

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

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

UNANIMOUS STIPULATION AND AGREEMENT

COME NOW Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“EMM”) and Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“EMW”)¹ (collectively, “Evergy” or the “Company”), the Staff of the Missouri Public Service Commission (“Staff”), the Office of the Public Counsel (“OPC”), the Natural Resources Defense Counsel (“NRDC”), Renew Missouri Advocates (“Renew Missouri), National Housing Trust (“NHT”), and West Side Housing Organization (“WSHO”) (collectively, “Signatories”) by and through their respective counsel, and for their Unanimous Stipulation and Agreement (“Stipulation”), respectfully state to the Missouri Public Service Commission (“Commission”).

BACKGROUND

1. On December 11, 2019, the Commission issued its Report and Order in File No. EO-2019-0132 which approved for Kansas City Power & Light Company (now Evergy Missouri Metro) and KCPL Greater Missouri Operations Company (now Evergy Missouri West), among other things, a three-year plan for specified demand-side programs and a six-year plan for the income-eligible multi-family plan (“Evergy’s MEEIA Cycle 3 Portfolio”).

2. On January 31, 2022, the Company filed its initial application seeking the Commission’s approval to extend its MEEIA Cycle 3 Portfolio for an additional year; January 1,

¹ Effective October 7, 2019, Evergy Missouri Metro adopted the service territory and tariffs of Kansas City Power & Light Company (“KCP&L”) and Evergy Missouri West adopted the service territory and tariffs of KCP&L Greater Missouri Operations Company (“GMO”).

2023 to December 31, 2023. As a result of productive discussion and collaboration, on April 29, 2022 the Company, Staff and OPC submitted a Stipulation and Agreement resolving all issues between those signatures regarding the extension. The Commission issued its Order Approving the Stipulation and Agreement on May 12, 2022 and directed the Signatories to comply with its terms.

3. As the end of Evergy’s MEEIA Cycle 3 Portfolio extension is approaching, the Signatories entered into negotiations and have reached agreement to extend MEEIA Cycle 3 for an additional year, for the period January 1, 2024 through December 31, 2024. As a result of these negotiations, the Signatories have reached the following terms and conditions.

SPECIFIC TERMS AND CONDITIONS

4. Budget. The Signatories agree that the following budget caps and floors will apply for the one-year extension of calendar year 2024 to Evergy’s MEEIA Cycle 3 Portfolio (“Program Year 5” or “PY5”):

Evergy – (Missouri Metro & Missouri West combined)	
Program	Budget Cap/Floor
Residential	\$4,500,000 (floor)
Business	\$6,000,000 (floor)
Pay As You Save®	\$650,000 (floor)
Income-Eligible	\$2,000,000 (floor)
Demand Response	\$6,200,000 (floor)
Total PY 5 Budget Cap	\$29,038,471
	Earnings Opportunity Vests - \$22,750,000

EMM and EMW will have a budget of \$29.03 million to deliver MEEIA programs for the benefit of all customers. The attached **Appendix A** contains a detailed budget for PY5 by program. The Signatories agree that Evergy will have a 3% contingency (i.e., an additional 3% of the budget) within which to operate in managing the budget. This contingency budget excludes the total potential earnings opportunity of up to \$4,927,399. Additionally, unless a future Evergy MEEIA

Cycle 4 is approved subsequent to PY5 with a different budget or approach, the Urban Heat Island program will continue through 2027 per the Kansas City Urban Heat Island Analysis and Mitigation Proposal at the following additional budget per year: 2025 = \$990,330; 2026 = \$857,580; 2027 = \$717,080; the costs of which will be recovered in a Demand Side Investment Mechanism (“DSIM”) mechanism.

5. Program Cost Management. Evergy will manage program costs with a minimum of 65% of total costs (excluding Evergy labor portion of Administration; Evaluation, Measurement and Verification (“EM&V”) and Urban Heat Island (“UHI”)/ Research and Pilot (“R&P”) program costs) to be spent on customer incentives. An Earnings Opportunity (“EO”) penalty will be enforced if the minimum threshold is not achieved. As in PY4, customer incentives will continue to be defined as “program costs for direct and indirect incentive payments to encourage customer and/or retail partner participation in programs and the costs of measures, which are provided at no cost as a part of a program.”

6. Portfolio. The Signatories agree that Evergy will continue to offer its Cycle 3 programs for PY5, as modified in the Non-Unanimous Stipulation and Agreement for PY4 and further modified below.. Further, the Signatories agree that the exclusion of any program listed below for PY5 does not prohibit Evergy from proposing that same program in any future MEEIA program filing, provided that the program meets applicable cost-effectiveness criteria², nor does it prohibit Evergy from offering and seeking cost recovery in other Company filings as deemed appropriate.

- Evergy will incentivize up to \$100,000 of direct install LED lighting measures (where halogen or incandescent bulbs are present) within the

² Cost effectiveness criteria does not pertain to the Products and Services Incubator and Income-Eligible programs.

Income-Eligible Multi-Family program. Evergy will claim two years of measure life with a halogen baseline. Otherwise, no other lighting measures will be incentivized in Evergy’s PY5 residential programs.

- No lighting measures will be included in Evergy’s online “Offer Center.” Low-cost, non-lighting measures may still be included.
- The Company will participate in at least four statewide collaborative working group meetings, to be completed by the end of 2024, with the purpose of studying and designing the infrastructure needed to establish a state-administered Pay As You Save® program that could service all participating utilities. The working group will be open to Staff, OPC, Renew Missouri, Division of Energy, and participating utilities along with the designated implementer if known/determined.
- Evergy, Staff and OPC will explore opportunities to redirect up to \$1,000,000 in funding from the Income-Eligible Single-Family program towards Kansas City Low-Income Leadership Assistance Collaborative (“KC-LILAC”), for specialized services that can complement select community action agencies in minimizing deferred homes and/or enabling energy efficient custom domiciles that are subject to access and functional needs modifications and fund the Offer Center,³ not to include LEDs.
- Renew Missouri and Evergy, along with any interested stakeholder, will meet to discuss the reasonableness of incorporating a home energy certification in applicable programs.

³ Offer Center was formerly known as “Giveaway Hub” and is Evergy’s online portal that income qualified customers can receive free or highly discounted energy efficient products shipped directly to them.

7. Evaluation, Measurement, and Verification (“EM&V”). The Signatories agree that Energy EM&V will continue in PY5 with a limited scope as agreed to in PY4:

- Impact evaluation will focus on ex post gross savings.
- Updates to deemed gross savings will be input in the Technical Resource Manual (“TRM”) prospectively.
- PY5 EM&V budgets will be set at up to 3.0% of the total budget.
- There will be no net-to-gross analysis.

8. Throughput Disincentive. The Signatories agree that for the purposes of Throughput Disincentive calculations only, for PY5 will utilize a 50% net-to-gross factor for all residential (including income-eligible) and business heating, ventilating and air conditioning (“HVAC”)⁴ measures in consideration of potential deployment of federal rebates and tax credits. An 80% net-to-gross factor will be utilized for all other measures. There will be no net-to-gross true-up. The throughput disincentive for the PY5 will utilize ex ante gross savings with no true-up.

9. Earnings Opportunity. The Signatories agree that the total earnings opportunity (“EO”) for PY5 equates to \$4,927,399. The formula for calculating the earnings opportunity is $\$4,927,399 \times (\text{actual spend} / \$29,038,471)$. The EO vests at \$22,750,000 of actual spend.

10. Penalties to EO

- A \$246,370 EO penalty will apply for each program area floor not met.
- An EO penalty of \$500,000 will be enforced if incentive/non-incentive ratio of 65/35 (with formula exceptions in Paragraph 5 above) is not achieved.

⁴ Air Source Heat Pump (“ASHP”), Central Air Conditioner (“CAC”), Ground Source Heat Pump (“GSHP”), Air Conditioner (“AC”) Mini-split, Room AC, Air Sealing, Insulation.

- A \$246,370 EO penalty will apply if a minimum of \$908,650 from the Business Standard and Custom program combined budgets are not spent on small business customers.
- 40% of incentive spend will be spent on non-lighting projects in PY5. A \$246,370 EO penalty will apply if at least \$3,790,469 of the Business Standard and Custom program combined budgets are not spent on non-lighting measures.
- A \$500,000 EO penalty will apply if less than eight Residential Demand Response events per participant are called in PY 5.
- A \$246,370 EO penalty will apply if less than eight Business Demand Response events per participant are called in PY 5.
- The table below is a summary of all penalties associated with portfolio spending floor and additional program specific target penalties.

EVERGY (EMM & EMW combined)	
Penalties to EO	Penalty
Incentive/Non-incentive ratio of 65/35 (with formula exceptions in paragraph 5 above) is not achieved	\$500,000
Spend Floor Penalties	
Residential	\$246,370
Business	\$246,370
Pay As You Save®	\$246,370
Income-Eligible	\$246,370
Demand Response	\$246,370

Additional Penalties	
Business Small Business - minimum spend of \$908,650	\$246,370
Business non-lighting – minimum spend of at least \$3,790,469	\$246,370
Residential Demand Response – less than 8 events per participant are called	\$500,000
Business Demand Response – less than 8 events per participant are called	\$246,370

11. MEEIA Cycle 4. The Signatories further agree on the following conditions for the Company’s next MEEIA application:

- Evergy’s MEEIA Cycle 4 filing will utilize the Demand-Side Management Market Potential Study completed in 2023.
- Evergy’s MEEIA Cycle 4 planning costs will be included and recovered in Evergy’s next DSIM filing. Only MEEIA Cycle 4 planning costs as of the effective date of this stipulation will be included.
- The Procedural schedule for Evergy’s MEEIA Cycle 4 filing will be determined by 1/1/24. Evergy agrees that subsequent to the MEEIA Cycle 4 filing, Evergy will answer data requests and include requested workpapers with a clearly traceable route to an originating source for calculations. If source tracing cannot be completed, Evergy will indicate that either 1) no source exists or 2) the source exists in a format that is not readily linkable or transmittable. For anything falling under 2, Evergy will explain what method it can provide the source in, and if requested, schedule a call to explain why it’s not readily linkable, how it can be provided, and explain which assumptions, calculations, and workpaper cells, among others, that this source supports, justifies, or ties into.

- After jointly filing this MEEIA 3 extension for 2024, Evergy, Staff and OPC will work to schedule a series of workshops related to the MEEIA 4 filing (within one month of the extension filing). These workshops will cover topics relevant to the next MEEIA filing such as relevance to Evergy's IRP, IRA guidance and impact to MEEIA and other material topics that could impact MEEIA. These workshops will be open to all intervenors in MEEIA 4.
- After the filing of direct testimony, Evergy agrees to hold an in person technical conference to go over the TRM, workpapers, and other application materials. Evergy must provide these materials no later than 14 days before the conference, and Staff and other interested parties will submit preliminary questions and concerns at least 5 days before the conference.

12. Variiances. The Company reserves the right as outlined in the MEEIA statute to discontinue MEEIA programs should conditions change that make offering programs undesirable.

GENERAL PROVISIONS

13. This Stipulation is being entered into solely for the purpose of settling the issues specifically set forth above and represents a settlement on a mutually-agreeable outcome without resolution of specific issues of law or fact. This Stipulation is intended to relate *only* to the specific matters referred to herein; no Signatory waives any claim or right which it may otherwise have with respect to any matter not expressly provided for herein. No party will be deemed to have approved, accepted, agreed, consented, or acquiesced to any substantive or procedural principle, treatment, calculation, or other determinative issue underlying the provisions of this Stipulation. Except as

specifically provided herein, no Signatory shall be prejudiced or bound in any manner by the terms of this Stipulation in any other proceeding, regardless of whether this Stipulation is approved.

14. This Stipulation has resulted from extensive negotiations, and the terms hereof are interdependent. If the Commission does not approve this Stipulation, approves it with modifications or conditions to which a party objects, or issues an order in another Commission case that negates its approval or conditions or modifies the Stipulation in a manner to which any party objects, then this Stipulation shall be null and void, and no Signatory shall be bound by any of its provisions.

15. If the Commission does not approve this Stipulation unconditionally and without modification, and notwithstanding its provision that it shall become void, neither this Stipulation, nor any matters associated with its consideration by the Commission, shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with Section 536.080 RSMo 2016 or Article V, Section 18 of the Missouri Constitution, and the Signatories shall retain all procedural and due process rights as fully as though this Stipulation had not been presented for approval, any suggestions or memoranda, testimony or exhibits that have been offered or received in support of this Stipulation, shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any further purpose whatsoever.

16. If the Commission unconditionally accepts the specific terms of this Stipulation without modification, the Signatories waive, with respect only to the issues resolved herein: their respective rights (1) to call, examine and cross-examine witnesses pursuant to Section 536.070(2), RSMo 2016; (2) to present oral argument and/or written briefs pursuant to Section 536.080.1,

RSMo 2016; (3) to seek rehearing pursuant to Section 386.500, RSMo 2016; and (4) to judicial review pursuant to Section 386.510, RSMo 2019 Supp. These waivers apply only to a Commission order respecting this Stipulation issued in this above-captioned proceeding, and do not apply to any matters raised in any prior or subsequent Commission proceeding, or any matters not explicitly addressed by this Stipulation.

17. This Stipulation contains the entire agreement of the Signatories concerning the issues addressed herein.

18. This Stipulation does not constitute a contract with the Commission and is not intended to impinge upon any Commission claim, right, or argument by virtue of the Stipulation's approval. Acceptance of this Stipulation by the Commission shall not be deemed as constituting an agreement on the part of the Commission to forego the use of any discovery, investigative or other power which the Commission presently has or as an acquiescence of any underlying issue. Thus, nothing in this Stipulation is intended to impinge or restrict in any manner the exercise by the Commission of any statutory right, including the right to access information, or any statutory obligation.

19. The Signatories agree that this Stipulation, except as specifically noted herein, resolves all issues related to these topics, and that the agreement should be received into the record without the necessity of any witness taking the stand for examination.

20. This Stipulation is a negotiated settlement. Except as specified herein, the Signatories to this Stipulation shall not be prejudiced, bound by, or in any way affected by the terms of this Stipulation: (a) in any future proceeding; (b) in any proceeding currently pending under a separate docket; and/or (c) in this proceeding should the Commission decide not to approve this Stipulation, or in any way condition its approval of same.

21. If approved and adopted by the Commission, this Stipulation shall constitute a binding agreement among the Signatories. The Signatories shall cooperate in defending the validity and enforceability of this Stipulation and the operation of this Stipulation according to its terms.

NON-SIGNATORY PARTIES THAT DO NOT OPPOSE STIPULATION

22. The Signatories have been authorized to represent that the following parties, who have not executed this Stipulation, do not oppose Commission approval of this Stipulation:

- City of St. Joseph, Missouri;
- Midwest Energy Consumers Group;
- Missouri Department of Economic Development – Division of Energy;
and
- Spire Missouri Inc.

WHEREFORE, the Signatories respectfully request the Commission to issue an order in this case approving the Stipulation subject to the specific terms and conditions contained therein.

Respectfully submitted,

/s/ Roger W. Steiner

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 30th day of October 2023.

/s/ Roger W. Steiner

Roger W. Steiner

Evergy MEEIA Cycle 3 PY5 Extension Settlement
APPENDIX A

Combined Jurisdictions (MO West and MO Metro)							PY5
	Incentives	Delivery	Admin	Edu & Marketing	Evaluation	Total Budget	
Business Standard	\$ 3,565,082	\$ 1,560,275	\$ 472,865	\$ 201,958	\$ 137,824	5,938,003	
Business Custom	\$ 1,970,812	\$ 778,397	\$ 371,508	\$ 265,363	\$ 152,090	3,538,169	
Business Process Efficiency							
Small Business Targeted							
Business Demand Response	\$ 2,313,807	\$ 1,590,894	\$ 440,000	\$ 220,000	\$ 122,330	4,687,032	
Business Smart Thermostat							
Online Business Energy Audit							
Redirect Bus Programs							
Energy Savings Products	\$ 206,000	\$ 118,000	\$ 32,000	\$ 30,000	\$ 14,000	400,000	
HC2	\$ 2,526,874	\$ 768,601	\$ 582,873	\$ 502,814	\$ 102,477	4,483,640	
HER							
IEHER							
IEMF	\$ 964,104	\$ 682,047	\$ 160,353	\$ 152,233	\$ 71,042	2,029,779	
Residential DR	\$ 2,533,082	\$ 1,442,577	\$ 380,902	\$ 238,063	\$ 166,644	4,761,269	
Online Home Energy Audit							
Redirect Res Programs							
Research and Pilot	\$ 91,000	\$ 85,400	\$ 10,000	\$ 6,600	\$ 7,000	200,000	
PAYS	\$ 675,000	\$ 510,000	\$ 105,000	\$ 165,000	\$ 45,000	1,500,000	
Income-Eligible Single Family	\$ 515,000	\$ 220,000	\$ 130,000	\$ 100,000	\$ 35,000	1,000,000	
UHI	\$ 216,000	\$ 212,580	\$ 50,000	\$ 12,000	\$ 10,000	500,580	
Totals	15,576,761	7,968,770	2,735,500	1,894,032	863,408	29,038,471	