

*Exhibit No.:*

*Issue: Evergy Missouri Demand  
Response- MEEIA 4*

*Witness: Jordan T. Hull*

*Sponsoring Party: MoPSC Staff*

*Type of Exhibit: Rebuttal Testimony*

*Case No.: EO-2023-0369 and  
EO-2023-0370*

*Date Testimony Prepared: July 9, 2024*

**MISSOURI PUBLIC SERVICE COMMISSION**

**INDUSTRY ANALYSIS DIVISION**

**ENERGY RESOURCES DEPARTMENT**

**REBUTTAL TESTIMONY**

**OF**

**JORDAN T. HULL**

**EVERGY METRO, INC. d/b/a**

**Evergy Missouri Metro**

**CASE NO. EO-2023-0369**

**EVERGY MISSOURI WEST, INC.**

**d/b/a Evergy Missouri West**

**CASE NO. EO-2023-0370**

*Jefferson City, Missouri*

*July 2024*

1 **REBUTTAL TESTIMONY**

2 **OF**

3 **JORDAN T. HULL**

4 **EVERGY METRO, INC.**  
5 **d/b/a Evergy Missouri Metro**  
6 **CASE NO. EO-2023-0369**

7 **EVERGY MISSOURI WEST, INC.**  
8 **d/b/a Evergy Missouri West**  
9 **CASE NO. EO-2023-0370**

10 Q. Please state your name and business address.

11 A. Jordan T. Hull, 200 Madison Street, Jefferson City, Missouri 65102.

12 Q. Are you the same Jordan T. Hull that filed direct testimony on May 24, 2024,  
13 in this case?

14 A. Yes, I am.

15 **EXECUTIVE SUMMARY**

16 Q. Please summarize your rebuttal testimony in this proceeding.

17 A. The purpose of my rebuttal testimony is to respond to Evergy Metro Inc.  
18 d/b/a Evergy Missouri Metro and Evergy Missouri West Inc. d/b/a Evergy Missouri West's  
19 (collectively "Company" or "Evergy") MEEIA Cycle 4 Application regarding the  
20 administrative costs vs. the total cost of the MEEIA programs. I also address Evergy 's decision  
21 to add an education component to the demand response programs.

22 **ADMINISTRATIVE COST**

23 Q. What has the MEEIA program administrative costs cap been in recent years ?

1           A.       According to the last two MEEIA Cycle 3 (EO-2019-0132) stipulation and  
2 agreements extending Cycle 3 into 2023 and 2024, the Company agreed to cap administrative  
3 cost as follows:

4           2023:<sup>1</sup> “Cost categories 2-5 collectively should not exceed more than 45% of the  
5 MEEIA Cycle 3 PY4 period cost expenditures (categories 1-5). For cost category 1 above,  
6 Staff’s definition of incentives will be used. For the purpose of calculating the percentage of  
7 non-incentive to incentive amounts, Research & Development dollars will be excluded from  
8 the calculation. This calculation will be confirmed in the annual EM&V process after the  
9 completion of PY4. If the Company does not meet the 45% threshold described above,  
10 an Earnings Opportunity penalty of 3% of the Total Cap identified on page 1 will be imposed,  
11 equating to \$870,960.”

12           2024: <sup>2</sup>“Eversys will manage program costs with a minimum of 65% of total costs  
13 (excluding Eversys labor portion of Administration; Evaluation, Measurement and Verification  
14 (“EM&V”) and Urban Heat Island (“UHI”)/ Research and Pilot (“R&P”) program costs) to be  
15 spent on customer incentives. An Earnings Opportunity (“EO”) penalty will be enforced if the  
16 minimum threshold is not achieved. As in PY4, customer incentives will continue to be defined  
17 as “program costs for direct and indirect incentive payments to encourage customer and/or retail  
18 partner participation in programs and the costs of measures, which are provided at no cost as a  
19 part of a program.”

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<sup>1</sup> EO-2019-0132, Non-Unanimous Stipulation and Agreement, Item 236, Pg. 3, Bullet 8

<sup>2</sup> EO-2019-0132, Unanimous Stipulation and Agreement, Item 296, Pg.3, Bullet 5

1 Therefore, administrative cost spend of 45% was allowed in 2023 and 35% was allowed  
2 in 2024 based upon these stipulation and agreements. Q: How much was spent on administrative  
3 costs for MEEIA 3?

4 A. The information in the following tables was taken from the EM&V reports  
5 provided by the Company:

Metro	2020	2021	2022	2023
Incentive cost :	\$4,961,568.95	\$4,786,070.70	\$6,543,721.52	\$6,871,645.66
Admin cost: <sup>3</sup>	\$7,164,387.91	\$7,733,986.71	\$7,793,428.48	\$5,223,266.51
Admin Percentage:	59%	62%	54%	43%
West	2020	2021	2022	2023
Incentive cost :	\$5,455,400.16	\$7,342,441.72	\$8,791,498.53	\$7,394,414.12
Admin cost: <sup>3</sup>	\$7,839,758.11	\$9,506,587.94	\$10,029,383.98	\$5,857,736.33
Admin Percentage:	59%	56%	53%	44%

6 Q. What is Evergy proposing be the administrative cap for its proposed  
7 MEEIA Cycle 4?

8 A. Staff is not aware of Evergy proposing to place an administrative cap on the  
9 programs for MEEIA Cycle 4.

10 Q. If the Commission approves a MEEIA Cycle 4, what is Staff recommending as  
11 a reasonable administrative cap for MEEIA 4 programs?

12 A. If the Commission approves a MEEIA Cycle 4, Staff would recommend that it  
13 should align with Missouri Division of Energy's (DE) programs as stated on page 35 of

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<sup>3</sup> Admin cost for residential, low income and demand response programs includes delivery, marketing, EM&V, and administration cost as this is how Evergy provided the information.

1 Geoff Marke's Rebuttal Testimony in case EO-2023-0136. Dr. Marke provides insight into  
2 DE's programs, explaining that no more than 20% of that funding can be used as administrative  
3 overhead. Staff agrees with Dr. Marke that 20% seems like a much more appropriate percentage  
4 to use for administration costs compared to 35% and 45% caps that Evergy has stipulated to in  
5 recent years, and the much higher administrative cost percentages Evergy previously reached.  
6 Staff believes if DE can administer its programs with 20% administrative costs, then the electric  
7 utilities should be able to do the same, if not better, as the utilities have experience in running  
8 these programs.

9 **EDUCATION COMPONENT - DEMAND RESPONSE**

10 Q. What is the education component that Evergy is wanting to add to its demand  
11 response program?

12 A. According to its filing:

13 The Demand Response Energy Education Program is designed to inform and educate  
14 customers on the value proposition of demand response as a resource. Education will emphasize  
15 the following areas:

16 • Distributed Energy Resources Training and Education will provide customers the  
17 opportunity to learn more about distributed energy resources within their homes, how these  
18 devices offer energy savings to their homes, and the potential to improve utilization of the  
19 electric grid.

20 • Market Actor Training and Outreach will be offered to increase trade allies' awareness  
21 of the advantages of demand response as a resource and the Company's incentive program for  
22 eligible customers in Evergy's service territory. Market influencers may include, but are not  
23 limited to: mechanical and controls contractors, architects and engineers, retail aggregators,

1 OEM manufacturers, and local distributors and contractors that sell the equipment and install  
2 the equipment in customer homes and facilities.

3 • Customer Education will be deployed to increase awareness of the benefits of demand  
4 response and tools available to help customers begin or continue their load flexibility journey.  
5 Through this educational communication, Evergy will speak to a variety of customer  
6 demographics with messaging and offerings that meet them where they are on their path to  
7 becoming more energy efficient. Additional customer education strategy and details can be  
8 found in Section 3.8.<sup>4</sup>

9 Q. Does Staff agree with Evergy's addition of the educational component to the  
10 demand response programs?

11 A. No. Staff is under the impression that this is what the implementer should  
12 already be doing with ratepayer dollars.

13 Q. Why does Staff not agree with the educational component to the demand  
14 response programs?

15 A. Staff believes that educating customers about the programs should already be  
16 part of what the third party implementer is providing. Staff believes Evergy should hire a  
17 competent enough third party implementer that provides education as part of its services,  
18 without having to spend additional ratepayer funds to educate ratepayers about what they are  
19 already paying for.

20 Q. How much ratepayer dollars is Evergy wanting to spend on education for  
21 demand response?

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<sup>4</sup> EO-2023-0369, Item 16-MEEIA Cycle 4 2025-2028 Filing, MEEIA Cycle 4 Report\_CONF 4-29-2024, Pg 26.

Rebuttal Testimony of  
Jordan T. Hull

1           A.     Evergy wants to spent \$400,000 over the 4 years on the Demand Response  
2 Education program in each jurisdiction (West and Metro) for a total of \$800,000 on educating  
3 its customers about the Demand Response programs that have been in place since 2013.

4           Q.     Does this conclude your rebuttal testimony?

5           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 Notice of Intent to ) Case No. EO-2023-0369  
File an Application for Authority to Establish )  
a Demand-Side Programs Investment )  
Mechanism )  
)  
)  
n the Matter of Evergy Missouri West, Inc. )  
d/b/a Evergy Missouri West's Notice of ) Case No. EO-2023-0370  
Intent to File an Application for Authority to )  
Establish a Demand-Side Programs )  
Investment Mechanism )

**AFFIDAVIT OF JORDAN T. HULL**

STATE OF MISSOURI )  
) ss.  
COUNTY OF COLE )

**COMES NOW JORDAN T. HULL** and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Rebuttal Testimony of Jordan T. Hull*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

  
\_\_\_\_\_  
**JORDAN T. HULL**

**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 3<sup>rd</sup> day of July 2024.

D. SUZIE MANKIN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: April 04, 2025  
Commission Number: 12412070

  
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Notary Public