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Sponsoring Party: Evergy Missouri Metro and  
Evergy Missouri West  
Case No. EO-2019-0132 / 0133  
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**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO.: EO-2019-0132 / 0133**

**DIRECT TESTIMONY**

**OF**

**BRIAN A. FILE**

**ON BEHALF OF**

**EVERGY MISSOURI METRO and EVERGY MISSOURI WEST**

**Kansas City, Missouri  
January 2022**

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**DIRECT TESTIMONY**

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**Case No. EO-2019-0132 / 0133**

**1 Section 1: Introduction**

**2 Q: Please state your name and business address.**

**3 A:** My name is Brian A. File. My business address is 1200 Main, Kansas City, Missouri  
**4** 64105.

**5 Q: By whom and in what capacity are you employed?**

**6 A:** I am employed by Evergy Metro, Inc. and serve as Director, Demand-Side Management  
**7** for Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy MO Metro”) and Evergy  
**8** Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy MO West”).

**9 Q: Who are you testifying for?**

**10 A:** I am testifying on behalf of Evergy Missouri Metro and Evergy Missouri West  
**11** (collectively, “Evergy” or “the Company”).

**12 Q: What are your responsibilities?**

**13 A:** My responsibilities include leading the demand-side management group (including energy  
**14** efficiency and demand response) at Evergy for all jurisdictions. This function includes the  
**15** Commission approved MEEIA programs. Additionally, I have responsibility for a team  
**16** focused on customer renewable energy programs and customer facing rates  
**17** implementation (e.g. Time of Use).

1 **Q: Please describe your education, experience and employment history.**

2 A: I earned a Bachelor of Science degree in Chemical Engineering from the University of  
3 Kansas and a Master of Business Administration from the University of Missouri-Kansas  
4 City. Prior to Evergy, I worked in the petrochemical industry with Chevron Phillips  
5 Chemical Company in marketing and technical field sales roles. I have been employed at  
6 Evergy (and formerly KCP&L) since 2007 in roles varying from product management, key  
7 account relationships and economic development. I have held responsibility over the  
8 demand-side management team since 2013.

9 **Q: Have you previously testified in a proceeding at the Missouri Public Service**  
10 **Commission (“MPSC” or “Commission”)?**

11 A: Yes.

12 **Q: What is the purpose of your direct testimony?**

13 A: The purpose of my testimony is to outline Evergy’s proposal request for a one-year  
14 extension of its MEEIA Cycle 3 portfolio. My testimony discusses the following:

- 15 • Section 2: Executive summary and background of the extension request
- 16 • Section 3: Proposed adjustments to Evergy’s existing, approved MEEIA Cycle 3  
17 programs and impact to total portfolio budget, savings targets and cost effectiveness
- 18 • Section 4: Explanation of how the Company’s earnings opportunity (“EO”) request  
19 for the extension aligns with the proposed savings and prior Commission approved  
20 EO matrix
- 21 • Section 5: Key points and conclusion

1 **Section 2 – Executive Summary and Background of the Extension Request**

2 **Q: Please summarize your testimony.**

3 A: In this filing, Evergy seeks a modification to its approved MEEIA Cycle 3 portfolio (2020-  
4 2022) for a one-year extension (through 2023). As described in my testimony, this one-  
5 year extension includes a budget of \$29.032 million; total savings targets of more than  
6 120,000 net megawatt-hours ("MWh") and 105 net megawatts ("MW"); and a target EO of  
7 \$5.65 million. These figures are inclusive of both MO West and MO Metro. By filing now,  
8 as Company witness Kimberly Winslow addresses in her testimony, Evergy seeks to avoid  
9 an undue regulatory burden and review of interdependent issues with the Company's  
10 Triennial Integrated Resource Plan ("IRP"). Equally important, Commission approval of  
11 this extension would send a strong signal of stability and certainty to Evergy's customers,  
12 contractors, and the broader energy efficiency market.

13 As described below, Evergy's proposed request to extend its MEEIA Cycle 3 for  
14 a fourth program year ("PY4") is estimated to create an additional \$53.8 million in gross  
15 benefits and \$24.8 million in *net* lifetime benefits as measured under the Total Resource  
16 Cost ("TRC") test. Evergy is seeking approval of the one-year extension (2023) budget  
17 that is below the program year ("PY") 2022 approved budget, which will include the  
18 continuation of its current programs with some modifications as noted in later testimony  
19 sections. These modifications are not simply a repeat of program goals for PY 2022.  
20 Instead, Evergy proposes to modify program budgets and savings targets based on  
21 feedback from implementation teams, customers, and stakeholders. These modifications  
22 are responsive to changing market conditions in a way that will maximize customer  
23 participation, customer satisfaction and customer benefits.

1 In my testimony, I provide an overview of Evergy's PY4 budgets and savings  
2 targets for energy and demand. A detailed Schedule BAF-1 is included in this filing with  
3 all program budgets and savings by program. Also, in Section 4, I describe modifications  
4 to the EO matrix that are required to maintain consistency in performance targets and  
5 ensure that Evergy can value demand-side investments equal to supply-side investments.  
6 These modifications are consistent with guidance from the recent Report and Order  
7 issued by the Commission in Evergy's 2020-2022 approved MEEIA filing<sup>1</sup>.

8 **Q. Is the Company proposing to modify its tariffs to reflect the proposed changes for**  
9 **PY4?**

10 A. Yes. The Company is proposing a series of tariff updates to reflect the proposed changes  
11 in this request. Modifications include program "term" updates to extend to December 31,  
12 2023, along with requesting tariff approval for a new Income-Eligible Single-Family  
13 program. In addition, the demand side investment mechanism ("DSIM") tariffs will be  
14 updated to include PY4 cost and throughput disincentive ("TD") recovery and EO  
15 potential.

16 **Q: Please provide the background of Evergy's MEEIA Cycle 3 (2020-2022 Plan).**

17 A: Evergy's MEEIA Cycle 3 plan was approved by the Commission in December 2019 and  
18 Evergy has been executing successfully on that plan for approximately two years at the  
19 time of this filing. The programs are delivering energy and demand savings for both  
20 residential and business customers. Evergy's most recent evaluation, measurement and  
21 verification ("EM&V") from PY 2020 (PY 1 of MEEIA Cycle 3) reports that programs  
22 resulted in over 123.2 million in energy savings (kWh), 91,010 in demand savings (kW),

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<sup>1</sup> EO-2019-0132/0133 Report and Order includes approval for program budget for Income-Eligible Multi-Family for the period 2020-2025.

1 and \$47.3 million in customer benefits with a 1.27 total portfolio TRC. Evergy achieved  
2 106% of its total portfolio MEEIA 3 PY1 kWh savings targets.

3 **Section 3 – Proposed Adjustments to Existing MEEIA 3 Approved Programs, Budgets,**  
4 **Savings and EM&V**

5 **Q: Please summarize the proposed changes for PY4 relative to approved programs for**  
6 **PY3.**

7 A: The Company’s proposed changes to programs for a PY4 in its MEEIA Cycle 3 reflects  
8 the evolution of its MEEIA programs and seeks to address prior Staff and stakeholder  
9 feedback. The primary changes include:

- 10 1) Reduce Company’s reliance on lighting in residential and business  
11 programs for energy and demand savings.
- 12 2) Provide for year-round demand response (“DR”) options to maximize the  
13 value of these programs.
- 14 3) Remove Home Energy Reports (“HER”) energy and demand savings for  
15 TD.
- 16 4) Continue strong multi-family income-eligible offerings and enhance with  
17 single-family income-eligible offerings.
- 18 5) Continue existing pilots and transition top performing pilots to be included  
19 in permanent programs.
- 20 6) Streamline the EM&V scope for PY4.

21 In latter parts of my testimony, I provide further detail on each of these changes.

1 **Q: What budget changes and priorities does the Company propose for PY4?**

2 A: This proposed extension includes a moderate budget to continue focusing on Evergy's high  
3 impact programs, streamline programs where appropriate, and evolve programs as  
4 necessary. The PY4 budget is approximately \$6.9 million less (~19% reduction) than the  
5 MEEIA Cycle 3 approved PY 3 budget. It is important to note that:

- 6 • The PY4 budget of \$29.0 million is consistent with and within the range of  
7 the budgets and targets already approved in the MEEIA 2020-22 Plan.
- 8 • The PY4 budget is a conservative starting point relative to estimates of  
9 market demand as experienced in the last 3-4 years and the recent DSM  
10 Potential Study.
- 11 • The Company believes that a budget of \$29.0 million for PY4 will maintain  
12 adequate consistency and stability in the market.

13 In addition to the primary changes outlined above, the MO Metro Heating, Cooling  
14 and Home Comfort and MO West Business Custom programs have realized strong  
15 customer participation and demand savings. These programs will continue with similar or  
16 expanded budgets for PY4. The detailed breakout of the proposed budget by Company, by  
17 program, by year, and comparisons can be found in Schedule BAF-1.

18 **Reduce Company's reliance on lighting in residential and business programs**

19 **Q: What changes does the Company propose for residential lighting savings for PY4?**

20 A: As the DSM portfolio evolves, lighting programs and savings have been a stalwart because  
21 of their ease of participation, significant savings and quick pay-back for customers. Over  
22 time as the Company has incentives in place for these upgrades, the potential has changed,  
23 as customers move along the adoption curve to more efficient lighting solutions.



1 For the Energy Savings Products (“ESP”) program, the Company proposes to  
2 remove residential incentives for “A-line” bulbs in its standard retail stores; while  
3 continuing to provide A-line bulb incentives for the harder-to-reach customer segment  
4 (such as income eligible) by targeting retail stores where these customers most prevalently  
5 shop, such as Walmart, Dollar Tree, etc. It will also offer unique promotions made  
6 available to income-eligible customers for A-Lines through the online marketplace.

7 Efficiency standards and adoption of specialty bulbs have not reached the same  
8 levels of as A-line bulbs, therefore rebates to incent customers to purchase and install more  
9 efficient specialty LEDs are still relevant and necessary for all residential customers. The  
10 Company is proposing to continue incentives for specialty bulbs with all retail partners (not  
11 just income-eligible targeted retail stores), while maintaining a wide selection of LED types  
12 and options on the online marketplace.

13 Modifying the A-line bulb offer, to pull these bulbs from non-income-eligible  
14 targeted retail stores, will reduce the PY4 ESP budget by 70% and the energy and demand  
15 savings targets are reduced by 64% relative to PY3. The fact that the A-line bulb  
16 sales/incentives at standard retail stores accounted for 59% of program bulbs sold during  
17 PY1 and PY2 in MEEIA Cycle 3 helps to explain the large reduction. This program  
18 modification will allow for Evergy to complete its next DSM potential study, which will  
19 further inform the market potential for various types of lighting solutions for residential  
20 customers.

21 **Q: What changes does the Company propose for business lighting savings for PY4?**

22 A: Evergy’s business energy efficiency program participation (Custom and Standard) has  
23 trended with increased non-lighting measures over the last few years. The Company

1 proposes to continue to promote that increased trend for PY4 and thereby focus on  
2 incentives that maintain non-lighting participation at a target of 25% or greater of the total  
3 program energy savings.

4 **Provide for year-round demand response (“DR”) options**

5 **Q: Please provide background on Evergy’s DR programs.**

6 A: DR has been a key part of the Evergy MEEIA portfolio since the Company’s Cycle 1 in  
7 2013. Evergy’s DR programs consist of its smart thermostat program and business demand  
8 response (“BDR”) program. Over 40,000 residential customers participate in Evergy’s  
9 thermostat program. Regardless if the thermostats are one-way communicating or smart  
10 thermostats, the program provides significant value to reduce system summer peak  
11 demand. The Company’s BDR program provided for 73 MW of summer peak demand  
12 reduction in PY2. The Company proposes to extend its current DR programs for residential  
13 and business customers to continue to drive summer peak demand reduction and it also  
14 proposes to build on the value of its DR programs.

15 **Q: In a recent prudence review, the Company and stakeholders disagreed on the value  
16 of DR. Can you further explain the issues?**

17 A: The Company and stakeholders agreed there is significant value to customers by Evergy  
18 offering and customers participating in DR. The issue in a recent prudence review case<sup>2</sup>  
19 was specifically around the number of DR events being called by the Company and if the  
20 Company should have been called more events during the review period. The Company’s  
21 PY4 proposal for its DR programs is intended to be responsive to these stakeholder  
22 concerns.

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<sup>2</sup> EO-2020-0227/0228- Second Prudence review of Cycle 2 Costs related to MEEIA for Evergy Mo Metro and MO West

1 **Q: How are you proposing to alter the DR programs in PY4?**

2 A: Evergy proposes to explore calling DR events in a year-round capacity in its PY4  
3 extension. Currently, the BDR and thermostat programs have provisions to only allow  
4 event calls in the summer period (June through September). The Company proposes to  
5 alter the thermostat tariff to allow for events year-round. For the BDR program, the  
6 Company proposes to insert language into the existing BDR tariff to allow for year-round  
7 calls. The language inserted reads as follows:

8           The Company reserves the right to call curtailment for some or all  
9           Participants year-round if needed. This offseason curtailment would be  
10          utilized during emergency situations locally or regionally. Off-season  
11          participation is voluntary with participant payment at the discretion of the  
12          Company outlined in the Participation Agreements.

13 **Q: Are there any other reasons to call events year-round besides those issues expressed**  
14 **in the prudence cases?**

15 A: The most obvious recent history relates to the Winter Storm Uri from February 2021. By  
16 revising the thermostat and BDR tariffs, the Company could provide more options to  
17 mitigate situations for year-round need. The DR programs could be used as an option to  
18 help relieve possible situations in supply constraints, as occurred with Storm Uri in 2021.

19 **Q: How will residential and business customers respond during winter events?**

20 A: Evergy fully anticipates that there would be less DR from residential and business customer  
21 loads in winter events. Specifically, the residential thermostat program would be relying  
22 on reduction from residential heating systems, which range from 20-35% electric (heat  
23 pumps and resistance heat) across Evergy's jurisdictions. Second, the business program  
24 would be voluntary with a payment; however, it is likely that the response would be  
25 reduced as about 13% of the load reduction in the BDR program is from electric space  
26 cooling that would not be converted to winter reduction.

1 **Q: Would the Company’s ability to call events year-round impact MEEIA’s structure to**  
2 **evaluate DR?**

3 A: It is essential that parties agree that the value in allowing Evergy to call events in non-  
4 summer months would only be additive or incremental to the benefits of summer DR. The  
5 DR demand (kW) impact would still be focused on peak reduction for the period for which  
6 the programs are designed - summer high temperature periods.

7 **Remove Home Energy Reports (“HER”) energy and demand savings for TD**

8 **Q: Why is the Company proposing to remove HER energy and demand savings from**  
9 **MEEIA?**

10 A: The Company has offered the HER program to customers for nearly eight years. The  
11 program is at a steady state in terms of number of participants and the savings achieved per  
12 participant. The Company proposes that the HER program remain as a very positive  
13 education tool for customers and does not negate the fact that customers will continue to  
14 save energy as a result of receiving HERs. It also proposes to continue to evaluate the HER  
15 energy savings so that it may adjust for these energy savings in current and future general  
16 rate cases and eliminate the need for recovery of the throughput disincentive, nor will it  
17 seek any earnings opportunity associated with the HER program.

18 **Q: Can you further explain how adjusting for the HER energy savings in a future rate**  
19 **case offsets the need for TD recovery?**

20 A: Typically, during a general rate case, an adjustment is made to the Company’s billing  
21 determinants based on MEEIA participation by program. Evergy proposes in future rate  
22 cases, potentially including the current general rate case before the Commission, that it will  
23 “add back in” the annual energy savings (kWh) from the HER program as deemed by

1 EM&V. The net effect of adding the HER energy savings back to billing determinants is  
2 that the rate per kWh will be lower because of increased kWh to spread across costs. Since  
3 the kWhs will be adjusted in the rate case and Evergy will not be claiming throughput  
4 disincentive for any incremental savings, our customers are held whole and rates are  
5 generally lower than they would be otherwise.

6 **Q. What is the impact to the HER budget for PY4?**

7 A. Evergy is proposing to reduce the budget for the HER program (including the Income-  
8 Eligible HER), as well as the Home and Business Energy Analyzer programs, and include  
9 only maintenance costs associated with the third-party software solution. These budget  
10 reductions reflect Evergy's decision to capitalize the software solution for these tools.

11 **Q: If Evergy recovers costs for the HER and Energy Analyzer programs in base rates  
12 through capitalization, how are stakeholders and customers assured that they are not  
13 paying for them twice?**

14 A: First, the overall costs of offering the HER and Energy Analyzer programs are reduced.  
15 Second, Evergy will continue to be diligent about tracking costs and invoices for these  
16 programs and only reflect maintenance costs in MEEIA program cost recovery. This  
17 proposal is future looking and therefore the maintenance costs are not included within test  
18 year costs. Additionally, as prescribed in the MEEIA rules, the Commission Staff has the  
19 ability to audit MEEIA expenses in prudence reviews.

1 **Continue strong multi-family income-eligible offerings and enhance with single-**  
2 **family income-eligible offerings**

3 **Q: What changes does the Company propose for the Income-Eligible Multi-Family**  
4 **program for PY4?**

5 A: The Company proposes to continue its successful Income-Eligible Multi-Family program  
6 for PY4. The Company’s existing program has demonstrated substantial impact on multi-  
7 family properties from both an investment and energy savings as a percentage reduction of  
8 total project energy usage. Evergy does propose to enhance the program by utilizing the  
9 IEMF Common Laundry pilot findings to focus on common laundry equipment.

10 **Q. Did the Commission already approve a Multi-Family Income-Eligible program and**  
11 **budgets for 2023-2025?**

12 A. Yes, it did. As approved in the MEEIA Cycle 3 order, the Income-Eligible Multi-Family  
13 program was approved through 2025. In this extension filing, the Company requests an  
14 increase in the PY4 (2023) budget to \$1.93 million, inclusive of both jurisdictions. This is  
15 a \$400,000 increase over the prior budget<sup>3</sup>, which allows for a positive energy savings and  
16 bill reduction impact with approximately 500 additional income-eligible multi-family  
17 customers. The detailed breakout of budget by program, by year, and comparisons can be  
18 found in Schedule BAF-1.

19 **Q: Are there any new options for single-family income-eligible customers in PY4?**

20 A: Yes, the Company is proposing to establish a new Income-Eligible Single-Family (“IESF”)  
21 program. This program will support the single-family income-eligible customer segment  
22 with no-cost offers; including LEDs and promotion of the Company’s existing Energy  
23 Savings Kit (“ESK”), with a focus on customer and community partnerships to provide the

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<sup>3</sup> EO 2019-0132/0133 – Evergy MEEIA Cycle 3 Program budget tables 2023-2025.

1 most impactful and positive experience for these most of-need customers. To support the  
2 partnership and collaboration aspect of this program, the Company proposes to continue  
3 and grow the Kansas City – Low Income Leadership Assistance Collaborative (   
4 KC-LILAC), moving out from pilots and including under this new IESP program. For  
5 consistency purposes, during PY4 the savings/budget for ESK, which provides free energy  
6 assessments and installed no-cost energy savings measures, will remain under the Heating,  
7 Cooling and Home Comfort program. The proposed budget for this new IESF program  
8 during PY4 is \$1.4 million, inclusive of both jurisdictions.

9 **Continue existing pilots and transition top performing pilots under permanent**  
10 **programs**

11 **Q: What pilots is Evergy proposing to continue in PY4?**

12 A: The Company proposes to continue Pay as You Save (“PAYS”) and Urban Heat Island  
13 (“UHI”) pilots. Also, it is currently evaluating pilots including Zero Energy Ready Homes,  
14 a Virtual Energy Manager pilot for small businesses, Power Check Device and Appliance  
15 Recycling. These four pilots are planned to launch in 2022 and will likely be included in  
16 PY4, depending on performance and interest, which is yet to be determined at this point  
17 and time. The Company will provide a PY3 new pilots update, to be presented to Staff and  
18 stakeholders prior to the launch of PY4. This presentation will include an overview plan  
19 for the Company’s proposed pilot approach and recommendation.

20 **Q: How have the PAYS and Urban Heat Island pilots performed in MEEIA Cycle 3?**

21 A: Each had promising results that warrant continuation. The PAYS program launched in late  
22 September 2021 and has seen strong interest and participation in the initial home  
23 evaluation. We are evaluating how this initial interest progresses to the next steps to full  
24 participation, but it is a promising start. Additionally, the local natural gas company, Spire,

1 is expected to launch their PAYS program in early 2022, which will also help the Company  
2 evaluate synergies for successful customer participation and positive experiences. The  
3 proposed PAYS budget for PY4 is \$950,000, which includes administration costs to  
4 support Evergy’s target of \$5.2 million in customers’ home investments.

5 UHI pilot has been supported and studied by key entities, such as the University of  
6 Missouri-Kansas City (“UMKC”), Mid-America Regional Council (“MARC”) and others,  
7 with shared interest in Kansas City for several years. This includes (1) the most recent  
8 support and participation in Dr. Sun’s UHI Mapping Campaign (Heat Watch Kansas City)  
9 conducted during the summer of 2021. Also, in the past (2) Evergy led a UHI cohort to  
10 assemble organizations and stakeholders, including the Missouri Office of Public Counsel  
11 (“OPC”). Evergy supported the effort through its leadership, meeting orchestration and  
12 providing high-level data, where appropriate. The Company also (3) conducted additional  
13 internal research, and created a finding report, of which identified energy efficient and  
14 demand reducing measures that would most impact UHI effects along with the  
15 identification of the most cost effective and positively impacted customer types.

16 Evergy also proposes to (4) continue its partnership with the Arbor Day Foundation  
17 and Bridging the Gap to provide Energy Saving Trees to our customers with a focus on  
18 high UHI areas since trees are a primary way to impact UHI. Through 2021 Evergy, in  
19 partnership with Bridging the Gap and the Arbor Day Foundation, provided 1,761 - two to  
20 six-foot - trees to customers. This results in approximately 32,000 pounds of air pollutants  
21 absorbed and nearly 3 million MWh of energy saved over 20-years<sup>4</sup>.

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<sup>4</sup> Numeric values provided by the Arbor Day Foundation.



1 **Q: What does Evergy propose for the Research & Pilots program in PY4?**

2 A: Evergy proposes:

- 3 • Extending its PAYS pilot from November 2022 through PY4 (December 2023).  
4 Evergy is targeting funding for projects at \$5.2 million.
- 5 • Continuing its UHI pilot with shade trees by focusing on urban core areas. Evergy  
6 also proposes a budget of \$50k for cool roofs so that it may utilize previous research  
7 to create a business case, customer case study and a “next steps” proposal.
- 8 • Continuation of other PY3 pilots.

9 **Q: What pilots is Evergy proposing to transition under permanent programs?**

10 A: As I discussed above, the Company proposes to transition four pilots to permanent  
11 programs. These pilots include: EE for Non-Profits (“EENP”), Market-Rate Multi-Family,  
12 (MRMF), Income-Eligible Multi-Family (“IEMF”) Common Laundry and KC-LILAC.

13 **Q: Will any of these transitioned pilots require separate program tariffs?**

14 A: No. These pilots that the Company is proposing to transition to permanent will be absorbed  
15 in existing (or one specific new) program budgets and tariffs as new components or  
16 measures. Below shows how these pilot programs will be rolled in:

- 17 • EENP will be rolled into Business Custom and Business Standard
- 18 • MRMF will be rolled into Heating, Cooling and Weatherization
- 19 • IEMF Common Laundry will be rolled into IEMF
- 20 • KC-LILAC will be rolled into the new program, Income-Eligible Single-Family

21 **Q: What warrants moving these pilots to permanent programs?**

22 A: The EENP pilot has seen success with over 17 non-profit businesses engaging in 2021  
23 through walk-through energy assessments and direct installs to generate immediate energy

1 savings for their facilities. From our market research and customer awareness perspective,  
2 there is greater opportunity to support this customer segment and we expect to further  
3 identify and engage customers in PY4.

4 The MRMF pilot directly solves a customer gap in our programs for renters who  
5 do not live in a subsidized or low-income housing structure. This pilot provides direct  
6 install measures inside tenant units for participating properties as well as targeted  
7 incentives for more efficient appliances and equipment, such as HVAC, refrigerators and  
8 dish washers. The opportunity to work with non-income eligible multi-family properties  
9 is large and the Company is eager to continue to fill this gap with energy efficient support.

10 During the pilot term of the IEMF Common Laundry there was a great deal of  
11 research and learning, while the Company discovered there is opportunity for increased  
12 energy efficiency, there needs to be more flexibility to allow for property laundry lease  
13 contract's renewal timing. Moving from pilots to under the IEMF program will allow this  
14 timing optionality.

15 The Company launched KC-LILAC in June 2021 and has hosted multiple working  
16 groups with the organizations that support the three primary areas of focus: energy  
17 efficiency, home health and home structural integrity. Establishing marketing collateral,  
18 alignment with a referral process, and hosting various promotional events has already  
19 shown an increased value in the communities that the Company serves. This collaborative  
20 will have a permanent place to live and grow to continue to connect resources with people  
21 that needs them most.

1           **Streamline EM&V scope for extension year**

2   **Q:    How does the Company propose to modify its EM&V process for PY4?**

3   A:    The Company proposes continued strategic investment in evaluation of the programs but  
4        reduce the total EM&V budget from 5% to 3.5% of the total portfolio. This will be  
5        accomplished by removing some tasks for PY4, consolidating and reducing report size, not  
6        conducting a process evaluation and limiting Net-to-Gross (“NTG”) research.

7   **Q:    What are the risks of reducing the EM&V effort for PY4?**

8   A:    A benefit of an extension year (PY4) with very similar program structures is that most of  
9        the knowledge of how the programs are run and the expected impact of the efforts are on a  
10       strong path. The reduction in the length of the report format in an extension year where  
11       many of the observations of the first three years have been expressed and issues resolved  
12       in program delivery is appropriate. Additionally, presumably the programs in a MEEIA  
13       Cycle 4 filing would be altered enough that the insights from a PY4 evaluation wouldn’t  
14       necessarily apply and likely be too late to implement if they did as much. Overall, the  
15       alterations proposed are within the realm of the scope of the MEEIA rules and should only  
16       positively benefit by keeping the EM&V process streamlined.

17           **Overview of PY4 Savings Targets**

18   **Q:    What are the proposed savings targets for PY4?**

19   A.    A PY4 budget of \$29.03 million based on the programs described above is estimated to  
20        result in total net incremental energy savings of more than 121,000 MWh and net demand  
21        savings of 105 MW in PY4. These savings represent a bottoms-up estimate based on  
22        deemed savings associated with an assumed measure mix within each program. Deemed  
23        savings are based on the approved Evergy MO Technical Resource Manual from December

11, 2019, effective on January 1, 2020. The individual measure mix included in each program represents a reasonable expectation of how programs will be delivered in PY4 and based on experience to date.

**Savings Comparison and Estimated Cost Effectiveness of PY4**

**Q. How do PY4 estimated savings targets compare to the MEEIA 2020-22 Plan?**

A. In general, energy and demand savings are reduced and in line with the reduced budget by program for PY4. Based on the program budgets and savings targets described above, utilizing the avoided costs approved in the MEEIA Cycle 3 order, and calculations from cost-effectiveness tests, the PY4 portfolio is projected to generate total net benefits to all customers of \$24.8 million under the TRC test and be cost effective with an overall UCT ratio of 1.85 for the jurisdictions combined. Table 2 provides by jurisdiction portfolio, the TRC, Participant Cost Test ("PCT"), Utility Cost Test ("UCT"), and Ratepayer Impact Measure ("RIM") Test.

**TABLE 2 – Cost Effectiveness Test Results**

	TRC	PCT	UCT	RIM
MO Metro Portfolio	1.27	2.60	1.91	0.61
MO West Portfolio	1.32	2.64	1.81	0.63

A full list of cost effectiveness results by program by jurisdiction can be found in Schedule BAF-3.

**Section 4 – Company’s Request for Earnings Opportunity During Extension**

**Q: What does the Company propose for Earnings Opportunity (“EO”) in PY4?**

A: The Company has a straightforward proposal regarding the EO for PY4. The EO matrix approved for 2020-2022 was slightly modified relating to the removal of the EO for the

1 HER (including the Income-Eligible HER). Included in the extension request is also the  
2 continuation of the potential for PAYS EO in the same structure that was approved by the  
3 Commission in mid-2021. With these changes, the requested EO is \$3.29 million in MO  
4 West and \$2.36 million in MO Metro.

5 **Q: How does the PY4 EO compare to the approved MEEIA Cycle 3 EO?**

6 A: The PY4 EO values are in line with the previously approved EO annual values (prior to the  
7 PAYS EO that was added in 2021). MO West EO was \$3.35 million per year (\$10.055  
8 million for 2020-2022) and MO Metro at \$2.64 million per year (\$7.909 million for 2020-  
9 2022). Detailed breakout of the EO metrics and earnings potential by metric can be found  
10 in Schedule BAF-2.

11 **Table 3: Proposed Modifications to the Earnings Opportunity for Program Year 2022**

<b>EO Matrix Category</b>	<b>Change</b>	<b>MO Metro Target EO Amount</b>	<b>MO West Target EO Amount</b>
Home Energy Report	Remove	\$115,000	\$175,000
IE Home Energy Report	Remove	\$10,000	N/A
PAYS	Add	\$130,781	\$130,781

12  
13 **Q: Is the PY4 EO a reasonable amount?**

14 A: Yes. In its recent Order regarding the Evergy MO MEEIA program, the Commission  
15 reaffirmed the value of utility administered demand-side programs and made it clear that  
16 the purpose of MEEIA is to create incentives that make a utility indifferent to supply-side  
17 or demand-side investments in order to promote investments that benefit customers. The  
18 importance of, and need for, sufficient shareholder incentives for DSM programs is  
19 commonly accepted and understood in the regulated utility industry. Notably, these

1 targeted modifications are all consistent with the EO matrix recently approved by the  
2 Commission in File No. EO-2019-0132.

### 3 **Section 5 – Key Points and Conclusion**

4 **Q: What are the key takeaways regarding the Company’s proposed extension?**

5 A: First, the rationale to extend Evergy’s MEEIA Cycle 3 by one year is compelling  
6 considering the significant regulatory activity in 2022 and timing considerations of related  
7 and impactful activities including IRP, DSM Market Potential Study, a general rate case,  
8 and securitization filing. Second, the modifications proposed for the extension year are  
9 consistent with providing more benefits to customers and adjustments to align with  
10 stakeholder interests expressed throughout our MEEIA engagement. An extension will  
11 continue to bring significant benefits to customers while managing existing offerings more  
12 efficiency. Key facets of the modifications include reducing reliance on lighting,  
13 delivering more investment to income-eligible customer sector, removal of energy and  
14 demand savings for TD in the HER program, and providing year-round demand response  
15 among others.

16 **Q: Does this conclude your direct testimony?**

17 A: Yes.

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

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

In the Matter of KCP&L Greater Missouri )  
Operations Company's Notice of Intent to File an ) File No. EO-2019-0133  
Application for Authority to Establish a Demand- )  
Side Programs Investment Mechanism )

**AFFIDAVIT OF BRIAN A. FILE**

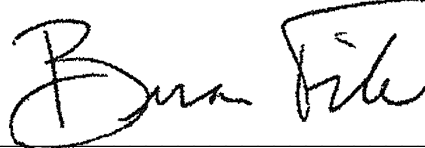
**STATE OF MISSOURI** )  
 ) ss  
**COUNTY OF JACKSON** )

Brian A. File, being first duly sworn on his oath, states:

1. My name is Brian A. File I work in Kansas City, Missouri, and I am employed by Eversource Energy, Inc. as Director, Demand-Side Management.

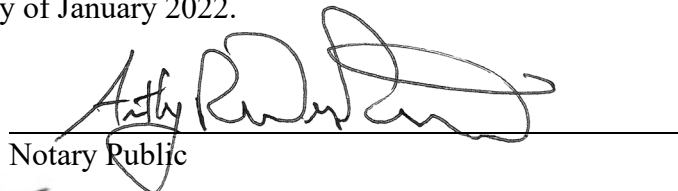
2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Eversource Missouri Metro and Eversource Missouri West consisting of twenty (20) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.



\_\_\_\_\_  
Brian A. File

Subscribed and sworn before me this 31<sup>st</sup> day of January 2022.

  
\_\_\_\_\_  
Notary Public

My commission expires: 4/26/2025



**Evergy Missouri Metro and Missouri West  
MEEIA 3 PY4 Extension Filing  
Budget and Savings by Program by Jurisdiction  
Schedule BAF-1**

	MO West			MO Metro		
	First Year Net kWh	First Year Net KW	Total Budget	First Year Net kWh	First Year Net KW	Total Budget
Business Standard	17,109,058	2,791	\$ 3,035,452	11,470,362	1,831	\$ 2,008,339
Business Custom	10,760,313	1,703	\$ 1,712,347	9,689,997	1,549	\$ 1,504,170
Business Process Efficiency	2,311,753	27	\$ 327,357	2,409,969	23	\$ 334,723
Small Business Targeted	-	-	\$ -	-	-	\$ -
Business Demand Response	-	51,512	\$ 3,300,000	-	15,000	\$ 960,938
Business Smart Thermostat	47,727	349	\$ 155,287	44,589	326	\$ 134,036
Online Business Energy Audit	-	-	\$ 18,677	-	-	\$ 17,326
	-	-	\$ -	-	-	\$ -
Energy Saving Products	2,423,734	175	\$ 346,274	2,266,535	168	\$ 325,283
Heating, Cooling & Weatherization	8,338,188	3,655	\$ 2,286,685	6,783,040	3,100	\$ 1,830,523
Home Energy Report	20,355,375	2,550	\$ 372,877	9,579,000	1,200	\$ 285,654
Income-Eligible Home Energy Repor	-	-	\$ -	2,928,146	366	\$ 85,325
Income-Eligible Multi-Family	1,307,610	247	\$ 1,032,949	1,289,692	253	\$ 909,423
Residential Demand Response	969,620	7,368	\$ 2,250,245	945,652	7,182	\$ 2,078,181
Online Home Energy Audit	-	-	\$ 47,278	-	-	\$ 63,038
	-	-	\$ -	-	-	\$ -
Research & Pilot	48	1	\$ 142,589	49,067	7	\$ 158,880
PAYS	2,534,186	772	\$ 950,436	2,534,186	772	\$ 950,436
Income-Eligible Single Family	2,440,950	1,070	\$ 669,412	2,734,393	1,250	\$ 737,924
	<b>68,598,563</b>	<b>72,220</b>	<b>\$ 16,647,864</b>	<b>52,724,629</b>	<b>33,027</b>	<b>\$ 12,384,198</b>
<b>% of PY3 Budget/Targets</b>	<b>-6.20%</b>	<b>-8.15%</b>	<b>-12.25%</b>	<b>-30.69%</b>	<b>-13.62%</b>	<b>-27.04%</b>



**Evergy Missouri Metro and Mis  
MEEIA 3 PY4 Extension Filing  
Budget and Savings by Program  
Schedule BAF-1**

**Combined Jurisdiction**

Comparison (PY4 vs. PY3)

	<b>kWh</b>	<b>kW</b>	<b>Budget</b>
Business Standard	-23.59%	-23.32%	-23.43%
Business Custom	16.29%	15.93%	17.22%
Business Process Efficiency	-74.06%	-74.03%	-74.07%
Small Business Targeted			
Business Demand Response		-4.76%	-4.76%
Business Smart Thermostat	-46.51%	-46.51%	-46.40%
Online Business Energy Audit			-31.46%
Energy Saving Products	-70.00%	-70.00%	-70.00%
Heating, Cooling & Weatherization	9.86%	10.10%	9.76%
Home Energy Report	0.00%	0.00%	-50.33%
Income-Eligible Home Energy Repor	0.00%	0.00%	-41.15%
Income-Eligible Multi-Family	10.86%	10.86%	10.84%
Residential Demand Response	-36.49%	-36.49%	-36.51%
Online Home Energy Audit			-50.00%
Research & Pilot	-98.68%	-98.62%	-59.19%
PAYS	12.50%	9.71%	-5.24%
Income-Eligible Single Family			
	-18.69%	-9.94%	-19.24%
<b>% of PY3 Budget/Targets</b>			<b>\$ (6,914,510)</b>

**Evergy Missouri Metro and Missouri West  
MEEIA 3 PY4 Extension Filing  
EO Matrix Update - Extension PY4 (2023)  
Schedule BAF-2**

<u>Proposed Metric</u>	<u>Unit</u>	<u>Cumulative Cap</u>	<u>\$/unit</u>
HER: criteria will be whether or not program implemented each year	Program Year	100%	\$175,000
Income-Eligible HER: criteria will be whether or not program implemented each year	Program Year	100%	\$0
Income-Eligible Multi-family: criteria will be average project savings as % of baseline and spend > 85% of budget	Program Year	130%	\$66,666.66
Energy MWh (excluding HER & Multi-Fam. ): criteria will be annualization of each program years installations TBD by EM&V	MWh	130%	\$12.97
MW (excluding HER, Bus DR, Bus Smart Tstats, & Res DR): criteria will be annualization of each program years installations TBD by EM&V	MW	150%	\$122,507.02
Bus Smart Tstat & Res DR MW: criteria will be annualization of each program years installations TBD by EM&V	MW	150%	\$92,799.91
Bus DR MW & R&P: criteria will be annualization of each program years installations TBD by EM&V	MW	150%	\$10,000
PAYS projects: criteria will be \$ invested in Tier 4 projects	\$ invested	100%	1-5%

MO West							
PY4 MWh/MW		PY4 EO \$		PY4 Cumulative MWh/MW		PY4 Cumulative EO \$	
Target	Cap	Target	Cap	Target	Cap	Target	Cap
-	-	\$0	\$0			\$525,000	\$525,000
-	-	\$0	\$0			\$0	\$0
-	-	\$66,667	\$86,667			\$266,667	\$346,667
46,936	61,016	\$608,754	\$791,381	191,735	249,255	\$2,486,800	\$3,232,840
10.194	15.291	\$1,248,863	\$1,873,295	32.934	49.401	\$4,034,673	\$6,052,010
7.717	11.575	\$716,107	\$1,074,160	40.565	60.847	\$3,764,398	\$5,646,597
51.512	77.268	\$515,122	\$772,683	208.784	313.176	\$2,087,842	\$3,131,763
\$ 2,615,620	\$ 2,615,620	\$130,781	\$130,781	\$ 6,115,620	\$ 6,115,620	\$305,781	\$305,781
		\$3,286,294	\$4,728,967			\$13,471,160	\$19,240,657

**Eversource Missouri Metro and Missouri West  
MEEIA 3 PY4 Extension Filing  
EO Matrix Update - Extension PY4 (2023)  
Schedule BAF-2**

			MO Metro									
Proposed Metric	Unit	Cumulative Cap	\$/unit	Cumulative Cap	PY4 MWh/MW		PY4 EO \$		PY4 Cumulative MWh/MW		PY4 Cumulative EO \$	
					Target	Cap	Target	Cap	Target	Cap	Target	Cap
HER: criteria will be whether or not program implemented each year	Program Year	100%	\$115,000	100%	-	-	\$0	\$0			\$345,000	\$345,000
Income-Eligible HER: criteria will be whether or not program implemented each year	Program Year	100%	\$10,000	100%	-	-	\$0	\$0			\$30,000	\$30,000
Income-Eligible Multi-family: criteria will be average project savings as % of baseline and spend > 85% of budget	Program Year	130%	\$66,666.66	130%	-	-	\$66,667	\$86,667			\$266,667	\$346,667
Energy MWh (excluding HER & Multi-Fam. ): criteria will be annualization of each program years installations TBD by EM&V	MWh	130%	\$8.31	130%	38,928	50,606	\$323,490	\$420,537	197,804	257,145	\$1,643,751	\$2,136,876
MW (excluding HER, Bus DR, Bus Smart Tstats, & Res DR): criteria will be annualization of each program years installations TBD by EM&V	MW	150%	\$114,741.01	150%	8.700	13.050	\$998,242	\$1,497,363	31.661	47.491	\$3,632,810	\$5,449,215
Bus Smart Tstat & Res DR MW: criteria will be annualization of each program years installations TBD by EM&V	MW	150%	\$91,941.81	150%	7.508	11.262	\$690,289	\$1,035,433	38.558	57.837	\$3,545,082	\$5,317,623
Bus DR MW & R&P: criteria will be annualization of each program years installations TBD by EM&V	MW	150%	\$10,000	150%	15.000	22.500	\$150,000	\$225,000	60.755	91.133	\$607,550	\$911,325
PAYS projects: criteria will be \$ invested in Tier 4 projects	\$ invested	100%	1-5%	100%	\$ 2,615,620	\$ 2,615,620	\$130,781	\$130,781	\$ 6,115,620	\$ 6,115,620	\$305,781	\$305,781
					<b>\$2,359,468</b>		<b>\$3,395,781</b>		<b>\$10,376,641</b>		<b>\$14,842,487</b>	

**Energy Missouri Metro and Missouri West  
MEEIA 3 PY4 Extension Filing  
Program and Portfolio Cost Effectiveness by Jurisdiction  
Schedule BAF-3**

**PY4 Total Portfolio Cost Effectiveness Results**

	TRC	PCT	UCT	RIM
MO Metro Portfolio	1.27	2.60	1.91	0.61
MO West Portfolio	1.32	2.64	1.81	0.63

**PY4 Cost Effectiveness Results by Program by Jurisdiction**

<b>MO Metro</b>	TRC	PCT	UCT	RIM	SCT
Business Standard	1.22	1.70	2.58	0.76	1.47
Business Custom	1.94	3.01	2.96	0.78	2.36
Business Process Efficiency	1.40	4.64	1.40	0.53	1.58
Demand Response Incentive	4.04	N/A	1.07	1.07	4.04
Business Smart Thermostat	1.01	0.59	1.42	1.24	1.18
Online Business Energy Audit	-	N/A	-	-	-
Energy Saving Products	1.95	6.18	3.20	0.38	2.41
Heating, Cooling & Weatherization	1.02	2.66	1.84	0.43	1.21
Home Energy Report	1.53	N/A	1.53	0.32	1.53
Income-Eligible Home Energy Report	1.56	N/A	1.56	0.32	1.56
Income-Eligible Multi-Family	0.59	7.44	0.60	0.27	0.69
Residential Demand Response	1.19	0.87	1.96	1.25	1.38
Online Home Energy Audit	-	N/A	-	-	N/A
Research & Pilot	0.08	N/A	0.04	0.04	0.08
PAYS	1.11	3.31	1.44	0.40	1.37
Income-Eligible Single-Family	1.02	2.66	1.84	0.43	1.21

<b>MO West</b>	TRC	PCT	UCT	RIM	SCT
Business Standard	1.16	1.88	2.57	0.66	1.39
Business Custom	1.94	3.65	2.89	0.67	2.37
Business Process Efficiency	1.41	5.08	1.50	0.48	1.61
Business Demand Response	3.99	N/A	1.06	1.06	3.99
Business Smart Thermostat	0.96	0.64	1.30	1.13	1.11
Online Business Energy Audit	0.00	N/A	0.00	0.00	0.00
Energy Saving Products	1.92	5.68	3.17	0.41	2.38
Heating, Cooling & Weatherization	1.01	2.31	1.77	0.48	1.20
Home Energy Report	2.45	N/A	2.45	0.38	2.45
Income-Eligible Multi-Family	0.51	6.96	0.53	0.26	0.60
Residential Demand Response	1.17	0.80	1.83	1.28	1.35
Online Home Energy Audit	0.00	N/A	0.00	0.00	0.00
Research & Pilot	0.00	N/A	0.00	0.00	0.00
PAYS	1.09	3.07	1.42	0.43	1.35
Income-Eligible Single-Family	1.01	2.31	1.77	0.48	1.20