

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

In the Matter of a Working Case Regarding Utility)
Actions Related to Securing Funding from the) File No. AW-2023-0156
Infrastructure Investment and Jobs Act and the)
Inflation Reduction Act of 2022.)

EVERGY RESPONSE TO ORDER

COMES NOW Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy Missouri Metro”) and Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri West”) (collectively, “Evergy” or the “Company”), and state as follows:

1. On September 27, 2023, the Missouri Public Service Commission (“Commission”) issued its *Order Directing Status Reports and Updates* (“Order”).
2. For its response to the Order, Evergy submits the attached Evergy Status Report.

WHEREFORE, the Company respectfully submits the included information pursuant to the Commission’s Order.

Respectfully submitted,

/s/ Roger W. Steiner

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**ATTORNEY FOR EVERGY MISSOURI
METRO AND EVERGY MISSOURI
WEST**

CERTIFICATE OF SERVICE

The undersigned certified that a true and correct copy of the foregoing document was sent by electronic transmission, facsimile, U.S. Mail or e-mail to counsel for all parties of record on this 31st day of October 2023.

/s/ Roger W. Steiner

Roger W. Steiner

Evergy Status Report / AW-2023-0156 / October 31, 2023
Infrastructure Investment and Jobs Act (“IIJA”); Inflation Reduction Act (“IRA”)

Utility Program Overview

- IIJA includes a variety of funding opportunities which will be released over time; categories related to Energy:
 - Grid Resiliency
 - Grid Innovation
 - Electrification
 - Energy Storage
 - Carbon Capture
 - Cybersecurity
- Different funding opportunities will require different types of structures – some do not allow for-profit submitters; meaning Evergy is not eligible to submit a concept/application.
- IIJA includes significant requirements around Environmental Justice, benefits for disadvantaged communities, workforce development.
 - The Department of Energy’s (“DOE”) Title 17 Clean Energy Financing Program, specifically the Energy Infrastructure Reinvestment (“EIR”) program, was created by the IRA to finance projects that retool, repower, repurpose, or replace energy infrastructure that has ceased operations or enable operating energy infrastructure to avoid, reduce, utilize or sequester air pollutants or greenhouse gas emissions. Conditional commitment for projects must be secured before September 30, 2026 and final payment disbursements must be made by September 30, 2031.
 - As part of the application a credible and binding plan for the retool, repower, repurpose or replacement of infrastructure must be included.
- Many of the IRA benefits come through the authorization and increase of the tax incentives through production tax credits (“PTCs”) or investment tax credits (“ITCs”) for wind, solar, and storage projects. Evergy is reviewing IRA tax credit eligibility on a project-by-project basis for new renewables and storage. Evergy is currently continuing to evaluate projects from its 2023 All-Source RFP for incorporation into the overall generation portfolio in support of its 2023 Integrated Resource Plan Annual Update.

Utility Program Approach

- Evergy contracted with 1898 & Co (Burns & McDonnell) to coordinate and support its overall approach to available IIJA funds. Support provided includes:
 - Review of Funding Opportunity Announcements (“FOA”) as they are released
 - Facilitate Go/No-Go decisions on each FOA
 - Work with Evergy team to develop concept / full application
 - Sub-contracted grant writers prepare concept papers and applications

- Evergy has an internal team which meets with 1898 to make go/no-go decisions and develop / review concept proposals and applications for:
 - Operations Technology
 - Transmission & Distribution Planning
 - Renewables / Clean Energy Development
 - Energy Solutions
 - Generation Engineering
 - Environmental Compliance
 - Federal Regulatory / Legislative Affairs
 - IT Infrastructure
 - Other areas as needed for specific topics

- Evergy has been in discussion with the Department of Energy (“DOE”) regarding EIR opportunities. Evergy has at least one project that may qualify for funding from this program but has yet to determine if it will pursue an application under the program.
 - Evergy feels the project is credible as it aligns with plans consistent with its 2023 IRP Annual Update.
 - One determining factor whether Evergy will pursue the EIR funding has to do with the binding threshold within the DOE funding requirements. The timing of the regulatory requirements, and Commission orders, that would need to take place may not meet EIR’s timing requirements in order to be considered binding.

Customer Facing Programs

- The IJA and IRA include several customer-facing programs that promote energy efficiency and transportation electrification. Although Evergy is not eligible to participate directly, many of the goals and structures of these federal programs are complementary to the utility’s business objectives and to existing customer products. Consequently, Evergy views its role to include raising customer awareness of federal funding opportunities and helping customers leverage utility products to maximize the competitiveness of grant applications. The below summary table for Customer Facing Programs provides examples of ongoing and future activities that further these objectives.

- In addition to the Missouri Department of Natural Resources (“DNR”), Evergy engages with other organizations and associations that are also interested in improving energy efficiency in Evergy’s service territories. At the time of this status update, there are still many outstanding questions related to the Missouri DNR’s application for programs related to the IRA, which include the Home Energy Performance-Based, Whole House Rebates (referred to as Home Efficiency Rebates (“HOMES”)) and High-Efficiency Electric Home Rebate Program (referred to as Home Electrification and Appliance Rebates (“HEEHRA”)). The Missouri DNR will complete its application for funding by January 31, 2025. It is anticipated that Evergy and the Missouri DNR will be able to identify opportunities to partner to increase the energy efficiency effectiveness of Missouri homes and leverage both federal and utility programs.

Next Steps

- Continue to review opportunities as they are released – beginning work on detailed applications for Grid Resilience & Innovation Partnerships (“GRIP”) Phase 2, beginning January 2024.
- Expect funding opportunity related to rural infrastructure to be released soon – will participate when that is released.
- Ultimately if selected, Evergy’s share of funding would be absorbed within existing budget where possible but may require some incremental investment to target specific DOE-funded areas.
- Determine if Evergy is eligible and will pursue an EIR loan under the Title 17 DOE Loan Program Office.
- Continue to support transportation electrification initiatives including regional planning efforts and grant application support for customers pursuing federal funds.
- Continue to monitor customer-facing program development and integrate these programs into existing customer communication channels.

IIJA/IRA Utility Program Activity To-Date: In-Progress

Funding ID	Topic Area	Project Description	Date	Status	Amount Requested	Amount Awarded
DE-FOA-0002740	Topic Area 3: Grid Innovation Program	<p>This project will coordinate the planning, design, and construction of five 345 kV overhead alternating current transmission projects (four lines and one substation upgrade) known as the Joint Targeted Interconnection Queue (“JTIQ”) Portfolio in seven states thereby solidifying the success of the first round of the JTIQ study process. In recent years, the central United States has experienced unprecedented growth in the development of new electric generation, primarily driven by utility-scale wind, solar, and battery projects. The volume of new generation projects has triggered large, costly transmission upgrades in the Southwest Power Pool (“SPP”) and in the Midcontinent Independent System Operator (“MISO”) regions. In addition, affected system transmission upgrades are often necessary in the neighboring region. The costs and uncertainty of these identified system upgrades have become one of the biggest bottlenecks for developing new renewable energy projects in the upper Midwest. In parallel the project will develop and deploy a regional energy literacy education and engagement initiative to connect people and their lives to the energy system of tomorrow.</p>	4/6/23	Awarded	\$928,954,720	\$464 million (50% of requested amount)

IIJA/IRA Utility Program Activity To-Date: CLOSED

Funding ID	Topic Area	Project Description	Date	Status	Amount Requested	Amount Awarded
DE-FOA-0002867	Long Duration Energy Storage - Topic 2B	<p>The scope and key objectives of the proposed project center on realizing a thermal energy storage system that will be ready for large-scale implementation by the end of Phase IV of the funding period. Evergy’s electricity-to-electricity LDES system pairs Rondo’s Novel Heat Battery (RHB) that stores power from renewable sources or off-peak generation, with compact, but powerful, Echogen’s heat-to-electricity equipment.</p> <p>Evergy’s innovative approach involves combining proven, durable components with sensitive, progressive design elements that can consistently store and discharge electrical power for anywhere from a designed 12 hours, or up to several days at reduced output. Three separate systems will be installed at three geographically distinct locations across Evergy’s territory: a multi-generation type facility in the Kansas City Metro area, a wind farm in south central Kansas, and a black start power station in southwestern Missouri.</p>	3/3/23	Not Awarded	\$50,000,000	NA
DE-FOA-0002740	Topic Area 2: Smart Grid Grants ¹	Initial concept involves accelerating deployment of Advanced Distribution Management System functionality through DOE funding	4/6/23	Not Encouraged ²	\$35,000,000	NA
DE-FOA-0002779	BIL Additional Clean Hydrogen Programs ³ : Regional Clean Hydrogen Hubs	Evergy participated in development of KS (Harvest) Hydrogen Hub concept paper submitted in November 2022 and continued with - ongoing discussions with Harvest team on full application development and submittal to meet April 2023 deadline. Evergy signed on to concept paper submitted by Ameren / Mitsubishi / others in Missouri and Southern Illinois. Missouri and Southern Illinois Hub decided to abstain from submitting full application that was due April 2023.	4/7/23	Not Awarded	\$ -	NA

IIJA/IRA Utility Program Activity To-Date: CLOSED

Funding ID	Topic Area	Project Description	Date	Status	Amount Requested	Amount Awarded
DE-FOA-0002740	Topic Area 2: Smart Grid Grants ⁴	Signed on to concept developed by EPRI in partnership with Evergy and Anterix – funding will be used to expand coverage of Evergy Private LTE network and develop standardized approach to Private LTE coordination between utilities (EPRI research)	4/6/23	Not Encouraged	\$50,000,000	NA
GDO-TFFPY23CAP	Transmission Facilitation Program Request for Proposals – Capacity Contracts	Not pursued due to eligibility	2/1/23	Not eligible	\$ -	NA
DE-FOA-0002867	Long Duration Energy Storage- Topic 1 A	Not pursued due to unavailability of potential partners	3/3/23	Not Pursued	\$ -	NA
DE-FOA-0002756	Renew America's Schools	Not pursued directly due to small award size – working with school districts to help them apply directly / find partners	4/21/23	Not Pursued	\$ -	NA
DE-FOA-0002740	Grid Resilience & Innovation Partnerships (“GRIP”) T1 Grid Resiliency	Evergy’s proposed project aims to drastically modernize and futureproof the grid with a focus on benefiting disadvantaged communities. Evergy’s current strategy is founded on further enhancing system capabilities across the grid and utilizing innovative technology to enhance grid sustainability. To best build on upgrades already made across Evergy’s entire infrastructure, projects will be prioritized based on their potential impact on disadvantaged communities throughout the proposed project.	4/6/23	Not awarded	\$94,112,025	NA

¹ BIL; section 4010722

² Grant process requires the submission of a concept paper which is evaluated by the DOE followed by a DOE notification that encourages or discourages the continuation of the application process. If discouraged Evergy does not pursue the funding, and seeks further understanding.

³ BIL; section 40314

⁴ BIL; section 4010722

IJA / IRA Customer Facing Program Activity

Area	Program/Description	Update/Activity
Transportation	<u>National EV Infrastructure Program (“NEVI”)</u> is intended to increase access to fast charging along designated highway corridors.	The Missouri Department of Transportation established a quarterly communication cadence with Evergy and other Missouri investor-owned electric utilities. From a utility perspective, there is currently relatively little program activity.
Transportation	<u>Charging and Fueling Infrastructure Grant</u> is intended to increase access to charging within communities and along designated highway corridors.	Evergy is providing design support for applicants. In addition, Evergy’s Commercial Charging Rebate is available to applicants who meet eligibility requirements. The ability to stack federal and utility incentives is critical to the competitiveness of Evergy customer grant applications.
Transportation	<u>Carbon Reduction Program</u> a transportation-specific, formula grant program to promote electrification. Program funding includes a suballocation to the Mid-America Regional Council (MARC), which is the metropolitan planning organization for the greater Kansas City area.	Evergy is supporting MARC’s development of a regional transportation plan, initially by participating in the consultant selection process. Once a consultant is hired and planning begins in earnest, Evergy will continue participation as a member of the stakeholder team.
Transportation	<u>Clean School Bus Program</u> a competitive program that covers up to 100% of the costs for the replacement of busses with lower- or zero-emission alternatives.	Evergy is supporting school districts pursuing electric busses in several ways, including conducting an educational webinar series, the <i>Evergy School District Consortium</i> ; providing design support to applicants, and completing an outreach campaign to school districts in Evergy’s service area.
Buildings	<u>Home Energy Performance-Based, Whole House Rebate Program</u> , which is referred to as Home Efficiency Rebates (“HOMES”)	Evergy is working with a 3rd party vendor to estimate the likely impact of these ‘primary focus’ programs, to better understand the scale/potential reach of this federal funding.

IIJA / IRA Customer Facing Program Activity

Area	Program/Description	Update/Activity
Buildings	<u>High-Efficiency Electric Home Rebate Program</u> , which is referred to as the Home Electrification and Appliance Rebates (“HEEHRA”)	Evergy is working with a 3rd party vendor to estimate the likely impact of these ‘primary focus’ programs, to better understand the scale/potential reach of this federal funding.
Buildings	<u>Weatherization Assistance Program</u> , which is an existing program that is significantly expanded by the IIJA (“WAP”).	Evergy is working with a 3rd party vendor to better understand the scale/potential reach of this federal funding.
Buildings	Energy Efficiency Home Improvement Credit	Monitoring
Buildings	New Energy Efficiency Homes Credit	Monitoring
Buildings	Contractor Training Grants	Monitoring
Various	Greenhouse Gas Reduction Funds	Monitoring; Evergy has also submitted a letter of support for the Missouri Environmental Improvement and Energy Resources Authority (EIERA) <i>Solar for All</i> application
Various	Climate Pollution Reduction Grants	Monitoring