

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

In the Matter of Evergy Metro, Inc. d/b/a)	<u>File No. ET-2024-0182</u>
Evergy Missouri Metro's and Evergy)	Tracking No. JE-2024-0081 &
Missouri West, Inc. d/b/a Evergy Missouri)	JE-2024-0082
West's Solar Subscription Rider Tariff Filings)	

STAFF'S POSITION STATEMENT

Staff's positions on the issues presented in this case are as follow:

1. What are appropriate billing provisions at this time for SSP¹ participants served on schedule RPKA², and when should those provisions take effect?

Staff's position for the SSP billing provisions is the following billing procedure: First, reduce the kWh that are billed out under the energy charges. Second, the participant's share of energy from the solar facility that was generated during the "peak hours" (this percentage will vary based on whether the applicable month is in the summer or non-summer season) is multiplied by the Peak Adjustment Charge. This dollar value is applied as a credit to the customer's bill, which cannot reflect a negative net energy charge amount. The applicable tariff language is set out below:

Step 1: 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.

Step 2: The Participant's bill will be adjusted to credit the product of the "Peak Adjustment Charge" for the applicable billing month and (a) 19% of the Participant's share of the solar resource energy production in summer billing months, or (b) 22% of the Participant's share of the solar resource energy production in non-summer billing months, except that the net of energy charges and credits may not be less than zero.³

Staff's proposed billing provision for SSP participants served on the schedule RPKA contrasts with Evergy's current billing practices for these customers. Evergy's current billing practice fails to refund the customers' payment of the on-peak charge (one cent (\$0.01) per kWh during summer months, and one quarter of a cent ((\$0.0025) per kWh during non-summer months) for some portion of the customers' share of the

¹ Subscriber Solar rider

² Residential Peak Adjustment

³ Lange Direct, page 4.

solar resource energy production. It is Staff's position that Evergy's current practice does not accord with Section 393.130, RSMo's "just and reasonable" rate mandate.⁴

It is Staff's position that these billing changes should be made as soon as is practicable.

2. Should SSP participants be allowed to take service on schedule RTOU2?⁵ If so, what are appropriate billing provisions and when should those provisions take effect?

The Commission may properly determine that it is appropriate that customers not be able to participate in the SSP while taking service on more-differentiated ToU rate schedules.⁶

The billing provisions for RTOU-2 as drafted in the Staff Specimen tariff are set out below:

1. For Customers receiving service under Schedules RTOU-2

a. During summer months, 19% of the Participant's share of the solar resource energy production will be subtracted from the metered energy consumed by the Participant during the "On-Peak" period for the billing month; and 81% of the Participant's share of the solar resource energy production will be subtracted from the metered energy consumed by the Participant during the "Off-Peak" period for the billing month. Should 19% of the Participant's share of the solar resource energy production exceed the metered energy consumed by the Participant during the "On-Peak" period for the billing month, the excess energy will be subtracted from the metered energy consumed by the Participant during the "Off-Peak" period for the billing month, except that the net energy for which a customer is billed in that month may not be less than zero.

b. During Non-Summer months, the 22% of the Participant's share of the solar resource energy production will be subtracted from the metered energy consumed by the Participant during the "On-Peak" period for the billing month; and 78% of the Participant's share of the solar resource energy production will be subtracted from the metered energy consumed by the Participant during the "Off-Peak" period for the billing month. Should 22% of the Participant's share of the solar resource energy production exceed the metered energy consumed by the Participant during the "On-Peak" period for the billing month, the excess energy will be subtracted from the metered energy consumed by the Participant during the "Off-Peak" period for the billing month, except that the net energy for which a customer is billed in that month may not be less than zero.

For current participants, there are significant policy implications to the resolution of this issue, especially because there are already participants in the SSP program who may desire to take service on a rate schedule which did not exist at the time the participant enrolled. Those early subscribers may now wish to leave the program unless

⁴ Lange Rebuttal, page 4.

⁵ Residential Time of Use Two Period

⁶ Lange Rebuttal, page 8.

advantageous price arbitrage provisions are incorporated into the SSP billing procedures. However, advantageous price arbitrage provisions for SSP participants will necessarily erode revenues to some degree, which could be more detrimental to non-participants than current SSP participants unsubscribing. It may also be reasonable for the Commission to determine that it is appropriate to bill future SSP participants in a manner that does not allow price arbitrage, as those billing provisions would only be applicable to SSP participants going forward.⁷

It is Staff position that the Commission should order that any applicable changes to enable SSP participation for customers served on RTOU-2 should be done as soon as possible, but not later than the end of May of 2024. The prompt resolution of this issue is required to avoid unnecessary drops in SSP participation.⁸

3. Should SSP participants be allowed to take service on schedule RTOU3?⁹ If so, what are appropriate billing provisions and when should those provisions take effect?

Staff's position is that whichever way the Commission wishes to go, the point here is that the matter be resolved immediately and the answer be implemented as soon as possible. The Commission may properly determine that it is appropriate that customers not be able to participate in the SSP while taking service on more-differentiated ToU rate schedules.¹⁰

The billing provisions for RTOU-3 as drafted in the Staff Specimen tariff are set out below:

2. For Customers receiving service under Schedules RTOU-3

c. During summer months, 19% of the Participant's share of the solar resource energy production will be subtracted from the metered energy consumed by the Participant during the "On-Peak" period for the billing month; and 81% of the Participant's share of the solar resource energy production will be subtracted from the metered energy consumed by the Participant during the "Off-Peak" period for the billing month. Should 19% of the Participant's share of the solar resource energy production exceed the metered energy consumed by the Participant during the "On-Peak" period for the billing month, the excess energy will be subtracted from the metered energy consumed by the Participant during the "Off-Peak" period for the billing month. Should the Participant's share of the solar resource energy production exceed the total energy consumed during the "On-Peak," and "Off-Peak" periods for that billing month, the remaining portion of the Participant's share of the solar resource energy production will be subtracted from the metered energy consumed by the Participant during the "Super Off-Peak" period, except

⁷ Lange Direct, pages 8 – 10.

⁸ Lange Direct, page 11.

⁹ Residential High Differential Time of Use

¹⁰ Lange Rebuttal, page 8.

that the net energy for which a customer is billed in that month in any time-differentiated period may not be less than zero.

d. During Non-Summer months, the 22% of the Participant's share of the solar resource energy production will be subtracted from the metered energy consumed by the Participant during the "On-Peak" period for the billing month; and 78% of the Participant's share of the solar resource energy production will be subtracted from the metered energy consumed by the Participant during the "Off-Peak" period for the billing month. Should 22% of the Participant's share of the solar resource energy production exceed the metered energy consumed by the Participant during the "On-Peak" period for the billing month, the excess energy will be subtracted from the metered energy consumed by the Participant during the "Off-Peak" period for the billing month, except that the net energy for which a customer is billed in that month may not be less than zero. Should the Participant's share of the solar resource energy production exceed the total energy consumed during the "On-Peak," and "Off-Peak" periods for that billing month, the remaining portion of the Participant's share of the solar resource energy production will be subtracted from the metered energy consumed by the Participant during the "Super Off-Peak" period, except that the net energy for which a customer is billed in that month in any time-differentiated period may not be less than zero."

As stated above with the preceding issue, Staff suggests that the Commission may wish to consider the following in answering policy questions: There are significant policy implications to the resolution of this issue, especially within the context of an established tariff, with existing participants. Customers had subscribed to the SSP program prior to the transition of Evergy's residential rate schedule to a time-based rate structure. Customers had subscribed to the SSP program prior to Evergy's expansion of time-based rate schedule offerings. Those early subscribers may now wish to leave the program unless advantageous price arbitrage provisions are incorporated into the SSP billing procedures. Conversely, advantageous price arbitrage provisions for SSP participants will necessarily erode revenues to some degree, which could be more detrimental to non-participants than current SSP participants unsubscribing. However, it may be reasonable to bill future SSP participants in a manner that does not allow price arbitrage, as those billing provisions would only be applicable to SSP participants going forward.¹¹

To reiterate: Staff's position is that regardless of the Commission's decision on the policy questions, the Commission should decide now. Any applicable changes to enable SSP participation for customers served on RTOU-3 should be done as soon as possible, but not later than the end of May of 2024. The prompt resolution of this issue is required to avoid unnecessary drops in SSP participation.¹²

¹¹ Lange Direct, pages 8 – 10.

¹² Lange Direct, page 11.

4. Should SSP participants be allowed to take service on schedule RTOU? If so, what are appropriate billing provisions and when should those provisions take effect?

It is not necessary to modify the SSP tariff to allow RTOU customers to take service on the RTOU rate plans. Because RTOU customers were previously excluded from participation in the SSP, Staff is not concerned that maintaining SSP participation supports expanding access of SSP participants to the RTOU rate plans.¹³

5. Should SSP participants be allowed to take service on schedule RTOU-EV?¹⁴ If so, what are appropriate billing provisions and when should those provisions take effect?

No. The RTOU-EV rate plan is essentially an add-on plan for customers who install a second meter connected only to EV charger load.¹⁵ Expanding access of SSP participants to the RTOU-EV rate plans is not necessary to maintain SSP participation.

Staff's concerns since January of 2023 have been that customers who are already SSP participants (1) be billed appropriately on the default residential rate, and (2) have the level of optionality the Commission determines appropriate so that they do not flee the SSP program and shift costs and risks to non-participants. The RTOU-EV rate plan is a new service type, and service on the RTOU-EV rate plan cannot be established for an existing customer with existing usage.

If the Commission determines that it is appropriate for SSP customers to participate in an RTOU-EV rate plan for service added through an additional meter, it will be necessary to address how any SSP participation would be demarcated between a participant's RTOU-EV usage and a participant's regular electric service. Staff does not have a workable solution for how to split a tranche of SSP participation between RTOU-EV usage and usage on some other rate schedule without unreasonable customer confusion, and significant risk of misaligning usage and SSP participation between months of the year and the participant's multiple rate plans.¹⁶

6. Should provisions to clarify the non-bypassability of any SUTC¹⁷ in the application of SSP billing provisions be incorporated into the SSP tariff?

Yes. The tariff should be modified to include the following language with the bold-faced type as indicated:

¹³ Lange Rebuttal, page 7, Lange Surrebuttal, page 3.

¹⁴ Separately Metered Electric Vehicle Time of Use

¹⁵ Becoming an RTOU-EV customers requires setting a new meter and establishing a new service, therefore there is no concern that an existing SSP participant would be negatively impacted by SPP participation serving as a barrier to becoming a customer on RTOU-EV, because it is not possible for a new meter to be an existing SSP participant.

¹⁶ Lange Surrebuttal pages 2-3.

¹⁷ Securitized Utility Tariff Charge

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, **except that any Securitized Utility Tariff Charge or other charge promulgated pursuant to Section 393.1700 shall be applicable to all metered kWh, without any reductions for the Participant's share of the solar resource energy production.**¹⁸

6. Should the SSP Solar Block Cost pricing be changed and if so when should that change take effect?

No. The solar block cost should not be changed outside of a rate case.¹⁹

7. Should the SSP Non- Residential subscription level terms be changed?

No. The SSP non-residential subscription level terms should not be changed.²⁰

8. Should the SSP program expansion terms regarding the addition of resources and the removal of the three-month waiting period for Non-Residential customers be changed?

No. Through the currently approved 5 tariff, residential subscribers are offered a chance to participate, while non-residential 6 subscribers are minimally harmed. No change is warranted at this time.²¹

9. Should Evergy pay subscribers for any excess generation of the solar resource at the parallel generation rate?

Yes. Staff supports Evergy adding language to allow customers to be credited for excess generation at the rate in the Parallel Generation tariff.²²

¹⁸ Lange Direct, pages 14 – 15.

¹⁹ Cunigan Direct pages 2-3.

²⁰ Cunigan Direct pages 4-5, and Cunigan Surrebuttal pages 4-7.

²¹ Cunigan Rebuttal pages 3-6.

²² Cunigan Surrebuttal pages 5-6.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

The undersigned by his signature below certifies that the foregoing pleading was served upon all counsel of record on this March 28, 2024, by electronic filing in EFIS, electronic mail, hand-delivery, or U.S. postage prepaid.

/s/ Paul T. Graham