

Exhibit No. 103

Staff – Exhibit 103
Testimony of Cedric E. Cunigan
Direct
File No. ET-2024-0182

Exhibit No.:
Issue: SSP Program Design
Witness: Cedric Cunigan, PE
Sponsoring Party: MoPSC Staff
Type of Exhibit: Direct Testimony
Case Nos.: ET-2024-0182
Date Testimony Prepared: February 20, 2024

MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

DIRECT TESTIMONY

OF

CEDRIC CUNIGAN, PE

**EVERGY METRO, INC. & EVERGY MISSOURI WEST, INC.
CASE NO. ET-2024-0182**

*Jefferson City, Missouri
February 2024*

TABLE OF CONTENTS OF

DIRECT TESTIMONY

OF

CEDRIC CUNIGAN, PE

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

CASE NO. ET-2024-0182

1
2
3
4
5
6
7
8
9
10
11

Executive Summary1

Program Pricing2

Subscription Level4

Risks of Loss of Participation5

1 Q. What is Staff's position on program pricing?

2 A. Staff recommends rejection of the pricing changes at this time. While the
3 proposed charge falls within the range Staff previously calculated, it is Staff's legal opinion
4 that rates must not be changed outside of a general rate case. This would also give time, to
5 educate any affected parties on the reasons for the change and provide a forum for all to
6 weigh in.

7 Q. What is Staff's position on subscription level changes?

8 A. Staff recommends rejection of this change from 50 percent to 100 percent for
9 non-residential customers. In the alternative, the tariff should state what happens to revenues
10 from excess generation beyond the subscriber's actual usage in a given month.

11 Q. What is Staff's recommendation regarding the risks to customers if participants
12 are not allowed to participate in RTOU rates and the SSP.?

13 A. Staff recommends customers be allowed to participate in the SSP and RTOU2
14 or RTOU3 rate plans. Staff also recommends that customers be held harmless in the event
15 that participation drops due to the inability to participate in the RTOU rate plans. This is
16 discussed below and in the Direct Testimony of Sarah Lange.

17 **Program Pricing**

18 Q. What changes were made to pricing in Evergy's proposed SSP tariff in
19 this case?

20 A. The solar block cost was changed from \$0.0884 per kWh to \$0.09131 per kWh.
21 The services and access charge remained the same at \$0.40 per kWh, as that rate cannot be
22 changed outside of a general rate case. The solar block subscription charge which is a

1 combination of the solar block cost and the services and access charge increased from \$0.1284
2 per kWh to \$0.13131 per kWh.

3 Q. Were the changes justified?

4 A. As stated earlier, the services and access charge cannot be changed outside of
5 a rate case and remains the same. The calculation of the solar block cost was shown in the
6 workpapers for Case Nos. EO-2023-0424 and EO-2023-0423. Staff took issue with some of
7 the assumptions in those cases including an adjustment for AFUDC that was not included in
8 previous calculations and the usage of a reduced net capacity factor. In addition, Eversource
9 began charging subscribers prior to the facility being deemed in-service. Staff's position on
10 those issues has not changed, however, in Case Nos. EO-2023-0423 and EO-2023-0424, Staff
11 outlined a high-low range of prices using the levelized cost of energy model with adjusted
12 assumptions. That range for the solar block subscription charge was \$0.130 to \$0.1323
13 per kWh. Eversource's current proposed rate is near the middle of that range.

14 Q. Did customers have any issues with bill increase?

15 A. Eversource provided a Frequently Asked Questions ("FAQ") on its website for the
16 solar subscription program which states, "Will my Solar Subscription charge be subjected to
17 additional increases in the future? The Solar Block Subscription Charge for the cost of the
18 resource will not increase, and may go down, if we install additional, cheaper assets."
19 A public comment in Case No. EO-2023-0424 referenced the following information also on
20 Eversource's website, "With the completion of construction for the Hawthorn Solar resource,
21 Eversource estimates the Solar Block Subscription Charge may be updated in the future
22 to \$0.14436 per kWh, which is comprised of the Solar Block cost of \$0.09311 and the
23 Service and Access charge of \$0.05125, pending approval by the Missouri Public Service

1 Commission. This potential change would account for the final construction costs of the
2 completed solar resource.” These two messages may have caused confusion in customers,
3 though Staff is only aware of the 1 comment at this point.¹

4 Q. What does Staff recommend regarding the price changes?

5 A. Staff recommends rejection of the rate changes at this time. It is Staff’s legal
6 opinion that rates must not be changed outside of a general rate case. This would also give
7 time, to educate any affected parties on the reasons for the change and provide a forum for all
8 to weigh in.

9 **Subscription Level**

10 Q. What is the proposed change to subscription levels?

11 A. The company has proposed to allow non-residential participants to subscribe
12 to blocks that are expected to generate up to 100 percent of their annual energy, while limiting
13 residential participants to 50 percent. The currently effective tariff limits all participants
14 to 50 percent.

15 Q. Is there an issue with this?

16 A. Potentially. The tariff was originally limited to 50 percent, to limit the chance
17 that a participant pays for more energy than they actually need to offset their usage. The tariff
18 does not have any provisions for rolling over credits month to month or providing a way for
19 participants to recover overages. Item 2 under monthly billing states, “Should the solar
20 resource energy production amount for a given month be larger than the participant’s metered

¹ Staff searched public comments filed in Case Nos. EO-2023-0423, EO-2023-0424, ET-2024-0182, EA-2022-0043, ER-2022-0130, and ER-2022-0129 as of February 5, 2024. Staff also reviewed the Response to Data Request 5 in Case No. EO-2023-0423 and EO-2023-0424, dated July 18, 2023, which stated the company hadn’t received any feedback on website/marketing materials.

1 energy consumption, the net energy will be zero for that month.” By allowing up
2 to 100 percent subscription level, the chance of solar resource energy production exceeding
3 metered energy consumption increases substantially. While the tariff states what happens to
4 excess solar generation on the customer’s bill, it does not state where additional revenues
5 would ultimately end up. There would be considerably more excess with a change
6 to 100 percent subscription levels that needs to be accounted for.

7 Q. What is Staff’s recommendation?

8 A. Staff recommends rejection of this change. In the alternative, the tariff should
9 state what happens to the excess revenues. The increase chance of excess solar generation at
10 subscriptions levels of 100% of expected annual energy raises an issue of what who benefits
11 from the excess generation. It isn’t the subscriber according to the current tariff, as they are
12 only credited up to their actual usage. The tariff should state who benefits from such excess
13 funds. The funds could be used to offset rate base for the benefit of all customers, but as the
14 proposed tariff stands, this is not the case. Staff recommends rejection of this tariff change
15 until a solution to the excess generation issue is determined and reflected in the tariff.

16 **Risks of Loss of Participation**

17 Q. What risks are there if SSP participation drops due to not being able to use
18 a RTOU rate?

19 A. There are risks that nonparticipating customers will begin paying for
20 unsubscribed portions of the resource. The stipulation and agreement in Case Nos. ER-2022-
21 0129 and ER-2022-0130 stated the following:

1 The cost associated with any unsubscribed portion of Program Resources will not be
2 included in the revenue requirement used to establish base rates if subscriptions cover
3 at least 50 percent of Program Resources. If subscriptions cover less than 50 percent
4 of Program Resources, then the cost associated with the unsubscribed portion
5 below 50 percent of Program Resources will be included in the revenue requirement
6 used to establish base rates.

7 Any subscription level below 50 percent puts non-participating customers on the hook
8 for this portion of the resource. The first 50 percent of the unsubscribed portion would be
9 born by the company. It is in everyone's best interest to keep the program fully subscribed.

10 Q. What does Staff recommend?

11 A. Staff witness Sarah Lange proposes changes in her testimony that allow
12 customers to participate in the SSP and RTOU2 or RTOU3 rate plans. She also recommends
13 a hold harmless provision to protect non-participants in the event that participation drops due
14 to the inability to participate in the RTOU rate plans.

15 Q. Does this conclude your testimony?

16 A. Yes.

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

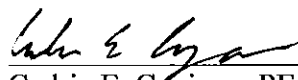
In the Matter of Evergy Metro, Inc. d/b/a)
Evergy Missouri Metro's and Evergy Missouri)
West, Inc. d/b/a Evergy Missouri West's)
Solar Subscription Rider Tariff Filings) File No. ET-2024-0182

AFFIDAVIT OF CEDRIC E. CUNIGAN, PE

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

COMES NOW Cedric E. Cunigan, PE, and on his oath states that he is of sound mind and lawful age; that hhe contributed to the foregoing Direct Testimony of Cedric E. Cunigan, PE; and that the same is true and correct according to his best knowledge and belief.

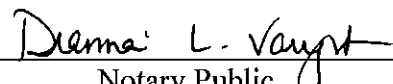
Further the Affiant sayeth not.



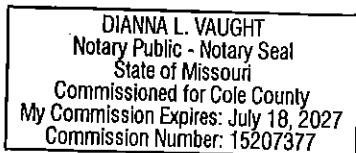
Cedric E. Cunigan, PE

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 20th day of February 2024.



Notary Public



Cedric E. Cunigan, PE

PRESENT POSITION:

I am a Senior Professional Engineer in the Engineering Analysis Department, Industry Analysis Division, of the Missouri Public Service Commission.

EDUCATIONAL BACKGROUND AND WORK EXPERIENCE:

In May 2011, I earned a Bachelor of Science in Biological Engineering from the University of Missouri, in Columbia. In May 2013, I earned a Master of Business Administration, also from the University of Missouri. I began work with the Missouri Department of Natural Resources Solid Waste Management Program in August 2013. I started as a Technician and was promoted to an Environmental Engineer I in January 2014. I transferred to the Hazardous Waste Program in September 2014. In January 2015, I was promoted to an Environmental Engineer II. I ended employment with the Department of Natural Resources in January of 2017 and began work with the Missouri Public Service Commission as a Utility Engineering Specialist III. I received my professional engineer’s license in October 2021. In November 2022, I was promoted to Senior Professional Engineer.

Summary of Case Involvement:

Case Number	Utility	Type	Issue
EO-2017-0267	Empire District Electric Company	Memorandum	RES Compliance Report and Plan
EO-2017-0270	KCP&L Greater Missouri Operations Company	Memorandum	RES Compliance Report
EO-2017-0272	KCP&L Greater Missouri Operations Company	Memorandum	RES Compliance Plan
EO-2018-0111	Macon Electric Cooperative & City of Marceline	Memorandum	Change of Supplier
EC-2018-0089	Union Electric Company d/b/a Ameren Missouri	Staff Report	Complaint Investigation
EO-2018-0285	Empire District Electric Company	Memorandum	RES Compliance Report and Plan

continued Cedric E. Cunigan, PE

Case Number	Utility	Type	Issue
EO-2018-0289	KCP&L Greater Missouri Operations Company	Memorandum	RES Compliance Report
EO-2018-0291	KCP&L Greater Missouri Operations Company	Memorandum	RES Compliance Plan
ER-2018-0145 & ER-2018-0146	KCPL & KCP&L Greater Missouri Operations Company	Cost of Service Report, Rebuttal, & Surrebuttal	Renewable Energy
WR-2018-0328	Middlefork Water Company	Depreciation Workpapers	Depreciation
EA-2018-0202	Union Electric Company d/b/a Ameren Missouri	Staff Report	Certificate of Convenience and Necessity Application Requirements
EC-2018-0376	Union Electric Company d/b/a Ameren Missouri	Staff Report	Complaint Investigation
EA-2019-0010 & EA-2019-0118	Union Electric Company d/b/a Ameren Missouri	Staff Report	Certificate of Convenience and Necessity Application Requirements
EA-2019-0021	Union Electric Company d/b/a Ameren Missouri	Staff Report	Certificate of Convenience and Necessity Application Requirements
EE-2019-0305	Empire District Electric Company	Memorandum	RES Compliance Report and Plan
EO-2019-0320	Union Electric Company d/b/a Ameren Missouri	Memorandum	RES Compliance Report and Plan
EO-2019-0371	Union Electric Company d/b/a Ameren Missouri	Staff Report	Certificate of Convenience and Necessity Application Requirements
EE-2020-0411	Union Electric Company d/b/a Ameren Missouri	Memorandum	RES Compliance Plan
ET-2020-0259	Empire District Electric Company	Memorandum	Renewable Energy Tariff
EO-2020-0323	Empire District Electric Company	Memorandum	RES Compliance Report and Plan
EO-2020-0328	Union Electric Company d/b/a Ameren Missouri	Memorandum	RES Compliance Report and Plan
EA-2020-0371	Union Electric Company d/b/a Ameren Missouri	Staff Report	Certificate of Convenience and Necessity Application Requirements

continued Cedric E. Cunigan, PE

Case Number	Utility	Type	Issue
WR-2020-0344	Missouri American Water Company	Cost of Service Report, Rebuttal, and Surrebuttal	Depreciation
SA-2021-0017	Missouri American Water Company	Staff Report	Depreciation
EO-2021-0032	Evergy	Staff Report	Solar Requirements 393.1665 RSMo
SA-2021-0120	Missouri American Water Company	Staff Report	Depreciation
EO-2021-0344	Empire District Electric Company	Memorandum	RES Compliance Report and Plan
EO-2021-0352	Union Electric Company d/b/a Ameren Missouri	Memorandum	RES Compliance Report and Plan
ER-2021-0240	Union Electric Company d/b/a Ameren Missouri	Cost of Service Report, Rebuttal, and Surrebuttal	Depreciation
ER-2021-0312	Empire District Electric Company	Cost of Service Report, Direct, Rebuttal, and Surrebuttal	Depreciation
SR-2021-0372	Mid MO Sanitation, LLC	Disposition Agreement	Depreciation
WA-2021-0391	Missouri American Water Company	Staff Report	Depreciation
ER-2022-0129	Evergy Metro, Inc.	Direct, Rebuttal, Surrebuttal	Renewable Energy Tariff
ER-2022-0130	Evergy Missouri West	Direct, Rebuttal, Surrebuttal	Depreciation, Renewable Energy Tariff
EA-2022-0245	Union Electric Company d/b/a Ameren Missouri	Rebuttal, Surrebuttal	Certificate of Convenience and Necessity Application Requirements
EO-2022-0282	Empire District Electric Company	Memorandum	RES Compliance Report and Plan
EO-2022-0283	Union Electric Company d/b/a Ameren Missouri	Memorandum	RES Compliance Report and Plan
WA-2022-0311	Missouri American Water Company	Memorandum	Depreciation
ER-2022-0337	Union Electric Company d/b/a Ameren Missouri	Direct, Rebuttal, Surrebuttal, True-up Direct	Depreciation and Continuing Property Record
EA-2023-0017	Grain Belt Express, LLC	Rebuttal	Environmental Compliance and Route Selection
GC-2023-0143	Spire Missouri, Inc.	Staff Report	Complaint
ET-2023-0251	Evergy Metro, Inc.	Memorandum	Cogeneration and Net Metering
ET-2023-0252	Evergy Missouri West, Inc.	Memorandum	Cogeneration and Net Metering

continued Cedric E. Cunigan, PE

Case Number	Utility	Type	Issue
EO-2023-0358	Liberty	Memorandum	RES Compliance Report and Plan
EO-2023-0359	Union Electric Company d/b/a Ameren Missouri	Memorandum	RES Compliance Report and Plan
EE-2023-0409	Union Electric Company d/b/a Ameren Missouri	Staff Recommendation	Variance from RES Requirement
EO-2023-0423 & EO-2023-0424	Evergy Metro, Inc. & Evergy Missouri West, Inc.	Memorandum	In-Service Criteria and Public Comments