Exhibit No.:
Issue: TOU Participation, Tariff revisions to address Program Expansion and participation, and Service & Access Charge
Witness: Bradley D. Lutz
Type of Exhibit: Direct Testimony
Sponsoring Party: Evergy Missouri West and Evergy Missouri Metro
Case No.: ER-2024-0182
Date Prepared: February 20, 2024

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ET-2024-0182

DIRECT TESTIMONY

OF

BRADLEY D. LUTZ

ON BEHALF OF

EVERGY MISSOURI METRO and EVERGY MISSOURI WEST

Kansas City, Missouri
February 2024

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DIRECT TESTIMONY

OF

BRADLEY D. LUTZ

Case No. ER-2024-0182

Q: Please state your name and business address.

A: My name is Bradley D. Lutz. My business address is 1200 Main, Kansas City, Missouri 64105.

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

A: I am employed by Evergy Metro, Inc. I serve as Director, Regulatory Affairs for Evergy Metro, Inc. d/b/a as Evergy Missouri Metro ("Evergy Missouri Metro"), Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("Evergy Missouri West"), Evergy Metro, Inc. d/b/a Evergy Kansas Metro ("Evergy Kansas Metro"), and Evergy Kansas Central, Inc. and Evergy South, Inc., collectively d/b/a as Evergy Kansas Central ("Evergy Kansas Central") the operating utilities of Evergy, Inc.

Q: On whose behalf are you testifying?

A**:** I am testifying on behalf of Evergy Missouri Metro and Evergy Missouri West (collectively, "Evergy" or "Company").

Q: What are your responsibilities?

A: My current responsibilities are focused on rates, regulatory operations and customer issues, providing support and oversight for a wide range of regulatory work including determination of retail revenues, load analysis, rate design, class cost of service, tariff administration, compliance reporting, response to customer complaints, docket management system administration, general tariff administration, and relationship development for Evergy's regulatory activities in the Missouri and Kansas jurisdictions.

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

A: I hold a Master of Business Administration from Northwest Missouri State University and a Bachelor of Science degree in Engineering Technology from Missouri Western State University.

I joined Evergy, then Kansas City Power & Light, in August 2002 as an Auditor in the Audit Services Department. I moved to the Company's Regulatory Affairs group in September 2005 as a Regulatory Analyst where my primary responsibilities included support of our rate design and class cost of service efforts. I was promoted to Manager in November 2010 and was promoted to my current position in March 2020.

Prior to joining Evergy, I was employed by the St. Joseph Frontier Casino for two years as Information Technology Manager. Prior to St. Joseph Frontier Casino, I was employed by St. Joseph Light and Power Company for nearly 14 years. I held various technical positions at St. Joseph Light and Power Company, including Engineering Technician-Distribution, Automated Mapping/Facilities Management Coordinator, and my final position as Senior Client Support Specialist-Information Technology.

Q: Have you previously testified in a proceeding before the Missouri Public Service Commission ("Commission" or "MPSC") or before any other utility regulatory agency?

A: Yes, I have testified multiple times before the Commission concerning tariff, class cost of service and rate design topics as part of various recent proceedings. Additionally, I have testified multiple times before the Kansas Corporation Commission.

Q: What is the purpose of your testimony?

A: I will address the following topics in my testimony:

I. Changes to allow participants greater time of use choice beyond the default Residential Peak Adjustment Charge

II. Changes to program expansion and participation terms

III. Service and Access Charge

In summary, the Company is seeking to update the Solar Subscription Rider tariff to reflect final costs of the solar resource constructed to support the program and to modify the tariff to enable further participation by customers. The Company seeks to improve the tariff design to reflect new information and new opportunities that have developed since the tariff was originally approved in 2018. Currently, 1,252 customers receive renewable energy under the Solar Subscription tariff. In the Company's view, if approved, these revisions will allow the Company to offer direct access to more renewable energy to more of its customers.

Q: Before exploring these points, please describe the Solar Subscription Rider program.

A: The purpose of the Solar Subscription Rider, Schedule SSP ("SSP") is to provide customers the opportunity to voluntarily subscribe to the generation output of a solar resource and receive electricity from solar resources. The number of customers that can participate is limited to the resource size. The initial resource for the SSP Program is a 10 MW solar array installed near the Evergy Hawthorn Generating Station in Kansas City, Missouri. Under the SSP Program, Participants will subscribe and pay for energy produced by the solar resource. The subscribed energy will offset an equivalent amount of energy customers receive and are billed for under their standard class of service. The goal of the

SSP Program is to provide customers an alternative to net metering that does not involve installation of solar equipment at the customer's point of service.

Q: What is the purpose of this proceeding?

A: This proceeding is a continuation of filings related to the SSP tariffs and Company efforts to reflect the true-up of the final Hawthorn construction costs into the tariff charges. This case is intended to:

- Revise the SSP tariffs to address Solar Block Subscription Charge pricing,
- Expand availability and address monthly billing under residential time-of-use ("TOU") rates,
- Revise the tariff to incorporate future solar resources, and
- Revise non-residential participation limits.

Q: Why are these revisions important?

A: The SSP Program is a key component of the Company's efforts to increase the direct availability of renewable energy to its customers. Since approved in 2018, the Company has been diligently establishing customer interest and enrolling customers as is required to construct the solar resource per terms of the SSP tariff [1] Once the terms were met, the Company executed a cost-effective build of a solar resource to serve subscribers. The Company constructed the solar array on Company-owned land at its Hawthorn generating plant, which took advantage of the nearby electric infrastructure to connect. The solar array was built to not only serve the Missouri SSP Programs (1.4 MW for Evergy Missouri Metro and 0.9 MW for Evergy Missouri West), but the build also included an additional 5

[1] 90% of the proposed solar resource was to be committed before construction could begin.

MW to meet other Company solar resource needs[2] so that all Missouri customers could benefit from a larger resource and at a lower cost. Now that the Hawthorn solar array is complete, the charge modifications proposed by Evergy will allow the Company to reflect the final resource cost in the Solar Subscription Charge. A step contemplated with the original SSP tariff.[3]

Second, regarding revisions to tariff availability, the existing tariff does not accommodate billing under the Company's residential TOU rates beyond the Residential Peak Adjustment Charge rate. The proposed revisions will implement a method to expand TOU rate availability.

Finally, the proposed revisions will streamline future expansion of the SSP Program as customer interest grows and allow the Company to address other renewable opportunities.

Q: Are other changes proposed for the SSP tariff?

A: Yes. Company witness Kevin Brannan addresses proposed changes to the Solar Block Charge, and specifically he describes the proposed increase to the Solar Block charge associated with final engineering, procurement, and construction and ongoing operation and maintenance costs associated with the Hawthorn solar resource.

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[2] RSMo 393.1665 requires that "An electrical corporation with one million or more Missouri electric customers shall invest in the aggregate no less than fourteen million dollars in utility-owned solar facilities located in Missouri or in an adjacent state during the period between August 28, 2018, and December 31, 2023."

[3] Evergy Missouri Metro Solar Subscription Rider, Schedule SSP, Second Revised Sheet 39A, Effective December 6, 2018. Approved in ER-2018-0145 and Evergy Missouri West Solar Subscription Rider, Schedule SSP, Original Sheet 109.1, Effective December 6, 2018. Approved in ER-2018-0146.

I. CHANGES TO EXPAND TIME OF USE RATE CHOICE

Q: What TOU rate are SSP participants billed?

A: Evergy currently bills SSP participants under the Residential Peak Adjustment Charge rate.

Q: Does the current, Commission-approved tariff allow SSP participants to choose from other TOU rates?

A: The Availability section of the tariff no longer lists Time of Use rates as an exclusion but the Monthly Billing section of the SSP tariff (Figure 1) details a process where SSP participant usage would be addressed as part of the "billing month." This "billing month" language is similar to the net metering statute language leading the Commission to order in ER-2022-0129/0130 that net metering customers would be billed under the Residential Peak Adjustment Charge rate.

MONTHLY BILLING

1. The monthly energy production of the solar resource will be measured and apportioned to each Participant based on their respective Subscription Level. To facilitate billing, energy production will be applied to the monthly billing one month after it occurs.
2. The Participant's share of the solar resource energy production will be subtracted from the metered energy consumed by the Participant for the billing month. Should the solar resource energy production amount for a given month be larger than the Participant's metered energy consumption, the net energy will be zero for that month.
3. Any remaining metered energy consumption will be billed under the rates associated with the Participant's standard rate schedule, including all applicable riders and charges
4. Other, non-energy charges defined by the standard rate schedule are not impacted by the Solar Block subscription and will be billed to the Participant.
5. The entire bill amount, inclusive of all standard rate charges and Program charges, must be paid according to the payment terms set forth in the Company Rules and Regulations.

Figure 1

Q: Please elaborate on this important detail.

A: It is important to understand the significance of "billing month" as included in the SSP tariff. The daily price of energy varies under a TOU rate through the peak and non-peak pricing periods. However, the approved SSP tariff methodology does not offer a means to distribute the production from the solar resource across the customer usage in those peak and non-peak pricing periods. Only the Residential Peak Adjustment Service tariff, Schedule RPKA ("RPKA tariff") maintains the monthly energy blocking rate design necessary to execute these billing steps. For reference, the RPKA tariff is the default TOU rate for residential customers and the Company offers four other residential TOU rates which include a 2-period design, a 3-period design, a 3-period high differential design, and a separately metered 3-period design for Electric Vehicle charging[4] .2

Q: Were residential participants allowed to utilize TOU rates under the original SSP Program tariff?

A: No. When the Commission approved the Solar Subscription Rider tariff as a pilot in December 2018, the Solar Subscription Pilot Rider tariff restricted Solar Subscription Rider participants from being on a TOU rate.

Q: Why was the TOU ineligibility language removed?

A: Based on the Commission's Amended Report and Order (ER-2022-0129/0130) to transition all residential customers to TOU rates, the Company made efforts to adjust other tariffs to accommodate the new TOU rates. With respect to the SSP tariff, these revisions occurred in the short period following the December 2022 order and prior to the effective

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[4] Summer Peak Time Based Plan – Residential Time of Use – Two Period, Schedule RTOU-2
Nights & Weekends Plan – Residential Time of Use – Three Period, Schedule RTOU
Nights & Weekends Max Plan – Residential High Differential Time of Use, Schedule RTOU-3
EV Only Plan – Separately Metered Electric Vehicle Time of Use, Schedule RTOU-EV
Default Time Based Plan – Residential Peak Adjustment, Schedule RPKA

date of the rates. As a result, the ineligibility language was removed by the Company inadvertently, without recognizing the limitation of the monthly billing language.

Q: When did the Company identify that the billing month language in the SSP tariff would conflict with the ability for participants to choose TOU rates beyond the RPKA tariff?

A: The Company identified the conflict within the tariff at the end of January 2023. While the Amended Report and Order for the ER-2022-0129/0130 case issued on December 8, 2022, addressed the restrictive TOU choice for net metering customers specifically, it did not address SSP participant TOU choice. The Company reached out to Staff and initially expressed its intent to limit SSP participant's TOU choice to the RPKA tariff, which was consistent with Commission's order on the treatment of net metering customers. Discussions between Staff and the Company continued and by April 2023, Staff asserted that SSP participants were not restricted to only participating in the RPKA tariff, which is unlike net metering customers who are restricted by the same monthly billing language in the statute.

To further explore Staff's interpretation and progress discussions, the Company took steps to learn how it could accommodate greater TOU choice for SSP participants beyond the RPKA tariff. Evergy began to evaluate how it may distribute solar production from the resource across a participant's usage in peak and non-peak pricing periods. Because the Hawthorn solar array had not been in service for a 12-month period, Evergy shared data from its Greenwood solar facility with Staff to inform discussion and present a proposal to allocate the production of the Hawthorn solar resource. An approach agreeable for both parties was not achieved. On December 1, 2023, the Company filed its revised SSP tariff to expand TOU rate choice for residential SSP participants based on a solution using fixed allocations for the peak and non-peak periods.

Q: Why is the Commission decision to limit TOU choice for net metering customers to the RPKA rate in ER-2022-0129/0130 relevant to the SSP program?

A: The "billing month" language in the SSP tariff is the same issue that the Commission addressed and ordered with respect to the net metering statute; in other words, the Commission acknowledged the limitations of billing net metering customers under TOU rates. It specifically ordered that net metering customers be restricted to service under Schedule RPKA. Therefore, the Company believed its approach to restrict SSP participants eligibility to the RPKA tariff was a reasonable basis given the same language existed in the SSP tariff as the net metering statute and that it would treat the similar situated customer until appropriate tariff language could be proposed for the SSP tariff. As a result, all SSP program participants are currently served under the RPKA tariff.

Q: Please describe the revisions proposed to allow SSP participants greater TOU choice beyond the RPKA tariff.

A: Through discussions and filings made by Staff, it is clear they do not support the Company's position that the SSP tariff is constrained by the same statute language causing Evergy to bill net metering customers under only the RPKA rate. Accordingly, Staff appears to support the concept of developing an approach that allows for greater TOU choice and revising the tariff that will allow for distinct and clear ability to participate in other period-based TOU rates and execute subsequent monthly billing.

As noted earlier, Evergy discussed with Staff the concept of allocating the Hawthorn solar resource production. Methods of that allocation varied. When discussions ended in early September 2023 with the filing of the Staff Complaint, File No. EC-2024-0092, the Company endorsed a fixed monthly allocation using actual solar resource energy output data from the Evergy Greenwood Solar Facility as the basis. That approach is represented in the proposed tariff modification in this case. Below is the proposed language by the Company:

> After October 1, 2024, for Residential Customers receiving service under Schedules RTOU-2, RTOU, RTOU-3, the Participant's share of the solar resource energy production will allocated between peak and non-peak hours based on the fixed allocation of 55% peak and 45% non-peak for summer billing months and 60% peak and 40% non-peak for winter billing months and then subtracted from the metered energy consumed by the Participant in the peak and nonpeak periods for the billing month. Should the solar resource energy production amount for a given month's peak or non-peak period be larger than the Participant's metered energy consumption, the net energy will be zero for that month.[5]

Q: Why is fixed allocation the best way to accommodate period-based TOU rates?

A: The billing of participants under the SSP tariff includes manual elements to enable the monthly billing. Specifically, the monthly solar resource production is apportioned to participants based on their subscribed shares. Under the current methods this results in a single value to be incorporated in the monthly bill calculation. To accommodate the SSP tariff for period-based TOU rates, the TOU rates other than the RPKA tariff, these processes will be modified to apportion the monthly solar production to each of the time

[5] Evergy Missouri Metro P.S.C. MO. No. 7, 6th Revised Sheet 39B (); Evergy Missouri West P.S.C. MO. No. 1, 4th Revised Sheet 109.2. Please note that the referenced tariffs contain proposed language pending before the Commission; see, Tracking Nos. JE-2024-0081 / 0082.

periods of the respective TOU rate. For example, the 3-period TOU rate would have three values to incorporate into the monthly bill calculation for each participant.

Q: Will expanding TOU choice for SSP participants increase billing complexity?

A: Yes, allowing participants to receive service under the period-based TOU rate designs will increase the complexity of the monthly customer billing. I will address timing impacts, depending on the proposal adopted by the Commission, later in my testimony.

Q: In Staff's Memorandum filed in EO-2023-0423[6], Staff proposes language that allows SSP participants greater TOU participation. Do you believe that Staff's proposal is superior to the Company's allocation?

A: I do not. In the Memorandum, Staff offered the following language for the SSP tariff.

> The Participant's share of the solar resource energy production will be subtracted from the metered energy consumed by the Participant for the billing month <u>in each applicable energy charge pricing period proportionate to that customer's usage in each applicable energy charge pricing period</u>. Should the solar resource energy production amount for a given month be larger than the Participant's metered energy consumption, the net energy will be zero for that month.

Under this approach, the Company would be required to establish a unique allocation each month, based on the customer's measured usage to allocate the monthly solar resource production.

Q: Would Staff's proposal be easier to implement than the Company's proposal?

A: No. Given the manual aspects of the pre-billing apportionment of the solar resource production, the Staff approach would represent additional complexity and burden to the Company to execute.

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[6] Staff Memorandum, Case Nos. EO-2023-0423 and ER-2023-0424 and Tariff Tracking No. YE-2023-0206 and YE-2023-0208, filed September 15, 2023, page 15.

Q: Why has the Company proposed October 2024 as the timing to allow SSP residential participants to select from the period-based TOU rates in addition to the RPKA rate?

A: In December 2023, when the Company filed the SSP tariff revision, the Company established October 2024 as an effective date that would allow the Company time to complete the billing system and process work required to implement the modified monthly billing presented in the revised tariff. With proposed billing system changes, the Company completes a level of pre-planning to size the level of effort and establish early specifications.

Q: Does the Company expect to complete the expected billing system changes by October 2024 if an order for this docket is not expected until May 2024?

A: No. Under the expected May 2024 order date in this docket, the Company expects the required billing system and process work to be completed by December 31, 2024. If the Commission accepts the Company proposal for fixed allocation, the Company recommends the effective date be revised to December 31, 2024.

Q: How is the Company's proposed date for implementation impacted if the Commission adopts Staff's proposed solution?

A: If the Commission adopts Staff's solution or any other solution than the Company's proposal, the Company will need time to re-estimate the level of effort for these changes and provide the Commission a date that considers the level of effort for these changes.

Q: Are there any negative impacts to SSP participants associated with the Company's revised implementation date?

A: No. SSP participants are continuing to receive renewable energy from the Hawthorn solar resource as they have since construction was complete and billing ensued. As mentioned earlier, these customers are participating in the Company's TOU rates through the RPKA tariff.

Q: Do you have any concerns that SSP participants will unsubscribe if they are ineligible to choose period-based TOU rates, such as the 2-period or 3-period TOU rates?

A: No. To the Company's knowledge, it has not experienced SSP participants unsubscribing as result of being migrated to the RPKA rate or as a result of not providing an alternative TOU rate from which to choose. Prior to the Commission's Amended Report and Order (ER-2022-0129/0130) to transition all residential customers to TOU rates and removing legacy blocked rates, nearly all subscribers had enrolled in the SSP program . That said, if SSP participants do choose to leave the SSP Program because they are unable to select period-based TOU rates, the Company maintains a waiting list and will be able to keep the SSP program fully subscribed. As of February 16, 2024, the SSP program is fully subscribed with 491 Evergy Missouri Metro participants (2,800 shares) and 256 Evergy Missouri West participants (1,800 shares). Evergy currently has a waitlist of customers, which includes 61 Evergy Missouri Metro customers (421 shares) and 91 Evergy Missouri West participants (558 shares). The waiting list represents 18 percent of subscribed shares for Evergy Missouri Metro and 31 percent of subscribed shares for Evergy West. It is our opinion that being limited to the RPKA tariff is not as an issue for customers to unsubscribe from the program.

Q: What happens if there are available unsubscribed shares – what is the impact to non-participating customers?

A: The current SSP tariff includes protection for non-participating customers for unsubscribed portions and Evergy has not proposed any changes to this tariff language. Staff asserts in its Proposed Procedural Schedule filing[7] that non-participating customers will bear a share of costs of the solar resources if participating customers drop out of the program due to TOU rate limitations; however, the tariff provides significant protection of the impact should this occur and even more so, the waitlist reduces this risk.

The SSP tariff provides for how unsubscribed amounts will be allocated between shareholders and ratepayers (non-participating customers). Non-participating customers do not assume any share of costs until the unsubscribed portion is below 50 percent. And it is Evergy shareholders who are responsible to cover any unsubscribed portions of the program when subscription levels are in the 50-100% range: Unsubscribed amounts will be determined monthly within the companies using the monthly subscriptions in place at the time of the allocation of costs for that company. If subscriptions cover less than 50 percent of Program Resources, then the cost associated with the unsubscribed portion below 50 percent of Program Resources will be included in the revenue requirement used to establish base rates.[8] Considering these facts and the current waitlist, the Company is not concerned that non-participants will be impacted by unsubscribed shares, but moreover, SSP participants exiting due to discontentment related to restricted TOU rate availability and thus unsubscribed shares impacting non-participants is even a lesser likelihood.

Q: Why did the Company propose to use production data from its Greenwood solar facility for the proposed allocations?

A: At the time the allocation was prepared, the Company did not have a full year's production data from the Hawthorn solar resource. The Company did have access to the production

[7] Staff's Proposed Procedural Schedule, File ET-2024-0182, Filed January 8, 2024, pg 2.
[8] Evergy Missouri Metro P.S.C. MO. No. 7, 3rd Revised Sheet 39A (Effective January 9, 2023); Evergy Missouri West P.S.C. MO. No. 1, 3rd Revised Sheet 109.1 (Effective January 9, 2023).

data from the Greenwood solar resource, a similar Evergy resource to serve as the proxy for calculating an appropriate allocation.

Q: If approved, please describe how the allocations will be applied.

A: Each month, the measured energy production from the solar resource will be allocated to the SSP participants based on their subscribed share. For each participant, their portion of the solar resource production will be allocated to the peak and non-peak periods based on the applicable season and the structure (number of periods) associated with their selected TOU rate.

Q: Are the peak/non-peak percentages filed by the Company still appropriate?

A: No. Through discovery with Staff[9], the Company discovered that the Greenwood-based peak/non-peak percentages proposed are incorrect. Further investigation revealed the Greenwood inverters were not reporting the correct time, meaning the hourly timestamps on the usage data were incorrect. For normal operations, the correct time is not important as most usage is monitored on a daily or monthly basis. Correcting the time and re-evaluating the data would modify the summer allocation to 26 percent on peak and 73 percent non-peak and the winter allocation to 23 percent peak and 77 percent non-peak. If the Commission supports the Company's fixed allocation, the Company would offer updated tariff sheets, correcting these percentages, following the issuance of the Order.

Q: Beyond the correction of the Greenwood-based allocations, is there any other data the Commission could consider for the proposed allocation?

A: Yes. Since the original filing of the SSP tariff, the Company has been able to compile a full year of operation data from the Hawthorn solar resource. The Hawthorn solar resource

[9] Staff Data Request 0003.1 and Company Supplemental Response 0003.1S

is constructed using a single axis tracking mount instead of a fixed mount as used at Greenwood. This means the solar panels at Hawthorn move to track the changing position of the sun through the course of the year, seeking to maximize the energy output of the resource. Based on this data, the summer and winter allocation would be 21 percent peak and 79 percent non-peak. The Company has examined this Hawthorn initial year data in relation to multiple years of Greenwood data and would support this allocation as being preferred. If the Commission supports the Company's fixed allocation, the Company recommends reflecting the Hawthorn-based percentages in the revised tariffs offered following the issuance of the Order.

II. CHANGES TO PROGRAM EXPANSION AND PARTICIPATION TERMS

Q: Please describe the additional changes proposed to address program expansion.

A: The Pricing section of the current SSP tariff states,

> Additional solar resources will be added only if the price is less than or equal to the previous price or otherwise deemed beneficial relative to the standard rates.

In 2018, when the SSP tariff was first designed, cost trends signaled that solar resources costs would reduce in the future. Under that expectation, restricting program to expansion only if the resource cost less than or equal to the cost of the original solar resource made sense as it would insure ongoing cost reduction for participants. Unfortunately, the market for solar resources developed differently than expected. Supply chain limitations, material costs, and inflation have contributed to keep solar resource prices higher than once expected. Lower prices for future expansion is not guaranteed.

The Company has also continued to receive customer interest in the SSP program. Some customers are interested in participation even if the subscription prices are higher.

The Company is seeking to modify the terms associated with program expansion to allow the option to expand without restriction due to cost. Customers who want to subscribe to the SSP program utilizing a resource that may have a different cost than the Hawthorn resource will voluntarily. Similar to the Hawthorn solar construction, the Company will develop an estimated cost for participation and then that estimated cost will be trued up upon final construction. At the same time, the proposed terms would provide for sharing of lower solar resource prices through levelized pricing and would establish distinct pricing for solar resources that cost more than the preexisting solar resources. This protects participants already paying a Solar Subscription Charge based on the Hawthorn resource from the potential higher costs of future resources, while giving them a benefit for participating if the future cost of resources decreases. The proposed language is;

> When an additional solar resource is added to the Program, if the Solar Block cost associated with new additional resource costs less than the previous solar resource, then the levelized cost of the new solar resource will be averaged with the remaining levelized cost of existing solar resource(s) to determine the new price for the cost of the Solar Block. If the Solar Block cost of the new additional resource costs more than the previous solar resource, then the levelized cost of the new solar resource will not be averaged with the remaining levelized cost of the existing solar resource(s). Enrolled subscribers on the waiting list for the new solar resource will pay the Solar Block cost for the new resource while previous participants will continue to pay the lower Solar Block cost of the previous resource(s) already in operation.

Q: If the solar resource cost is higher than the previous resource, how will the Company present the different Solar Block Charges?

A: At the time a solar resource is added at higher cost, the Company will present the pricing in a table that will differentiate the resources and the pricing. Customers subscribing after the date of the solar resource addition will receive service from the new solar resource at the respective Solar Block Charge price.

Q: Please describe the additional changes proposed to address participation.

A: First, the Subscription Level section of the current SSP tariff states,

> Participants may subscribe to Solar Blocks that, when combined, are expected to generate up to 50 percent of their annual energy.

Under these terms all subscribers are held to the same limitation. Residential and non-Residential customers have distinct energy consumption patterns and receive service through different rate schedules reflecting the costs and components associated with that service. In working with participants, particularly non-residential participants, it has become clear that these customers often have sustainability goals or mandates for renewable energy that could be satisfied with higher levels of subscription. The Company believes it is reasonable to maintain the 50 percent of annual energy limitation for residential participants as oversubscription could expose customers to unwanted costs. The proposed language is,

> Residential participants may subscribe to Solar Blocks that, when combined, are expected to generate up to 50 percent of their annual energy. Non-Residential participants may subscribe to Solar Blocks that, when combined, are expected to generate up to 100 percent of their annual energy.

Q. Please further elaborate on Non-Residential participant's sustainability goals.

A. Many of Evergy's large customers have corporate sustainability goals and objectives to achieve near and mid-term reductions in carbon emissions. In addition, many major municipalities and local governments have made commitments to transition to clean energy. Customers seek Evergy's support to meet their carbon reduction goals-as their trusted energy provider. Large corporate customers that do not have a clear path to reducing their carbon emissions may seek other locations to expand their footprint where utilities have robust green tariff program offerings. To this point Evergy's economic development team has seen an increase in economic development proposals that require renewable energy access.

Evergy has also adopted a net zero carbon reduction goal by 2045. The Company's transition to clean energy includes programs like the SSP program, which offers Evergy's residential and non-residential customers a solution to meet their sustainability goals.

Offering our Non-Residential customers the option to purchase renewable energy provides choice and flexibility for customers who are interested in behind the meter solutions but may not be willing or able to make the upfront and ongoing capital investment to do so.

Q. Are there other changes proposed to address participation?

A: Yes. The Availability section of the current SSP tariff states,

> Total participation of non-residential Customers will be limited to no more than 50 percent of the total solar resource capacity during the first three months of the solar resource in-service date. After three months, at the Company's sole discretion, all available solar resource capacity may be made available to all eligible customers.

Under these terms there is a delay imposed on non-residential customers to allow time for residential customers to subscribe. This provision has performed as expected with 747 residential participants, representing 99% of all subscribers. Going forward, the Company recognizes a benefit to enable further non-residential participation in the SSP. The Company is proposing to delete these terms from the SSP tariff.

III. SERVICE AND ACCESS CHARGE

Q: Please describe the Service and Access charge.

A: In the original design of the SSP tariff the Service and Access ("S&A") charge was set based the embedded cost of Transmission and Distribution for the Residential class based on the Company's class cost of service study from the ER-2018-0145/0146 rate cases. This charge was added to the cost of the solar resource to represent the costs of the grid. By adding it to the Solar Block charge, the Company felt that all costs for the energy of the solar resource we accounted for in the subscription pricing. Going forward, the Company expected the S&A charge would change if the costs attributed to Transmission and Distribution functions change in a subsequent rate case. The S&A charge may increase or decrease due to these provisions.

Q: What change is being proposed for the S&A charge in this case?

A: No change is being proposed. The S&A charge will remain $0.040 per kWh

Q: In an earlier filing of the SSP tariff did the Company request a change to the S&A charge?

A: Yes. Under the original updates of the SSP tariff filed in ER-2022-0129/0130 and moved to EO-2023-0423/0424, the Company proposed changing the S&A charge. Staff, in their Memorandum[10], notes that the original SSP tariff does not allow for the S&A charge to change between rate cases. Upon further review, the Company, in its response to the Staff

[10] Staff Report on Audit of Construction Costs and In-Service Criteria for the Hawthorn Solar Generating Facility, Case No. EO-2023-0423 and EO-2023-0424, Filed September 15, 2023, pg 10.

Memorandum, agreed with Staff. On July 11, 2023, the proposed tariffs were withdrawn under YE-2023-0206/0208.

Q: The Company recently filed a general rate case for the Evergy Missouri West jurisdiction. Are any changes being proposed for the S&A charge in that proceeding?

A: No. The SSP tariff sheets are filed and open before the Commission in this case. Procedurally, the Company could not file for additional changes on those sheets without withdrawing them here. Further, the Company would like to resolve this important update of the Solar Block charge and can address the S&A element in a later rate case.

Q: In a Recommendation[11] on the SSP, Staff suggested that different S&A charges are needed for each of the TOU rate alternatives. Do you agree with this suggestion?

A: I do not. Below is the suggested structure offered by Staff (Figure 2).

> Further, customers may currently opt into time of use rate plans, and may wish to do so while simultaneously taking service on the SSP. At this time, the current structure of the SSP Services and Access charges and the current manner in which the "Solar Block Subscription Charge" is worded would result in suboptimal bill calculation for those customers.
>
> Specific language associated with the "Services and Access" charges are properly issues in the recommended EO case to be filed to address these and other issues by Evergy, but Staff anticipates that it will recommend that charges be set out in the form of the example below.

	Summer	Non-Summer
Residential Time of Use – Two Period	$0.xxxx/kWh	$0.xxxx/kWh
Residential Peak Adjustment Service	$0.xxxx/kWh	$0.xxxx/kWh
Residential Time of Use – Three Period	$0.xxxx/kWh	$0.xxxx/kWh
Residential High Differential Time of Use	$0.xxxx/kWh	$0.xxxx/kWh

> Services and Access charges applicable to usage prior to ToU default: $0.xxxx/kWh

Figure 3

[11] Staff Recommendation to Reject Evergy Metro and Evergy Missouri West's Proposed Tariff Sheets Rider and Motion to Open a New Docket - ER-2022-0129/0130 (Moved to EO-2023-0423/0424) - Filed 6/1/2023

Under this proposed structure, each of the residential TOU rates would have a different S&A charge that would further vary by season. The Recommendation does not offer further specifics about how these values would be determined. Subsequent to the filing of the Recommendation, the Company and Staff engaged in limited discussions about the determination of these values but did not achieve a common understanding. In the most resent Staff Recommendation[12] filed in this case, the varied S&A charge is no longer mentioned. In my consideration of this approach, this differentiation of the S&A charge based on TOU rate, is not aligned with the configuration of the charge. At the time of the original SSP design, there were multiple residential rates available to customers, but the SSP design included only one S&A charge. The addition of the new TOU rates does not change this relationship. Further, the concept that the S&A charge represents a recovery of grid costs is not improved under a seasonal and rate specific pricing approach.

Q: Please summarize your testimony.

A: The SSP Program is a key component of the Company's efforts to increase the direct availability of renewable energy to its customers. The Company is seeking to update the Solar Subscription Rider tariff to reflect final costs of the solar resource constructed to support the program to date and to modify the tariff to enable further participation by customers. The Company seeks to improve the tariff design to reflect new information and new opportunities that have developed since the tariff was originally approved in 2018. In

[12] Staff's Recommendation, ET-2024-0182, filed December 15, 2023

the Company's view, if approved, these revisions will allow the Company to offer direct access to more renewable energy to more of its customers.

Q: Does that conclude your testimony?

A: Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Evergy Metro, Inc. d/b/a Evergy Missouri Metro's and Evergy Missouri West, Inc. d/b/a Evergy Missouri West's Solar Subscription Rider Tariff Filings	))))	Case No. ET-2024-0182

AFFIDAVIT OF BRADLEY D. LUTZ

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Bradley D. Lutz, being first duly sworn on his oath, states:

1. My name is Bradley D. Lutz. I work in Kansas City, Missouri, and I am employed by Evergy Metro, Inc. as Director – Regulatory Affairs.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Evergy Missouri Metro and Evergy Missouri West consisting of 25 pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

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

Bradley D. Lutz

Bradley D. Lutz

Subscribed and sworn before me this 20th day of February 2024.

Notary Public

My commission expires: 4/24/2025

ANTHONY R. WESTENKIRCHNER
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES APRIL 26, 2025
PLATTE COUNTY
COMMISSION #17279952