

**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, Inc. d/b/a Evergy) **File No. ET-2021-0151**
Missouri West for Approval of a Transportation)
Electrification Portfolio)

**REPLY BRIEF OF SIERRA CLUB &
NATURAL RESOURCES DEFENSE COUNCIL**

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I. Introduction

Sierra Club and the Natural Resources Defense Council submit this reply brief in support of Evergy's request for approval of tariff sheets and creation of accounting authority for a Transportation Electrification Portfolio ("TEP").¹ Evergy's \$12.8M TEP includes three pilot programs, two new electricity rate designs, and funding for customer education and program administration.² The TEP also proposes an expansion of the Clean Charge Network.³

Sierra Club and Natural Resources Defense Council ("NRDC" and, collectively, "Sierra Club/NRDC") strongly support the TEP because it is well-designed to accelerate transportation electrification and the realization of its associated electricity grid, economic, and societal benefits. The Commission should approve the TEP subject to minor modifications to improve the design of the Residential Customer EV Outlet Rebate and Commercial EV Charger Rebate programs.

II. Argument

a. Sierra Club and NRDC's recommended program modifications are generally supported by the parties.

In our initial brief, we argued that the TEP should be approved in full subject to minor modifications to the Residential Customer EV Outlet Rebate and Commercial EV Charger Rebate programs. The Commission should direct the Company to incorporate those changes for the reasons stated in our initial brief and because our recommended modifications are generally supported by other parties to this proceeding. Parties' positions are summarized in the table below.⁴

¹ Exhibit 1, Updated Evergy Transportation Electrification Portfolio Filing Report (filed May 7, 2021) [hereinafter "Evergy TEP"]. The Evergy TEP is supported by the testimony of Charles A. Caisley (Exhibits 2 & 3), Darren Ives (Exhibit 4), Brad Lutz (Exhibit 5) Timothy Nelson (Exhibit 6), and Nick Voris (Exhibit 7).

² Evergy TEP at 22-34.

³ *Id.* at 34-36.

⁴ Midwest Energy Consumers Group is not referenced in this table because its brief is limited to "(1) a couple overarching thoughts regarding Evergy's proposed electrification [sic] program and (2) legal issues underlying Evergy's request (the Commission setting rates outside of a general rate case and the effect of Evergy's election to utilize Plant In-Service Accounting)." MECG Initial Brief at 1.

TEP program	Sierra Club/NRDC recommendation	Parties in support or unopposed
Residential Customer EV Outlet Rebate	Ensure participating customers take service on a time-of-use rate	Staff, OPC, and Renew Missouri support. Evergy supports tiered rebate arrangement with higher rebate amounts contingent on enrollment in a time-of-use rate.
	Allow rebate to be used for purchase of a qualified Level 2 charging station	Staff and ChargePoint support. Renew Missouri unopposed.
Commercial EV Charger	Reserve 20 percent of rebates for multi-family locations	Evergy, Staff, OPC, Renew Missouri, and ChargePoint all take no position.
	Require participating site hosts to agree to share data and report on key metrics	Evergy, Staff, OPC, Renew Missouri support data collection
	Clarify the demand response requirement for participating customers	Evergy and ChargePoint supports. Staff and OPC take no position.

i. The Residential Customer EV Outlet Rebate Program.

We recommended two changes to the Residential Customer EV Outlet Rebate program. *First*, we argued that customers receiving rebates should take service on a time-of-use (“TOU”) rate as a condition of participation to facilitate fuel cost savings and grid integration of EV charging load.⁵ This modification is supported by Staff and OPC.⁶ Renew Missouri similarly supports “[a]dditional education about the benefits of charging off-peak or enrolling in a time-of-use rate

⁵ SC-NRDC Initial Brief at 4-5.

⁶ Staff Initial Brief at 5; OPC Initial Brief at 21-22 (“[H]aving TOU rates is the very least that the Commission could do to protect non-participants.”).

should be required.”⁷ Evergy opposes a TOU requirement but is amenable to a tiered rebate approach where higher rebates are awarded to customers that enroll in a TOU rate, similar to the agreement reached in a non-unanimous stipulation submitted to the Kansas Corporation Commission.⁸

Second, we recommended that the Commission accept ChargePoint’s recommendation to allow the Residential Customer EV Outlet Rebate to be used to cover the costs of wiring or the purchase of a Level 2 charging station and to require installation of such a station.⁹ This recommendation is supported by Staff and ChargePoint, and is not opposed by Renew Missouri.¹⁰ This modification allows a customer to hardwire or plug their charging station into a NEMA outlet, providing flexibility for program participants and supporting the program’s efficiency and load management benefits. Staff argues that “if the [program] is approved, then requiring an actual purchase of an EV charging station ... is an improvement.”¹¹

ii. The Commercial EV Charger Rebate Program.

Sierra Club and NRDC made three recommendations with respect to the Commercial EV Charger Rebate Program. **First**, we asked the Commission to direct Evergy to reserve at least 20 percent of rebates for multi-family locations because access to the charging at home is a “virtual necessity” for EV adoption.¹² Evergy, Staff, OPC, Renew Missouri and ChargePoint all take no position on this recommendation.¹³ The Commission should approve this non-controversial

⁷ Renew Missouri Initial Brief at 2.

⁸ Evergy Initial Brief at 3-4 (describing the terms of the stipulation and stating “Evergy believes it would be acceptable and appropriate to include similar provisions in an approved plan for its Missouri service areas.”).

⁹ SC-NRDC Initial Brief at 5-6.

¹⁰ Staff Initial Brief at 5; Renew Missouri Initial Brief at 2; ChargePoint Initial Brief at 4-6.

¹¹ Staff Initial Brief at 5.

¹² SC-NRDC Initial Brief at 7-8.

¹³ Evergy Initial Brief at 35; Staff Initial Brief at 7; OPC Initial Brief at 48-49; Renew Missouri Initial Brief at 3-4; ChargePoint Initial Brief at 6-9.

modification to ensure that the Commercial EV Charger Rebate results in a meaningful level of infrastructure deployment in this critical market segment.

Second, we argued that customers participating in the Commercial EV Charger Rebate Program should be required to report data on key, specified metrics.¹⁴ We also asked the Commission to reject ChargePoint’s recommendation to eliminate data collection and reporting from this program entirely.¹⁵ Evergy, Staff, and OPC all agree that ChargePoint’s recommendation should be denied, and no party—with the exception of ChargePoint—opposes Sierra Club/NRDC’s recommendation to collect certain data.¹⁶ The Commission should approve our recommendation to collect “charger utilization and load profiles by segment (public, workplace, multi-family, etc.) and by rate choice (e.g., ‘Electric Transit Service,’ ‘Business EV Charging Service,’ or other rate)” and “prices paid by drivers at locations where fees are collected from drivers.”¹⁷ Collection of this data will promote critical learnings, support intelligent future program and policy design, and help protect customers’ investments.

Third, throughout this proceeding Sierra Club/NRDC and ChargePoint have worked to clarify the Company’s demand response (“DR”) requirement. We’ve argued that program participants should agree to participate in a DR program but should not be required to participate in every DR event called pursuant to that program. The Company agrees and clarified at hearing that it “would give customers the ability to exclude themselves from a given event.”¹⁸ The Commission should memorialize this modification in its final report and order.

¹⁴ SC-NRDC Initial Brief at 8-9.

¹⁵ *Id.*

¹⁶ Evergy Initial Brief at 35; Staff Initial Brief at 6-7; OPC Initial Brief at 47-48; Renew Missouri Initial Brief at 3-4.

¹⁷ Exhibit 700, Surrebuttal Testimony of Max Baumhefner at 19-20.

¹⁸ Tr. Vol. 1, p. 175, lines 7-9. *See also* Tr. Vol. 1, p. 175, lines 13-17 (When asked “So you do not expect customers receiving commercial rebates to agree to participate in every demand response event that may be called pursuant that your forthcoming demand response program; is that right?” Company witness Mr. Voris responded ““Right. That is correct. We do not.”); Tr. Vol 2., p. 293, lines 3-13 (Mr. Ives confirming during cross examination that he shares the same understanding of the Company’s position as Mr. Voris).

b. OPC’s policy arguments are contradicted by the record and findings of this Commission.

OPC’s brief is rife with conclusory statements about the accessibility of EV charging infrastructure and its relation to EV adoption that are contradicted by the extensive research and data cited in the record, this Commission’s findings in prior cases, and even the testimony of OPC’s own expert witness.¹⁹ In one representative example, OPC claims that “whether the commercial rebate charging stations are installed at multi-family dwellings as opposed to anywhere else will have no material effect on their ability to induce EV adoptions (which the data shows is non-existent).”²⁰ OPC does not cite any authority for this claim, and the notion that the location where EV charging is deployed has no bearing on EV adoption is irreconcilable with the academic literature cited by Sierra Club/NRDC witness Mr. Baumhefner and OPC witness Dr. Marke.

The National Academies of Sciences’ (“NAS”) comprehensive report, *Overcoming Barriers to Plug-In Electric Vehicle Adoption*, characterizes home charging as a “virtual necessity for mainstream PEV buyers.”²¹ With respect to multi-family dwellings, the same NAS study found that “lack of access to charging infrastructure at home will constitute a significant barrier to PEV deployment for households without a dedicated parking spot or for whom the parking location is

¹⁹ See, e.g., OPC Initial Brief at 33-34 (“[T]he bitter truth is that the assumption that more EV charging stations will automatically lead to more EV cars on the road has been disproven. The final nail in the coffin for this misguided postulation should be the fact that the current saturation of Evergy’s service territory with EV charging stations due to the CC Network has not resulted in any significant increase in EV adoption rates.”); *id.* at 40 (“Evergy is arguing that the cost of all its proposed portfolio programs is less than the increased revenue it would receive if there was widespread EV adoption and thus the programs are cost effective. Yet, there is no analysis to shows that any of the programs will successfully lead to widespread EV adoption or even to show how many more EVs any one given program is likely to induce.”); *id.* at 42 (“At the end of the day, the overwhelming evidence points to just one conclusion: additional deployment of EV charging infrastructure does not equate to an increase in EV adoptions. Evergy has no cost benefit analysis to shows that this Commercial EV charging station rebate program will induce more people to buy EVs and experience with the CC Network shows that this is highly unlikely to occur. Instead, this continued build out of commercial facing EV sites will only serve to cannibalize the existing CC Network and/or be exploited by free-riders.”).

²⁰ OPC Initial Brief at 48-49.

²¹ Exhibit 700, Surrebuttal Testimony of Max Baumhefner at 14 (citing National Research Council of the National Academies of Sciences, *Overcoming Barriers to the Deployment of Plug-in Electric Vehicles*, THE NATIONAL ACADEMIES PRESS (2015), at 83.).

far from access to electricity.”²² Dr. Marke’s pre-filed testimony in this case underscores the importance of home charging, and he acknowledged at hearing that the Company’s proposed Commercial EV Charger Rebate would support charging at multi-family dwellings, which are homes where people live.²³ During the hearing Dr. Marke also re-affirmed prior testimony in which he quotes the following conclusion from an Idaho National Labs study: “charging infrastructure should be focused **at home**, workplaces, and in public hotspots where demand for AC Level 2, EVSE or DCFC stations is high.”²⁴ OPC’s contention that availability of charging in one market segment (like multi-unit dwellings) versus another “will have no material effect on their ability to induce EV adoptions” is inconsistent with the record.

OPC also makes the sweeping claim that “overwhelming evidence points to just one conclusion: additional deployment of EV charging infrastructure does not equate to an increase in EV adoptions.”²⁵ This contention is contradicted by the record and the Commission’s own findings. In ET-2018-0132, the Commission made the following findings of fact:

16. To spur EV adoption growth in the most efficient manner, a “holistic charging ecosystem” (the ability to charge at home, at work, and public, including highway corridors) is needed.

17. The KCP&L and GMO Clean Charge Network has been effective in spurring growth in the EV adoption rate in the Kansas City area. Statistics show that the Kansas City area was in the top two or three cities nationwide for EV growth during 2016 and had the highest EV growth rate in the United States for the 4th Quarter of 2016 and the 1st Quarter of 2017.²⁶

OPC’s statement also runs counter to academic research demonstrating that dollars spent to deploy charging infrastructure spur twice as many EV purchases as dollars spent on vehicle purchase

²² *Id.* at 18.

²³ Exhibit 200, Rebuttal Testimony of Dr. Geoff Marke at 7(stating that “an estimated 85% of all EV charging is done at home.”).

²⁴ Tr. Vol. 3, p. 567, lines 3-5 (Dr. Marke reading from his pre-filed testimony submitted in ET-2016-0246 and ET-2018-0132 in which he quotes a central finding in a study conducted by Idaho National Labs) (emphasis added).

²⁵ OPC Initial Brief at 42.

²⁶ Exhibit 14, ET-2018-0132 Report and Order at 14.

incentives (which are also effective in driving EV sales).²⁷ Moreover, “public charging is also needed to enable widespread EV adoption that will provide widespread benefits to *all* customers.”²⁸ As researchers from Idaho National Laboratory note, “the availability of public infrastructure provides consumer confidence against ‘range anxiety,’ or the perceived fear by battery electric vehicle drivers of becoming stranded once the battery is depleted; however, this availability means that infrastructure must naturally precede the adoption of PEVs.”²⁹

From both the record and the Commission’s experience in prior EV-related cases, it is reasonable to conclude that the TEP stations will be used, useful, and enable new EV adoption. This conclusion is even more reasonable considering the growth in the EV market, national policy goals, and the identified infrastructure gap in Missouri.³⁰ The Commission should reject OPC’s claims regarding the importance of charging availability to EV adoption as contrary to the weight of evidence and deny OPC’s request to reject the majority of the TEP programs.

III. Conclusion

For the reasons stated above and in our initial brief, Sierra Club and NRDC urge the Commission to approve the tariff sheets proposed by Evergy and establish the accounting authority that will permit implementation of the TEP subject to our recommended modifications.

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²⁷ Exhibit 700, Surrebuttal Testimony of Max Baumhefner at 3 (citing Shanjun Li, Lang Tong, Jianwei Xing, and Yiyi Zhou, *The Market for Electric Vehicles: Indirect Network Effects and Policy Design*, Journal of the Association of Environmental and Resource Economists Vol. 4, No. 1, March 2017, available at: <https://doi.org/10.1086/689702>).

²⁸ *Id.* at 3.

²⁹ *Id.* at 3-4 (citing Jim Francfort et al., *Considerations For Corridor and Community DC Fast Charging Complex System Design*, p. ii (March, 2017)).

³⁰ *Id.* at 7.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct PDF version of the foregoing was filed on EFIS and electronically mailed to all counsel of record on this 29th day of November, 2021.

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