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 for Approval of a Transportation Electrification Program.	))))	File No. ET-2021-0151
In the Matter of the Application of Evergy Missouri West, Inc. d/b/a Evergy Missouri West for Approval of a Transportation Electrification Program.	))))	File No. ET-2021-0269

INITIAL BRIEF OF EVERGY MISSOURI METRO AND EVERGY MISSOURI WEST

COMES NOW, Evergy Metro, Inc. d/b/a as Evergy Missouri Metro ("Evergy Missouri Metro") and Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("Evergy Missouri West") (collectively referred to as "Evergy" or "Company") and for its Initial Brief, states as follows:

I. INTRODUCTION

In 2015, Evergy began construction of its Clean Charge Network ("CNN") which consisted of about 1000 electric vehicle charging stations. It became one of the first utilities to lead the way for a transformation of the transportation sector in the United States.[1]

Transportation electrification ("TE") refers to the transition from automotive vehicles primarily powered by internal combustion engines ("ICE") to vehicles powered partially or fully by electricity. Like many utilities across the country, TE presents an opportunity for Evergy to serve its customers, better manage the grid, and maximize the benefits of electrification for all stakeholders. While early adopters have contributed significantly to the EV technology transition,

[1] Ex. 1, Evergy Transportation Electrification Portfolio Filing Report ("Report"), pp. 4-6.

mass market EV adoption requires intentional investment by utilities to ensure underserved communities are able to access EV benefits.[2]

In its *Report And Order* in KCP&L's 2015 rate case, the Commission recognized the importance of public utility involvement in the EV marketplace when it stated: "KCPL's proposed Clean Charge Network is an important first step in creating an infrastructure to serve the increasing number of customers who choose to purchase electric vehicles, and the Commission commends KCPL for its efforts to anticipate this future demand and for its commitment to environmental sustainability."[3]

In 2019, the Commission again recognized the success of Evergy's efforts to spur growth in the EV adoption rate in its service territory when it stated:

> 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. (footnotes omitted)[4]

Since Evergy's launch of the Clean Charge Network program, many other public utilities have entered the field to promote and support the electrification of the automotive industry in their service areas. As of early 2021, the number of states that had approved transportation electrification filings had grown to more than 30. It is further noteworthy that 46 states and the District of Columbia currently provide incentives for EVs or charging infrastructure.[5]

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[2] Ex. 1, Report, p. 4; Ex. 6, Nelson Surrebuttal, pp. 11-12.
[3] *Report And Order*, p. 77, Re Kansas City Power & Light Company's Request for Authority to Implement a General Rate Increase for Electric Service, Case No. ER-2014-0370 (September 2, 2015).
[4] Ex. 14, *Report And Order*, p. 15, Re Union Electric Company d/b/a Ameren Missouri For Approval of Efficient Electrification Program, (February 6, 2019).
[5] Ex. 3, Caisley Surrebuttal, p. 10.

A. Kansas Non-Unanimous Stipulation And Agreement

On July 29, 2021, Evergy, the Staff of the Kansas Corporation Commission ("KCC Staff"), and the Citizens Utility Ratepayer Board ("CURB") filed a *Non-Unanimous Stipulation and Agreement* in Re Application of Evergy Metro, Inc., Evergy Kansas Central, Inc., and Evergy Kansas South, Inc. for Approval of Transportation Electrification Portfolio, Docket No. 21-EKME-320-TAR which recommended to the KCC the approval under certain conditions of a residential EV charger rebate program and commercial EV charger rebate program similar to the residential and commercial rebate programs at issue in this proceeding.[6] Other issues, including the decisional prudence of the expansion of Evergy's Clean Charge Network, were not resolved by the *Non-Unanimous Stipulation*.[7] A decision by the KCC on Evergy's Kansas Transportation Electrification proposal is expected in December 2021.

The *Non-Unanimous Stipulation and Agreement* states the following with regard to the Residential EV Charger Rebate Program:

> B. Evergy will offer Customers the following options to receive a rebate for installation of a 240V outlet:
>
> 1. $500 rebate if Customer is enrolled in the EV or Time Of Use ("TOU") rate in the Kansas Central territory; or $500 if Customer is enrolled in the demand TOU or 3-period TOU rate in the Kansas Metro territory. Company retains the discretion to recoup $250 of the rebate from the Customer if Customer un-enrolls from said rates prior to 1-year after receiving the rebate.
>
> 2. $250 rebate if Customer does not elect to enroll in the EV or TOU rate in the Kansas Central territory; or $250 if Customer does not elect to

[6] Ex. 203 Attachment A, *Non-Unanimous Stipulation And Agreement*, Re Application of Evergy Metro, Inc., Evergy Kansas Central, Inc., and Evergy Kansas South, Inc. for Approval of Transportation Electrification Portfolio, Docket No. 21-EKME-320-TAR (July 29, 2021).
[7] Tr. 242.

> enroll in the demand TOU or 3-period TOU rate in the Kansas Metro territory.[8]
>
> 3. Customers receiving a rebate will be informed via a disclosure or FAQ as part of the Application that Evergy's goal is to use the information gained from their EV charging behavior to provide them with feedback concerning the savings they did or did not achieve with TOU rates or managed charging. Evergy will inform the customer that all customer usage data for which the customer can be identified will be considered confidential.

Evergy believes it would be acceptable and appropriate to include similar provisions in an approved plan for its Missouri service areas. Such provisions would be an incentive for customers participating in the Residential Customer EV Outlet Rebate Program to also participate in the Company's optional TOU rates in Missouri.

B. <u>Benefits of Transportation Electrification</u>

TE presents a wide range of benefits, including lower costs, greater grid flexibility, reduced emissions, and a variety of local economic benefits. The Commission has previously acknowledged this wide range of benefits, and directly cited several of these key benefits in the February 2019 Order on Ameren Missouri's Charge Ahead filing, noting that:

> Financial benefits from an EV charging network accrue to both the utility and the ratepayers. Utilities and ratepayers benefit economically from the improved utilization of fixed assets when charging is done in off-peak times. EVs are considered to be a flexible load that can charge during periods when demand is low. The financial benefits to the utility and to the ratepayer from an EV charging network are not merely from the additional electricity sales at the charging stations, but are also obtained through additional electric sales from charging at home and creating more efficient utilization of the electric grid. All ratepayers ultimately will receive those benefits from the

[8] Ex. 203 Attachment A, pp. 3-4, *Non-Unanimous Stipulation And Agreement*, <u>Re Application of Evergy Metro, Inc., Evergy Kansas Central, Inc., and Evergy Kansas South, Inc. for Approval of Transportation Electrification Portfolio</u>, Docket No. 21-EKME-320-TAR (July 29, 2021).

> spreading of fixed costs over a greater amount of usage creating rates that are lower than if there was less usage.[9]

Evergy's proposed TE filing is aligned with and directly addresses several of the benefits to customers cited by the Commission, including grid flexibility, increased grid utilization, and the utility and customer benefits of potential downward pressure on rates.[10]

C. National EV Adoption

Cumulative EV sales nationwide surpassed 1.7 million as of December 2020, approximately one decade after models like the Nissan LEAF and Chevrolet Volt first entered the market. Going forward, increased EV adoption will be driven by multiple factors, including expanding affordable vehicle model offerings, supportive policies and initiatives, growing consumer confidence resulting in part from increased access to charging infrastructure, and increasing mainstream awareness of EV benefits.[11]

While more than 50 light-duty EV models are already available for sale in the United States, recent announcements demonstrate automakers' increasing commitment to electrification. In addition, the Alliance for Automotive Innovation, a group representing auto makers producing 99% of the cars and trucks sold in the United States, announced that its members will invest $250 billion in vehicle electrification by 2023. This lends further support for the expectation that by 2030, EVs on the road are projected to top 20 million (i.e., 20% of new U.S. car sales).[12]

In another sign of the rapid shift towards TE, states such as California and Massachusetts have taken steps to ban the sale of new ICE vehicles by 2035. These actions build on existing state

[9] Ex. 14, *Report And Order*, pp. 16-17, Re Union Electric Company d/b/a Ameren Missouri For Approval of Efficient Electrification Program, File No. ET-2018-0104 (February 6, 2019).
[10] See also Ex. 1, Report, pp. 15-19.
[11] Ex. 1, Report, pp. 11-12.
[12] Id.

policy (i.e., zero emission vehicle standards) that require a certain percentage of vehicles offered for sale in a state to comply with specified emissions requirements. Adding to state-level policies and initiatives, President Biden's administration has recently signaled robust federal government support for EV market growth.[13]

As Mr. Caisley explained, "The TE train is leaving the station and as it unfolds it will change the demand placed upon Evergy's system."[14] Ford Motor Company originally announced investment of $22 billion in electrification through 2025 and has since boosted planned spending to $30 billion. Ford is investing $100 million in its Kansas City Assembly Plant and adding 150 full-time jobs to manufacture the electric E-Transit van. Ford has also invested $500 million in Rivian, an EV start-up. At a global level, Ford expects 40% of sales to be battery electric vehicles ("BEVs") by 2030.[15]

General Motors ("GM") raised its investment in electric and 6 autonomous vehicles to $35 billion, up from the $27 billion it had announced in late 2020. Targeting elimination of tailpipe emissions from new light-duty vehicles by 2035, GM plans to offer 30 new EV models worldwide by 2025.[16] Stellantis, the company resulting from the merger of Fiat Chrysler and PSA, plans to invest $35.5 billion by the end of 2025 to expand its portfolio of electrified vehicles (fully electric or plug-in hybrid). And package delivery companies including Amazon, UPS, FedEx and DHL have announced plans and goals related to electrifying their fleets. For example, Amazon has agreed to purchase 100,000 Rivian all-electric delivery vans.[17]

[13] Id. at 12.
[14] Ex. 3, p. 5.
[15] Id. at 5-6.
[16] Id. at 6.
[17] Id.

D. Evergy Territory EV Adoption

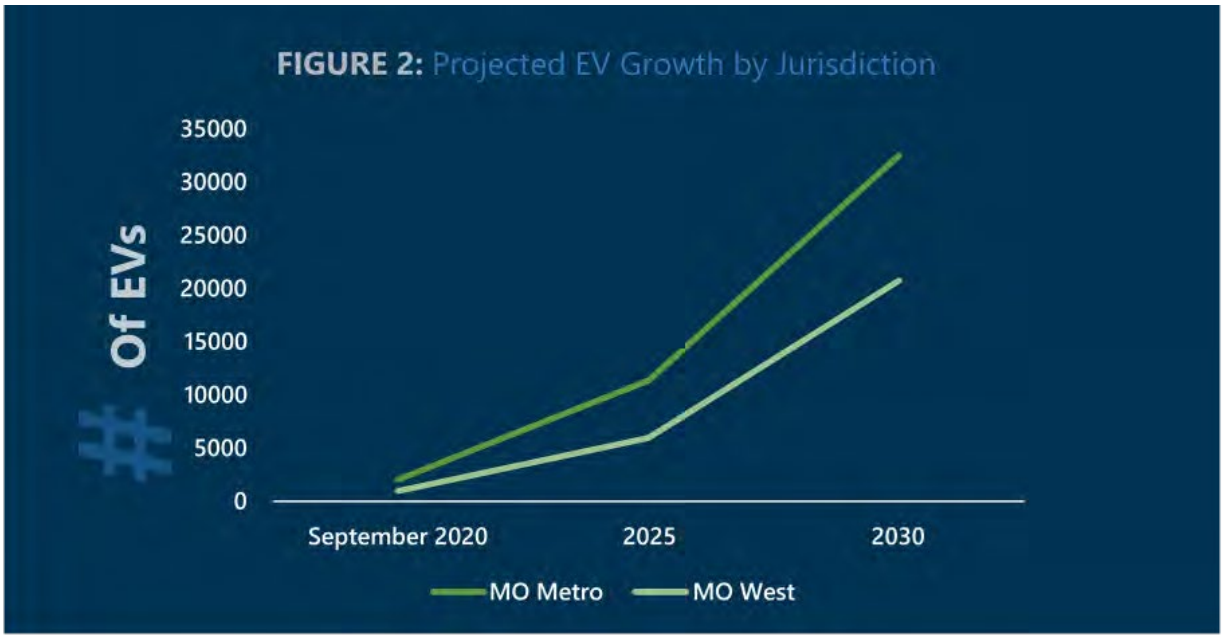
The number of light-duty EVs operating in the Missouri Metro service territory was estimated to be 2,040 as of September 2020, with approximately 55% being BEVs and 45% plug-in hybrid electric vehicles ("PHEVs"). EPRI projects that, under a medium adoption scenario, the total number will grow to approximately 11,350 by 2025 and 32,500 by 2030. Similarly, in Missouri West there were approximately 970 EVs on the road as of September 2020, with the same split between BEVs and PHEVs. EPRI's projections under a medium adoption scenario, suggest there will be 5,960 EVs by 2025 and 20,750 by 2030.[18]

From the beginning, the Clean Charge Network ("CCN") was expected by Evergy to support EV adoption consistent with EPRI's medium adoption scenario. The growth Evergy has observed through the years has largely been consistent with this adoption scenario, which was originally defined in 2015 and was most recently revised in 2020. A comparison of the 2015 and 2020 EPRI projections shows the growth trend in Evergy's Missouri and Kansas Metro territories has shifted about one year since EPRI's 2015 projections. For example:

- The actual number of EVs at year-end 2020 was 96% of the year-end 2019 forecast [EPRI 2015]
- The projected number of EVs at year-end 2023 [EPRI 2020] is 98% of the 2022 forecast [EPRI 2015][19]

The following Figure 2 from the Report illustrates the projected growth curves for each Missouri jurisdiction[20]:

[18] Ex. 1, Report, p. 13.
[19] Ex 3, Caisley Surrebuttal, pp. 14.
[20] Ex 1, Report, p. 13.



During the hearings, OPC witness Geoff Marke disputed EPRI's estimates of EVs in Evergy's service territory. He asserted that there were only 1,414 EVs in Evergy's Missouri Metro and Missouri West service areas.[21] Evergy witnesses Charles Caisley and Nick Voris disagreed with Dr. Marke's data.[22] Mr. Voris testified that the most recent EPRI data available (as of June 30, 3021) indicates that the total number of EVs in the Missouri service areas for Missouri Metro and Missouri West is 3,659 EVs, including both all-electric BEVs and Plug-In Hybrid Electric Vehicle ("PHEVs")[23] .

As was demonstrated during cross-examination, a fundamental difference in the estimates of EVs in Evergy's service area and Dr. Marke's EV numbers relates to the number of PHEVs included in the data. According to Dr. Marke's analysis, there were 1,414 EVs in Evergy's service

[21] Tr. 576.
[22] Tr. 95, 121, 197-98.
[23] Tr. 176, 197-198.

area, but of that total number, only 107 or 7.5% were PHEVs.[24] However, Evergy's analysis shows that about 45% of the total EVs in its area are PHEVs.[25] Dr. Marke obtained his data from the Missouri Department of Revenue. Due to known integrity and reliability issues with state's registration data—particularly in terms of accurately discerning between conventional vehicles and plug-in hybrid vehicles—Evergy, like other public utilities, utilizes data sources that employ VIN decoding to ensure accurate vehicle categorization rather than relying solely on state registration data as OPC has done in this case. Mr. Voris explained during cross-examination that EPRI get its data from car registrations, but also looks at the operation and movement of used vehicles in and out of the service territory.[26]

According to Dr. Marke' updated testimony, there were 5,093 EVs in Missouri, based upon registration data from the Missouri Department of Revenue, as of October 2020.[27] However, this updated information was inconsistent with other state-wide data included in Dr. Marke' rebuttal testimony which showed that there were 6,740 BEVs in Missouri, as of the end of the calendar year 2020.[28] The 6,740 BEVs did not include PHEVs, and was published by the United States Department of Energy from vehicle registration counts derived by the National Renewable Energy Laboratory.[29]

If a 50/50 ratio of BEVs to PHEV) is assumed as was done in the cross-examination of Dr. Marke, then that calculation would represent an estimate of a total of approximately 13,500 EVs

[24] Tr. 577.
[25] Ex. 1, Report, p. 13.
[26] Tr. 197-98.
[27] Ex. 204, Marke Errata sheet, p. 1; Tr. 579.
[28] Dr. Marke's workpapers clearly state: "Only all-electric vehicles (EVs) are included in this chart; plug-in hybrid electric vehicles (PHEVs) are not included." (Ex. 205).
[29] Ex. 205, Marke Workpapers, p. 1, Notes and Source footnotes.

(both BEVs and PHEVs) in the State of Missouri.[30] This estimate is more than twice the number that Dr. Marke suggested.[31] Dr. Marke's information from the Department of Revenue on the number of PHEVs in Evergy's service area appears to be unreliable. The Department of Revenue data has not captured the actual number of PHEVs in Evergy's service area. As a result, it should not be relied upon by the Commission.

Dr. Marke also asserted that Evergy's EVs numbers in its service area did not compare favorably to Ameren's experience in the St. Louis area.[32] However, Dr. Marke's failure to include the appropriate number of PHEVs in Evergy's service area also invalidates his comparison.[33] As Evergy witness Caisley testified, the correct comparison on a per capita basis demonstrates that Evergy has 6-10% more EVs in its service area than exist in the St. Louis metropolitan area.[34] Evergy witness Darrin Ives also testified that during the last nine months, the Kansas City area has experienced EV adoption growth rates of 20-30%.[35]

This level of activity in the EV marketplace and regulatory community demonstrates broad recognition that TE and grid management are inextricably linked and that the utility is the entity responsible for and able to manage its grid.[36] To that end, Evergy has proposed modestly sized, time-bound pilot programs in this case to further Evergy's ability to manage EV load and realize benefits to all customers over the long term.

[30] Tr. 581-83. (If a 55/45 ratio of BEVs to PHEVs is used, then the total estimated number of EVs in Missouri would be approximately 12,250).
[31] Id.
[32] Ex. 200, Marke Rebuttal, p. 10.
[33] Ex. 200, Marke Surrebuttal, p. 10, lines 3-6.
[34] Tr. 95.
[35] Tr. 318.
[36] Ex. 3, Caisley Surrebuttal, p. 10.

II. EVERGY'S PILOT PROGRAM PROPOSALS

In this proceeding, Evergy has requested the approval of five new programs- three new pilot rebate programs, and two new Time of Use rate schedules for commercial customers. These pilot programs will support EV adoption, enable off-peak charging, educate customers and other key stakeholders, and inform Evergy's future efforts to maximize the benefits of Transportation Electrification for all customers.

Evergy's proposed portfolio includes (1) rebates to encourage the installation of Level 2 ("L2") charging in existing homes, (2) rebates to developers to install outlets that will facilitate Level 2 charging in the construction of new homes, (3) rebates to incent installation of commercial EV charging infrastructure by third parties, (4) rates that encourage off-peak fleet and commercial EV charging, and (5) customer education and program administration for the proposed programs and rates.[37] The details of these pilot programs will be addressed below.

The total proposed Missouri investment in these pilot rebate programs is $12.8 million, while the Missouri Metro total customer benefits are expected to be $42.5 million, and the Missouri West customer benefits are expected to be $22.6 million.[38] These dollar values are reflective of benefits for both participating and non-participating customers.

The following table provides a summary of the investment requested for the proposed pilot programs and rates along with customer education and program administration, specified by jurisdiction:

[37] Ex. 1, Report, pp. 22-31.
[38] Id. at 4.

PROGRAM COMPONENT	MO METRO	MO WEST	MO TOTAL
Residential Customer EV Outlet Rebate	$.65M	$.35M	$1M
Residential Developer EV Outlet Rebate	$.03M	$.06M	$.09M
Commercial EV Charger Rebate	$6.5M	$3.5M	$10M
Customer Education and Program Administration	$1.1M	$.6M	$1.7M
$ TOTAL	$8.3M	$4.5M	$12.8M

Given the size of these companies, it is a very modest investment to continue to promote transportation electrification and provide the Company an opportunity to educate its customers on the value of enabled charging to minimize the impact on Evergy's grid.

Evergy's proposal related to the pilot programs will cost the typical customer a small amount per month. Based on an average monthly usage of 899 kWh, the bill impact would be approximately $1.00 to $2.00 per year for residential customers.[39]

A. Cost-Effectiveness of Evergy's Pilot Programs

Evergy conducted cost effectiveness evaluations in partnership with an outside consulting firm, ICF. The results are detailed in the body of the Report and in its appendices.[40] The Cost Effectiveness Results are summarized in the following table:

[39] Ex. 4, Ives Surrebuttal, p. 19.
[40] Ex. 1, Report, pp. 19-21, and Appendices C and H.

Table 3: Cost Effectiveness Evaluation Results

MO METRO	CUSTOMER BENEFIT	PARTICIPANT BENEFIT	SOCIETAL BENEFIT
Ratio	1.56	1.22	1.47
Net	$42,529,781	$52,732,024	$95,261,804
Benefit/EV	$1,112	$1,378	$2,490

MO WEST	CUSTOMER BENEFIT	PARTICIPANT BENEFIT	SOCIETAL BENEFIT
Ratio	1.46	1.18	1.39
Net	$22,555,475	$27,615,503	$50,170,979
Benefit/EV	$900	$1,101	$2,001

The analyses conclude that all Evergy customers benefit from increased EV adoption, whether or not they are an EV driver. Specifically, ICF estimates a net present value ("NPV") of approximately $42.5 million in benefits to Missouri Metro customers over the next 10 years (2021-2031), assuming a medium EV adoption scenario. On a per vehicle basis, this benefit translates to approximately $1,112 per EV in the Missouri Metro service territory.[41]

Applying the same assumptions, result for Missouri West customers is a net present value of $22.6 million, or $900 per EV. The analyses also show that increased EV adoption can yield even greater net societal benefits while also benefiting EV drivers.[42]

[41] Ex. 1, Report, pp. 19-20.
[42] Id.

B. Clean Charge Network ("CNN") Expansion

Evergy is also requesting the Commission increase the cap in its existing CCN tariff so that Evergy can install charging stations in underserved locations that will build on the success of its Evergy's Clean Charge Network. The Company is also seeking decisional prudence from the Commission for this investment.[43] The expansion of the CCN would be an investment of an additional $2.8 million to meet the currently identified need for EV chargers.[44]

The following chart summarizes the Company's proposed CCN cap increases and estimated spending plan to expand its CCN:

Table 7: CCN Cap Increase Summary

Jurisdiction	Current Cap	Identified Need	Requested Revised Cap	Spending Plan
MO METRO	400	450	500	$1.2M
MO WEST	250	275	300	$1.6M
TOTAL MO	**650**	**725**	**800**	**$2.8M**

C. The Current Challenge To Meet the Future Needs of Customers

Evergy, its customers, and the State of Missouri are at an obvious crossroads right now in the electric industry with TE. The time is now for the Commission to make a critical decision that will set the course for our customers for years to come. Do we want to take a proactive approach and make the investment to grow Evergy's ability to manage the inevitable expansion of TE for

[43] Tr. 115-19; 296-97.
[44] Ex. 1, Report, p. 34.

Missourians, as well as have the tools and data intelligence to do that, or wait to react down the road? Evergy thinks the answer to that question is obvious – a proactive approach is best.

Over the long term, unmanaged EV proliferation on the electric system is just too great of a risk to take, especially given the relatively small investment presented in Evergy's Application that enables Evergy to continue to stay involved in the roll-out of TE and continue to learn how to mitigate any grid impact. Left to market forces, there is the potential for robust charging infrastructure expansion in urban areas by third-parties while rural and traditionally underserved communities, which is Evergy's focus for the CCN expansion, get left behind. Such an outcome would not be good for Missouri and Evergy's customers.[45]

D. <u>The Overall Recommendations of Staff and OPC Should Be Rejected</u>

The following parties are generally supportive of the Company's proposals: Renew Missouri, Sierra Club, Natural Resource Defense Council, and ChargePoint.[46] While ChargePoint and Sierra Club/NDRC are generally supportive, they have requested some modifications discussed below.

Staff, OPC, and MECG, on the other hand, are largely opposed to Evergy's Application and its proposals to move forward to promote transportation electrification in Missouri. The only aspect of Evergy's proposal that Staff, OPC, and MECG are supporting or not opposing is the expansion of the CCN to accommodate a pilot streetlight-charging program in Kansas City, Missouri's right of way that is partially funded by a grant from the U.S. Department of Energy to the Metropolitan Energy Center and the City of Kansas City.

[45] Ex. 3, Caisley Surrebuttal, p. 22.
[46] Sierra Club/NRDC Position Statement, pp. 1-6; Renew Missouri Position Statement, pp. 1-5; ChargePoint Position Statement, pp. 1-6.

Otherwise, Staff, Public Counsel and MECG are opposed to Evergy's Application and the continuation of its efforts to encourage the electrification of the transportation industry. This is unfortunate since the competent and substantial evidence in the whole record demonstrates that Evergy's proposals will benefit customers, both EV customers and other non-EV customers, the public utility, and other stakeholders.

The Staff and OPC's rejection of the Company's proposals stem from a policy argument – that a utility should not take an expanded role in the promotion of TE. OPC, and Staff to a lesser degree, assert that the utility (and the Commission) should stay on the sidelines and not be an active partner with our customers during this dynamic revolution that is occurring in TE. They seem to believe the best course of action is to allow TE to advance pursuant to market forces, but they do not address what happens if that approach falls way short for Missouri. They also do not acknowledge utility involvement across the country that is being accepted by other commissions, additional costs and impacts to the system that may be borne by Missourians as a result of such a reactive approach, or the value that utility involvement can bring in aiding efficiency in service for TE and the rate benefits all Missourians will experience with more rapid TE adoption.[47]

Staff and OPC's position that the public utility should stay on the sidelines in the nascent development of the EV charging infrastructure in Missouri flies in the face of previous policy statements by the Commission itself. As mentioned above, the Commission in 2015 specifically found that "KCPL's proposed Clean Charge Network is an important first step in creating an infrastructure to serve the increasing number of customers who choose to purchase electric

[47] Ex. 3, Caisley Surrebuttal, pp. 4-5.

vehicles, and the Commission commends KCPL for its efforts to anticipate this future demand and for its commitment to environmental sustainability."[48]

While Staff witness Sarah Lange agreed in cross-examination that the Commission was right in 2015 when it stated that KCP&L's Clean Charge Network was an important first step,[49] she refused to agree that Evergy's proposed modest expansion of the CCN was reasonable as the next step to create the infrastructure to serve an increasing number of customers who choose to purchase electric vehicles in the near future.[50] Instead, she characterized Evergy's proposal in this case as "a terrible idea."[51] She also did not have any recommendations for the Commission to implement (or even consider) to create the infrastructure to serve the increasing number of customers who choose to purchase electric vehicles, except for the possible implementation of various rate design proposals.[52]

Similarly, OPC witness Marke asserted that Evergy's "This is not a good program period. It is the equivalent of saying, . . . if we want to . . . give money away would you rather burn it or throw it in the garbage can."[53] OPC's counsel also asserted that Evergy's proposals were "nonsensical, illogical, poorly developed, and premature."[54] Such hyperbole clearly evidences the fact that Staff and OPC prefer to merely support the status quo rather than move forward by pursuing modest policy initiatives that will benefit Evergy's customers, both EV drivers and other customers, and other stakeholders long into the future. Staff and OPC seem to be saying that the

[48] Ex. 13, *Report And Order*, p. 77, Re Kansas City Power & Light Company's Request for Authority to Implement a General Rate Increase for Electric Service, Case No. ER-2014-0370 (September 2, 2015).
[49] Tr. 406.
[50] Tr. 403.
[51] Id.
[52] Tr. 409.
[53] Tr. 585.
[54] Tr. 54.

Commission should reject Evergy's Application in almost all respects, and Evergy should just try again. Staff and OPC's short-sighted approach should be rejected.

Much of Staff and OPC's opposition stems from the allegation that the current CCN is "under-utilized"[55] and fails to cover its costs.[56] Evergy witness Darrin Ives addressed this argument as follows:

> Staff's analysis attempts to measure the cost effectiveness for the CCN, a network of charging stations, based on the specifics of each individual charger. The Company has stated since its original deployment of the CCN infrastructure that a primary driver for the investment in this network is to address the concern of potential EV drivers on range anxiety, and the importance to have a reliable network of charging stations throughout our service territory.
>
> Certain charging stations will be utilized more often than other stations, but it is important for the EV driver to know there is a network of reliable stations they can depend on similar to the prevalence of gas stations for internal combustion engine vehicles. Range anxiety continues to be an important factor in the consideration of a customer considering the purchase of an EV. That being said, it is common knowledge that a majority of all EV charging is done at the home of the EV driver when EV owners can set up their own charging. When evaluating the cost benefit analysis for these charging station investments, it is important to recognize all unique revenue received from EV drivers. Staff's analysis ignores this reality and gives no consideration to the revenue offsets from home charging when evaluating the cost effectiveness of the current or proposed Company EV programs. Evaluating the costs of publicly available and commercial charging stations on a standalone basis without the recognition of revenue offsets from residential EV charging does not appropriately acknowledge the linkage of the CCN or other non-residential charging stations and EV home charging in growing beneficial electrification in our service territory that can benefit all customers. Furthermore, as Evergy has deployed the CCN to promote the adoption of EVs in the service territory, it is understood by the Company that not all charging stations will have significant utilization. It is the nature of utility investment to build to peak demand. With traditional investments, this leaves our entire system underutilized except for times of peak demand. Were we not to build until after demand requires it, we would by definition not be meeting our obligation to serve for mobile electric customers in the

[55] Ex. 100, Staff Rebuttal Report, p. 21; Ex. 200, Marke Rebuttal, pp. 12-13.
[56] Tr. 58.

> same manner we meet our obligations for stationary electric customers. Also, by building across the service territory we ease range anxiety and make service available to all mobile electric customers, which is also consistent with our obligation to serve.[57]

Staff witness Claire Eubanks and OPC witness Marke also recommended that the Commission deny Evergy's Application, in part, because the federal government has plans to provide subsidies for the development of EV charging stations.[58] As Mr. Caisley explained, it is uncertain at this time what level of funding[59], the Congress will provide for EV charging stations in Missouri. Evergy believes that its proposal in this proceeding as well as the federal government support for TE will be critical to achieve the underlying public policy goals of TE.[60]

The Commission has already recognized that "The most effective way to deploy EV charging stations statewide in a timely manner would be to use all funding sources in combination."[61] The Commission should continue to recognize in this proceeding that the most effective way to deploy EV charging stations statewide is to use all funding sources, including federal funds and public utility initiatives, in combination.

Staff and Public Counsel's overall approach to deny almost all of Evergy's proposals in this proceeding and just send Evergy "back to the drawing board"[62] should be rejected by the Commission. Instead, the Commission should stay the course, and take the next logical step, as proposed by Evergy, to encourage the development of TE pilot programs, TOU rate structures for

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[57] Ex. 4, Ives Surrebuttal, pp. 9-10.
[58] Ex. 100, Staff Rebuttal Report, p. 28; Ex. 200, Marke Rebuttal, pp. 3, 10-12.
[59] After the conclusion of the hearings, on November 15, 2021, President Joseph R. Biden signed the Infrastructure Investment and Jobs Act (HB3684)which included funds for EV charging stations. "The bill will provide $7.5 billion of funding for deployment of EV chargers along highway corridors to facilitate long-distance travel and within communities to provide convenient charging where people live, work, and shop." (Source: https://www.whitehouse.gov/briefing-room/statements/2021/28/fa).
[60] Ex. 3, Caisley Surrebuttal, pp. 17-18; Tr. 115-119.
[61] Ex. 14, *Report And Order*, p. 15, para. 20, Re: Union Electric Company d/b/a Ameren Missouri For Approval of Efficient Electrification Program, File No. ET-2018-0132 (February 6, 2019).
[62] Tr. 409; See also 39-41; 54-55.

commercial EVs, and a modest expansion of the CCN to serve the increasing number of customers who will be driving electric vehicles in the near future.

The following section will address the specific issues raised in the proceeding as identified in the List of Issues filed by the parties on September 17, 2021.

III. LIST OF ISSUES

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

Yes. Evergy proposes the Residential Customer EV Outlet Rebate Program for residential customers to enable L2, managed charging and reduce the cost of home EV charging. Evergy is targeting the residential sector because light-duty private EV ownership constitutes the majority of existing and projected EV adoption in the Evergy territory over the next five years. With approximately 80% of charging activity typically occurring at home, the residential sector is a strategic way to serve this segment of EV drivers. This rebate aligns with Evergy's equity commitment by reducing the costs associated with installing an EV charger at home and supporting more efficient L2 charging that yields energy savings and reduces household transportation costs.[63]

The Residential Customer EV Outlet Rebate Program incentivizes the installation of a 240V outlet at residential locations to enable L2 EV charging. Customers are eligible for one rebate per residence to cover 50% of the installation cost, up to $500 per outlet, to install a dedicated 240V circuit (40A or greater, including a NEMA 14-50 outlet). Customers apply for a rebate within six months of the installation of qualified equipment. Customers will complete an online application form and upload the necessary documentation, which will include dated installation receipts and proof of EV registration at the same address. At the time of application,

[63] Ex. 1, Report, p. 23.

customers will be educated and encouraged to enroll in a TOU rate and to opt into Evergy's CCN for their public charging needs.[64]

The Residential Customer EV Outlet Rebate Program will reduce the costs associated with L2 charger installation at home and provide customers with the ability to charge EVs in less time and with 7-15% less energy. Today, many EV drivers charge at home using the Level 1 ("L1") cord-set provided with the EV. The 240V outlet will enable drivers to use either their preferred charger or their vehicle's onboard charge management functionality.[65]

By dramatically reducing the amount of time required to complete charging, the Residential Customer EV Outlet Rebate facilitates the EV driver's ability to utilize Evergy's TOU rate, thereby creating a foundation for future active charge management programs.[66]

The Criticisms of Staff and OPC Witnesses Related to the Residential Rebate Program Should be Rejected

Staff recommends the Commission reject the proposed residential pilot program based on the following concerns[67]:

- Potential for free ridership.
- Potential for customers to install in-home charging greater than 6.6 kW.
- Lack of evidence of what education or marketing will cause customers to participate in "managed" charging.
- Potential for participants to increase wholesale energy and/or capacity costs.

[64] Id.
[65] Id. See also Ex. 7, Voris Surrebuttal, pp. 11-12.
[66] Ex. 1, Report, p. 23; See also Ex. 7, Voris Surrebuttal, pp. 11-18; Ex. 3, Caisley Surrebuttal, p. 20).
[67] Ex. 100, Staff Rebuttal Report, pp. 1, 15.

- Lack of requirement for participants to enroll in a residential TOU rate. OPC shares Staff's concern that Evergy's program does not require participants to enroll in a residential TOU rate and seems to imply that EV drivers should be subject to mandatory TOU rates.[68]

For the reasons stated herein, each of these arguments should be rejected, and the proposed Residential Customer Outlet Rebate Program should be approved. First, as Mr. Voris explained, Evergy designed the program with numerous facets to minimize the likelihood of free riders. For example, only EV owners are eligible. Also, the rebate amount ensures that participants have "skin in the game" because it is capped at the lesser of $500 or 50 percent of actual costs. A third and important program requirement is that not only must rebate recipients be willing to provide detailed vehicle information, but they must also be willing to sign a customer agreement that enrolls them as a participant in a pilot project wherein Evergy will use their information to closely examine their charging behaviors and—if necessary—attempt to influence their charging behavior.[69]

Second, Staff's assertion that customers who install a Level 2 Charger may choose one capable of delivery of energy in excess of the 6.6kW cap assumed in Evergy's modeling.[70] As Mr. Voris explained, Evergy's modeling assumed a charging level of 6.6 kW because this is a relatively common A/C charging capability. While newer EVs are capable of A/C[71] charging levels greater than 6.6 kW, Evergy's program requires installation of a NEMA[72] 14-50 outlet, which is rated for 50 amps. This requirement is a de facto cap on charging level at 9.6 kW. This line of thinking completely dismisses the time-of-day and days-per-week load shifting flexibility

[68] Ex. 200, Marke Rebuttal, p. 16.
[69] Ex. 7, Voris Surrebuttal, pp. 13-14.
[70] Ex. 100, Staff Rebuttal Report, p. 15.
[71] A/C refers to alternating current.
[72] NEMA refers to the National Electrical Manufacturers Association.

that accompanies higher charging rates which is not available with Level 1 charging.[73] Staff's concern on this point is no reason to reject the residential rebate pilot plan.

Third, Staff asserts that education and marketing will be ineffective in causing residential customers to participate in managed charging.[74] In fact, this is an area that Evergy hopes to learn about in the pilot program. During the pilot, Evergy plans to use a traditional behavior marketing campaign development process informed by participant charging data, as presented during the technical conference on July 12, 2021, to move customers' understanding, motivations and behaviors.

During the hearings, Exhibit 8 was introduced which lays out in more detail the Company's expected education and marketing plans and its budget process for such activities. Mr. Voris also explained that as part of the pilot program's marketing campaign, Evergy will:

- Understand the target audience(s) to realize demographic and psychographic motivations that will influence their behaviors;
- Use our audience analysis to develop marketing and communication materials that resonate with participants' lifestyle and motivate them to make behavioral changes;
- Use marketing tactics to inform potential and current participants of the benefits of off-peak charging, how to program their cars or chargers to charge off-peak ("set it and forget it"), and the associated benefits;
- Generate and utilize disaggregated AMI data to determine customer charging needs and behavior;

[73] Ex. 7, Voris Surrebuttal, p. 15.
[74] Ex 100, Staff Rebuttal Report, p. 15.

- Utilize personalized communications to reinforce positive behaviors and educate customers on their actual charging behaviors, the associated environmental impact, and the potential benefits of TOU;
- Identify the required modifications if the desired results are not achieved, including the possibility of new incentives (bill credits, etc.); and
- Determine whether/how-much these customer communications modified charging behavior in the absence of a financial incentive.

Fourth, Staff's concern about the potential for participants to increase wholesale energy and/or capacity costs is misplaced. This concern is based upon the possibility that charging may occur at on-peak times. While charging could occur on-peak, the size of the pilot program is not large enough to raise a serious concern in this regard.[75]

None of the Staff and OPC's criticisms are meritorious, or support an order rejecting the Residential Customer EV Outlet Rebate Program. In summary, the Residential Customer EV Outlet Rebate Program is in the public interest and should be approved as a pilot program, pursuant to Section 393.1610, RSMo.

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 TOU rate?

No. In this proceeding, Staff and OPC have advocated that the Commission require that participants in the residential rebate program be required to sign up for the Company's existing whole house, opt-in TOU rate.[76]

[75] Tr. 100-01
[76] Staff Position Statement, p. 2; OPC Position Statement, pp. 3-4; Ex. 200, Marke Rebuttal, p. 16.

The Commission should not require participants to sign up for the Company's existing whole house, opt-in TOU rate as a condition for approval of the Residential Customer EV Outlet Rebate Program. While the Company supports optional TOU rates, the Commission should not require EV customers to accept electric service on a TOU rate schedule. Customers have differing needs and situations, and the existing TOU rate may not be an optimal choice for all EV owners. Learning whether and how these non-TOU customers can be influenced are important objectives of this limited pilot program.[77]

Evergy has a long history of listening to our customers and working to best understand what they want concerning energy and believes that any approach taken for establishing a TOU rate should be measured and reviewed in order to maximize results and customer engagement. Evergy currently has an opt-in residential TOU rate in Missouri.[78] Evergy does not support tying a specific rate as a condition to participation in a program in this case.

Evergy agrees with Staff that TOU rates will be a key tool for minimizing grid impacts of transportation electrification and plans to introduce new and revised residential TOU rates in the 2022 general rate case. Evergy will educate and encourage rebate recipients to enroll in a TOU rate during the rebate application process. Moreover, rebate recipients will be periodically reminded of the benefits of TOU based on their specific charging behaviors and needs in the personal communications described in the program objectives.[79]

While Evergy will use this program to educate customers on TOU and encourage TOU rate enrollment, Evergy expects there will always be a subset of EV-owners who are uninterested in

[77] Ex. 7, Voris Surrebuttal, pp. 14-15.
[78] Ex. 3, Caisley Surrebuttal, p. 21.
[79] Ex. 7, Voris Surrebuttal, p. 14.

TOU rates due to specific consumption requirements or other reasons. Such disinterest, however, does not mean these customers are unwilling to charge overnight. Since an EV can easily be programmed to charge within specified hours via the vehicle's smartphone app or on-board interface, Evergy believes it can effectively shift customers to off-peak charging by ensuring customers know how to program their cars to automatically charge overnight and/or during the weekend while at home ("set it and forget it"), are informed about their charging needs/behaviors, and understand the environmental and other advantages of off-peak charging. Learning whether and how these non-TOU customers can be influenced are important objectives of this limited pilot program.[80]

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?

ChargePoint has made the following recommendations:

Approve the Residential Rebate program with the following modifications:

1. Direct Evergy to provide all qualifying customers with a $500 rebate per home;

Evergy Position: The Commission should not require every qualifying customer be provided with a $500 rebate per home. Although easier to administer, the rebate amount should be limited to the lesser of $500 or 50% of actual costs, as proposed by Evergy.

2. Direct Evergy to allow residential customers that participate in the Residential Rebate program to hardwire their home chargers and not to require the installation of NEMA outlets (but allow customers to install NEMA outlets if they prefer);

[80] Ex. 7, Voris Surrebuttal, pp. 14-15.

Evergy Position: No. Requiring a NEMA 14-50 outlet provides customers with maximum flexibility and limits installations at 50 amps. Customers who desire a third-party charger can simply plug this charger into the NEMA outlet.

3. Direct Evergy to develop a list of qualifying chargers for the Residential Rebate program, which should be updated upon request by vendors that introduce new qualifying products. To qualify for the Residential Rebate program, the Commission should require that chargers be ENERGY STAR certified, have a safety certification from Underwriters Laboratories ("UL") or another Nationally Recognized Testing Laboratory, and have managed charging capabilities.

Evergy Position: No. This recommendation and requirement for an EV driver to purchase a network-capable ("smart") charger is an unnecessary expense for the customer as the EVs on-board charge management system often has more charge management capabilities than a third-party smart charger. In addition, Evergy has not proposed any rates or other program that necessitate the use of smart charger functionality.

Evergy's rebate for the 240V outlet provides customers the greatest flexibility in how they manage their EVs Level 2 charging requirements. Evergy is not requiring a "smart" Level 2 charger or any specific EV technology for several reasons:

Today many EV models come with 240V compatible "cord-sets" or a Level 2 charger. Given this fact, Evergy believes that requiring a "smart" or communicating EV charger exclusively for this program is an unnecessary expense for the customer. Second, a "smart" EV charger requires the customer to have a reliable internet connection and WIFI communications, which may be difficult to establish and maintain in the customer's garage. Third, the EVs on-board charge management system often has more charge management capabilities than a third party "smart"

charger. For example, the on-board system knows the exact state-of-charge of the battery whereas the "smart" EV charger can only control the level of power available to the EV.[81]

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

Yes. Evergy proposes the Residential Developer EV Outlet Rebate to incentivize developers to pre-wire new homes with adequate circuit capacity to accommodate L2 EV charging by future residents. In the absence of other mechanisms such as building codes that require EV-ready residential construction, the Residential Developer EV Outlet Rebate provides Evergy with an opportunity to partner with developers to future-proof the residential sector and prepare it for expected growth in demand for EVs. Accordingly, customer education and outreach activities associated with the Residential Developer EV Outlet Rebate will target developers and provide information about the benefits of installing infrastructure at the time of construction.[82]

The Residential Developer EV Outlet Rebate incentivizes the installation of a dedicated 240V circuit (40A or greater, including a NEMA 14-50 outlet) to enable L2 EV charging. Developers are eligible for one $250 rebate per new home constructed according to these requirements. Developers will complete an online application form after the residence has been constructed and upload the necessary documentation to Evergy, which will include the address at which the installation occurred. Residential Developer EV Outlet Rebate program participants are limited to one rebate per residence. Third-party vendors or electric vehicle service providers ("EVSPs") are not eligible for these rebates.[83]

[81] Id. at 18-19.
[82] Ex. 1, Report, p. 24.
[83] Id.

The Residential Developer EV Outlet Rebate supports Evergy's equity commitment by reducing the costs associated with enabling L2 EV charging at home, allowing most EVs to charge during off-peak hours and lowering household transportation costs for future homeowners because it is both faster and more efficient than L1 charging. By tracking EV-ready home addresses, Evergy expects to have the ability to anticipate where EV charging may occur on the system, which can enable further load analysis to support future grid management activities.[84]

The proposed Residential Developer EV Outlet Rebate program is a limited pilot program and has a relatively small budget, but the program will be an important source of information about contractor willingness to participate in the development of EV charging outlets in the residential market. The Residential Developer EV Outlet Rebate program is in the public interest and should be approved as a pilot program, pursuant to Section 393.1610 RSMo.

The Criticisms of Staff and OPC Witnesses Related to the Residential Developer EV Outlet Rebate Pilot Program Should be Rejected.

Staff and OPC do not support the Residential Developer EV Outlet Rebate pilot program.[85] The primary concerns of Staff and OPC are free ridership, use of ratepayer funds outside "the cost of service" that might be better handled as a building code issue, and the possibility the rebated outlet will never be used for the intended purpose.[86] None of these concerns are sufficient to reject this pilot program.

The primary focus of the Developer Rebate Program is the developer. Evergy's five-year proposal includes $87,500 for 350 rebates ($250 per) split roughly 65%/35% between Missouri Metro/Missouri West. The purpose of this rebate is to attract, engage, and educate developers

[84] Ex. 1, Report, p. 24; See also Ex. 7, Voris Surrebuttal, pp. 20-21.
[85] Ex. 100, Staff Rebuttal Report, pp. 1, 16; Ex. 200, Marke Rebuttal, p. 17.
[86] Ex. 7, Voris Surrebuttal, p. 21.

about EV charging and help them prepare for or perhaps even support future building code changes.[87] By any measure, this is a relatively small pilot program.

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. Additionally, new homeowners will receive information about the purpose of the installed outlet, benefits of Level 2 EV charging, and optional TOU rates.[88]

Evergy expects that the Developer Rebate pilot program will "advance the electrical corporation's operational knowledge of deploying such technologies" as it relates to residential developers, "including to gain operating efficiencies that result in customer savings and benefits as the technology is scaled across the grid or network" (Section 393.1610.1), and respectfully requests approval by the Commission.

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

Yes. Third parties are important contributors to the broader ecosystem of EV charging infrastructure as a complement to Evergy's role in owning and operating the CCN. Evergy proposes the Commercial EV Charger Rebate for third-party EV charging station installations at commercial locations across the Evergy service territory. While residential charging comprises most charging events for light-duty EVs today, the growing market requires an ecosystem of strategically located commercial EV charging sites to reduce range anxiety in drivers and to serve a variety of emerging EV use cases.[89] As noted in the Commission's *Report and Order* for File No. ET-2018-0132, "The evidence showed that without financial incentives, it is not feasible at

[87] Id.
[88] Id.
[89] Ex. 1, Report, p. 24.

this time for the private sector to implement public fast charging stations along Missouri's highway corridors anytime soon."[90]

To serve these use cases, EV charging should be conveniently located at common destinations such as workplaces, fleet parking sites, public destinations such as retail sites, multi-family dwellings, and along highway corridors. The proposed Commercial EV Charger Rebates are aligned with Evergy's equity commitment by offering affordable and accessible EV charging at locations that meet the practical needs of the market. Among the commercial customers eligible for the Commercial EV Charger Rebates are public service fleets such as those comprised of urban transit bus, school bus, municipal service fleets, paratransit, rural transit, and public assistance vehicles – all of which have broad benefits for underserved communities.[91]

The Commercial EV Charger Rebates will reduce the costs associated with L2 and DC Fast Charging ("DCFC") EV charging station installations at a variety of locations (highway, public, workplace, fleet, multi-family) by providing a rebate to cover the customer-side infrastructure and EV charger equipment costs. The program design will incentivize smart, network-capable chargers to enable controllable load management regardless of what type of L2 or DCFC charger is installed. These design considerations will also allow Evergy to collect and analyze charger utilization data for various use cases and better understand where EV charging is occurring on the system. Based on Evergy's review of projected EV growth and the associated infrastructure needs, the Company anticipates that a mix of L2 and DCFC, in addition to Evergy's CCN stations, will be needed at commercial locations to meet the requirements and usage patterns of EV drivers.[92]

[90] Ex. 14, *Report and Order*, p. 22, Re Application of Union Electric Company d/b/a Ameren Missouri for Approval of Efficient Electrification Program, File No. ET-2018-0132 (Issue Date: February 6, 2019).
[91] Id. at 24-25.
[92] Ex. 1, Report, pp. 24-25; See also, Ex. 7, Voris Surrebuttal, pp. 21-26; Ex. 6, Nelson Surrebuttal, p. 9.

The Commercial Rebate Program is a pilot designed to reduce the costs associated with EV charging installations at a variety of locations (highway, public, workplace, fleet, and multi-family) by providing a rebate toward the customer-side, make-ready infrastructure and equipment costs. The program will also allow Evergy to better understand where EV charging is occurring on its system, which will enable further load analysis and customer targeting. The program design is intended to be future-looking and incentivize smart, network-capable chargers to enable controllable load management regardless of what type of Level 2 or DC fast charger ("DCFC") is installed.[93]

The Criticisms of Staff and OPC Witnesses Related to the Commercial EV Charger Rebate Pilot Program Should be Rejected.

Staff and OPC do not support this program[94] and primarily assert that the program does not consider distribution and/or transmission costs, is oversized, [95] will pull demand away from CCN stations, and does not consider free ridership. None of these concerns are sufficient to reject the proposed pilot program.[96]

Contrary to the arguments of Staff and OPC, Evergy's Commercial Rebate Program is not oversized. Evergy sized the Commercial Rebate Program budget to align with the projected need for public, workplace, and fleet charging infrastructure according to the following methodology:

[93] Ex. 7, Voris Surrebuttal, pp. 21-22.
[94] Ex. 100, Staff Rebuttal Report, p. 1; Ex. 200, Marke Rebuttal, p. 18.
[95] When Staff witness Lange was asked during cross-examination about Staff's recommended budget for these programs, she stated "that number would be zero except for that amount that we recommend go forward with the streetlighting pilot." Tr. 398.
[96] Ex. 7, Voris Surrebuttal, pp. 21-25.

1. Determine Current State

Using information from the Department of Energy's Alternative Fuels Data Center, Evergy estimated the current quantity of charging ports serving various use cases, inclusive of the CCN (e.g. Workplace/Fleet Level 2, Public Level 2, etc.).

2. Project Future Need

Using EVI-Pro Lite, a tool developed by the National Renewable Energy Laboratory to estimate the infrastructure requirements associated with a given EV population, Evergy projected the number of charging ports required to support EPRI's medium EV adoption scenario as of year-end 2025 (11,353 – MO Metro; 5,959 – MO West). Since the outputs of EVI-Pro Lite are limited to public and workplace charging, Evergy also considered the portion of the projected EV population that would rely on charging at multifamily buildings as well as the growing need for fleet charging infrastructure.

3. Establish Program Budget

Evergy's budgets for each use case are informed by the gap between the current number of ports and the projected future need, looking primarily at medium EV adoption scenarios in 2025. Evergy has applied a rational and future-looking approach based on near-term projections of EV populations and the associated charging infrastructure needs provided by EPRI and the DOE, respectively. Beyond this methodology, from a philosophical perspective it is important to note that Evergy's program design requires site hosts to bear meaningful upfront and ongoing costs to maintain the networked charging stations required by the program. Consequently, developers and site hosts will be motivated to optimize site location and configuration relative to use case. In other words, the modesty of Evergy's rebate amounts and line extension allowances relative to the

potential capital and ongoing costs of charging stations lower the probability of free ridership and make the Commercial Rebate Program inherently self-limiting.[97]

Evergy's proposed budget is based on the projected need for commercial charging infrastructure given the near-term EV adoption forecast. Additionally, recipients bear significant upfront and ongoing costs even after receiving rebates and line extension allowances (if applicable), which are certain to influence whether and where new charging stations are pursued. From a more tactical perspective, the TE pilot program tariff "Schedule TE" requires that highway corridor sites include at least two DCFC chargers and be at least 25 miles from the next closest DCFC site along the same highway.[98] The other criticisms of Staff and Public Counsel have already been addressed in relation to the residential rebate program.

In summary, the Commercial EV Charger Rebate Program will promote the public interest and should be approved, pursuant to Section 393.1610, RSMo.

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

ChargePoint made the following recommendations:

> Approve the Commercial Rebate program with the following modifications:
>
> - Direct Evergy to remove the requirement that site hosts that participate in the Commercial Rebate program share charger utilization data with Evergy;
> - Direct Evergy to remove the requirement that customers agree to participate in demand response events.

[97] Ex. 7, Voris Surrebuttal, pp. 22-24.
[98] Id. at 24.

Evergy Position: The Commission should reject the first proposed modification. As a pilot program, it is critical that Evergy be allowed to collect and review utilization data from the EV chargers. Without this capability, much of the value of the pilot program will be lost.

Second, since EV drivers who charge at DC fast chargers are likely time-limited or time-sensitive, Evergy is amenable to a plan modification that would add the requirement for rebate participants to agree to participate in future demand response events for Level 2 chargers only.[99] Participation in demand response events will be clarified in the customer agreement developed for the Commercial Rebate Program.[100]

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?

Sierra Club and NDRC proposed that 20 percent of the Commercial Rebates be reserved for multi-family locations.[101]

Evergy Position: Evergy takes no position on this issue.

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 to not exceed 20% of the total costs for a charger station?

OPC witness Marke recommended that the Commission order rebate incentive amounts be capped at 20% of the total costs of the charger station.[102]

Evergy Position: No. The Commission should not cap the amount of the rebate incentive on a percentage basis to not exceed 20% of the total costs for a charger station. The program requires participants to incur meaningful upfront and ongoing costs to build and operate charging

[99] Ex. 7, Voris Surrebuttal, p. 25.
[100] Id.; Tr. 181.
[101] Sierra Club/NDRC Position Statement, p. 3; Ex. 700, Baumhefner Surrebuttal, p. 17.
[102] Ex. 200, Marke Rebuttal, p. 18.

stations with specific "grid friendly" characteristics such as networked chargers, demand response capability, and utility access to charger-level utilization data. Given the potentially dissuasive impact of these technical requirements, this program will be more effective in incentivizing customers without the additional restriction proposed by OPC.

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

Yes. Evergy proposes a new Electric Transit Service ("ETS") pilot rate option for transit bus fleet customers in Missouri to increase EV adoption in this vehicle segment and support transit customers in realizing the benefits of Battery Electric Buses ("BEBs"). As BEB technology becomes increasingly viable, transit bus fleets in Evergy territory are interested in the advantages of improved Total Cost of Ownership ("TCO"), operational benefits, and environmental advantages of BEBs. A favorable rate enables transit companies to calculate and compare their fuel costs, a major input into building the business case to purchase BEBs. The proposed transit rate will significantly improve the economics of transit fleet electrification.[103]

The ETS rate aligns with Evergy's equity commitment by directly supporting the electrification of public transit buses, which will benefit underserved customers that rely on transit services and are more exposed to the emissions from diesel transit buses.[104]

The ETS rate is a two-period TOU rate with a 12-hour off-peak period (6 p.m.-6 a.m.) that aligns with typical transit fleet depot charging patterns. This rate was developed after discussions with transit fleet operators.[105] The rate removes the demand charge, while retaining a small local facility demand charge to incentivize managed charging. Transit customers must separately meter

[103] Ex. 1, Report, p. 27.
[104] Id.
[105] Tr. 286-87.

their EV charging station to participate in the rate and all rate riders and surcharges will apply. Customers will work with their Evergy account manager to determine eligibility and enroll in the rate.[106]

The ETS rate is just and reasonable and should be approved as part of the pilot program, pursuant to Section 393.1610, RSMo.

The Criticisms of Staff and OPC Witnesses Related to the Electric Transit Service Rate and the Business EV Charging Service Rate Should be Rejected.

Staff's primary challenge to the ETS and BEVCS rates is legal in nature and will be addressed in Section 4 a. below. However, a few substantive criticisms were also mentioned in the Staff Rebuttal Report related to the following:

1. Staff expresses concerns that the rate values contemplated for the BEVCS and ETS rate schedules require additional study and refinement;
2. Staff questioned some of the assumptions used to develop the ETS and BEVCS rate schedules based upon applying assumed revenue levels from a given size of customer to customers of significantly different sizes.[107]

Evergy witness Brad Lutz addressed the Staff's technical concerns as follows: "While I expect these rates will mature as the pilot progresses and I anticipate further refinement, I believe these rates are appropriate for use in this pilot and will provide just and reasonable pricing for customers receiving service under these rates."[108]. He also explained that the existing rate schedules designs are poorly suited for EV charging. Further, given that the TOU rates will be reviewed as part of future rate proceedings, there is opportunity for adjustment.[109]

[106] Ex. 1, Report, pp. 27-28; Ex. 5, Lutz Surrebuttal, pp. 3-5.
[107] Ex. 100, Staff Rebuttal Report, pp. 3-4.
[108] Ex. 5, Lutz Surrebuttal, p. 3.
[109] Id. at 4-5.

The technical concerns raised by Staff related to the ETS and BEVCS TOU rate schedules support the need to get on with the study of the TOU rates for use in future rate cases, and these technical concerns are not reasons to disapprove the TOU rates in this case.

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

Yes. Section 393.1610 RSMo. specifically authorizes the Commission to approve pilot programs which includes the adoption of new rates for such pilot programs. Without the ability to implement new rates outside the context of a general rate case for the pilot programs like the ones being proposed in this case, the purpose of the statute to "advance the electrical corporation's operational knowledge of deploying such technologies, including to gain operating efficiencies that result in customer savings and benefits as the technology is scaled across the grid or network" (Section 393.1610.1) would be thwarted.[110]

Second, the approval of the ETS and BEVCS pilot rates will also allow the Company to obtain data to develop rates for these services on a more permanent basis. Without approval and implementation of the pilot rates, the Company will not be in a strong position to develop permanent commercial TOU rates for EVs in a future rate case. The courts have long held that the Commission has the power to grant interim or experimental rates as a matter of necessary implication.[111] Approval of the pilot TOU rate programs will also help the Company respond to existing customer requests.

[110] Ex. 4, Ives Surrebuttal, pp. 6-7.

[111] State ex rel. Laclede Gas Company v. Public Service Commission, 535 S.W.2d 561, 567 (Mo.App.1976). See also State ex rel. Watts Engineering Co. v. Public Service Commission, 269 Mo. 525, 191 S.W. 412 (Mo. banc 1917); State ex rel. Washington University v. Public Service Commission, 308 Mo. 328, 272 S.W. 971 (Mo. banc 1925); State ex rel. City of St. Louis v. Public Service Commission, 317 Mo. 815, 296 S.W. 790 (Mo. banc 1927); State ex rel. McKittrick v. Missouri Public Service Commission, 352 Mo. 29, 175 S.W.2d 857 (Mo. banc 1943).

Third, the Staff's reliance upon the prohibition against single-issue ratemaking is also misplaced. In answer to questions posed by Chairman Silvey, Staff counsel conceded that Section 393.1610[112] could be viewed as an exception to the single-issue ratemaking prohibition.[113]

The courts and the Commission have also recognized that the implementation of rates for new services outside the context of a general rate case does not violate the single-issue ratemaking prohibition.

In State ex rel. Sprint Spectrum L.P. v. Missouri Public Service Com'n, 112 S.W.3d 20, 28–29 (Mo.App. W.D.,2003), the Missouri Court of Appeals held that the introduction of rates for new services did not violate the prohibition against single-issue ratemaking which would otherwise require that all relevant factors be considered in a general rate case. The Western District stated:

> The rationale behind the single-issue ratemaking prohibition is to prevent the Commission from allowing a utility to "raise rates to cover increased costs in one area without realizing there were counterbalancing savings in another area." *State ex rel. Midwest Gas Users' Assoc. v. Pub. Serv. Comm'n of Mo.,* 976 S.W.2d 470, 480 (Mo.App. W.D.1998). This rationale does not apply in the instant case because tariffs have never been established for the rural carriers' termination of the wireless-originated traffic. Both of the cases cited by the wireless companies, in support of their claim of single-issue ratemaking, deal with attempts to increase or change *existing* rates. *In the Matter of Southwestern *29 Bell's Tariff Sheets Designed to Increase Local and Toll Operator Service Rates,* 5 Mo.PSC.3d 59 (June 21, 1996); *MCI Telecom Ins. Corp. v. Southwestern Bell Tel. Co.,* 6 Mo.P.S.C.3d 482 (1997). These cases are clearly distinguishable from the subject dispute because no rates existed at the time the rural carriers filed for approval of Wireless Termination Service tariffs.

The Missouri Public Service Commission itself has also recognized on numerous occasions that rates for new services may be implemented outside the context of a general rate case. In Re

[112] Tr. 25-26; 47.
[113] Tr. 39-41; 54-55.

Union Electric Company d/b/a Ameren Missouri's LED Street Lighting Update and Tariff Filing, 2016 WL 286919, at *1 (Mo.P.S.C.,2016), the Commission stated:

> Missouri's prohibition against single-issue ratemaking bars the Commission from allowing a public utility to change an existing rate without consideration of all relevant factors, such as operating expenses, revenues, and rates of return. OPC argues that the Commission may not lawfully approve Ameren Missouri's proposed tariff sheets because those tariff sheets change existing rates, which requires the consideration of all relevant factors in a general rate case to avoid impermissible single-issue ratemaking. OPC's assertion is incorrect. The tariff sheets do not change the rates for the existing types of streetlights, but rather maintain those existing rates at their current level and provide additional rates for new LED lights. The rationale behind the single-issue ratemaking prohibition is to prevent the Commission from allowing a utility to "raise rates to cover increased costs in one area without realizing there were counterbalancing savings in another area." This rationale does not apply in this case because Ameren Missouri tariffs have never established a rate for LED streetlights, which is a new type of service. The Commission has approved other tariff sheets in the past outside of a rate case that set a rate for a new service. Since the Ameren Missouri tariff sheets do not change existing rates, it is lawful for the Commission to approve the tariff sheets without the necessity of conducting a general rate case. (footnotes omitted)

Footnote 4 of the Union Electric LED streetlight case stated: "*The Commission has approved rates for new services outside the context of a general rate case. See*, File Nos. ER-2014-0258 (new tariff for standby service), EO-2013-0367 (new rate for class 6M LED lights), and EA-2005-0180 (added entire rate class)".

Footnote 5 of the Union Electric LED streetlight case cited to *State ex rel. Sprint Spectrum L.P. v. Missouri Public Service Commission, 112 S.W.3d 20, 28 -29 (Mo.App. 2003)* for the proposition that it is lawful for the Commission to approve tariff sheets without the necessity of conducting a general rate case for new services.

In Re Union Electric Company, Case No. ET-2018-0063, the Commission allowed the implementation of Union Electric's Green tariff outside the context of a general rate case. See *Order Approving Stipulation and Agreement*, (June 27, 2018).

The Commission has often reached the same conclusion in the context of telecommunications cases. In Re Mark Twain Rural Telephone Co., 2001 WL 584348, the Commission stated:

> The Commission agrees with the Filing Companies that the prohibition against single-issue ratemaking does not apply to new service offerings. The legislature did not contemplate the opening of a general rate case in response to each such tariff filing. This is demonstrated by the language of Section 392.220.4, which limits the suspension period for a new service offering to 60 days compared to the otherwise generally applicable period of 120 days plus six months at Section 392.230.3, and also by the command of Section 392.185(3) that Chapter 392 be construed to '[p]romote diversity in the supply of telecommunications services and products throughout the state of Missouri.'
>
> Because, with one exception, the proposed Wireless Termination Service tariffs herein in question introduce a new service, they are not subject to the prohibition on single-issue ratemaking. (footnote omitted)

Numerous telecommunications cases involving new services were implemented outside the context of a general rate case in the 1990s and 2000s. See e.g., Re Southwestern Bell, L.P., Case Nos. TT-98-351, 1998 WL 996183 (September 29, 1998)[Local Plus]; Re Embarq, Case No. TO-2006-0406 (April 27, 2006)[various new services]. (Ives Surrebuttal, pp. 4-7, 20).

In the hearing, some parties seem to be arguing that the ETS and Business EV Charging Services were not new since there are EVs currently taking electric service from Evergy's distribution system. This argument is misplaced since Evergy does not currently have an end use TOU rate for EV services. Even if there was merit that EVs are already taking "electric service", Section 393.1610 and the case law authorizing interim or experimental rates discussed above

provides the Commission with statutory authority to implement the ETS and Business EV Charging Service rates in this proceeding.

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

Yes. The Plant-In-Service- Accounting ("PISA") rate freeze established in Section 393.1655.2 applies to existing base rates and services. It does not apply to new rates for new services like the ones being proposed in this case. Therefore, the PISA rate freeze provisions do not apply in this case and do not limit the Commission's authority to implement new rates for these pilot programs.

As Chairman Silvey pointed out in the hearing, it is likely that the effective date of any order in this case will be more than three years after Evergy elected to utilize the provisions of Section 393.1655.[114] As a result, Staff's legal argument that the PISA rate freeze provision would prohibit the implementation of the TOU rates would be effectively moot[115].

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?

No. First, it is not reasonably possible to identify whether the revenue from a particular charging station is new, incremental revenue. Just like most gasoline car drivers depend on more than one gas station, EV drivers depend on a range of charging locations including at their home, workplace, and other public destinations. For this reason, it is unlikely that a single new station is responsible for driving new revenue that is attributable solely to that station. It is more likely that existing charging activity, such as home or workplace charging, is transferred from one location

[114] Tr. 25-26; 47.
[115] Staff counsel also recognized that Staff's argument on the rate freeze related to PISA would be moot if the effective date of the Report And Order in this case is after January 1, 2022. Tr. 47.

to that new charging station because of its availability. By virtue of being a mobile load, each EV represents customer demand that is variable not only in terms of time but also location.[116]

Second, the purposes of the pilot program are to ensure Evergy has a role in managing its grid for purposes of providing efficient and effective service, to provide for the provision of electric service to more EV customers, and to allow Evergy to obtain important data for the future. Usage reporting will certainly be a part of Evergy's analysis and reporting on the program. As detailed in Evergy's application and testimony, the electrification of the transportation sector is well underway, and these programs enable Evergy to participate and influence this transformation, which is appropriate given Evergy's central role in the mobile EV fuel supply chain. Certainly, all revenues generated will be reflected in our next general rate case and go to the benefit of all customers.[117]

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

Yes. Evergy proposes a new Business EV Charging Service ("BEVCS") pilot rate option for commercial customers to increase EV adoption, meet workplace employee and fleet EV charging needs, support public EVSP networks, and maximize grid benefits of EV charging load at commercial locations. Any commercial customer with an EV charging station is eligible for this rate. While the rate was designed using actual costs and charging patterns at workplace and fleet charging sites, the new rate would be suitable for any commercial EVSP including highway corridors, multi-family dwellings, and other public destinations.[118]

[116] Ex. 4, Ives Surrebuttal, p. 8.
[117] Id. at 8-9.
[118] Ex. 1, Report, p. 28.

The proposed BEVCS rate aligns with Evergy's equity commitment by directly supporting the electrification of commercial customer vehicles and reducing the cost of commercial EV charging to benefit underserved communities. Additional benefits of this rate for commercial customers include:

- Lower TCO for public fleets in a position to serve all customers, which will reduce the cost of providing public services through school buses, municipal service fleets, paratransit, rural transit, and public assistance vehicles;
- Lower TCO for commercial EV fleets, which will indirectly lower the cost of goods and services for all customers; and
- Affordable commercial charging, which will benefit all customers who charge away from home.[119]

The new BEVCS pilot rate for commercial EV fleets is just and reasonable and should be approved, pursuant to Section 393.1610, RSMo.[120]

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

Yes. See discussion under Issue No. 4 a.

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

Yes. See discussion under Issue No. 4 b.

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?

No. See discussion under Issue No. 4 c.

[119] Ex. 1, Report, pp. 28-30; See also Ex. 5, Lutz Surrebuttal, pp. 2-5.
[120] The technical concerns raised by Staff related to the BEVCS pilot rates for commercial EV fleets have been addressed in Issue 4 and will not be repeated here.

6. Should the Commission approve Evergy's proposed Clean Charge Network Expansion?

Yes. As stated in the *Non-Unanimous Partial Stipulation and Agreement*, which was approved by the Commission, Evergy agreed not to expand beyond the current CCN caps without Commission approval.[121] In this proceeding, Evergy is seeking approval to increase the cap to allow for a modest expansion of the CNN.

The proposed CCN expansion will allow Evergy to continue to collect and analyze charger utilization data for various use cases, better understand where EV charging is occurring on the system and enable further load analysis to support grid management activities. Evergy will build upon its award-winning customer outreach approach to spread awareness of the CCN, maintain up-to-date information about EV model availability, and hold events to engage customers.[122]

Evergy requested an increase of 150 charging stations to the existing cap, which will be focused on filling gaps and serving underserved communities, of which 78 stations will be used for immediate needs. and The remaining 72 charging stations would be reserved for future operational flexibility.[123]

In Missouri Metro, Evergy requested an increase of 100 stations (400→500) above the existing cap ordered by the Commission in File No. ER-2018-0145. Fifty of these stations are planned to be donated by the KC Streetlight Charging Project in partnership with the Metropolitan Energy Center. Another four of these stations are envisioned to support the emerging use case of

[121] Ex. 1, Report, p. 34; *Non-Unanimous Partial Stipulation and Agreement*, pp. 3-4 , Re Kansas City Power and Light Company's Request For Authority to Implement A General Rate Increase, Case Nos. ER-2018-0145 and ER-2018-0146. (September 19. 2018).
[122] Ex. 1, Report, p. 34.
[123] Ex. 1, Report, pp. 34-36.

transportation network company ("TNC")/rideshare. The other 46 stations provide operational flexibility for Evergy to utilize (or not) at its discretion.[124]

In Missouri West, Evergy requested an increase of 50 stations (250→300) above the existing cap ordered by the Commission in File No. ER-2018-0146. Twenty-four of these stations are planned to be utilized in highway corridor locations along secondary and/tertiary highways. The remaining 26 stations provide operational flexibility for Evergy to utilize (or not) at its discretion.

Evergy's hybrid approach supporting both utility and private ownership of EV charging infrastructure is common within the utility industry, in part because private third-party investors do not approach site selection from the same perspective as regulated utilities such as Evergy. Rather than being concerned with establishing an "ecosystem" of charging to provide reliable service to all customers, including underserved areas such as secondary and tertiary highway corridors, private investment is typically focused on a narrower range of goals such as individual site profitability or providing a beneficial service to customers and employees.

In summary, Evergy's continued, modest investment in the CCN benefits all customers by:

- Ensuring charging services are available to a broader range of customers than would be served by the proposed Commercial Rebate Program, which may be utilized by investors who have a narrower range of business objectives, and
- Continuing to reduce range anxiety, increase EV adoption and, moreover, increase electric sales to put downward pressure on rates for all Evergy customers over the long-term.

[124] Ex. 7, Voris Surrebuttal, pp. 4-5.

The proposed CCN expansion is aligned with Evergy's equity commitment by maintaining a focus on filling gaps in the market and serving underserved communities. Site selection for new CCN stations will prioritize commercial locations in underserved communities, secondary and tertiary highway corridors, streetlight charging, and designated charging to support rideshare and transportation network companies ("TNC") use cases. Evergy will use existing CCN data and experience to identify suitable locations to support these use cases.[125]

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

Yes. Creating a sufficient charging network decreases "range anxiety" by giving consumers the confidence they can safely reach their intended destination using an EV and be able to find a charger if needed. Range anxiety is still considered a significant barrier to increased EV adoption and is a concern that can be magnified when traveling longer distances on highways. Fast charging hubs along highway corridors enable long distance and inter-city travel for EV drivers. Evergy proposes to expand the CCN to secondary and tertiary highway corridor locations within the service territory by providing DCFCs at strategic locations near highway exits. Currently, DCFC infrastructure is nascent in Evergy's territory. The addition of DCFC to highway corridors supports community-based fast charging for time-sensitive EV drivers while bolstering confidence for Evergy customers with real or perceived range anxiety to adopt an EV. This expansion will allow Evergy to better meet an interim market need in the absence of adequate charging services from third-party EVSPs that may seek more profitable locations.[126]

[125] Ex. 1, Report, p. 34; See also Ex. 7, Voris Surrebuttal, pp. 3-8.
[126] Id. at 35.

Evergy's active participation in the Missouri EV Collaborative will enable continuity with statewide corridor infrastructure development activities. In addition, through the Midwest Memorandum of Cooperation, Evergy has partnered with other utilities to create a multi-state EV charging network along major Midwest travel corridors by the end of 2022. This commitment is consistent with Evergy's TE program priority to fill gaps in underserved areas, particularly along highway corridors to ensure that EVs operating across Evergy's territory can complete long-range trips with minimal range anxiety.[127]

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?

Yes. There is no opposition by Staff, OPC, or any other party to 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.[128]

Evergy is partnering with the Metropolitan Energy Center and the City of Kansas City, Missouri to pilot streetlight charging installations in the city's right of way. The United States Department of Energy awarded a grant to demonstrate and test the benefits of curbside charging for EVs utilizing streetlight infrastructure. This is a collaborative effort to identify and evaluate the benefits and impacts of streetlight charging and use these findings to streamline future efforts to support more EV drivers, particularly in underserved areas such as densely populated residential areas without off-street parking or where charging access is not readily available (e.g., multi-family residents). Additional project partners include NREL, EVNoire, Black and McDonald, LilyPad

[127] Ex. 1, Report, pp. 24-26; See also Ex. 3, Caisley Surrebuttal, pp. 2-20, 22; Ex. 7, Voris Surrebuttal, pp. 3-8.
[128] Ex. 100 Staff Rebuttal Report, p. 1; OPC Position Statement, pp. 14-16; MECG Position Statement, p. 5; Sierra Club/NRDC Position Statement, p. 5; Renew Missouri Position Statement, p. 4; ChargePoint Position Statement, p. 5 (no opposition).

EV, the Missouri University of Science and Technology, and other local community organizations.[129]

Because CCN stations are recognized among EV drivers, as well the CCN's established payment collection and O&M processes, Evergy was asked to participate in the project and take ownership of the assets. Evergy accepted this role prior to a cap being established and has not taken ownership of stations, pending Commission approval of the cap increase. Evergy is funding the cost of the make-ready infrastructure and the installation while the cost of the EV charging equipment is being provided through the grant thus reducing the overall capital costs for the new CCN assets.[130]

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

Yes. Evergy's request for additional CCN cap space includes four direct current fast charging ("DCFC") sites in MO Metro intended for use by transportation network companies ("TNCs")/rideshare companies. Capital cost estimated to be $100,000 per site on customer's side of meter including line extension costs[131], and ratepayer exposure to capital costs on utility side of meter is capped by the standard line extension of $27,000 per site. The purpose of requesting additional "headroom" in the cap is to provide Evergy with the flexibility to manage its business and respond to emerging opportunities like TNC/Rideshare, which expands the availability/accessibility of transportation electrification.[132]

[129] Ex. 1, Report, p. 35.
[130] Ex. 1, Report, pp. 35-36; See also Ex. 7, Voris Surrebuttal, pp. 10-11.
[131] Ex. 100, Staff Rebuttal Report, p. 65.
[132] Ex. 4, Ives Surrebuttal, pp. 15-16.

The Criticisms of Staff and OPC Witnesses Related to Expanding the CNN Should be Rejected.

Staff and OPC's overall criticisms of Evergy's proposed expansion of the CCN have been addressed in the Introduction section above. However, a few more specific issues related to this issue will be addressed in this section.

As discussed above, Staff and OPC either support or do not oppose the expansion of the Clean Charge Network to accommodate a streetlighting proposal partially funded by a grant from the U.S. Department of Energy to the Metropolitan Energy Center and the City of Kansas City for a pilot streetlight-charging program in the city's right of way. Staff and OPC continue to oppose Evergy's proposal to add eight chargers to the highway corridor site locations, and four direct current fast charging ("DCFC") sites in MO Metro intended for use by transportation network companies ("TNCs")/rideshare companies.[133]

Staff's primary objection to the expansion of the CNN along the Highway Corridor is that there is a possibility of federal funds for EV chargers under the Bipartisan Infrastructure Deal.[134] This criticism has already been addressed in the Introduction Section.

With regard to the rideshare partnerships, Staff's primary criticism is that Evergy has not identified specific locations for rideshare chargers or partnership opportunities.[135] Staff and OPC therefore argue that Evergy's request to increase the cap to support these aspects of Evergy's program is "premature."[136]

Staff and OPC's criticisms should be rejected by the Commission. Evergy has stated that any new CCN stations would focus on filling gaps in the market and serving underserved

[133] Staff Position Statement, pp. 7-8; OPC Position Statement, pp. 13-14, 16.
[134] Ex. 100, Staff Rebuttal Report, p. 28.
[135] Ex. 100, Staff Rebuttal Report, p. 27.
[136] Id.

communities, such as "commercial locations in underserved communities, secondary and tertiary highway corridors, and potential designated charging to support rideshare and TNC [transportation network companies] use cases".[137] Upon approval by the Commission, Evergy will proceed to develop the specific locations for its expanded CCN using the principles discussed herein.

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

Yes. Evergy requests that the Commission find that the limited and targeted CCN expansion plans Evergy has announced in this filing are prudent from a decisional perspective. Contrary to Staff's arguments that decisional prudence is limited to proceedings involving Certificates of Convenience and Necessity,[138] the Commission has made decisional prudence determinations for other initiatives in the past.[139] As Mr. Caisley and Mr. Ives have stated during the hearings, Evergy needs to know that the Commission believes that Evergy's participation in the EV charging station market is appropriate and prudent before Evergy makes additional investments in its CCN.[140] Evergy intends to take the guidance of the Commission regarding the appropriate role of the public utility in this marketplace as it makes its decisions about its future participation in the EV charger marketplace.[141]

Evergy will request recovery of prudently incurred O&M expenses as well as rate base treatment of prudently incurred capital spend associated with the CCN deployments as part of a

[137] Id. at 5.
[138] Ex. 100, Staff Rebuttal Report, pp. 27-28.
[139] *Report And Order*, pp. 22-27, Re Proposed Regulatory Plan of Kansas City Power & Light Company, Case No. EO-2005-0329 (July 28, 2005).
[140] Tr. 90-92; 296.
[141] Tr. 89-92; 103-05.

future general rate case consistent with other capital investments made by the Company and the Commission's decisional prudence determination in this proceeding.[142]

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

No. The price for electricity charged at a Company owned charging station through the CCN is provided for under Schedule CCN of the Company's tariffs. Additionally, the hardware and network service provider for a CCN site is selected by Evergy given that it is regulated plant in service.

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

Yes. Evergy proposes a separate component to conduct outreach and customer engagement related to this portfolio request. Given the significant benefits that EV adoption will bring to all customers, Evergy has a responsibility to help stimulate the EV market and inform customers about those benefits and available incentives, as well as educate customers about managing charging to save money and reduce the potential for negative grid impacts.[143] As stated in the Staff Report in the Ameren Missouri Charge Ahead case on potential models for facilitating EV charging station installation, a key theme of the process was that "enhanced customer education is a must."[144] Evergy's program administration activities will include rebate intake and processing, customer care, and overall program management and coordination.

[142] Ex. 1, Report, pp. 32-33; See also Ex. 3, Caisley Surrebuttal, pp. 21-22; Ex. 4, Ives Surrebuttal, pp. 8-16, 20; Ex. 6, Nelson Surrebuttal, pp. 11-12.
[143] Ex. 1, Report, p. 30.
[144] Ex. 14, *Report and Order*, p. 26, Re Application of Union Electric Company d/b/a Ameren Missouri for Approval of Efficient Electrification Program, File No. ET-2018-0132, (Issue Date: February 6, 2019).

Exhibit 8 includes a summary of Evergy's Education and Marketing plans which was initially introduced in the Kansas TE proceeding. This Education and Marketing plan is part of the Kansas Stipulation and Agreement awaiting approval at the Kansas Corporation Commission.[145]

This portfolio component is aligned to Evergy's equity commitment by ensuring transparency and lessening the barrier for customers to access accurate information about EV benefits and offerings in order to make informed decisions about EV purchases and charger usage. Furthermore, a focus on customer education is considered a best practice among utilities pursuing TE programs and is viewed favorably by other commissions. According to Atlas Public Policy, education components of utility TE filings have been met with an 83% approval rate.[146]

The program will offer customer education to support EV adoption and encourage participation in Evergy's program offerings. This will ensure that customers have the latest information regarding Evergy's EV rebates, tariffs, as well as the benefits of EVs, electric fuel costs, and charging station locations. Evergy will expand its current role of "energy advisor" into the TE space by offering technical assistance to help customers navigate EV-related decisions and to maximize the benefits of EV adoption. For example, Evergy will partner with transit and fleet customers to understand charging needs, evaluate existing capacity, and determine whether new infrastructure is needed to support their projects.[147]

Evergy requests that the Commission approve its proposed education and marketing program to promote the goals of its EV pilot programs.

[145] Tr. 442.
[146] Ex. 1, Report, p. 30.
[147] Ex. 1, Report, pp. 30-31; See also Ex. 7, Voris Surrebuttal, pp. 18-19.

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?

Yes. Evergy proposes 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. Evergy anticipates a three-month ramp-up period following Commission approval to establish key processes, contracts, and operations prior to launching the pilot programs.[148]

Evergy proposes to voluntarily record and report annually to the Commission quantitative and qualitative measures of the new TE programs' status. Key performance indicators may include, but are not limited to, program participation and enrollment, customer and site types, EV charging installations to date, rebates paid, and customer satisfaction. Evergy believes that tracking and reporting is valuable for several reasons. Given that EV and charging technologies and services are relatively new for both Evergy and customers, regularly measuring and reporting on the outcomes of pilot program implementation will be important to help improve and adapt TE program offerings in the future. Reporting on Evergy's experience is also valuable for stakeholders and other utilities that are pursuing TE efforts. Sharing best practices and lessons learned from Evergy's TE program implementation will be a valuable contribution to the broader industry. Furthermore, program reporting is considered a best practice among utilities pursuing TE programs.[149]

[148] Ex. 1, Report, p. 31.
[149] Ex. 1, Report, p. 31; See also Ex. 4, Ives Surrebuttal, pp. 18-20.

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 which include rebate incentives and certain associated customer education and administrative costs?

Yes. Evergy requests that the Commission authorize the Company to use a regulatory asset tracking mechanism to track and defer the pilot program costs which include rebate incentives and certain associated customer education and administrative costs. This regulatory asset tracking mechanism will provide the Company the ability to track and defer program costs to be recovered in the Company's cost of service in future rate cases. Evergy will not be able to recover the costs of the pilot programs contemplated in this filing from program inception through the Company's next general rate case and between future rate cases without the requested regulatory asset tracking mechanism.[150]

Evergy is seeking in this proceeding the ability to track and defer program costs for recovery of prudently incurred program costs in future rate cases through expense amortization over a period of five years, which is equivalent to the length of the proposed pilot programs.

Evergy will not seek rate base treatment of the program costs that will be included in the regulatory asset tracking mechanism for the pilot programs. Evergy will provide the capital to fund the pilot programs from program inception and between rate cases and proposes to be compensated for the capital carrying costs of doing so by retaining any additional revenues the program will produce until rates are reset in subsequent rate cases. The Commission has previously found that such a proposal is in the public interest to authorize a deferral accounting mechanism

[150] Ex. 1, Report, p. 32.

or regulatory asset tracker mechanism.[151] Such a proposal aligns the interests of the Company and its customers because the Company has no incentive to pay program rebates to charging station owners unless the resulting charging stations will create more widespread EV adoption and, in turn, produce incremental electricity sales.

This Commission previously found that this approach also benefits ratepayers because, by tracking and deferring the program costs associated with rebate incentives and educational and administrative costs, it serves to "sync up" the costs of the program with the benefits or revenues of the added load and provides "a smoother pattern of rate impacts to" ratepayers.[152]

Specifically, Evergy requests the Commission authorize it to defer pilot program costs associated with rebate incentives and customer education and program administrative costs into a regulatory asset from the inception of the program until the true-up period in the Company's next general rate case to then ultimately recover prudently incurred costs for inclusion in cost of service in the Company's next general rate case.[153]

The Company proposes the pilot program costs be amortized into cost of service through an amortization period of five years. For such pilot program costs that continue past the true-up date in the Company's next general rate case, the regulatory asset tracking mechanism will

[151] Ex. 14*, Report and Order*, p. 26, 29, Re Application of Union Electric Company d/b/a Ameren Missouri for Approval of Efficient Electrification Program, File No. ET-2018-0132, (Issue Date: February 6, 2019) where the Commission stated at page 29: "The Commission found that it is in the public interest for the EV Charging Corridor Sub-Program to be implemented soon, so that it can be coordinated with other charging corridor funds available to the state of Missouri. Depending on the timing of future rate cases, without a deferral accounting mechanism, Ameren Missouri may not be able to recover in rates the expenses of this program. Additionally, if Ameren Missouri is uncertain about its opportunity to request recovery of these expenses, it may determine that it should wait to implement a program at a later date, which would slow the EV growth in the state that the Commission has found to be desirable and in the public interest. Further, by allowing the opportunity for Ameren to request the non-rate base treatment in a future rate case and retain any electricity sales revenues between rate cases, Ameren Missouri and the customers' interests in the program become aligned. Thus, it is in the public interest to authorize a deferral accounting mechanism or tracker."

[152] Id.

[153] Ex. 1, Report, pp. 32-33; See also Ex. 4, Ives Surrebuttal, pp. 17-18, 20-21.

continue to defer program costs for the five-year term of the pilot programs and be included in the Company's cost of service through amortizations in future rate cases.

Absent Commission authority to track pilot program costs through a regulatory asset tracking mechanism, the Company is unlikely to have the ability to recover the Company funded program costs. The Company acknowledges that deferred pilot program costs will be subject to prudence review.[154]

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

Yes. If the Commission approves Evergy's TE proposal in this case, Staff is not opposed to the creation of a deferral mechanism for the costs, although it recommended that the amortization period be determined in the next general rate case[155]

Contrary to the Staff position, the Company believes it is appropriate to establish a 5-year amortization period with the creation of a deferral mechanism of costs as part of this case. Establishing a 5-year amortization period lines up with the pilot period for the requested Evergy EV programs. It is appropriate for the Commission to make this determination in this docket as opposed to a future rate case because given the unique nature of the termed program duration, it makes sense for the Commission to address it and tie the amortization term to the program duration.[156]

[154] Ex. 1, Report, pp. 32-33; See also Ex. 4, Ives Surrebuttal, pp. 8, 17-21.
[155] Ex. 100, Staff Rebuttal Report, p. 32.
[156] Ex. 4, Ives Surrebuttal, p. 17.

10. Should the Commission approve Evergy's requests for a variance of subsections 4 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?

Yes. Evergy requests a variance of subsections 4 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.

Under the proposed pilot programs, Evergy will offer incentives for the installation and use of equipment. Therefore, without a variance from the rule, Evergy would be in violation of 4 CSR 4240-14.020(1)(B) and (1)(D). Additionally, the Commission noted in Case No. ET-2018-0132 that under a strict reading of the rule, these incentives may provide "free, or less than cost or value, wiring, piping, appliances or equipment" in violation of 4 CSR 4240-14.020(1)(E).[157]

Good cause exists to grant Evergy these variance requests because the proposed TE portfolio will (a) provide benefits to both Evergy and its customers, both from the standpoint of lower overall rates, more efficient utilization of the electric grid, and reduced emissions in the areas where those customers work and live; and (b) not negatively affecting either the Company's customers who are not participants in the program or regulated alternative fuel suppliers competing in the Company's service territory.[158]

Evergy requests a variance from subsections 4 CSR 4240-14.020(1)(B), (1)(D), and (1)(E), which provide:

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

[157] Ex. 1, Report, p. 33.
[158] Id.

(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 affiliate, except for studies to determine comparative capital costs and expenses to show the desirability or feasibility of selecting one (1) form of energy over another…

(D) The furnishing of consideration to any dealer, architect, building, 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 value, wiring, piping, appliances or equipment to any other person…[159]

IV. CONCLUSION

In conclusion, Evergy respectfully requests that the Commission approve its proposed tariffs related to the Transportation Electrification pilot program, modify the cap on the number of EV charging stations that are authorized in the service territories of EMM and EMW as described in Section 4.8 of the Report, grant the requested variances of the relevant portions of the Promotional Practices Rules cited above so that the tariffs implementing its Transportation Electrification Pilot Program can be approved, and grant it accounting authority to defer the program costs associated with the program to a regulatory asset for inclusion in rates in its next electric general rate proceeding.

[159] Ex. 1, Report, p. 33; Ex. 4, Ives Surrebuttal, pp. 17-18.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record as reflected on the certified service list maintained by the Commission in its Electronic Filing Information System this 19th day of November 2021.

/s/ Roger W. Steiner

Roger W. Steiner