider" is a customer who would take an offered rebate while taking an action that they would do anyway without the incentive of the rebate. Essentially, it would mean the utility is giving the customer free money without actually changing the customer's behavior.³⁴

26. When customers install Level 2 chargers through a program like this rebate program, their participation in the program provides Evergy with an opportunity to educate them on the benefits of off-peak charging.³⁵

27. The proposed budget for this program is \$1 million over five years for the combined Evergy Missouri Metro and Evergy Missouri West service territories.³⁶

Conclusions of Law

There are no additional conclusions of law for this issue.

Decision

The Commission believes this proposed rebate program is appropriate as a pilot program to enable Evergy to encourage customers to adopt Level 2 charging in their

³² Voris Surrebuttal, Exhibit 7, Page 14, Lines 2-6.

³³ Voris Surrebuttal, Exhibit 7, Page 12, Lines 10-18.

³⁴ Transcript, Page 560, Lines 14-20.

³⁵ Wilson Surrebuttal, Exhibit 901, Page 6, Lines 3-14.

³⁶ Portfolio Filing, Exhibit 1, Page 22.

homes. It is important to remember that this is proposed to be a pilot program that will enable Evergy to learn more about its customers and their charging habits. Several parties raised concerns about free ridership and cost effectiveness, but this program is not intended to be the final word on how the company will deal with Level 2 charging issues as the number of EVs in its territory increases. As the number of EVs on the road increases, Evergy's customers likely will move toward Level 2 charging over the coming years without the benefit of a rebate program. But if they do so without educated guidance from the utility, the impact on the electrical system could be significant. Thus, Evergy needs a pilot program to study these questions.

Public Counsel also suggests that this program is unnecessary because we already know that mandatory time-of-use rates are an essential response to ensure that EV charging does not occur on peak. But that argument ignores the increased knowledge about customer charging practices that can be derived through this small-scale rebate program, which can then be used to help Evergy design better targeted time-of-use rates in the future.

With the approval of the program, additional issues raised by the parties come into question.

- a. **If the Commission approves Evergy's proposed Residential Customer EV Outlet Rebate Program, should the Commission require that participants also sign up for the Company's existing Whole House, Opt-In Time-of-Use Rate?**

Findings of Fact

28. The Residential Customer EV Outlet Rebate pilot program as proposed by Evergy does not require the recipients of the rebate to take service under the company's

existing time-of-use rate.³⁷ Rather, Evergy proposes to educate the customers to use their Level 2 charger to charge their EV at non-peak periods during the rebate application process.³⁸

29. Unless customers are dissuaded from continuing to use their Level 2 chargers at peak demand periods, the energy costs borne by all customers on the Evergy system can be expected to increase even when less energy is consumed.³⁹

30. Studies around the country have shown that participating customers who are required to take service on a time-of-use rate charge their EVs during off-peak hours. Alternatively, those who do not have a financial incentive to avoid the peak begin charging immediately upon returning home in the evening during peak hours.⁴⁰ Once customers are on a time-of-use rate they are likely to enjoy the fuel cost savings that can be provided by the time-of-use rates, and are likely to remain on such a rate.⁴¹

31. It is not necessary to allow customers to choose whether to sign up for a time-of-use rate to create a control group for purposes of study during a pilot program. That experiment has already been done and confirms that customers who are not on time-of-use rates will be unlikely to avoid charging during peak usage periods.⁴²

Conclusions of Law

There are no additional conclusions of law for this issue.

Decision

The pairing of time-of-use rates with increased use of Level 2 charging is vital. As previously indicated, this is a pilot program designed to increase Evergy's knowledge

³⁷ Portfolio Filing, Exhibit 1, Page 23.

³⁸ Voris Surrebuttal, Exhibit 7, Page 14, Lines 9-12.

³⁹ Staff Rebuttal Report, Exhibit 100, Page 11, Lines 1-4.

⁴⁰ Baumhefner Surrebuttal, Exhibit 700, Page 16. Lines 4-15.

⁴¹ Transcript, Page 331, Lines 8-13.

⁴² Transcript, Page 332. Lines 10-23.

about its customer's charging behaviors. The pilot program can be most useful in examining those behaviors, and in designing a response, if it is assumed that time-of-use rates will be in place. Evergy's goal for the pilot program will be met if participation in a time-of use rate is paired with the program proposed by Evergy.

The Commission will direct Evergy to require participants in the Residential Customer EV Outlet Rebate program to sign up for a time-of-use rate for a period of at least one year as a condition for participation in the program. Initially, that means the existing Whole House, Opt-In Time-of-Use Rate, but if Evergy develops and the Commission approves additional optional rates better tailored for residential EV charging it may use such rates in the program.

- b. If the Commission approves Evergy's proposed Residential Customer EV Outlet Rebate Program, should the Commission modify the program consistent with ChargePoint's Recommendations?**

Findings of Fact

32. ChargePoint, one of the intervening parties in this case, proposes several modifications to Evergy's Residential Customer EV Outlet Rebate program. ChargePoint is an electric vehicle charging network that provides both software and hardware related to EV charging.⁴³

33. ChargePoint's first proposed modification asks the Commission to require Evergy to remove the proposed cap on the rebate that would limit the rebate to 50 percent of the cost of installation. Instead, ChargePoint would allow for a full rebate of \$500 per qualifying customer without regard for the cost of installation. There is no reason to

⁴³ Wilson Rebuttal, Exhibit 900, Page 1-2, Lines 13-22, 1-18.

reduce a customer's rebate simply because they were lucky enough to have low installation costs at their home.⁴⁴

34. ChargePoint's second proposed modification asks that Evergy target the proposed rebates for the installation of an EV charging station rather than for the installation of a 240V outlet. The goal of the program is to encourage the installation of charging stations, not outlets, and this change would allow the customer to hardwire an EV charger directly to a 240V circuit rather than install what might be a superfluous outlet. If the customer preferred to install a 240V outlet to plug in an EV charging station they would still be free to do so.⁴⁵

35. ChargePoint's third proposed modification asks that Evergy be directed to develop and keep updated a list of qualifying Level 2 home chargers for which the rebate would be paid. Such chargers should be ENERGY STAR certified, have a safety certification, and have managed charging capabilities, meaning it is a "smart" charger.⁴⁶

36. A customer does not need a "smart" charger to participate in this pilot program for three reasons. First, requiring a "smart", communicating EV charger is not necessary for the proposed program and could be an unnecessary expense for the customer. Second, a "smart" charger requires a reliable internet connection to function and that may be difficult to establish and maintain in the customer's garage. Third, an EV's on-board charge management system often has more charge management capabilities than a third-party "smart" charger.⁴⁷

⁴⁴ Wilson Rebuttal, Exhibit 900, Page 7-8, Lines 17-20, 1-8.

⁴⁵ Wilson Rebuttal, Exhibit 900, Page 8, Lines 9-20.

⁴⁶ Wilson Rebuttal, Exhibit 900, Page 9, Lines 1-19.

⁴⁷ Voris Surrebuttal, Exhibit 7, Page 19, Lines 1-12.

Conclusions of Law

There are no additional conclusions of law for this issue.

Decision

The Commission agrees, in part, with two of ChargePoint's proposed modifications. First, the rebate is better targeted toward the installation of an EV charger rather than simply an outlet. Thus, it should be available to customers who would install that charger by directly hardwiring it to a 240V circuit rather than installing what may be an unnecessary outlet. Of course, customers who prefer to be able to plug in a charger should also be able to qualify for the rebate by installing a 240V plug.

Similarly, since the target of the rebate is the installation of an EV charger, it makes sense and is administratively simpler to allow for the payment of an up to \$500 rebate toward the installation and cost of a charger, limited to the actual cost of installation and purchase of a charger.

The Commission does not accept ChargePoint's third proposed modification. Evergy does not need to become involved in the details of a customer's choice of which particular charger best meets their needs as part of this pilot program.

2. Should the Commission approve Evergy's proposed Residential Developer EV Outlet Rebate Program?

Findings of Fact

37. Evergy proposes a Residential Developer EV Outlet Rebate that would be designed to provide new home developers an incentive to pre-wire new homes with adequate circuit capacity to accommodate Level 2 EV charging by future residents. Such developer would be eligible to receive a \$250 rebate to install a dedicated 240V circuit,

including a NEMA 14-50 outlet, to enable Level 2 EV charging. A developer would be limited to one \$250 rebate per new home constructed.⁴⁸

38. Evergy has proposed this program as a means of encouraging interest in EV charging hardware among property developers. The goal is to “kickstart” a movement within the developer community to start offering EV charging capabilities as a standard feature for new homes.⁴⁹

39. The proposed budget for this program is only \$87,500 over five years for the Evergy Metro and Evergy West service territories combined.⁵⁰

40. The proposed tariff language says that to be eligible for a rebate the developer must comply with the application instructions. When Evergy develops those detailed application instructions, it intends to include a requirement that the outlet be installed in a location where it can be used to charge an EV. Further, Evergy retains the right to inspect the premises to ensure that the circuit and outlet are installed in a location appropriate for charging a vehicle.⁵¹

41. An alternative to implementation of this rebate to facilitate installation of charging infrastructure in newly constructed homes is to encourage local governments to change local building codes to mandate such installation. One of the purposes of this rebate is to attract, engage, and educate developers about EV charging to encourage them to support future building code changes.⁵²

⁴⁸ Portfolio Filing, Exhibit 1, Page 24.

⁴⁹ Transcript, Page 114, Lines 5-19.

⁵⁰ Portfolio Filing, Exhibit 1, Appendix A.

⁵¹ Transcript, Page 185, Lines 2-20.

⁵² Voris Surrebutal, Exhibit 7, Page 21, Lines 9-11.

42. As part of the installation, Evergy will require the developer to place a branded sticker on the outlet to communicate to the homeowner that the 240V outlet is available specifically for EV charging. The new homeowners will also receive information about the purpose of the installed outlet, benefits of Level 2 charging, and time-of-use rates.⁵³

Conclusions of Law

There are no additional conclusions of law for this issue.

Decision

The Residential Developer EV Outlet Rebate pilot program is a reasonable and relatively inexpensive means by which Evergy may engage the developer community to encourage them to pre-install charging infrastructure in newly constructed homes. The Commission is concerned that the proposed program may not have initially included a requirement that the 240V outlet be placed in a location where it can be used for charging. Evergy has indicated its intent to impose such a requirement in the detailed instructions to accompany the rebate application. Nevertheless, the Commission will direct Evergy to impose such a requirement as a condition for eligibility for the rebate. Further, to limit the risk of free ridership, the Commission will direct that the rebate not be made available for developments in localities that have construction or building codes that require the installation of a 240V outlet in a location where it can be used for EV charging.

⁵³ Voris Surrebuttall, Exhibit 7, Page 21, Lines 12-16.

3. Should the Commission approve Evergy's proposed Commercial EV Charger Rebate Program?

Findings of Fact

43. Evergy proposes to offer a Commercial EV Charger Rebate to third-party charging station installations at commercial locations across its service territory.⁵⁴

44. Evergy intends to use this rebate program to encourage the deployment of EV charging stations at common destinations such as workplaces, fleet parking sites, retail sites, multi-family dwellings, and along highway corridors. Evergy intends to use these charging stations to collect and analyze charger utilization data for various use cases and better understand where EV charging is occurring on its system.⁵⁵

45. The program provides for a rebate to \$2,500 per port for Level 2 charging stations, and \$20,000 per unit for DC Fast Charging stations. The rebate would be capped at between \$25,000 and \$65,000 per premise (depending on site type). The total budget for the program would be \$10 million.⁵⁶

46. Since 2015, Evergy has operated the Clean Charging Network throughout its service territories. As of February 2021, the Clean Charging Network included 393 charging stations in the Evergy Missouri Metro, and 244 in the Evergy Missouri West service territories.⁵⁷

47. The EV chargers currently served under the tariff implementing the Clean Charging Network do not generate sufficient revenues to cover the revenue requirement caused by the Clean Charging Network's infrastructure and related costs. There is

⁵⁴ Portfolio Filing, Exhibit 1, Page 24.

⁵⁵ Portfolio Filing, Exhibit 1, Pages 24-25.

⁵⁶ Portfolio Filing, Exhibit 1, Appendix A.

⁵⁷ Portfolio Filing, Exhibit 1, Page 2.

concern that subsidization of a new charger in close proximity to the existing Clean Charging Network through a rebate would dilute the use of the existing charger stations. With the same amount of charging revenue being derived from a greater level of investment, an additional revenue requirement would be caused.⁵⁸

48. Missouri expects to receive \$99 million in federal funding over the next five years to support the expansion of an EV charging network in the state.⁵⁹

Conclusions of Law

There are no additional conclusions of law for this issue.

Decision

The Commission is not opposed to the concept of a commercial EV charger rebate program, but Evergy has failed to demonstrate that such a program is needed in its service territories. The existing Clean Charging Network appears to be sufficient to meet charging needs at this time, and in the near future Missouri expects to receive a large infusion of federal funding to support expansion of an EV charging network. Based upon the record, there is no evidence that a commercial EV charger rebate program is needed and it will not be approved.

The following identified sub-issues would only need to be addressed if the Commission approved the commercial EV charger rebate program. Since the Commission has not approved that program they need not be addressed.

⁵⁸ Staff Rebuttal Report, Exhibit 100, Page 21, Lines 5-13.

⁵⁹ Marke Rebuttal, Exhibit 200, Page 12, Lines 12-16.

a. If the Commission approves Evergy's proposed Commercial EV Charger Rebate Program, should the Commission modify the program consistent with ChargePoint's recommendations?

b. If the Commission approves Evergy's proposed Commercial EV Charger Rebate Program, should the Commission require that 20 percent of commercial rebates be reserved for multi-family locations?

c. If the Commission Approves Evergy's Proposed Commercial EV Charger Rebate Program, should the Commission order rebate incentive amounts be capped on a percentage basis not to exceed 20 percent of the total costs for a charger station?

4. Should the Commission approve Evergy's proposed Electric Transit Service Rate?

Findings of Fact

49. Evergy proposes a new Electric Transit Service pilot rate option for transit bus fleet customers in Missouri to increase EV adoption in the battery electric bus segment. A more favorable rate will encourage transit companies to purchase battery electric buses.⁶⁰

50. The Electric Transit Service rate is a two-period time-of-use rate with a 12-hour off-peak period of 6 p.m. to 6 a.m., which aligns with typical fleet depot charging patterns. The rate removes the demand charge, while retaining a small local facility demand charge to incentivize managed charging. Transit customers must separately meter their EV charging station to participate in the rate.⁶¹

⁶⁰ Portfolio Filing, Exhibit 1, Page 27.

⁶¹ Portfolio Filing, Exhibit 1, Page 27.

51. Evergy anticipates that no customers will immediately be served on the Electric Transit Service Rate and only a nominal amount of consumption is expected to be served pursuant to the rate in the near term.⁶²

52. The specific provisions of the Electric Transit Service Rate will be reviewed and possibly adjusted in a future rate case.⁶³

53. The Kansas City Area Transportation Authority has told Evergy Missouri Metro that its existing small general service rate would make electric buses uncompetitive with its existing internal combustion buses, and that they need a rate that would substantially reduce their overall electric fuel costs before they can move forward with electrifying their fleet.⁶⁴

54. The off-peak charging rate established by this tariff would overlap by a couple hours with Evergy's system peak in the evening hours.⁶⁵

55. Nevertheless, the twelve-hour charging window enabled by the two-period time-of-use rate with a 12-hour off-peak period of 6 p.m. to 6 a.m., is consistent with the charging needs of the transit fleet.⁶⁶

Conclusions of Law

There are no additional conclusions of law for this portion of this issue. The legality of the approval of the rate at this time will be addressed in the sub-issues.

Decision

The Commission finds that overall, this Electric Transit Service Rate should be approved at this time. This is a relatively simple rate that will have only a minimal impact

⁶² Portfolio Filing, Exhibit 1, Page 27.

⁶³ Lutz Surrebuttal, Ex. 5, Page 3, Lines 16-18.

⁶⁴ Portfolio Filing, Exhibit 1, Page 28.

⁶⁵ Transcript, Page 279, Lines 1-18.

⁶⁶ Transcript, Page 279, Lines 1-18.

on Evergy's overall rates and earnings in the near future. It will, however, enable Evergy to provide guidance to potential customers of that rate as to what they can expect to pay, at least during the pilot period, for charging services. Having that information available now rather than later may assist transit service providers in making purchasing decisions.

The Commission is concerned about the potential overlap between the off-peak rate and the actual system peak that will occur during the evening hours. Evergy will be required to study that aspect of the rate, and shall report the results of that study when this rate is reviewed in subsequent general rate cases. The information to be collected as part of the study shall include, at a minimum, the following information for each billing cycle by winter and summer rates:

1. Number of buses being charged or charging stations being used
2. kWh consumption by on-peak and off-peak periods. During off-peak periods, kWh consumption should be broken down into two periods – (1) 6:00 p.m. to 8:00 p.m.; and (2) 8:00 p.m. to 6:00 a.m.⁶⁷
3. kW consumption
4. Amount of power (kWh) consumed from carbon free resources
5. Revenue
6. Any infrastructure investment incurred by Evergy related to the Electric Transit Service Rate
7. All incremental costs associated with serving the bus transit pilot, including fuel and purchase power costs

⁶⁷ The 6:00 p.m. to 8:00 p.m. time period is to be Central Time year-round to mirror the Time-of-Use pricing periods in Evergy's tariffs. See. Evergy Missouri West, Inc. adopted KCP&L Greater Missouri Operations Co. P.S.C. Mo. No. 1, 1st Revised Tariff Sheet No. 146.6, and Evergy Metro, Inc. adopted Kansas City Power & Light Co. P.S.C. No. 7, 1st Revised Tariff Sheet No. 7A..

Staff, Public Counsel and any other party may provide input on additional parameters for consideration by the Commission.

a. Is it lawful for the Commission to approve a rate for this new service outside of a general rate case?

Findings of Fact

56. Electric transit vehicles can currently be charged by their owners under Evergy's existing general service rate schedules.⁶⁸

57. The new Electric Transit Service Rate significantly differs from the existing general electric service rates in that it was designed to increase EV adoption in this vehicle segment, while being revenue neutral for the company.⁶⁹

58. The existing large general service rate schedule is poorly suited for EV charging because it contains a demand charge. A demand charge creates a significant financial obstacle for customers because of the combination of high power and extremely low load factor associated with EV charging.⁷⁰

59. Evergy will examine the impact of the new rate on battery electric bus charging patterns and loads in an effort to better understand how those rates can be used to meet the needs of a growing area of electrification.⁷¹

Conclusions of Law

K. Section 393.270.4, RSMo provides: “[i]n determining the price to be charged for gas, electricity, or water the commission may consider all facts which in its judgement have any bearing upon a proper determination of the question....”

⁶⁸ Transcript, Page 549, Lines 12-17.

⁶⁹ Portfolio Filing, Exhibit 1, Page 27.

⁷⁰ Lutz Surrebuttal, Exhibit 5, Page 4, Lines 12-16.

⁷¹ Portfolio Filing, Exhibit 1, Page 28.

L. In practice, the courts have held that the Commission's determination of the appropriateness of a utility's rate is to be based upon all relevant factors.⁷²

M. Failure to consider all relevant factors is generally forbidden as single issue ratemaking.⁷³

N. As a creature of statute, the Commission's powers are limited to those conferred by statutes, either expressly or by clear implication as necessary to carry out the powers specifically granted.⁷⁴

O. The legislature can, by implication, authorize the Commission to engage in single issue rate making without an explicit grant of such authority in the statute.⁷⁵

P. Section 393.1610.1, RSMo (Supp. 2020), authorizes the Commission to:

approve investments by an electrical corporation in small scale or pilot innovative technology projects, including but not limited to renewable generation, micro grids, or energy storage, if the small scale or pilot program is designed to advance the electrical corporation's operational knowledge of deploying such technologies, including gaining operating efficiencies that result in customer savings and benefits as the technology is scaled across the grid or network.

Q. The rationale of the prohibition on single issue rate making is to prevent the Commission from permitting a utility to raise rates to cover increased costs in one area without considering counterbalancing savings in another area. That rationale does not apply to rates being applied to new services for which a rate has not previously been in effect.⁷⁶

⁷² *State ex rel. Missouri Water Co. v. Public Service Commission*, 308 S.W.2d 704, 719 (Mo. 1957)".

⁷³ *State ex rel. Public Counsel v. Public Service Commission*, 397 S.W. 3d 441, 448 (Mo. App. 2013).

⁷⁴ *State ex rel. Utility Consumers Council of Missouri, Inc. v. Public Service Commission*, 585 S.W.2d 41, 49 (Mo. banc 1979).

⁷⁵ *State ex rel. Public Counsel v. Public Service Com'n.*, 397 S.W.3d 441, 450, (Mo. App. 2013). The Commission's promulgation of a rule that allowed for single issue rate making in the context of a Missouri Energy Efficiency Investment Act (MEEIA) filing was upheld against a challenge by Public Counsel that a legislative delegation of such authority had to be explicit.

⁷⁶ *State ex rel. Sprint Spectrum, L.P. v. Missouri Public Service Com'n*, 112 S.W.3d 20, 28 (Mo. App. 2003).

Decision

The Commission finds that it is lawful to approve this rate outside of a general rate case for two reasons. First, section 393.1610.1 authorizes the Commission to approve pilot programs intended to advance the electric utility's operational knowledge. The statute's grant of authority to approve a pilot program implies the authority to approve rates to pay the cost of such a program.

Second, the courts have held that the prohibition against single issue ratemaking does not apply when a rate for a new service is being proposed. The proposed time-of-use rate that offers significantly different terms for payment for electricity used to charge electric transit vehicles, is a charge for a new service within the exception to the single issue ratemaking described by the court in the *Sprint Spectrum* case. The suggestion that it is not a new service because at its heart it is still a charge for electric service that is already available under Evergy's existing tariffs, understates the extent of the exception recognized by the court in the *Sprint Spectrum* case. It could just as easily be said that the charge for a new service in that case was at heart just a charge for telecommunications services. In sum, the Commission finds that it has the authority to approve this new charge in this case.

b. Is it lawful for the Commission to approve a rate for this new service at this time given the Company has elected PISA?

Findings of Fact

60. Evergy elected to implement Plant In Service Accounting ("PISA") by filing a notice with the Commission on January 1, 2019.⁷⁷

⁷⁷ File No. EO-2019-0045 (Evergy Missouri West) and File No. EO-2019-0047 (Evergy Missouri Metro).

Conclusions of Law

R. Section 393.1400, RSMo (Supp. 2020) allows electrical corporations, such as Evergy, to elect to implement what is known as “Plant In Service Accounting,” usually referred to as PISA. To implement PISA, the utility must file a notice with the Commission announcing that election to make the PISA deferrals.⁷⁸

S. Section 393.1655.2, RSMo (Supp. 2020) requires the base rates of an electrical corporation that elects to implement PISA to be frozen for a period ending at the third anniversary of the date the company gave notice to make the PISA deferrals.

Decision

The rate freeze imposed on Evergy following its election to implement PISA ended, three years from January 1, 2019, when it filed its notice to elect PISA. In other words, that freeze ended on January 1, 2022, and is no longer in effect. The Commission finds that it is lawful to approve this rate at this time.

c. If the Commission does approve the new rate, should the Company use the revenue received from the rate schedule to offset the costs Evergy is requesting to defer to a regulatory asset account?

Findings of Fact

61. Staff recommends the Commission reject Evergy’s proposed Electric Transit Service Rate, but recommends that if the new rate is approved, the Commission order that the revenue received from the rate schedule be used to offset the costs Evergy is requesting to defer to a regulatory asset account.⁷⁹ (The use of a regulatory asset account will be further addressed later in this report and order.)

⁷⁸ Section 393.1400.5, RSMo (Supp. 2020).

⁷⁹ Staff Rebuttal Report, Exhibit 100, Page 5, Lines 3-6.

62. Evergy responded to Staff's recommendation by pointing out that it would be difficult or impossible to identify whether the revenue from a particular charging station is new incremental revenue. It also pointed out that all revenues from whatever source will be considered in a future rate case and will ultimately flow back to the benefit of ratepayers.⁸⁰

Conclusions of Law

There are no additional conclusions of law for this sub-issue.

Decision

There was very little evidence, or even discussion, offered by the parties about the application of Staff's proposal to the Electric Transit Service Rate. The concerns Evergy raised in opposition seem to be applicable to the proposed Business EV Charging Service Rate, which will be addressed in the next issue, but are not applicable to this proposed rate. The revenues received through the Electric Transit Service Rate can be narrowly traced and those revenues derived from the rate can be used to offset costs of the Pilot Program deferred in a regulatory asset. The Commission will adopt Staff's proposal as it applies to this rate.

5. Should the Commission approve Evergy's proposed Business EV Charging Service Rate?

Findings of Fact

63. Evergy proposes a new Business EV Charging Service Rate option for commercial customers to increase EV adoption, meet workplace employee and fleet EV charging needs, support public EV service provider's networks, and maximize grid

⁸⁰ Ives Surrebuttal, Ex 4, Pages 8-9, Lines 4-23, 1-3.

benefits of EV charging load at commercial locations. Any commercial customer with an EV charging station is eligible for the rate.⁸¹

64. The Business EV Charging Service Rate is a time-of-use rate with three time periods to encourage workplace and fleet charging during off-peak times. The new rate also eliminates the demand charge while retaining a facility demand charge to incentivize managed charging.⁸²

65. Evergy's objective in proposing this rate is to establish the rate as an incremental offering to meet the anticipated future needs of its customers. Evergy anticipates that few customers will immediately be served on the rate and only a nominal amount of consumption is expected to be served under this rate in the near term.⁸³

66. Evergy's proposed Business EV Charging Service Rate is complex and will have as yet unknown implication on how Evergy recovers its costs from its various customer classes. Those aspects of the proposed rate should be carefully examined in the context of a class cost of service study performed in a general rate case.⁸⁴

67. Evergy has already filed a 60-day notice of intent to file its next general rate case. Evergy Missouri Metro's notice created File No. ER-2022-0129 and Evergy Missouri West's notice created File No. ER-2022-0130. Both notices were filed on November 8, 2021, meaning the rate cases can be filed after January 7, 2022.

Conclusions of Law

There are no additional conclusions of law for this issue.

⁸¹ Portfolio Filing, Exhibit 1, Page 28.

⁸² Portfolio Filing, Exhibit 1, Page 29.

⁸³ Portfolio Filing, Exhibit 1, Page 29.

⁸⁴ Transcript, Page 506, Lines 9-16.

Decision

There are many unanswered questions about the details of the Business EV Charging Service Rate. The Commission is not opposed to the concepts behind that rate, but since Evergy acknowledges that it does not anticipate providing substantial amounts of electricity under this rate in the near future, and Evergy intends to file a new rate case in the near future, it is appropriate for the Commission to consider this proposed rate within the context of a general rate case. The Business EV Charging Service Rate will be rejected at this time.

The following identified sub-issues would only need to be addressed if the Commission approved the Business EV Charging Service Rate. Since the Commission has not approved that rate these sub-issues need not be addressed.

- a. **Is it lawful for the Commission to approve a rate for this new service outside of a general rate case?**
- b. **Is it lawful for the Commission to approve a rate for this new service at this time given the Company has elected PISA?**
- c. **If the Commission does approve this new rate should the Company use the revenue received from the rate schedule to offset the costs Evergy is requesting to defer to a regulatory asset account?**

6. Should the Commission approve Evergy's proposed cap increase for the Clean Charge Network expansion?

Findings of Fact

68. Evergy currently operates a network of public charging stations known as the Clean Charge Network. The Clean Charge Network was launched in 2015 and is intended to help address range anxiety and access concerns.⁸⁵

⁸⁵ Portfolio Filing, Appendix E.

69. In Kansas City, the number of non-home chargers will need to increase from 1,458 in 2020, to 10,314 in 2030 to support anticipated EV market growth.⁸⁶

70. The Clean Charge Network tariffs that were approved in Evergy Missouri West's and Evergy Missouri Metro's last rate cases, ER-2018-0146 and ER-2018-0145, capped the number of stations served on that tariff to 250 stations for Evergy Missouri West and 400 stations for Evergy Missouri Metro.⁸⁷ In a partial stipulation and agreement that was approved by the Commission in those rate cases, Evergy agreed it would not expand the Clean Charge Network beyond those capped numbers without approval from the Commission.⁸⁸

71. Evergy seeks authority from the Commission to expand the Clean Charge Network to 300 stations for Evergy Missouri West and 500 stations for Evergy Missouri Metro. Evergy plans to spend a total of \$2,800,000 to install the additional stations.⁸⁹

72. In the Evergy Missouri Metro service area, of the 100 additional stations, 50 would be allotted to the Kansas City Streetlight Charging Project in partnership with the Metropolitan Energy Center. Another four stations would support the emerging use of transportation network company/rideshare. The other 46 stations would provide operational flexibility for Evergy to use, or not, at its discretion.⁹⁰

73. In the Evergy Missouri West service area, of the 50 additional stations, 24 would be allotted to be used in highway corridor locations along secondary and tertiary

⁸⁶ Baumhefner Surrebuttal, Exhibit 700, Page 7, Lines 19-20.

⁸⁷ Staff Rebuttal Report, Exhibit 100, Page 20, Lines 1-5.

⁸⁸ Portfolio Filing, Exhibit 1, Page 34.

⁸⁹ Portfolio Filing, Exhibit 1, Page 34.

⁹⁰ Voris Surrebuttal, Exhibit 7, Page 4, Lines 3-10.

highways. The other 26 stations provide operational flexibility for Evergy to use, or not, at its discretion.⁹¹

74. Evergy is not asking the Commission to preapprove the spending of any set amount for construction of any additional charging stations. Any such spending would be subject to a full regulatory review in a future rate case.⁹²

Conclusions of Law

There are no additional conclusions of law for this portion of this issue.

Decision

Staff, Public Counsel, and MECG oppose the proposed expansion of the Clean Charge Network in general, arguing that the network is failing to generate sufficient revenues to cover its costs and has failed to encourage the growth of EV ownership. Those arguments will be addressed in greater detail in the portion to this order addressing the question of whether the Commission should make a finding of decisional prudence regarding the expansion of the Clean Charge Network.

The Commission finds that in general terms it is appropriate for Evergy to consider expanding its Clean Charge Network. In making that finding, the Commission emphasizes that it is not directing Evergy to expand its network, merely authorizing it to do so. Nor is the Commission authorizing any specific spending on the expansion of that network at this time. Any cost incurred to construct or operate chargers will be subject to a full regulatory review in a future rate case.

⁹¹ Voris Surrebuttal, Exhibit 7, Page 4, Lines 11-16.

⁹² Ives Surrebuttal, Exhibit 4, Page 13, Lines 5-8.

The Commission will increase the current cap on the number of chargers allowed in the network. The details of that allowed increase will be addressed in the subsequent sub-issues.

a. Should the Commission approve Evergy's request to expand its Clean Charge Network along the highway corridors?

Findings of Fact

75. Evergy proposes to use 24 of the additional charging stations to be authorized for inclusion in the Clean Charge Network for the Evergy Missouri West service territory to install fast charging hubs along highway corridors to enable long distance travel for EV drivers. Evergy proposes to use this expansion to better meet an interim market need in the absence of adequate charging services being offered by independent charging providers.⁹³

76. Evergy has not identified the locations of these additional highway corridor fast chargers, but all such sites will be in Evergy's existing service territory.⁹⁴

Conclusions of Law

There are no additional conclusions of law for this portion of this issue.

Decision

The Commission does not believe that the proposed expansion of the Clean Charge Network to include additional fast charging stations in highway corridors is appropriate at this time. Evergy has not provided adequate detail about its plans and this type of highway corridor charging may well be the focus of federal funding efforts. Evergy's request for authority to add 24 additional charging stations in highway corridors in the Evergy

⁹³ Portfolio Filing, Exhibit 1, Page 35.

⁹⁴ Voris Surrebuttal, Exhibit 7, Page 8, Lines 9-17.

Missouri West service territory is denied. That means Evergy will be authorized to add 26 additional charging stations in the Evergy Missouri West service territory to provide operational flexibility for Evergy to use, or not, at its discretion.

b. Should the Commission approve Evergy's request to partner with the Metropolitan Energy Center and the City of Kansas City, Missouri to pilot streetlight charging installations in the city's right of way?

Findings of Fact

77. Of the additional charging stations Evergy is proposing to add to the Clean Charge Network in the Evergy Missouri Metro service area, 50 would be allotted to the Kansas City Streetlight Charging Project in partnership with the Metropolitan Energy Center and the City of Kansas City.⁹⁵

78. The project is funded by a federal grant and will demonstrate and test the benefits of curbside charging for EVs using streetlight infrastructure. The goal of the program is to evaluate efforts to use streetlight-based chargers to better serve and support EV drivers, particularly in densely populated residential areas without off-street parking.⁹⁶

Conclusions of Law

There are no additional conclusions of law for this portion of this issue.

Decision

This is the one aspect of Evergy's proposed portfolio that no party opposes. The Commission agrees that it is appropriate and will increase the current cap on the number of chargers allowed in the network to meet the requirements of this project.

⁹⁵ Voris Surrebuttal, Exhibit 7, Page 4, Lines 3-10.

⁹⁶ Portfolio Filing, Exhibit 1, Page 35.

c. Should the Commission approve Evergy's request to utilize some of the charging stations under the cap toward use by transportation network companies/rideshare companies?

Findings of Fact

79. Evergy has proposed to dedicate four additional charging stations in the Evergy Missouri Metro service territory to an as yet undefined plan to encourage the use of EVs by transportation network companies or rideshare companies.⁹⁷

80. Evergy plans to pilot DC Fast Charging infrastructure that can be used by rideshare programs and companies to provide the benefits of EV usage to customers who may not own a personal vehicle. Evergy will work with stakeholders and communities to identify locations that enable the use of EVs for ridesharing and promote further adoption of EVs among rideshare drivers.⁹⁸

81. Evergy has not described any current agreement with Uber, Lyft, or any other rideshare provider.⁹⁹

Conclusions of Law

There are no additional conclusions of law for this portion of this issue.

Decision

The Commission finds that the concept of using the Clean Charge Network to encourage the use of EVs by ride share providers is an appropriate use of that network and use of four additional charging stations for that purpose is approved.

However, at this time, the use of the Clean Charge Network to encourage use of EVs by ride share providers is still a rather ill-defined concept that will need to be fleshed out by Evergy in conjunction with interested stakeholders. The Commission will direct

⁹⁷ Voris Surrebuttal, Exhibit 7, Page 4, Lines 7-8.

⁹⁸ Portfolio Filing, Exhibit 1, Page 36.

⁹⁹ Marke Rebuttal, Exhibit 200, Page 22, Lines 17-19.

Evergy to report to Staff regarding those discussions with stakeholders and progress toward implementation of the concept. The Commission will direct Evergy to track usage data from such rideshare charging stations as part of its reports to Staff.

d. Should the Commission approve Evergy's request that the Commission find that the limited and targeted Clean Charge Network expansion plans Evergy has proposed in this filing are prudent from a decisional perspective?

82. Evergy requests that the Commission “find that the limited and targeted CCN [Clean Charge Network] expansion plans Evergy has announced in this filing are prudent from a decisional perspective.”¹⁰⁰

83. At the hearing, Evergy's witness, Darren Ives, clarified that Evergy was seeking a Commission statement that “the one answer the Commission won't use when we bring constructed charging stations back in for requested recovery is that utilities should not be building charging stations.”¹⁰¹ He further explained that Evergy agreed that a Commission review and determination of the prudence of construction of a particular charging stations would not be precluded by the finding of decisional prudence Evergy seeks.¹⁰²

84. Evergy did not seek a finding of decisional prudence from the Commission when it built the initially authorized 650 chargers as part of its Clean Charge Network. Instead, it simply built the chargers and then sought recovery in a general rate case.¹⁰³

85. The parties vehemently disagree about the effectiveness of the current Clean Charge Network. Evergy points to the existence of the extensive Clean Charge

¹⁰⁰ Portfolio Filing, Exhibit 1, Page 32.

¹⁰¹ Transcript, Page 235, Lines 16-20.

¹⁰² Transcript, Pages 235-236, Lines 21-25, 1.

¹⁰³ Transcript, Pages 539-540, Lines 23-25, 1-6.

Network in its Evergy Missouri Metro and Evergy Missouri West service territories as a reason for a faster growth rate of EV ownership in those service territories compared to its Kansas Central service territory, where the charging network is not as robust.¹⁰⁴

86. Public Counsel counters that the combined areas of St. Louis City, St. Louis County, and St. Charles County, an area that does not have a utility owned charging network, has outpaced Evergy's Missouri service areas in the registration of EVs.¹⁰⁵

87. The parties do not even agree on the number of existing EVs in Evergy's Missouri service territories. Evergy reports that based on an EPRI¹⁰⁶ study, there were 3,010 EVs in the combined Evergy Missouri Metro and Evergy Missouri West territories as of September, 2020.¹⁰⁷ Public Counsel argues, based on its witnesses counting of EV registration reports of the Missouri Department of Revenue, that there were only 1,412 EVs (1,305 battery and 107 plug-in hybrids) in Evergy's Missouri service territories in October 2020.¹⁰⁸ Evergy countered during its cross examination of Public Counsel's witness that the Missouri Department of Revenue's registration numbers seriously undercounted the number of plug-in hybrids,¹⁰⁹ but did not offer any evidence to explain that undercount.

Conclusions of Law

T. The Commission is not authorized to issue advisory opinions.¹¹⁰

¹⁰⁴ Portfolio Filing, Exhibit 1, Page 5.

¹⁰⁵ Marke Rebuttal, Exhibit 200, Page 10, Lines 1-6.

¹⁰⁶ Electric Power Research Institute.

¹⁰⁷ Portfolio Filing, Exhibit 1, Page 13.

¹⁰⁸ Marke Rebuttal, Exhibit 200, Page 9, Lines 4-12, and Errata Sheet, Exhibit 204.

¹⁰⁹ Transcript, Pages 574-583.

¹¹⁰ *State ex rel. Laclede Gas Co. v. Public Service Com'n*, 392 S.W.3d 24, 38 (Mo. App. 2012).

Decision

A finding of decisional prudence is not necessary to the Commission's decision regarding Evergy's proposed transportation electrification portfolio. Instead, it would be an advisory opinion that the Commission is not authorized to make. In addition, a finding of decisional prudence is not appropriate because there was insufficient evidence presented in this case to make such a determination, even if it were authorized by law. The parties cannot even agree on the number of existing EVs in Evergy's service territory. This is a problem because in this case there have been no definitive studies, just witnesses quoting from studies that they have read, but cannot fully explain. The arguments of the parties are full of deeply held beliefs, but with little empirical support. The record developed in this case should not be the basis for a finding of decisional prudence that would preclude a better supported consideration of these matters in a future case.

e. Should the Commission direct Evergy to allow site hosts at new Clean Charge Network sites to choose the EV charging hardware and network service provider and to set the prices paid by drivers?

88. ChargePoint recommends that Evergy allow the hosts of charging sites owned by Evergy's Clean Charge Network to choose the EV charging equipment and network service provider that is deployed from a list of vendors previously qualified by the utility.¹¹¹

89. Further, ChargePoint recommends Evergy allow those hosts to establish the prices and pricing policies for EV charging services provided at the utility-owned chargers.¹¹²

¹¹¹ Wilson Rebuttal, Exhibit 900, Page 16, Lines 10-12.

¹¹² Wilson Rebuttal, Exhibit 900, Page 17, Lines 6-20.

90. Sierra Club's witness counters that hosts should not be at liberty to mark-up the price of electricity at customer-funded, utility-owned charging stations, nor to levy fees that result in drivers whose cars cannot charge as quickly paying more for the same amount of electricity as drivers whose cars can charge more quickly.¹¹³

91. Evergy's costs related to the Clean Charge Network are recovered from the customers that use the network to charge their EVs. Selection of the right hardware should be undertaken according to the same prudence considerations that would apply to any other utility investment. That would not be possible if site hosts were allowed to decide what type of charger should be installed.¹¹⁴

Conclusions of Law

There are no additional conclusions of law for this portion of this issue.

Decision

Evergy's Clean Charge Network is utility owned property for which Evergy recovers its costs and investment from the users of the system. ChargePoint proposes to make the network more compatible with a free market charging network by allowing site hosts to control the equipment installed at the site and to determine the rates to be charged to customers. That proposal would be inconsistent with the regulatory structure to which Evergy is subject. ChargePoint's recommended modifications are rejected.

¹¹³ Baumhefner Surrebuttal, Exhibit 700, Page 24, Lines 8-11.

¹¹⁴ Marke Surrebuttal, Exhibit 201, Page 9, Lines 6-13.

7. Should the Commission approve Evergy's proposed Customer Education and Program Administration proposal?

92. Evergy proposes to budget \$1,100,000 over the five-year period of its portfolio program for education and program administration in the Evergy Missouri Metro service area. Similarly, it would budget \$586,000 for the Evergy Missouri West service area.¹¹⁵

93. Evergy's education program will offer customer education to support EV adoption and encourage participation in Evergy's program offerings. Evergy will also offer technical assistance to help customers navigate EV-related decisions and to maximize the benefits of EV adoption.¹¹⁶

94. The customer education portion of the budget represents \$750,000 of the total budget, with the remainder attributed to program administration costs.¹¹⁷

95. Evergy has not finalized the details of its education program because it intends to use the lessons learned from the pilot program to craft the educational offerings.¹¹⁸

96. Evergy typically fully develops education, marketing, and outreach plans after regulatory approval so as to understand the approved set of goals, objectives, and constraints.¹¹⁹

Conclusions of Law

There are no additional conclusions of law for this issue.

¹¹⁵ Portfolio Filing, Exhibit 1, Appendix A.

¹¹⁶ Portfolio Filing, Exhibit 1, Page 30.

¹¹⁷ Voris Surrebuttal, Exhibit 7, Page 18, Lines 10-16.

¹¹⁸ Transcript, Pages 179-180, Lines 13-25, 1-3.

¹¹⁹ Voris Surrebuttal, Exhibit 7, Page 16, Lines 15-17.

Decision

The Commission believes customer education is important to the success of Evergy's program portfolio and the Commission will approve an appropriate budget for education about, and administration of, those programs. However, the budget amounts proposed by Evergy may no longer be appropriate given that the Commission has rejected substantial portions of that program. The Commission does not have sufficient information in the record to set a definite amount for the budget in this order. Instead, the Commission will simply direct Evergy to develop a reasonable education and administration budget, proportional to the programs approved in this order, keeping in mind that all spending for those purposes will be subject to a full regulatory review in a future rate case. Evergy shall prepare such a budget and file it in this case within 45 days following the effective date of this order. If any party wishes to challenge that budget they may do so by filing an appropriate pleading in this case within 30 days after Evergy files the budget.

8. Should the Commission approve Evergy's proposal to administer the new pilot rebate programs over a five-year period, beginning in the first quarter of 2022 and concluding in the first quarter of 2027, including periodic reporting to the Commission and stakeholders?

Findings of Fact

97. Evergy proposed to administer the pilot rebate programs over a five-year period beginning in the first quarter of 2022. However, Evergy also anticipated a three-month ramp-up period in 2021 to establish key processes, contracts, and operations before launching the pilot programs.¹²⁰

¹²⁰ Portfolio Filing, Exhibit 1, Page 31.

98. Evergy proposes to record and report to the Commission quantitative and qualitative measures of the new pilot program's status.¹²¹

Conclusions of Law

There are no additional conclusions of law for this issue.

Decision

Although several parties opposed nearly all of the programs proposed by Evergy as part of its portfolio, no party specifically objected to the five-year implementation period for those programs. The Commission will approve that five-year implementation period. Evergy proposed that the programs begin with the start of the first quarter of 2022, but also anticipated a three-month ramp-up period before the programs went into effect. The effective date of this report and order will not allow for sufficient time for the programs to take effect in the first quarter of 2022, so the Commission will authorize the programs to go into effect in the second quarter of 2022.

9. Should the Commission approve Evergy's request that the Commission authorize the Company to use a regulatory asset tracking mechanism to track and defer the pilot program costs that include rebate incentives and certain associated customer education and administrative costs as well as off-setting revenues?

Findings of Fact

99. Evergy asks the Commission to authorize it to use a regulatory asset tracking mechanism to track and defer the pilot program costs for recovery in a future rate case. Without such a deferral mechanism, Evergy would be unable to recover those costs through its next general rate case and between future rate cases during the five-year implementation period.

¹²¹ Portfolio Filing, Exhibit 1, Page 31.

100. Staff opposes the implementation of the pilot programs proposed by Evergy, but if such programs are approved, it does not oppose the creation of a deferral mechanism as proposed by Evergy.¹²²

101. In its initial brief, Public Counsel opposed the creation of a regulatory asset tracking mechanism as unnecessary. Public Counsel also contends that the Commission's authority to engage in deferral accounting and the establishment of regulatory assets and liabilities is limited to extraordinary events, and that Evergy's implementation of the pilot programs is not an extraordinary event.¹²³

Conclusions of Law

U. Section 393.140(4), RSMo 2016 gives the Commission "power, in its discretion, to prescribe uniform methods of keeping accounts, records and books, to be observed by ... electrical corporations...."

V. Section 393.140(8), RSMo 2016 gives the Commission "power to examine the accounts, books, contracts, records, documents and papers of any such corporation or person, and have power, after hearing, to prescribe by order the accounts in which particular outlays and receipts shall be entered, charged or credited."

W. Missouri's courts have described an Accounting Authority Order as follows:

A regulated utility's rates are established prospectively in periodic ratemaking proceedings, based on the utility's revenues and expenses during an earlier 'test year.' When a utility incurs extraordinary expenses (such as the construction of major capital improvements) outside of a 'test year,' those extraordinary expenses will not be reflected in rates (because the rates were established to allow the utility to recoup its ordinary expenses, as reflected in the 'test year'). An accounting authority order or 'AAO' permits a utility to capture those extraordinary expenses for (potential) recovery in the forward-looking rates to be established at a future rate case (even though the extraordinary expenses may occur outside the 'test year' utilized in that future rate case).¹²⁴

¹²² Staff Rebuttal Report, Exhibit 100, Page 32, Lines 4-5.

¹²³ Initial Brief of the Missouri Office of the Public Counsel, Page 80.

¹²⁴ *State ex rel. Aquila, Inc. v. Public Service Commission*, 326 S.W.3d 20, 27 (Mo. App. 2010).

Decision

Absent the establishment of some form of recovery mechanism to allow Evergy to recover the cost of implementing the portfolio of pilot programs that the Commission has approved in this order, Evergy would be unable to recover those costs that fall outside the test year established in future rate cases. If unable to recover its costs, Evergy might choose not to implement those programs. Under those circumstances, the Commission finds that these expenses and off-setting revenues are extraordinary and will authorize Evergy to use a regulatory asset tracking mechanism to track and defer the pilot program costs for recovery in a future rate case or rate cases.

- a. Should the Commission approve the requested 5-year amortization timeframe requested as part of this case?**

Findings of Fact

102. Evergy proposes that pilot program costs be amortized into its cost of service through an amortization period of five years.¹²⁵

103. Staff does not oppose the creation of a deferral mechanism for the costs, but recommends that the amortization period for the deferred costs should be determined in a future rate case, not in this proceeding.¹²⁶

104. Evergy responds that a five-year amortization period aligns the amortization with the length of the pilot program and should be established in this case.

Conclusions of Law

There are no additional conclusions of law for this sub-issue.

¹²⁵ Portfolio Filing, Exhibit 1, Page 32.

¹²⁶ Staff Rebuttal Report, Exhibit 100, Page 32, Lines 4-6.

Decision

The amortization period of the deferred costs under the deferral mechanism can best be determined in a future rate case when the deferred amounts are actually known. If the amount of dollars deferred is significant, a longer amortization period may be appropriate. If the amount of dollars deferred is less, a shorter amortization period may be appropriate. There is no reason the amortization period needs to match the length of the pilot program, although that period may be found to be reasonable when the matter is considered in a rate case. An amortization period will not be established in this case.

10. Should the Commission approve Evergy's requests for variance of subsections 20 CSR 4240-14.020(1)(B), (1)(D), and (1)(E) only as those subsections are applied to the pilot programs as described in any approved compliance tariffs resulting from this case?

Findings of Fact

105. Evergy requests a variance of three provisions of the Commission's rule regarding prohibited promotional practices. The variances are necessary to avoid inconsistencies with the customer incentives that are being approved in this order.

106. Staff indicates that to the extent the Commission does authorize any aspect of Evergy's request, the grant of a variance would be appropriate, but that the variances should only be as broad as necessary, and should be of limited duration.

Conclusions of Law

X. The relevant portions of the rules for which Evergy requests a variance are as follows:

20 CSR 4240-14.020 Prohibited Promotional Practices

(1) No public utility shall offer or grant any of the following promotional practices for the purpose of inducing any person to select and use the service or use additional service of the utility:

(B) The furnishing of consideration to any architect, builder, engineer, subdivider, developer or other person for work done or to be done on property not owned or otherwise possessed by the utility or its affiliates, ...;

(D) The furnishing of consideration to any dealer, architect, builder, engineer, subdivider, developer or other person for the sale, installation or use of appliances or equipment;

(E) The provision of free, or less than cost or value, wiring, piping, appliances or equipment to any other person:

Y. Commission Rule 20 CSR 4240-14.010(2) provides that the Commission may grant variances from its promotional practices rule for good cause shown.

Decision

The Commission finds that Evergy has shown good cause for the granting of a variance from Commission Rule 20 CSR 4240-13.020(1)(B), (D), and (E). Such variance is granted only to the extent that those rule provisions would otherwise conflict with the pilot programs approved in this order. The granted variance will expire when the approved programs end.

THE COMMISSION ORDERS THAT:

1. The tariff sheets submitted on February 24, 2021, by Evergy, assigned Tariff Tracking Nos. JE-2021-0161 and YE-2021-0160 are rejected.

2. Evergy is authorized to file tariff sheets in compliance with this order.

3. Evergy shall develop a reasonable education and administration budget and file it in this case within 45 days following the effective date of this order. If any party wishes to challenge that budget they may do so by filing an appropriate pleading in this case within 30 days after Evergy files the budget.

4. Evergy is granted a variance from Commission Rule 20 CSR 4240-13.020(1)(B), (D), and (E). Such variance is granted only to the extent that those

rule provisions would otherwise conflict with the pilot programs approved in this order.
The granted variance will expire when the approved programs end.

5. This report and order shall become effective on January 24, 2022.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive, flowing style.

Morris L. Woodruff
Secretary

Silvey, Chm., Rupp, Coleman, Holsman, and
Kolkmeier CC., concur and certify compliance
with the provisions of Section 536.080, RSMo (2016).

Woodruff, Chief Regulatory Law Judge

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 12th day of January, 2022.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

January 12, 2022

File/Case No. ET-2021-0151

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



Morris L. Woodruff
Secretary

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.