BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

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

EVERGY MISSOURI METRO'S AND EVERGY MISSOURI WEST'S
POSITION STATEMENT

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, the "Company") and, pursuant to the Missouri Public Service Commission's ("Commission") *Order Setting Procedural Schedule and Further Suspending Tariff Sheets* ("Order") dated January 31, 2024, submits their Position Statement ("Position Statement"):

INTRODUCTION

This proceeding is a continuation of filings related to the Solar Subscription Rider Program ("SSP" or "SSR") 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.

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. 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 MW to meet other Company solar resource needs 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 Block Subscription Charge, a step contemplated with the original SSP tariff.

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 availability of the SSP Program to other TOU rate plans.

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.

Evergy respectfully requests that the Commission adopt its position on the various issues that have been raised in this proceeding.

LIST OF ISSUES

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

Evergy Response: The Commission should approve the billing provisions for SSP participants served on Schedule RPKA proposed by Evergy. The billing provisions proposed by the Company should take effect no earlier than December 31, 2024.

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 between peak and off-peak usage, the Company recommends the effective date be December 31, 2024. (Lutz Direct, p. 4)

Concerning billing procedures, Evergy recommends the Commission approve the Company's proposed billing procedures. These billing procedures were developed to align more closely with the current configuration of the Company's billing systems, which can be executed without expending a disproportionate amount of cost to achieve and in a timely manner. (Lutz Rebuttal, p. 16)

Based on the Company's initial examination, the billing procedures proposed by Staff are not inherently supported by the Company's current billing system or processes, but they are logical and feasible. (Lutz Rebuttal, p. 8) However, to execute Staff's proposed procedures would require configuration of the Company's systems and definition of new supporting processes, and additional time to configure and implement in the Company's billing system relative the the Company's proposal. Examining the proposed procedures more closely, the billing procedures proposed by Staff share a two-step approach. The procedures first apply the peak/non-peak allocation associated with the resource and then apply a participant specific step, examining the customer's monthly usage to proportion the usage between the peak and non-peak periods. The Company has determined that this second, participant specific allocation, is not compatible with the Company's billing system's current capability and steps would have to be taken to define precise specifications and configure this functionality to perform. (Lutz Rebuttal, pp. 8-9)

The participant specific allocation represented by the second step seeks to align the renewable energy output from the SSP program subscription with the relationship of the customer's then current monthly usage. To accomplish this step, the billing system is required to perform an "if this, then do that" logic for each rate code. This form of analysis is more complex than the methods currently utilized, and the Company will need to define precise specifications and configure the billing system to accommodate. It is possible that Staff's proposed billing procedures could result in additional manual processes to execute billing of SSP program participants. (Lutz Rebuttal, p. 9)

Evaluating billing procedure processes proposed during the timing of the case does not afford the Company an opportunity to prepare in advance, pushing out the expected timing to achieve execution. Since configuration specifications have not been established, it is difficult to determine exactly how much time would be needed to execute the billing procedures proposed by Staff, but Mr. Lutz estimates, based on the time required for the Company proposal, an additional four to six months would be needed. A second concern with Staff's proposed billing procedures is with disproportionate cost. The expected configurations will require considerable effort from the Company's Billing and System Support teams to complete. Given that these configurations will support the billing of approximately 750 SSP program participants draws into question the value of making these more complex system changes. (Lutz Rebuttal, p. 10)

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

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

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?**

Evergy Response:

The Company agrees with Staff that the Commission may properly determine that it is appropriate that customers not be able to participate in the SSP program while taking service on more-differentiated TOU rate schedules. The Company understands that SSP participants are primarily interested in access to renewable energy, not access to a specific retail rate. Participants are currently limited to the RPKA option, and the Company has not observed cancellation of subscriptions or received customer inquiries concerning the inavailability of other TOU rates. Limiting rate availability to the RPKA rate and continuing with the current approach would eliminate the need for further bill system configuration and would avert a need for the Commission to establish a method for allocation of solar resource output between the TOU periods. (Lutz Surrebuttal p 10) If the Commission decides to expand TOU availability and allow , SSP participants to take service on Schedules RTOU2, RTOU3 and RTOU then the billing provisions offered by the Company would take effect no earlier than December 31, 2024. This date is feasible for making the changes necessary to accommodate the expansion and billing of the SSP provisions for the additional TOU offerings as proposed by the Company.

Concerning billing provisions, Evergy recommends the Commission approve the Company's proposed billing procedures. These billing procedures were developed to align more closely with the current configuration of the Company's billing systems, which can be executed without expending a disproportionate amount of cost to achieve and in a timely manner. (Lutz Rebuttal, p. 16) See also the discussion of billing procedures under Issue No. 1 above.

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

   Evergy Response: No. The RTOU-EV is a separately metered rate not intended for general customer use. Customers would be able to participate in the SSP under the primary meter and should not be given a second opportunity to subscribe under the RTOU-EV separate tariff.

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

   Evergy Response: Yes. Staff proposes to detail that the Securitized Utility Tariff Charge applied as part of Schedule SUR be applicable to all metered kWh and not reduced by the solar resource energy production. Evergy believes this is a reasonable proposal. (Lutz Rebuttal, p. 15)

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

Evergy Response: Yes. The Solar Block Subscription Charge is made of two costs: the Solar Block Cost and the Services and Access charge. Evergy is proposing changes to the Solar Block Cost and is not recommending any changes to the Services and Access charge. Evergy requests to increase the Solar Block Cost from \$0.0884 to \$0.09131 per kWh to reflect the final, actual construction costs of the Hawthorn solar array. (Brannan Direct, p. 4)

Company witness Kevin Brannan addresses proposed changes to the Solar Block Cost, and specifically he describes the proposed increase to the Solar Block Cost associated with final engineering, procurement, and construction and ongoing operation and maintenance costs associated with the Hawthorn solar resource. (Brannan Direct, pp. 3-9) Mr. Brannan details the Hawthorn solar resource built to serve the SSP program and discusses the proposed modification to the SSP tariff to update the Solar Block Cost associated with final engineering, procurement, and construction ("EPC") and ongoing operation and maintenance ("O&M") costs of the Hawthorn solar array.

Construction of the Hawthorn Solar Facility to support the SSP program was completed in December 2022, and it was determined to be in service as of May 29, 2023. As of December 31, 2023, the SSP program enrollment for the Missouri resource allotted capacity is at 100 percent of resource capacities. Evergy is maintaining a waitlist that currently consists of 68 customers or 534 shares in Missouri Metro and 94 customers or 562 shares in Missouri West. (Brannan Direct, p. 3)

The purpose and timing of this pricing change has been anticipated since the Company proposed the pilot program and received Commission approval of the solar subscription pilot tariff in ER-2018-0145/0146. All parties have been aware of the pricing change process and the Company has been working to complete this process. The additional revenue produced from this change is approximately $93,000 per year over the service life of the Hawthorn solar plant. (Lutz Rebuttal, p. 3)

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

Evergy Response: Yes. Under 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. However, Evergy proposes to increase the subscription level for non-residential customers to 100% of their annual energy consumption to assist non-residential customers in achieving their sustainability goals or mandates. (Lutz Direct, pp. 18-19)

9. 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?

Evergy Response: Yes. 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. (Lutz Direct, p. 16)

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 do so 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.

(Lutz Direct, p. 17)

The Company also recommends removing the current three month waiting period included in the SSP tariff. 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.

These terms were added to ensure that residential customers are given sufficient time to subscribe to the initial resource established for the SSP program, and the terms were successful resulting in 99% of the participants being residential customers. Going forward, the wait list now serves as the means for ensuring participation by residential customers. Participants are served on a first come, first served basis. (Lutz Surrebuttal, p. 4)

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

Evergy Response: Yes. The existing SSP tariff does not pay subscribers for excess generation of the resource and does not contemplate who would benefit from the revenues from energy that exceeds a subscribers' usage. Evergy has proposed language to allow subscribers to be credited for the net excess energy at the current rate in the Company's Parallel Generation tariff.

WHEREFORE, the Company respectfully submits its Position Statement to the Commission.

Respectfully submitted,

/s/ Roger W. Steiner

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, emailed or mailed, postage prepaid, to the Staff of the Commission and to the Office of the Public Counsel this 28th day of March 2024.

|s| Roger W. Steiner

Attorney for Evergy Missouri Metro and Evergy Missouri West