

Exhibit No. 101

Staff – Exhibit 101
Testimony of Sarah L.K. Lange
Rebuttal
File No. ET-2024-0182

Exhibit No.:

*Issue(s): Billing Provisions for SSP
Customers*

Witness: Sarah L.K. Lange

Sponsoring Party: MoPSC Staff

Type of Exhibit: Rebuttal Testimony

Case No.: ET-2024-0182

Date Testimony Prepared: March 12, 2024

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRIAL ANALYSIS DIVISION

TARIFF/RATE DESIGN DEPARTMENT

REBUTTAL TESTIMONY

OF

SARAH L.K. LANGE

EVERGY METRO, INC. & EVERGY MISSOURI WEST, INC.

CASE NO. ET-2024-0182

*Jefferson City, Missouri
March 2024*

**** Denotes Confidential Information ****

**TABLE OF CONTENTS OF
REBUTTAL TESTIMONY OF
SARAH L.K. LANGE**

1
2
3
4
5
6
7
8
9
10
11

EXECUTIVE SUMMARY1

Evergy’s Continued Difficulties with Aquiring and Analyzing its Solar Generation Data2

Billing provisions for customers taking service on the default rate schedule, RPKA.....4

Billing provisions for customers on differentiated rate plans, RTOU, RTOU2 and RTOU3 ..5

Unreasonable Delay.....8

Response to Mr. Lutz concerning Service and Access Charges.....9

CONCLUSION9

2 REBUTTAL TESTIMONY

3 OF

4 SARAH L.K. LANGE

5 Q. Are you the same Sarah L.K. Lange who filed direct testimony in this matter?

6 A. Yes.

7 **EXECUTIVE SUMMARY**

8 Q. What is the purpose of your direct testimony?

9 A. I respond to the direct testimony of Bradley D. Lutz filed on February 20, 2023,
10 on behalf of Evergy Missouri Metro and Evergy Missouri West concerning the billing
11 provisions of the Solar Subscription Rider (Program) (“SSP”) tariffs of each utility,
12 as submitted in JE-2024-0081 and JE-2024-0082, respectively on December 1, 2023,
13 and describe Staff’s concerns with Evergy’s proposed tariff language.

14 Q. Could you summarize Staff’s concerns with the tariffs Evergy submitted on
15 December 1, 2023, and its response to Mr. Lutz’s direct testimony filed February 20, 2024?

16 A. In both its proposed tariff and Mr. Lutz’s direct testimony, Evergy has proposed
17 reliance on the percentages of generation applicable to time-based billing periods.
18 However, Evergy has had apparent difficulties with obtaining and analyzing the generation
19 output of Evergy’s solar generation facilities.

20 Evergy’s proposed language to define the billing procedures for SSP participants taking
21 service under the default rate schedule, RPKA, is unreasonable in that it fails to reasonably
22 compensate participants for the timing of energy generated relative to the rates applicable to
23 the energy consumed.

1 Evergy’s proposed language to define the billing procedures for SSP participants taking
2 service on more differentiated time-based rates is unclear and unreasonable, and includes an
3 unreasonable delay in implementation.

4 Staff expert Cedric Cunigan, PE, addresses proposed tariff changes to program
5 expansion terms, participation terms, and the solar block cost.

6 I also address Evergy’s difficulties with providing and analyzing the generation output
7 of Evergy’s solar generation facilities.

8 Q. What is your recommendation concerning the tariff submissions?

9 A. I recommend the Commission direct Evergy to file substitute tariffs in the form
10 provided as Schedule SLKL-d2 to my direct testimony.

11 **EVERGY’S CONTINUED DIFFICULTIES WITH ACQUIRING AND ANALYZING ITS**
12 **SOLAR GENERATION DATA**

13 Q. In your direct testimony, you noted an apparent error in the generation data
14 Evergy provided for its Greenwood Solar facility. Has Evergy resolved this error?

15 A. Mr. Lutz’s direct testimony filed February 20, 2024 acknowledged the timing
16 shift in the reported generation data that I noted in my direct testimony,¹ agreeing that the
17 percentages proposed in the December 1, 2023 tariff submissions were inappropriate.

18 Q. Did Evergy propose different percentages in its direct testimony?

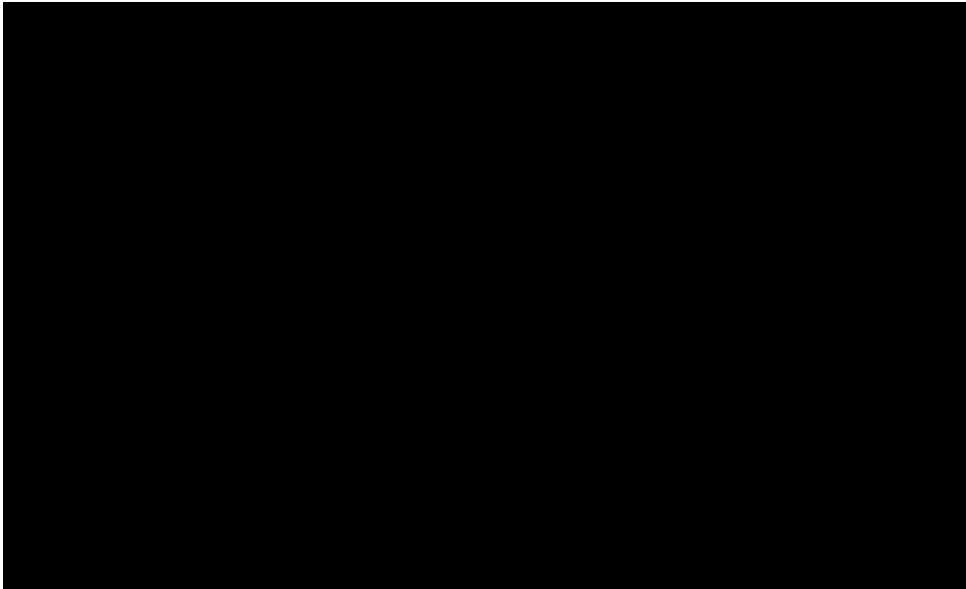
19 A. Evergy did propose new percentages in its direct testimony; however, it relied
20 on the output of the Hawthorn solar facility rather than the corrected Greenwood data.

21 Q. Are the percentages Evergy proposed in its direct testimony reasonable?

¹ Staff alerted Mr. Lutz to this error by email on January 24, 2024. Staff received Mr. Lutz’s workpaper for the December 1, 2023 tariff, which contained the error on January 18, 2024.

1 A. No. The generation data Evergy provided for the Hawthorn solar facility is
2 facially inaccurate and unreasonable. The generation profile Evergy appears to have relied on
3 in developing the percentages provided in Mr. Lutz’s direct testimony (as provided by Evergy
4 as a supplemental response to DR 3.1 on February 20, 2024,) is summarized below:

**



**

5 Based on Staff’s review, it appears Mr. Lutz relied upon the running total generation,
6 not the incremental hourly generation, in deriving his percentages. Also, Mr. Lutz relied on
7 insufficient data in that many hours of data are missing or blank. Finally, Mr. Lutz’s direct
8 percentages calculations also repeat the error noted in the tariff percentages in that the
9 calculations fail to address the one-month lag in application of generation to participant bills.

11 Based on this information, the percentages provided by Brad Lutz in his direct testimony
12 are also unreliable.

13 Q. What do you mean by running total generation and incremental hourly
14 generation?

15 A. Evergy’s Hawthorn production data is presented as the meter reads at the end of
16 each applicable hour. For example, if five kWh were generated each hour, the rows of data

1 would read 5, 10 15, 20, 25, etc. The percentages Mr. Lutz provides in his direct testimony are
2 calculated from the running total generation amounts (5, 10, 15, 20, 25, in the example),
3 instead of the incremental hourly generation (5, 5, 5, 5, 5, in the example).

4 Q. How much of the data relied upon by Mr. Lutz was missing or blank?

5 A. The Hawthorn generation data Mr. Lutz relied on included around 655 lines of
6 missing data. The missing data comprises about 7.5% of a year of data (8,765 lines).

7 Q. What percentages should be used in the compliance tariffs in this matter?

8 A. Staff recommends relying on the percentages provided in Staff's direct
9 testimony and the Staff Specimen tariff attached to my direct testimony as SLKL-d2.
10 These percentages can be adjusted in the future when reliable generation data is available for
11 analysis.

12 **BILLING PROVISIONS FOR CUSTOMERS TAKING SERVICE ON THE DEFAULT**
13 **RATE SCHEDULE, RPKA**

14 Q. How would SSP customers who take service under the default rate schedule,
15 RPKA, be billed for SSP service under the Evergy tariff submitted on December 1, 2023?²

16 A. Those customers would be billed the same way they are currently billed by
17 Evergy without tariff authority. That means that Evergy's tariff would continue to fail to refund
18 the customers' payment of the on-peak charge of 1 cent per kWh for some portion of the
19 customers' share of the solar resource energy production.³ It is Staff's position that this does
20 not accord with Section 393.130, RSMo's "just and reasonable" rate mandate.

² The December tariff was not modified by the February filing of Direct testimony, other than revisions to the percentages discussed by Mr. Lutz.

³ Because the amount of energy generated between midnight and 6 am is essentially 0% of usage, it is not necessary to similarly off-set the off-peak credit.

1 Q. Is the approach provided in Staff's Specimen tariff (attached as Schedule
2 SLKL-d2 to your direct testimony) the only reasonable way of addressing the treatment of the
3 time-based charges and credits under the RPKA rate schedules when billing SSP customers?

4 A. No. Many reasonable approaches could be taken. But the approach in Evergy's
5 December 1, 2023, tariff submittals is not reasonable. Staff notes that Evergy has been billing
6 customers in this manner for months, and will presumably continue to do so until a tariff is
7 promulgated with different treatment.

8 **BILLING PROVISIONS FOR CUSTOMERS ON DIFFERENTIATED RATE PLANS,**
9 **RTOU, RTOU2 AND RTOU3**

10 Q. How does Evergy propose customers who take service under more differentiated
11 rate schedules, be billed for SSP service in the tariff Evergy tariff submitted on
12 December 1, 2023?

13 A. Evergy proposes that

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

24 Q. What does this language mean for these customers?

25 A. The actual billing procedure proposed with this language are unclear and
26 problematic.⁴

⁴ The percentages included in this language are unreasonable, as discussed in my direct testimony.

1 First, the proposed SSP tariff language refers to “peak,” and “non-peak” rate
2 components, however:

- 3 1. During non-summer billing months the RTOU-2 tariff does not have a “peak,”
4 component, it has “off peak” and “super-off peak” components for those 8 months.
5 The tariff language would result in the percentage of the facility’s output associated
6 with “peak” being forfeited by the participants for eight months of the year.
- 7 2. During all billing months the RTOU, and RTOU-3 rate plans have three rate
8 components, two of which are “non-peak,” in that they are “off-peak” and “super
9 off-peak.” The proposed tariff billing provisions provide no explanation of how the
10 offsets to usage are to be prorated between these “off-peak,” time periods.

11 Second, the tariff language generally results in unreasonable outcomes. Below I provide
12 an illustration of the apparent calculation for a customer on RTOU or R-TOU-3 in which I use
13 an illustrative percentage of 25% for on-peak generation:

	Customer Usage	Customer Share of Generation	Usage to be billed under Time-Based Rates	Usage to be Billed under SSP
On-Peak	300	250	50	
Off-Peak	500	750	-	
Super Off-Peak	200		200	
Total	1,000	1,000	250	1,000

14
15 Q. This appears to demonstrate that under Evergy’s proposed treatment, customers
16 using 1,000 kWh, and subscribed for a facility share that generated 1,000 kWh, would be billed
17 for 1,250 kWh. Is that what this demonstrates?

18 A. Yes. Evergy’s approach does not consider how generated kWh allocated to one
19 time period may reasonably be used to offset usage (in whole or in part) in a different time
20 period, nor does Evergy’s approach recognize that the RTOU and RTOU3 rate schedules have
21 three time periods.

22 Q. Did Mr. Lutz’s direct testimony address the issues Staff identifies with regard to
23 treatment of customers on highly-differentiated time-based rates?

1 A. No. Mr. Lutz has not provided the Commission with testimony correcting or
2 addressing these issues.

3 Q. Is it Staff's position that SSP customers must have access to RTOU,⁵ RTOU2
4 and RTOU3?

5 A. No. This is a point for the Commission to give guidance on now. And that's
6 the problem here. It is Staff's position that the Commission should have an
7 opportunity—now--to decide what rates are available to customers, and that the utility's
8 inaction on this problem is a problem in itself. As noted in my direct testimony:

9 Q. Is it Staff's position that this approach strikes the perfect
10 balance between the interests of SSP participants and other customers,
11 customer understandability, and billing system capability?

12 A. Bluntly, Staff doesn't know. There are significant policy
13 implications to resolution of this issue, especially within the context of
14 an established tariff, with existing participants. Customers subscribed to
15 the SSP program prior to the transition of Evergy's residential rate
16 schedule to a time-based rate structure. Customers subscribed to the SSP
17 program prior to Evergy's expansion of time-based rate schedule
18 offerings. Those early subscribers may now wish to leave the program
19 unless advantageous price arbitrage provisions are incorporated to the
20 SSP billing procedures. Conversely, advantageous price arbitrage
21 provisions for SSP participants will necessarily erode revenues to some
22 degree, which could be more detrimental to non-participants than current
23 SSP participants unsubscribing.

24 Q. Does Staff have these same concerns for future SSP
25 participants, including those who may subscribe after an order is entered
26 in this case?

27 A. No. It may be reasonable to bill future SSP participants
28 in a manner that does not allow price arbitrage, as those billing
29 provisions would only be applicable to SSP participants going forward.

⁵Staff's specimen tariff did not include treatment for the RTOU rate schedule. This was inadvertent. However, because RTOU customers were previously excluded from participation in the SSP, the Commission could reach a different conclusion for treatment of RTOU customers than for customers taking service on more-differentiated rate schedules.

1 When the discussions Mr. Lutz notes in his direct testimony were occurring between
2 Staff and Evergy in January – June of 2023, Evergy was under an order to default all customers
3 to the RTOU2 rate plan except net metering customers, and Evergy was asserting privately to
4 Staff that it would not default SSP participants to the default rate. This utility action/inaction
5 is addressed in Count 3 of Staff’s Complaint against Evergy, EC-2024-0092.

6 Q. Is the treatment of customers contained in the Specimen Tariff appended to your
7 direct testimony as Schedule SLKL-d2 the only reasonable treatment of customers desiring to
8 take service on more-differentiated ToU rate schedules?

9 A. No. If the Commission can give guidance now and finds that alternative
10 treatment of these customers is appropriate to advance competing energy policies,
11 it should order Staff to prepare language for inclusion in a compliance tariff filing.
12 The Commission may also properly determine that it is appropriate that customers not be able
13 to participate in the SSP while taking service on more-differentiated ToU rate schedules.

14 **UNREASONABLE DELAY**

15 Q. Whatever the Commission decides for treatment of customers on more
16 highly-differentiated rate schedules, should it be implemented sooner, or later?

17 A. Sooner. Evergy’s proposed tariff requested nearly a year of delay in
18 implementation of billing procedures for customers on highly-differentiated rate schedules.
19 Evergy’s testimony describes months of delay as necessary for any billing system changes.
20 Evergy should be prepared to implement the Commission’s orders on a reasonable timeline.
21 A year’s delay is not reasonable.

1 **RESPONSE TO MR. LUTZ CONCERNING SERVICE AND ACCESS CHARGES**

2 Q. At page 11 Mr. Lutz interprets language from Staff's September 15, 2023
3 Memorandums in Case Nos. EO-2023-0423 and EO-2023-0424 concerning Tariff Tracking
4 Nos. YE-2023-0206 and YE-2023-0208 as a recommendation that the literal time of solar
5 generation in the prior month be used to determine usage offsets. Was this Staff's
6 recommendation in September of 2023, and is this Staff's recommendation now?

7 A. That was not Staff's intent then and it is not Staff's recommendation now.
8 The language in the September 15, 2023 filing is a simplified description of the treatment Staff
9 recommended in its direct testimony in this case. Attached as Schedule SLKL-r1 is the email
10 correspondence related to this matter prior to Evergy's filing of SSP tariff revisions,
11 on May 19, 2023, assigned Tracking Nos. YE-2023-0206 and YE-2023-0208, respectively,
12 associated with File Nos. ER-2022-0129 and ER-2022-0130.

13 Q. In that correspondence, Mr. Lutz appears concerned with billing complexity.
14 What is your response?

15 A. Staff does not lightly compound billing complexity, but programs such as the
16 SSP are inherently complex and, ultimately, the bench mark must be reasonable rates.
17 The SSP and similar programs consume significant amounts of Staff's time in and out of rate
18 cases, as one must necessarily project a fictitious regulatory treatment of a group of assets for
19 several decades, and then consistently reconcile this fiction back against reality, in both
20 instances based on incomplete information.

21 **CONCLUSION**

22 Q. Does this conclude your rebuttal testimony?

23 A. Yes, it does.

From: [Lange, Sarah](#)
To: [Brad Lutz](#); [Roger W Steiner](#); [Marisol Miller](#); [James Ferneau](#)
Cc: [Mers, Nicole](#); [Luebbert, J](#); [Eubanks, Claire](#)
Subject: RE: Treatment of Solar Subscription Participants under new Residential rates
Date: Wednesday, May 10, 2023 8:28:18 AM

Brad,

Staff is comfortable with a tariff change to provide that for subscription solar customers on the new Commission-ordered high-differential default rate schedule, a fixed value for each season will be used for the value of a kWh to be netted from the otherwise applicable Commission-ordered high differential bill. We are also comfortable with the more detailed approaches referenced in the underlying email. We do not see a logical extension of your interpretation of the net metered statute language to the subscription solar tariff.

We look forward to your prompt filing of an ET case to address this issue as described above, or to place the issue before the Commission for their resolution prior to the transfer of customers to the new Commission-ordered default rate schedule.

Sarah Lange

573 751-6726

From: Brad Lutz <brad.lutz@evergy.com>
Sent: Tuesday, May 9, 2023 10:03 AM
To: Lange, Sarah <sarah.lange@psc.mo.gov>; Luebbert, J <J.Luebbert@psc.mo.gov>; Eubanks, Claire <Claire.Eubanks@psc.mo.gov>
Cc: Mers, Nicole <Nicole.Mers@psc.mo.gov>; Roger W Steiner <roger.steiner@evergy.com>; Marisol Miller <marisol.miller@evergy.com>; James Ferneau <james.ferneau@evergy.com>
Subject: RE: Treatment of Solar Subscription Participants under new Residential rates

Internal Use Only

Good Morning All,

The Company proposes to apply the same language used in the Residential Peak Adjustment Service rate to clarify the Solar Subscription availability. Below is the edit and a redline example is attached.

AVAILABILITY

This Rider is available to any Customer currently receiving permanent electric service under the Company's retail rate schedules. Beginning October 1, 2023, and no later than December 1, 2023, with the date of transition based on billing cycle, and thereafter, Residential Customers must be receiving service under Residential Peak Adjustment Service, Schedule RPKA. Customers must complete the required Participant Agreement and have an account that is not delinquent or in default.

Participants will be enrolled on a first-come, first-served basis. Service under this Rider will be limited to the Solar Blocks available to the jurisdiction, as described in the Purpose section. Customers applying but not allowed into the Program due to Solar Block unavailability will be placed on a waiting list and incorporated into the Program in the order they are received. Should Solar Blocks become available due to construction of additional solar resources or subscription cancellations, Customers on the waiting list will be offered the opportunity to subscribe. Subscription hereunder is provided through one meter to one end-use Customer and may not be aggregated, redistributed, or resold.

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, and at the Company's sole discretion, all available solar resource capacity may be made available to all eligible Customers.

This Rider may not be combined with any other renewable energy program offered by the Company for the same Customer account.

In making the filing, the Company will explain how the Solar Subscription rider billing is similar to Net Metering billing. The Company will propose this approach based on consistency with the Order on Net Metering and a desire to avoid creating manually bills for these customers.

Please let us know if you have any feedback on this plan.

Also, we would like to exhaust our efforts to consider any Staff alternatives before filing. We appreciate the options offered earlier and our concerns are focused on the manual elements of intermediate translation of the monthly production data from the renewable resource into the TOU periods. Would you have interest in further discussion?

Thanks,

Brad

From: Brad Lutz

Sent: Wednesday, May 3, 2023 10:08 AM

To: Lange, Sarah <sarah.lange@psc.mo.gov>; Roger W Steiner <roger.steiner@evergy.com>; Marisol Miller <marisol.miller@evergy.com>; James Ferneau <james.ferneau@evergy.com>

Cc: Eubanks, Claire <Claire.Eubanks@psc.mo.gov>; Mers, Nicole <Nicole.Mers@psc.mo.gov>; Luebbert, J <J.Luebbert@psc.mo.gov>

Subject: RE: Treatment of Solar Subscription Participants under new Residential rates

Thank you.

We will prepare the draft and reconnect in a couple of days. I would like to explore Staff's thoughts further and address what we may prior to filing.

Brad

From: Lange, Sarah <sarah.lange@psc.mo.gov>
Sent: Wednesday, May 3, 2023 10:01 AM
To: Brad Lutz <brad.lutz@evergy.com>; Roger W Steiner <roger.steiner@evergy.com>; Marisol Miller <marisol.miller@evergy.com>; James Ferneau <james.ferneau@evergy.com>
Cc: Eubanks, Claire <Claire.Eubanks@psc.mo.gov>; Mers, Nicole <Nicole.Mers@psc.mo.gov>; Luebbert, J <J.Luebbert@psc.mo.gov>
Subject: RE: Treatment of Solar Subscription Participants under new Residential rates

****WARNING: This email originated from an external source outside of Evergy. Think before you click on links or attachments!****

I think that a company decision to restrict access to the solar tariff to customers on certain rate plans would require a change to the solar tariff. I also expect Staff will not support restriction of access to the solar tariff to customers on certain rate plans, and may suggest alternatives to the Commission, or may recommend that the Commission not make the contemplated changes to the solar tariff outside of a rate case.

I support the plan to prepare a draft tariff and proceed with an ET case.

Sarah Lange

573 751-6726

From: Brad Lutz <brad.lutz@evergy.com>
Sent: Wednesday, May 3, 2023 9:57 AM
To: Lange, Sarah <sarah.lange@psc.mo.gov>
Cc: Eubanks, Claire <Claire.Eubanks@psc.mo.gov>; Mers, Nicole <Nicole.Mers@psc.mo.gov>; Luebbert, J <J.Luebbert@psc.mo.gov>; Marisol Miller <marisol.miller@evergy.com>; James Ferneau <james.ferneau@evergy.com>; Roger W Steiner <roger.steiner@evergy.com>
Subject: RE: Treatment of Solar Subscription Participants under new Residential rates

Internal Use Only

Thank you. For my part a tariff filing would give us clear direction. However, I respect the opinion of Staff and J signaled some concern the Commission may not support a change and also questioned if any of the contemplated changes could be made outside of a rate case.

We will prepare a redline and share with this group and then we may determine if a filing is the proper next step. Do you support this plan?

Brad

From: Lange, Sarah <sarah.lange@psc.mo.gov>

Sent: Wednesday, May 3, 2023 9:35 AM

To: Brad Lutz <brad.lutz@evergy.com>

Cc: Eubanks, Claire <Claire.Eubanks@psc.mo.gov>; Mers, Nicole <Nicole.Mers@psc.mo.gov>; Luebbert, J <J.Luebbert@psc.mo.gov>; Marisol Miller <marisol.miller@evergy.com>; James Ferneau <james.ferneau@evergy.com>

Subject: Re: Treatment of Solar Subscription Participants under new Residential rates

Internal Use Only

****WARNING:** This email originated from an external source outside of Evergy. Think before you click on links or attachments!**

Yes, just wanted to confirm that there was still the intent to get this before the Commission.

Thanks,

Sarah

Sarah Lange

573 751 6726

From: Brad Lutz <brad.lutz@evergy.com>

Sent: Wednesday, May 3, 2023 9:31:38 AM

To: Lange, Sarah <sarah.lange@psc.mo.gov>

Cc: Eubanks, Claire <Claire.Eubanks@psc.mo.gov>; Mers, Nicole <Nicole.Mers@psc.mo.gov>; Luebbert, J <J.Luebbert@psc.mo.gov>; Marisol Miller <marisol.miller@evergy.com>; James Ferneau <james.ferneau@evergy.com>

Subject: RE: Treatment of Solar Subscription Participants under new Residential rates

Internal Use Only

Good Morning Sarah,

To confirm, are you referring to a Solar Subscription tariff filing? If Staff agrees that is a reasonable next step, we could have something filed in the next week to ten days. I need to clear some internal reviews.

Brad

From: Lange, Sarah <sarah.lange@psc.mo.gov>

Sent: Wednesday, May 3, 2023 9:18 AM

To: Brad Lutz <brad.lutz@evergy.com>; Marisol Miller <marisol.miller@evergy.com>; James Ferneau

<james.ferneau@evergy.com>

Cc: Eubanks, Claire <Claire.Eubanks@psc.mo.gov>; Mers, Nicole <Nicole.Mers@psc.mo.gov>; Luebbert, J <J.Luebbert@psc.mo.gov>

Subject: RE: Treatment of Solar Subscription Participants under new Residential rates

****WARNING:** This email originated from an external source outside of Evergy. Think before you click on links or attachments!**

Thanks for your thoughts. Any ideas on when we should expect the ET case?

Sarah Lange

573 751-6726

From: Brad Lutz <brad.lutz@evergy.com>

Sent: Wednesday, May 3, 2023 8:19 AM

To: Luebbert, J <J.Luebbert@psc.mo.gov>

Cc: Eubanks, Claire <Claire.Eubanks@psc.mo.gov>; Marisol Miller <marisol.miller@evergy.com>; James Ferneau <james.ferneau@evergy.com>; Lange, Sarah <sarah.lange@psc.mo.gov>

Subject: RE: Treatment of Solar Subscription Participants under new Residential rates

Internal Use Only

Good Morning J,

Thank you for the reply. Our teams have not been able to come up with anything additional, particularly anything that does not result in a manual bill. All options require some form of intermediate translation of the monthly production data from the renewable resource into the TOU periods. The same issue occurs in varying degrees with the three alternatives suggested by Staff.

The only approach that seems suitable is to treat the Solar Subscription customers as if they are Net Metering customers. Limiting them to the Peak Adjustment rate allows everything to process consistent with the original Solar Subscription tariff language and avoid further manual intervention.

Brad

From: Luebbert, J <J.Luebbert@psc.mo.gov>

Sent: Wednesday, May 3, 2023 8:10 AM

To: Brad Lutz <brad.lutz@evergy.com>

Cc: Eubanks, Claire <Claire.Eubanks@psc.mo.gov>; Marisol Miller <marisol.miller@evergy.com>; James Ferneau <james.ferneau@evergy.com>; Lange, Sarah <sarah.lange@psc.mo.gov>

Subject: RE: Treatment of Solar Subscription Participants under new Residential rates

****WARNING:** This email originated from an external source outside of Evergy. Think before you click on links or attachments!**

Good morning Brad,

Has Evergy had an opportunity to explore alternatives from what you had originally proposed? If so, please provide them along with a description of the mechanics for consideration. You mentioned the "third option" specifically as a concern, but is there equal concern with the other alternatives mentioned?

Thanks,
J

From: Brad Lutz <brad.lutz@evergy.com>
Sent: Monday, May 01, 2023 8:01 AM
To: Luebbert, J <J.Luebbert@psc.mo.gov>
Cc: Eubanks, Claire <Claire.Eubanks@psc.mo.gov>; Marisol Miller <marisol.miller@evergy.com>; James Ferneau <james.ferneau@evergy.com>; Lange, Sarah <sarah.lange@psc.mo.gov>
Subject: RE: Treatment of Solar Subscription Participants under new Residential rates

Internal Use Only

Good Morning J,

May we reconnect on this open question? Can we offer any other feedback concerning these options?

If you would rather discuss, please let me know and I will set up some time for us to get together.

Thank you,

Brad

From: Brad Lutz
Sent: Sunday, March 5, 2023 9:35 PM
To: Luebbert, J <J.Luebbert@psc.mo.gov>; Lange, Sarah <sarah.lange@psc.mo.gov>
Cc: Eubanks, Claire <Claire.Eubanks@psc.mo.gov>; Marisol Miller <marisol.miller@evergy.com>; James Ferneau <james.ferneau@evergy.com>
Subject: RE: Treatment of Solar Subscription Participants under new Residential rates

Good Evening J,

Thank you for the reply and the suggestions of alternatives. I took an opportunity to speak with our

Billing and IT subject matter experts and have some feedback to offer. Your response provided a range of suggestions,

1. a fixed value for each season for the value of a kWh to be netted from the otherwise applicable high-diff TOU bill
2. using the actual solar generation at the facility for a given month to come up with a TOU value to net against the otherwise applicable high-diff TOU bill.
3. use the average solar shape and the TOU time periods to come up with a value to net for each month to set out in the subscriber solar rate sheet.

The common reaction to this range of options is concern about the introduction of a number of new variables into the billing process, all that will need to be defined manually. As you likely expected by offering a range of options, the number and complexity of variables will vary. To improve the efficiency of this response, I will focus on option #3 that was suggested as the intermediate option.

Under option #3, we estimate that 96 new variables will need to be calculated each year to execute this approach. There are three residential TOU rates (I am combining the High-Diff and the Separate Meter as the rate is identical), so a value is needed for each of the eight TOU periods, for each month. Each of these values would need to be manually incorporated into the billing process.

We understand that the Solar Subscription program is more flexible because it is not directly linked to the net metering statute, but we have concerns that efforts to exercise this flexibility might create higher risks for billing error. Since it is unlikely the Commission considered the Solar Subscription program in issuing their order and their support for delaying billing of net metering under TOU, we have reservations about taking manual steps to execute billing. To ensure our approach has the support of the Commission, we could introduce a tariff filing and propose a solution. Then the parties can offer support or alternatives and the Commission can make a ruling that aligns with their intent.

Please let me know if you would like to discuss further or have come up with another approach to consider.

Brad

From: Luebbert, J <J.Luebbert@psc.mo.gov>

Sent: Thursday, February 23, 2023 2:10 PM

To: Brad Lutz <brad.lutz@evergy.com>; Lange, Sarah <sarah.lange@psc.mo.gov>

Cc: Eubanks, Claire <Claire.Eubanks@psc.mo.gov>; Marisol Miller <marisol.miller@evergy.com>; James Ferneau <james.ferneau@evergy.com>

Subject: RE: Treatment of Solar Subscription Participants under new Residential rates

****WARNING: This email originated from an external source outside of Evergy. Think before you click on links or attachments!****

Brad, thanks for the time to mull this over. We don't see the Commission agreeing with this as a tariff change. Since there is more flexibility here than there may be with net metering customers, I think there are some options to explore. From something as simple/imprecise as using a fixed value for each season for the value of a kWh to be netted from the otherwise applicable high-diff ToU bill, to potential something as complex/precise as using the actual solar generation at the facility for a given month to come up with a ToU value to net against the otherwise applicable high-diff ToU bill. An option in between may be to use the average solar shape and the ToU time periods to come up with a value to net for each month to set out in the subscriber solar rate sheet. Note, Staff is still

evaluating whether any of the contemplated changes could be made outside of a rate case.

Thanks,
J

From: Brad Lutz <brad.lutz@evergy.com>
Sent: Tuesday, February 14, 2023 8:28 AM
To: Lange, Sarah <sarah.lange@psc.mo.gov>; Luebbert, J <J.Luebbert@psc.mo.gov>
Cc: Eubanks, Claire <Claire.Eubanks@psc.mo.gov>; Marisol Miller <marisol.miller@evergy.com>; James Ferneau <james.ferneau@evergy.com>
Subject: RE: Treatment of Solar Subscription Participants under new Residential rates

Internal Use Only

Good Morning J and Sarah,

Do you have any feedback concerning this communication? Please let me know if you need anything from us.

Brad

From: Brad Lutz
Sent: Tuesday, February 7, 2023 10:42 AM
To: Lange, Sarah <sarah.lange@psc.mo.gov>; Marisol Miller <marisol.miller@evergy.com>; James Ferneau <james.ferneau@evergy.com>
Cc: Luebbert, J <J.Luebbert@psc.mo.gov>; Eubanks, Claire <Claire.Eubanks@psc.mo.gov>
Subject: RE: Treatment of Solar Subscription Participants under new Residential rates

Thank you for the response. Please let me know if you need anything more from our side to inform the discussion.

Brad

From: Lange, Sarah <sarah.lange@psc.mo.gov>
Sent: Tuesday, February 7, 2023 10:39 AM
To: Brad Lutz <brad.lutz@evergy.com>; Marisol Miller <marisol.miller@evergy.com>; James Ferneau <james.ferneau@evergy.com>
Cc: Luebbert, J <J.Luebbert@psc.mo.gov>; Eubanks, Claire <Claire.Eubanks@psc.mo.gov>
Subject: RE: Treatment of Solar Subscription Participants under new Residential rates

****WARNING:** This email originated from an external source outside of Evergy. Think before you click on links or attachments!**

Case No. ET-2024-0182
Schedule SLKL-r1
Page 8 of 10

We have been discussing more broadly within Staff, and do not have a response at this time.

Sarah Lange

573 751-6726

From: Brad Lutz <brad.lutz@evergy.com>
Sent: Tuesday, February 7, 2023 7:53 AM
To: Luebbert, J <J.Luebbert@psc.mo.gov>; Lange, Sarah <sarah.lange@psc.mo.gov>
Cc: Marisol Miller <marisol.miller@evergy.com>; James Ferneau <james.ferneau@evergy.com>
Subject: RE: Treatment of Solar Subscription Participants under new Residential rates

Internal Use Only

Good Morning J and Sarah,

Do you have any feedback concerning this communication? Would you have any concerns if we proceed with a tariff update for the solar Subscription programs?

Brad

From: Brad Lutz
Sent: Tuesday, January 31, 2023 9:14 AM
To: Luebbert, J (J.Luebbert@psc.mo.gov) <j.luebbert@psc.mo.gov>; Sarah Lange <sarah.lange@psc.mo.gov>
Cc: Marisol Miller <marisol.miller@evergy.com>; James Ferneau <james.ferneau@evergy.com>
Subject: Treatment of Solar Subscription Participants under new Residential rates

Good Morning J and Sarah,

As we continue to work through the rate implementations and bill system configurations, we have identified an issue related to our TOU – net metering situation. Similar to the need to have net metering customers on the Low Differential rate (Peak Adjustment rate), we have discovered an incompatibility with the Solar Subscription Rider and propose the Subscribers be limited to the Low Differential rate.

Please note the billing provisions from the Solar Subscription Rider,

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.

As this mechanically requires a reduction of the "metered energy production by the Participant for the billing month" the best way to maintain this process is to rely on the Low Differential rate. If you are in agreement with this assessment, we are willing to prepare and file an edit to the Solar Subscription rider tariff to document this requirement in the Availability. In the future, as this TOU-net metering situation is addressed, we would expect to make synchronized edits to tariffs to manage these interactions.

Thank you,

Brad