



Missouri

**Barriers to Net Metering under
Time of Use Rate Structures
Final Report
February 1, 2024**

I. BACKGROUND FOR REPORT

Evergy Missouri Metro (“Missouri Metro”) and Evergy Missouri West (“Missouri West”) (collectively “Evergy” or “Company”) offer net metering to customers under their respective retail tariffs. Net metering is a metering and billing arrangement designed to allow customers to offset their energy use with on-site generation and to compensate these customers for any excess generation that is exported to the utility grid. Net metering is enabled by Section 386.890, RSMo and implemented by 20 CSR 4240-20.065 and Company tariff.

Both the statute and the regulation establish “billing period” as the time period for which the energy measurement and determination of net energy is to occur. In Docket ER-2022-0129/0130, the Company presented testimony concerning incompatibilities between net metering and time varying rate designs such as Time of Use (“TOU”) rates. Under net metering, billing period, as defined or inferred elsewhere in the statutes and rule or defined in our Company Rules & Regulations is a billing month, approximately 30 days. The Company asserts the enabling sources do not provide direction as to how the Company would execute billing for a billing period where rate designs have multiple, daily pricing periods. For example, a three-period TOU rate structure would have three periods through the day, each with unique pricing.

As part of the August 30, 2022 Stipulation & Agreement in the ER-2022-0129/0130 cases, the Company and Parties to the cases agreed that,

e) The Company will develop a report that examines the technical, billing, and legal barriers to offering Time-of-Use rate options to residential customer-generators with net-metering or interconnection agreements. This report shall also explore potential solutions to the barriers identified. The report shall be shared with the Signatories to this case and other interested stakeholders before the filing of the Company's next rate case.

In the same ER-2022-0129/013 cases, on page 73 of the Amended Report & Order dated December 8, 2022, the following was ordered,

The Commission recognizes that Evergy's TOU rates do not currently work for net metering customers due to the limitation of the current legislation. The parties agree that Staff's low differential rate can be used for net metering customers. As a result, Staff's low differential TOU rate shall be the default rate for net metering customers when Evergy's 2-period TOU rate is established as the default residential customer rate for the non-net metering customers.

This report is offered to satisfy the Commission Order and to help inform the Commission about the limitations of the current statutes and regulations.

II. EXAMINATION OF BARRIERS

Technical

The Company did not identify any technical barriers to net metering under time varying rates. Company systems, including the Automated Metering Infrastructure and Meter Data

Management systems are capable of managing and supplying meter readings to the billing system for net metering under time varying rates.

Billing

The Company did not identify any billing barriers to net metering under time varying rates. Provided that the Company is given sufficient time to design, implement, and test billing system configurations, the Company Billing system can appropriately bill net metering under time varying rates.

Legal

The sole barrier to allowing net metering under time varying rate designs is the reliance on “billing period” to describe the billing process applicable to net metering. State law, Regulation, and Company tariff establish “billing period” as the time period for which the energy measurement and determination of net energy to occur. References to billing period have been emphasized.

Section 386.890 RSMo. , describes the determination of net energy as follows:

5. *Consistent with the provisions in this section, the net electrical energy measurement shall be calculated in the following manner:*
 - (1) *For a customer-generator, a retail electric supplier shall measure the net electrical energy produced or consumed during the billing period in accordance with normal metering practices for customers in the same rate class, either by employing a single, bidirectional meter that measures the amount of electrical energy produced and consumed, or by employing multiple meters that separately measure the customer-generator's consumption and production of electricity;*
 - (2) *If the electricity supplied by the supplier exceeds the electricity generated by the customer-generator during a billing period, the customer-generator shall be billed for the net electricity supplied by the supplier in accordance with normal practices for customers in the same rate class;*
 - (3) *If the electricity generated by the customer-generator exceeds the electricity supplied by the supplier during a billing period, the customer-generator shall be billed for the appropriate customer charges for that billing period in accordance with subsection 3 of this section and shall be credited an amount at least equal to the avoided fuel cost of the excess kilowatt-hours generated during the billing period, with this credit applied to the following billing period;*
 - (4) *Any credits granted by this subsection shall expire without any compensation at the earlier of either twelve months after their issuance or when the customer-generator disconnects service or terminates the net metering relationship with the supplier;*

(5) For any rural electric cooperative under chapter 394, or any municipally owned utility, upon agreement of the wholesale generator supplying electric energy to the retail electric supplier, at the option of the retail electric supplier, the credit to the customer-generator may be provided by the wholesale generator.¹

Similarly, 20 CSR 4240-20.065 provides the following for determination of net energy:

5) *Energy Pricing and Billing* The net electric energy delivered to the Customer-Generator shall be billed in accordance with the Utility's Applicable Rate Schedules [Utility's Applicable Rate Schedules]. The value of the net electric energy delivered by the Customer-Generator to [Utility Name] shall be credited in accordance with the net metering rate schedule(s) [Utility's Applicable Rate Schedules]. The Customer-Generator shall be responsible for all other bill components charged to similarly situated customers. Net electrical energy measurement shall be calculated in the following manner:

- (a) For a Customer-Generator, a retail electric supplier shall measure the net electrical energy produced or consumed during the billing period in accordance with normal metering practices for customers in the same rate class, either by employing a single, bidirectional meter that measures the amount of electrical energy produced and consumed, or by employing multiple meters that separately measure the Customer-Generator's consumption and production of electricity;
- (b) If the electricity supplied by the supplier exceeds the electricity generated by the Customer-Generator during a billing period, the Customer-Generator shall be billed for the net electricity supplied by the supplier in accordance with normal practices for customers in the same rate class;
- (c) If the electricity generated by the Customer-Generator exceeds the electricity supplied by the supplier during a billing period, the Customer-Generator shall be billed for the appropriate customer charges as specified by the applicable Customer-Generator rate schedule for that billing period and shall be credited an amount for the excess kilowatt-hours generated during the billing period at the net metering rate identified in [Utility Name]'s tariff filed at the Public Service Commission, with this credit applied to the following billing period; and
- (d) Any credits granted by this subsection shall expire without any compensation at the earlier of either twelve (12) months after their issuance, or when the Customer-Generator disconnects service or terminates the net metering relationship with the supplier.²

¹ <https://revisor.mo.gov/main/OneSection.aspx?section=386.890>

² <https://www.sos.mo.gov/CMSImages/AdRules/csr/current/20csr/20c4240-20A.pdf>

Finally, the Company Tariffs, follow both the Statute and the Rule, stating the following for energy pricing and billing:

Missouri West – Net Metering Interconnection Application Agreement – Sheet 110

5. Energy Pricing and Billing The net electric energy delivered to the Customer-Generator shall be billed in accordance with the Utility's Applicable Rate Schedules. The value of the net electric energy delivered by the Customer-Generator to GMO shall be credited in accordance with the net metering rate schedule(s). The Customer-Generator shall be responsible for all other bill components charged to similarly situated customers. Net electrical energy measurement shall be calculated in the following manner:

- (a) For a Customer-Generator, a retail electric supplier shall measure the net electrical energy produced or consumed during the billing period in accordance with normal metering practices for customers in the same rate class, either by employing a single, bidirectional meter that measures the amount of electrical energy produced and consumed, or by employing multiple meters that separately measure the Customer-Generator's consumption and production of electricity;*
- (b) If the electricity supplied by the supplier exceeds the electricity generated by the Customer-Generator during a billing period, the Customer-Generator shall be billed for the net electricity supplied by the supplier in accordance with normal practices for customers in the same rate class;*
- (c) If the electricity generated by the Customer-Generator exceeds the electricity supplied by the supplier during a billing period, the Customer-Generator shall be billed for the appropriate customer charges as specified by the applicable Customer-Generator rate schedule for that billing period and shall be credited an amount for the excess kilowatt-hours generated during the billing period at the net metering rate identified in GMO's tariff filed at the Public Service Commission, with this credit applied to the following billing period; and*
- (d) Any credits granted by this subsection shall expire without any compensation at the earlier of either twelve (12) months after their issuance, or when the Customer-Generator disconnects service or terminates the net metering relationship with the supplier.³*

Missouri Metro – Schedule NM - Net Metering Interconnection Application Agreement – Sheet 34M

³ https://www.evergy.com/-/media/documents/billing/missouri/detailed_tariffs_mo/mo-west/net-metering-interconnection-application-agreement-010923.pdf

5. *Energy Pricing and Billing* The net electric energy delivered to the Customer-Generator shall be billed in accordance with the Utility's Applicable Rate Schedules. The value of the net electric energy delivered by the Customer-Generator to KCP&L shall be credited in accordance with the net metering rate schedule(s). The Customer-Generator shall be responsible for all other bill components charged to similarly situated customers. Net electrical energy measurement shall be calculated in the following manner:

- (a) *For a Customer-Generator, a retail electric supplier shall measure the net electrical energy produced or consumed during the billing period in accordance with normal metering practices for customers in the same rate class, either by employing a single, bidirectional meter that measures the amount of electrical energy produced and consumed, or by employing multiple meters that separately measure the Customer-Generator's consumption and production of electricity;*
- (b) *If the electricity supplied by the supplier exceeds the electricity generated by the Customer-Generator during a billing period, the Customer-Generator shall be billed for the net electricity supplied by the supplier in accordance with normal practices for customers in the same rate class;*
- (c) *If the electricity generated by the Customer-Generator exceeds the electricity supplied by the supplier during a billing period, the Customer-Generator shall be billed for the appropriate customer charges as specified by the applicable Customer-Generator rate schedule for that billing period and shall be credited an amount for the excess kilowatt-hours generated during the billing period at the net metering rate identified in KCP&L's tariff filed at the Public Service Commission, with this credit applied to the following billing period; and*
- (d) *Any credits granted by this subsection shall expire without any compensation at the earlier of either twelve (12) months after their issuance, or when the Customer-Generator disconnects service or terminates the net metering relationship with the supplier.⁴*

In further support of the issue, the Company Rules & Regulations explicitly define "Billing Period". The definitions are as follows:

⁴ https://www.evergy.com/-/media/documents/billing/missouri/detailed_tariffs_mo/net-metering-interconnection-agreement-010923.pdf

Missouri West Section 1 – Definitions – Sheet R-4

B. Billing period means a normal usage period of not less than twenty-six (26) or more than thirty-five (35) days for a monthly-billed customer except for initial, corrected, or final bills.⁵

Missouri Metro – Section 8.01 – Sheet 1.26

8.01 BILLING PERIOD: Normally, the Company will read the Customer's meter monthly and bills based on such monthly readings will be rendered at intervals of approximately one month. For all customers the billing period shall normally be not less than 26 nor more than 35 days. The Company shall have the right to read meters and render bills more frequently. If bills are rendered more frequently than monthly, the total of the minimums of such bills for any one month shall not exceed the monthly minimum required under the applicable rate schedule. For all customers if a bill is rendered for less than 26 or more than 35 days the bill may be prorated.⁶

In order to properly net usage for customers on a time varying rate, the measurement must occur for each of the time periods established by the applicable time varying rate schedule. This inhibits correct net metering and led Evergy to make net metering unavailable for customers choosing to be served under the TOU rates.

III. POTENTIAL SOLUTIONS

Alternate Tariff

Evergy has considered filing an alternate net metering tariff to be applicable to customers under TOU rate designs. Relying on the Commission's general authority to approve tariffs, the approach consisted of duplicating the existing net metering tariff but replacing the "Energy and Pricing" section with language designed to accommodate the TOU structure. The net energy calculation would occur during the billing period for each of the time of use periods established by the applicable time-varying rate schedule applicable to the Customer-Generator's rate class in accordance with normal metering practices for customers taking service on time-varying rates in that same rate class. For excess energy, the Customer-Generator shall be credited an amount at least equal to the avoided fuel cost of the excess kilowatt-hours generated during that time of use period, with any net credit (net of all other charges as they are applied to non-customer-generators in the same rate class) applied to the following billing period. This approach would stand as an alternative to the existing net metering tariff and since the existing net metering tariff would be untouched, Evergy interpreted that it would remain in compliance with the statute and rule.

Additionally, the approach was plausible from a mathematical perspective, but as the Company prepared a tariff draft, material concerns came to light. The first concern was what would the

⁵ https://www.evergy.com/-/media/documents/billing/missouri/rules_and_regulations_mo/missouri-west/definitions-081419.pdf

⁶ https://www.evergy.com/-/media/documents/billing/missouri/rules_and_regulations_mo/billing-and-payment-010923.pdf

alternative approach be called? If named “net metering” or some derivative, does that expose the tariff to legal challenge? Further, since the tariff approval is based on the Commission’s general authority, there would be no constraint to the final structure of the alternate tariff. Other parties could introduce alternate approaches, prices, or terms that would distance the alternate approach from the original net metering design. At that point the Company could have two net metering style tariffs with very different designs. The Company became very concerned about the potential for customer confusion.

Net metering, despite Company efforts to make it simple and straight-forward, is still a difficult step for most customers. Historically, most customers gave little thought to their energy use except for the monthly bill amount. Those who explore net metering are quickly exposed to new terms, new processes, and unfortunately, often conflicting information. It has been our experience that the net metering process has served to focus the customer experience and filter out much of the noise leading up to the execution of the respective renewable system installation. Further, as the customer gets accustomed to the net metering processes in their billing, the net metering tariff and its application serves as a ready reference to address questions. As the Company contemplated a similar but separate process, particularly one that included some level of difference resulting from the regulatory process, the Company could see the potential for customer confusion. Customers on TOU rates would be subject to a different net metering experience than those on the non-TOU rates. Company customer support and field personnel would now need to be aware of the applicable customer rate before giving guidance. Additionally, there were procedural questions. Specifically, would a similar tariff require waivers from the net metering rule? If there were a legal challenge to the alternate approach that was ultimately found to be legitimate, the Company could be forced to move customers off the alternate rate. In the end, this approach also proved to be problematic.

Statutory Change

Evergy believes that statutory changes are needed to properly address the change for net metering customers and would provide the more appropriate solution. A change of this nature would be best addressed jointly with the Commission and the electric utilities. The Company understands the risk of opening the statute to unintended changes, but Evergy believes having clear guidance from the legislature provides for a better rule and better tariffs. Tariffs that ultimately provide customers just and reasonable treatment with the greatest possible clarity. All of the other non-legislative approaches considered introduced some level of concern for some stakeholder group. Given the Company expects TOU rates to be a key part of our rate portfolio and customer renewable energy generation to be an important part of our system, it is important that we establish the relationship between them in a correct and stable manner.

Evergy has discussed this potential legislation with Ameren Missouri and Liberty Utilities and both support language originally developed by Ameren to resolve the issues with time-varying rates. The following statutory revisions would incorporate new terms to address time-based pricing and would ensure the customer-generator’s energy production is aligned with their energy usage.

Potential Statutory Language

grey highlight (italics for additions and strikethrough for deletions):

Section 386.890. RSMo. Citation of law — definitions — retail electric suppliers, duties — metering equipment requirements — electrical energy generation units, calculation, requirements — report — rules — liability for damages. — 1. This section shall be known and may be cited as the "Net Metering and Easy Connection Act".

2. As used in this section, the following terms shall mean:

(1) "**Avoided fuel cost**", the current average cost of fuel for the entity generating electricity, as defined by the governing body with jurisdiction over any municipal electric utility, rural electric cooperative as provided in chapter 394, or electrical corporation as provided in this chapter;

(2) "**Commission**", the public service commission of the state of Missouri;

(3) "**Customer-generator**", the owner or operator of a qualified electric energy generation unit which:

(a) Is powered by a renewable energy resource;

(b) Has an electrical generating system with a capacity of not more than one hundred kilowatts;

(c) Is located on a premises owned, operated, leased, or otherwise controlled by the customer-generator;

(d) Is interconnected and operates in parallel phase and synchronization with a retail electric supplier and has been approved by said retail electric supplier;

(e) Is intended primarily to offset part or all of the customer-generator's own electrical energy requirements;

(f) Meets all applicable safety, performance, interconnection, and reliability standards established by the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the Federal Energy Regulatory Commission, and any local governing authorities; and

(g) Contains a mechanism that automatically disables the unit and interrupts the flow of electricity back onto the supplier's electricity lines in the event that service to the customer-generator is interrupted;

(4) "**Department**", the department of economic development;

(5) "**Net metering**", using metering equipment sufficient to measure the difference between the electrical energy supplied to a customer-generator by a retail electric supplier and the electrical energy supplied by the customer-generator to the retail electric supplier

over the applicable billing period *for non-time-varying rates, and sufficient to measure said difference within the time of use periods within each billing period for available time-varying rates;*

(6) "**Renewable energy resources**", electrical energy produced from wind, solar thermal sources, hydroelectric sources, photovoltaic cells and panels, fuel cells using hydrogen produced by one of the above-named electrical energy sources, and other sources of energy that become available after August 28, 2007, and are certified as renewable by the department;

(7) "**Retail electric supplier**" or "**supplier**", any municipal utility, electrical corporation regulated under this chapter, or rural electric cooperative under chapter 394 that provides retail electric service in this state.

3. A retail electric supplier shall:

(1) Make net metering available to customer-generators on a first-come, first-served basis until the total rated generating capacity of net metering systems equals five percent of the utility's single-hour peak load during the previous year, after which the commission for a public utility or the governing body for other electric utilities may increase the total rated generating capacity of net metering systems to an amount above five percent. However, in a given calendar year, no retail electric supplier shall be required to approve any application for interconnection if the total rated generating capacity of all applications for interconnection already approved to date by said supplier in said calendar year equals or exceeds one percent of said supplier's single-hour peak load for the previous calendar year;

(2) Offer to the customer-generator a tariff or contract that is identical in electrical energy rates, rate structure, and monthly charges to the contract or tariff that the customer would be assigned if the customer were not an eligible customer-generator but shall not charge the customer-generator any additional standby, capacity, interconnection, or other fee or charge that would not otherwise be charged if the customer were not an eligible customer-generator; and

(3) Disclose annually the availability of the net metering program to each of its customers with the method and manner of disclosure being at the discretion of the supplier.

4. A customer-generator's facility shall be equipped with sufficient metering equipment that can measure the net amount of electrical energy produced or consumed by the customer-generator. If the customer-generator's existing meter equipment does not meet these requirements or if it is necessary for the electric supplier to install additional distribution equipment to accommodate the customer-generator's facility, the customer-generator shall reimburse the retail electric supplier for the costs to purchase and install the necessary additional equipment. At the request of the customer-generator, such costs may be initially paid for by the retail electric supplier, and any amount up to the total costs and a reasonable interest charge may be recovered from the customer-generator over the course of up to twelve billing cycles. Any subsequent meter testing, maintenance or meter equipment change necessitated by the customer-generator shall be paid for by the customer-generator.

5. Consistent with the provisions in this section, the net electrical energy measurement shall be calculated in the following manner *for customer-generators taking service on non-time-varying rates*:

(1) For a customer-generator, a retail electric supplier shall measure the net electrical energy produced or consumed during the billing period in accordance with normal metering practices for customers in the same rate class, either by employing a single, bidirectional meter that measures the amount of electrical energy produced and consumed, or by employing multiple meters that separately measure the customer-generator's consumption and production of electricity;

(2) If the electricity supplied by the supplier exceeds the electricity generated by the customer-generator during a billing period, the customer-generator shall be billed for the net electricity supplied by the supplier in accordance with normal practices for customers in the same rate class;

(3) If the electricity generated by the customer-generator exceeds the electricity supplied by the supplier during a billing period, the customer-generator shall be billed for the appropriate customer charges for that billing period in accordance with subsection 3 of this section and shall be credited an amount at least equal to the avoided fuel cost of the excess kilowatt-hours generated during the billing period, with this credit applied to the following billing period;

~~(4) Any credits granted by this subsection shall expire without any compensation at the earlier of either twelve months after their issuance or when the customer-generator disconnects service or terminates the net metering relationship with the supplier;~~

~~—(5) For any rural electric cooperative under chapter 394, or municipal utility, upon agreement of the wholesale generator supplying electric energy to the retail electric supplier, at the option of the retail electric supplier, the credit to the customer generator may be provided by the wholesale generator.~~

6. Consistent with the provisions in this section, the net electrical energy measurement shall be calculated in the following manner *for customer-generators taking service on time-varying rates*:

(1) For a customer-generator, a retail electric supplier shall measure the net electrical energy produced or consumed during the billing period for each of the time of use periods established by the applicable time-varying rate schedule applicable to the customer-generator's rate class in accordance with normal metering practices for customers taking service on time-varying rates in that same rate class.

(2) Electricity supplied by the supplier will be netted against the electricity generated by the customer-generator during each applicable time of use period;

(3) If the electricity supplied by the supplier exceeds the electricity generated by the customer-generator during any time of use period, the customer-generator shall be billed for the net electricity supplied by the supplier in each such time of use period as well as all other charges as they are applied to non-customer-generators in the same rate class;

(4) *If the electricity generated by the customer-generator exceeds the electricity supplied by the supplier during any time of use period, the customer-generator shall be credited an amount **at least** equal to the avoided fuel cost of the excess kilowatt-hours generated during that time of use period, with any net credit (net of all other charges as they are applied to non-customer-generators in the same rate class) applied to the following billing period;*

7. Any credits granted by ~~this~~ subsections 5 or 6 of this section shall expire without any compensation at the earlier of either twelve months after their issuance or when the customer-generator disconnects service or terminates the net metering relationship with the supplier;

(1) For any rural electric cooperative under chapter 394, or municipal utility, upon agreement of the wholesale generator supplying electric energy to the retail electric supplier, at the option of the retail electric supplier, the credits *granted by subsections 5 or 6 of this section* to the customer-generator may be provided by the wholesale generator.

~~86.~~ (1) Each qualified electric energy generation unit used by a customer-generator shall meet all applicable safety, performance, interconnection, and reliability standards established by any local code authorities, the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, and Underwriters Laboratories for distributed generation. No supplier shall impose any fee, charge, or other requirement not specifically authorized by this section or the rules promulgated under subsection ~~119~~ of this section unless the fee, charge, or other requirement would apply to similarly situated customers who are not customer-generators, except that a retail electric supplier may require that a customer-generator's system contain a switch, circuit breaker, fuse, or other easily accessible device or feature located in immediate proximity to the customer-generator's metering equipment that would allow a utility worker the ability to manually and instantly disconnect the unit from the utility's electric distribution system.

(2) For systems of ten kilowatts or less, a customer-generator whose system meets the standards and rules under subdivision (1) of this subsection shall not be required to install additional controls, perform or pay for additional tests or distribution equipment, or purchase additional liability insurance beyond what is required under subdivision (1) of this subsection and subsection 4 of this section.

(3) For customer-generator systems of greater than ten kilowatts, the commission for public utilities and the governing body for other utilities shall, by rule or equivalent formal action by each respective governing body:

(a) Set forth safety, performance, and reliability standards and requirements; and

(b) Establish the qualifications for exemption from a requirement to install additional controls, perform or pay for additional tests or distribution equipment, or purchase additional liability insurance.

~~97.~~ (1) Applications by a customer-generator for interconnection of a qualified electric energy generation unit meeting the requirements of subdivision (3) of subsection 2 of this section to the distribution system shall be accompanied by the plan for the customer-

generator's electrical generating system, including but not limited to a wiring diagram and specifications for the generating unit, and shall be reviewed and responded to by the retail electric supplier within thirty days of receipt for systems ten kilowatts or less and within ninety days of receipt for all other systems. Prior to the interconnection of the qualified generation unit to the supplier's system, the customer-generator will furnish the retail electric supplier a certification from a qualified professional electrician or engineer that the installation meets the requirements of subdivision (1) of subsection ~~86~~ of this section. If the application for interconnection is approved by the retail electric supplier and the customer-generator does not complete the interconnection within one year after receipt of notice of the approval, the approval shall expire and the customer-generator shall be responsible for filing a new application.

(2) Upon the change in ownership of a qualified electric energy generation unit, the new customer-generator shall be responsible for filing a new application under subdivision (1) of this subsection.

~~108~~. Each commission-regulated supplier shall submit an annual net metering report to the commission, and all other nonregulated suppliers shall submit the same report to their respective governing body and make said report available to a consumer of the supplier upon request, including the following information for the previous calendar year:

- (1) The total number of customer-generator facilities;
- (2) The total estimated generating capacity of its net-metered customer-generators; and
- (3) The total estimated net kilowatt-hours received from customer-generators.

~~119~~. The commission shall, within nine months of January 1, 2008, promulgate initial rules necessary for the administration of this section for public utilities, which shall include regulations ensuring that simple contracts will be used for interconnection and net metering. For systems of ten kilowatts or less, the application process shall use an all-in-one document that includes a simple interconnection request, simple procedures, and a brief set of terms and conditions. Any rule or portion of a rule, as that term is defined in section [536.010](#), that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly under chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

~~120~~. The governing body of a rural electric cooperative or municipal utility shall, within nine months of January 1, 2008, adopt policies establishing a simple contract to be used for interconnection and net metering. For systems of ten kilowatts or less, the application process shall use an all-in-one document that includes a simple interconnection request, simple procedures, and a brief set of terms and conditions.

~~131~~. For any cause of action relating to any damages to property or person caused by the generation unit of a customer-generator or the interconnection thereof, the retail electric

supplier shall have no liability absent clear and convincing evidence of fault on the part of the supplier.

142. The estimated generating capacity of all net metering systems operating under the provisions of this section shall count towards the respective retail electric supplier's accomplishment of any renewable energy portfolio target or mandate adopted by the Missouri general assembly.

153. The sale of qualified electric generation units to any customer-generator shall be subject to the provisions of sections 407.700 to 407.720. The attorney general shall have the authority to promulgate in accordance with the provisions of chapter 536 rules regarding mandatory disclosures of information by sellers of qualified electric generation units. Any interested person who believes that the seller of any electric generation unit is misrepresenting the safety or performance standards of any such systems, or who believes that any electric generation unit poses a danger to any property or person, may report the same to the attorney general, who shall be authorized to investigate such claims and take any necessary and appropriate actions.

164. Any costs incurred under this act* by a retail electric supplier shall be recoverable in that utility's rate structure.

175. No consumer shall connect or operate an electric generation unit in parallel phase and synchronization with any retail electric supplier without written approval by said supplier that all of the requirements under subdivision (1) of subsection 97 of this section have been met. For a consumer who violates this provision, a supplier may immediately and without notice disconnect the electric facilities of said consumer and terminate said consumer's electric service.

186. The manufacturer of any electric generation unit used by a customer-generator may be held liable for any damages to property or person caused by a defect in the electric generation unit of a customer-generator.

197. The seller, installer, or manufacturer of any electric generation unit who knowingly misrepresents the safety aspects of an electric generation unit may be held liable for any damages to property or person caused by the electric generation unit of a customer-generator.

IV. OTHER FACTORS

Following the August 2022 passage of Senate Bill 745, Evergy has been monitoring the actions of the Missouri Task Force on Distributed Energy Resources and Net Metering. This group was established pursuant to the terms of Section 386.885⁷ and was made up of Legislators and Industry representative familiar with the matter. Representative Bishop Davidson from the 130th District was elected Chair with Senator Mike Cierpiot, Vice-Chair, 8th District, Senator Doug Beck, 1st District and Representative Betsy Fogle, 135th District appointed to the Task Force. Other members of the Task Force include Alexander Antal, Policy Advisor and Legal Counsel to MPSC Chairman Scott Rupp, Greg Beavers, Farmington City Administrator, Mark Gardner, Gardner

⁷ <https://revisor.mo.gov/main/OneSection.aspx?section=386.885&bid=51283&hl=>

Capital Specialty Group, Jacqueline Hutchinson, Executive Director for Consumers Council of Missouri, Caleb Jones, Executive VP/CEO Association of Missouri Electric Cooperatives, James Owen, Executive Director of Renew Missouri, and Steve Wills with Ameren Missouri

Under the provisions of 386.885, the Task Force was directed to,

2. The task force shall conduct public hearings and research, and shall compile a report for delivery to the general assembly by no later than December 31, 2023. Such report shall include information on the following:

(1) A distributed energy resources study, which shall include a value of solar study along with the practical and economic benefits, challenges, and drawbacks of increased distributed energy generation in the state;

(2) Potential legislation regarding community solar as operated by nonutility entities and the fair and equitable setting of rates between distributed generation and nondistributed generation consumers; and

(3) Potential legislation, including but not limited to changes to the net metering and easy connection act, if any, that would promote the overall public interest.⁸

Two meetings were held, one on May 5th and another June 15th. The Task Force addressed procedural matters but did not conduct any hearings or research to our knowledge.

It was our hope that this Task Force could be used to explore language changes similar to those offered earlier in this report. As the provisions establishing the Task Force were set to expire on December 31, 2023, or at the conclusion of the task force's work, whichever is sooner. It appears this exploration will not occur.

V. RECOMMENDATION

Evergy believes that statutory changes are needed to properly address the change for net metering customers and would provide the more appropriate solution. A change of this nature would be best addressed jointly with the Commission and the electric utilities. To achieve this legislative change, Evergy or other interested party would need to bring forward the proposed language during an upcoming session.

The Missouri Legislative session runs from first week of January to mid-May. Bills can be introduced until March 1. To introduce a bill, a bill sponsor in the House or Senate must be identified. Once introduced the bill is referred to committee and receives a hearing where proponents and opponents can testify on the topic. If the bill is approved by the Committee, it will move to the full body for debate by the entire House or Senate. The bill will be exposed to amendment and changes and will cross chambers and go through the process again. If the bill is

⁸ Id.

approved by both the House and Senate, the bill will then head to the Governor for his decision on the issue. Bills approved by the Governor typically go into effect in August.