



Evergy Rate Modernization Plan Review

August 9, 2023



Public



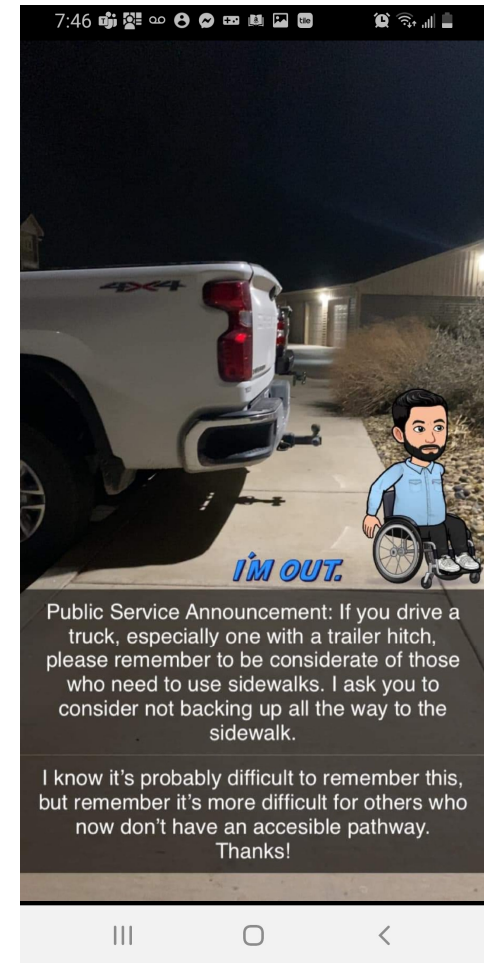
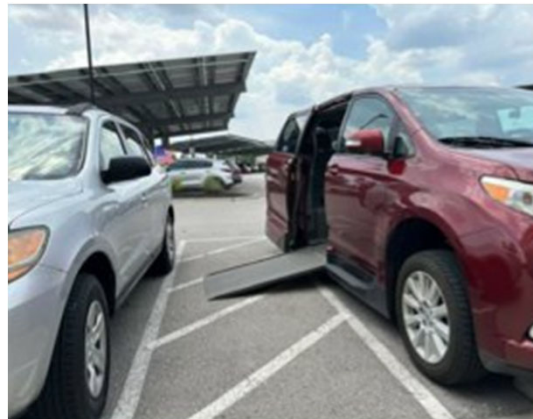
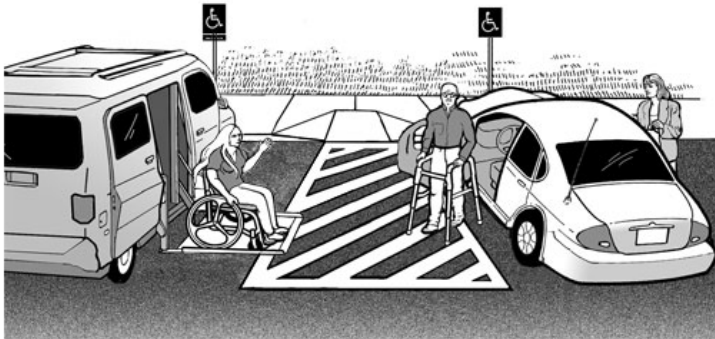
Agenda

- Safety Tip
- Evergy's Rate Modernization Plan
- Structured Discussion

Safety and Diversity Tip

On July 26, 1990, Congress passed the Americans with Disabilities Act (ADA) that prohibits the discrimination on the basis of disability and requires that certain access and amenities are provided in public places.

Accessible parking spaces must have access aisles. Access aisles provide a designated area for people who use wheelchairs or other mobility devices to get in and out of their car or van. Mobility devices allow people with disabilities to move about independently. They include walkers, canes, crutches, braces, manual or power wheelchairs, Segways, and electric scooters.





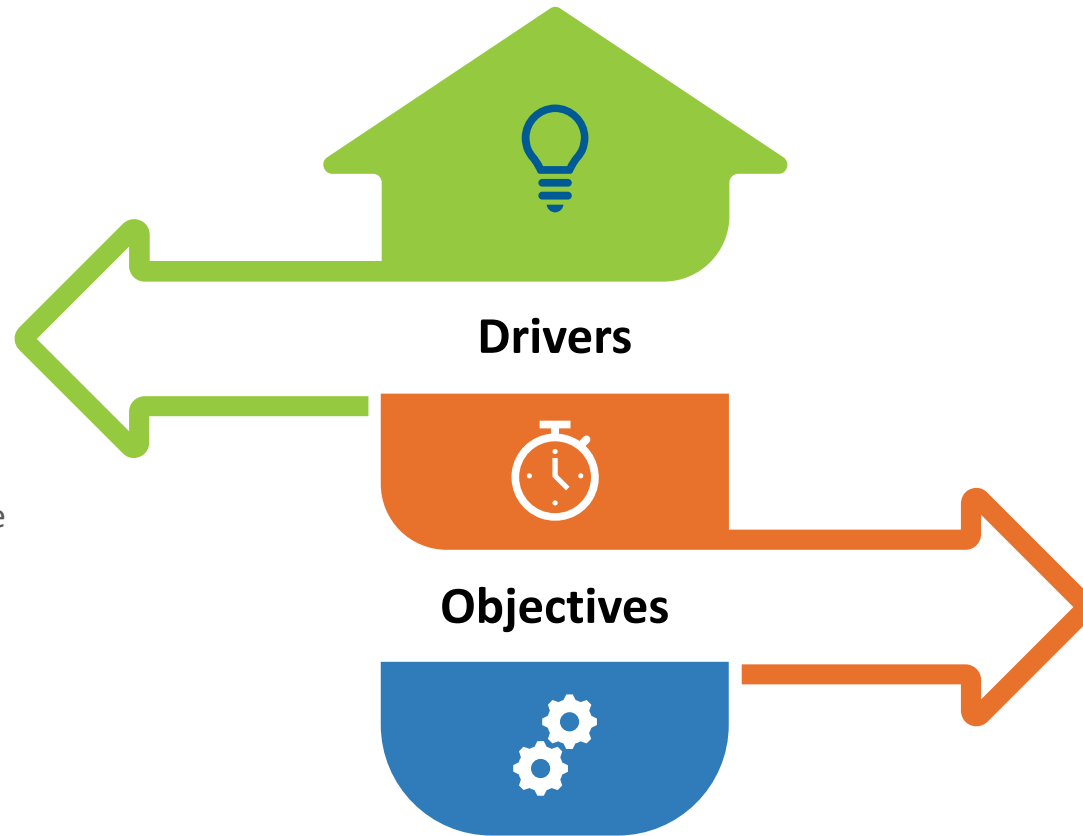
History of Introducing Evergy's Rate Modernization Plan

- Evergy presented an on-the-record presentation on TOU Rate Design Plan on September 28, 2021 as Ordered by MPSC on August 19, 2021 for Evergy to file its “Time of Use Rate Design Case Report”. During this presentation, Evergy presented elements of its Rate Modernization plan.
- Evergy further discussed its Rate Modernization plan in its witness testimonies in its most recent rate case filing in 2022 (*File No. ER-2022-0129/0130 Rate Case Filing*, Evergy witnesses Caisley, Ives, Winslow, Lutz, Miller).
- MPSC Amended Order: *“Evergy shall host a meeting with interested stakeholders related to its rate modernization plan within 180 days of the effective date of Evergy’s tariffs filed in compliance with this order.”*
- Given the MPSC Order of mandatory TOU rates, Evergy’s Rate Modernization Plan warrants review and input of stakeholders.

Modernizing Evergy's Rates

Drivers

- Multiple service territories in Missouri and Kansas
- Customers want choice
- Implicitly promote beneficial electrification and grid benefits
- Proper price signals that enable adoption of emerging energy technologies that are most beneficial to the grid
- More equitable rates across diverging customer classes and subclasses



Objectives

- Create rates independent of end use requirements
- Bring rate structures closer together across jurisdictions
- Enable business growth
- Simplify rates and increase pricing transparency
- Provide greater customer choice
- Increase customer satisfaction
- Leverage CIS and AMI infrastructure
- Develop price signals to increase grid efficiency

Even following recent MO Rate Case Order, Evergy believes these drivers and objectives to still be true.

Approved residential rate options expand choice

However, customers will need to adjust behavior to pricing signals immediately

Consolidation of Rates

- **Eliminated unproductive differentiation** within the rates.
- Rate case included **rate clean up**, streamlining, elimination of "frozen" rates.
- **Sought jurisdictional alignment** where possible.

Whole House Rates

- **MPSC ordered a mandatory, default 2-period TOU rate** to be phased in between October 1, 2023 through December 31, 2023 rather than accepting Evergy's opt-in rate choices.
- **Additional whole-house TOU rates include:**
 - Continuation of 3-period TOU rate
 - New high differential EV TOU rate
 - New low differential TOU rate/peak adjustment charge/credit
- Due to statutory limitations, net metering customers will transition to the peak adjustment rate.
- **Low-income solar subscription pilot.**
⁶ *Commission approved.*



Payment Options

- **Subscription Pricing** - A **fixed monthly bill** for energy use that is customized to their family and is based on historic usage with no true-up or impact to non-participating customers. *Commission denied.*
- **Advance Easy Pay** – Allows customers to **pay in advance** for their electric service and add funding as needed. Provides a customer the freedom of choice and ability to manage their energy costs as often as daily. *Evergy withdrew.*

BTM Technologies

- **Battery Storage Pilot** – Allows Evergy to advance its operational knowledge of 50 battery energy storage systems and evaluate opportunities for customer savings and grid benefits. *Commission approved.*
- **EV Charging** – MPSC approved a **separately metered, higher differential rate** that may be more appealing to EV owners. *Commission approved.*



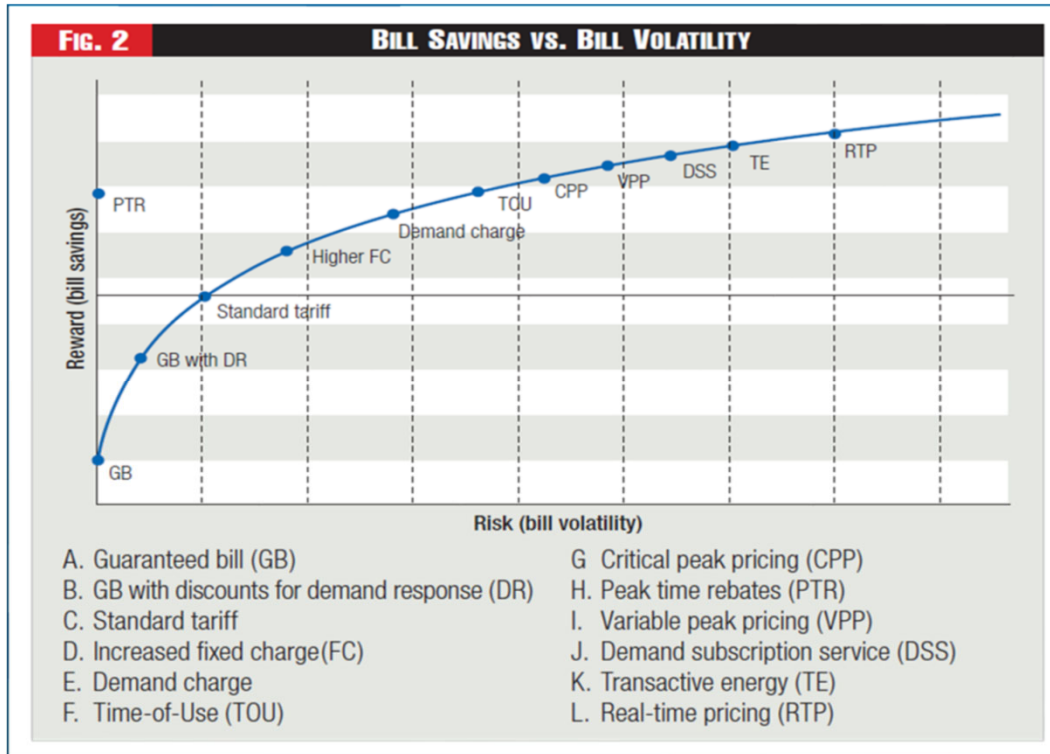
Modernization of Business Rates

Most recent rate case entailed more “clean up” and alignment than proposal of new rates

- “Clean up” in filing included:
 - **Elimination of frozen 2 Meter Heat Rates (1SGHE, 1MGHE, 21 1LGHE) and transition** customers to 1 Meter All Electric Rates based on best fit (1SGAE, 1MGAE, 1LGAE)
 - **Elimination of frozen Two Part Time of Use provision and transition** customers to the base (1SGSE) rate
 - **Removal of special Facilities Demand calculation** for certain customers on the Large General Service, Medium General Service, and Small General Service tariffs (subset of rates 1SGSE, 1MGSE and 1LGSE) and use the standard facilities demand calculation within the general service rates (1SGSE, 1MGSE, 1LGSE)
 - **Achieved seasonal alignment**
- Approval to replace frozen Real Time Pricing tariff with **Time Related Pricing tariff**
- Approval of **Business EV Charging Service Rate**
- Staff’s proposal of **TOU rates for business customers was not approved**
- Pointed towards studies underway with **potential plans for the future** - Bright Lines and Hours Use

Initial steps have been taken on Business Rate Modernization but input on future business rate options and programs are needed

What does Rate Modernization look like now?



*Ahmad Faruqi, *Rate Design 3.0: Future of Rate Design*, Public Utilities Fortnightly, May 2018

We are still on the path...

- Rate modernization is a journey – not a destination
- Every utility will utilize this opportunity to engage and educate its customers, understand how customers respond to TOU pricing signals and behavior changes under the various rates
- Continued opportunity to also understand and prepare for grid impacts, especially in light of EV adoption and increased desire for renewables
- Understanding renewable trends such as Carbon Free Electricity (CFE) is a recent, new request to develop a solution



Stakeholder Discussion

- What are further opportunities that Evergy should consider given an expressed Commission interest in convenience, control and choice for customers, with respect to their energy?
- What is most important to you to achieve in the TOU transition?
- Should MO utilities consider Critical Peak Pricing (CPP)/Variable Peak Pricing (VPP) in light of the mandatory TOU transition? If so, how quickly?
- How do you view residential customers customer preferences changing with respect to rates in 5 years?
- What trends should we be addressing in rate/program offerings for residential customers? Business customers?



Next Steps

- We appreciate your feedback
- MO rate case is expected in early 2024