

**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)
File an Application for Authority to) **File No. EO-2023-0369**
Establish a Demand-Side Programs)
Investment Mechanism)

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

STATEMENT OF POSITIONS OF RENEW MISSOURI

COMES NOW Renew Missouri Advocates d/b/a Renew Missouri (“Renew Missouri”) and offers the following Statement of Positions regarding Evergy Metro, Inc. d/b/a Evergy Missouri Metro and Evergy Missouri West, Inc. d/b/a Evergy Missouri West’s (collectively, “Evergy” or the “Company”) respective *Notices of Intent to File an Application for Authority to Establish a Demand-Side Programs Investment Mechanism* (“MEEIA Cycle 4 Application”).

Issue 1: Is Evergy’s proposed demand-side management portfolio plan expected to provide benefits to all customers in the customer class in which the programs are proposed, regardless of whether the programs are utilized by all customers as required by § 393.1075.4 RSMo.?

Renew Missouri Position: The record indicates the Company’s portfolio plan will deliver system-wide benefits to all Evergy customers.¹ While program participants are likely to experience benefits most directly (for example, through reduced bills, improved home comfort, and increased property value), all Evergy customers will enjoy benefits from the Company’s investment in energy efficiency as a least-cost resource.² In particular, Evergy’s continued investment in demand-

¹ See, e.g., Missouri Public Service Commission (“PSC”) Docket Nos. EO-2023-0369 and EO-2023-0370, Evergy Missouri Metro and Evergy Missouri West MEEIA Cycle 4 2025-2028 Filing Report, p. 6 (Apr. 29, 2024).

² See Missouri PSC Docket Nos. EO-2023-0369 and EO-2023-0370, Rebuttal Testimony of Emily Piontek, p. 12 (Jul. 9, 2024).

side management can reduce the utility’s revenue requirements through the avoided costs of energy, capacity, transmission and distribution, and ancillary services.³

Moreover, the Company’s program portfolio will create additional, harder-to-quantify non-energy benefits spread widely across the system.⁴ These non-energy benefits include 1) utility system benefits such as grid resiliency and risk reduction, 2) residential benefits such as community resiliency, energy burden reduction, and improved health safety and comfort, and 3) business sector benefits including improved workplace environments, increased employee productivity, and reduced operation and maintenance costs.⁵

Importantly, the Company’s analysis indicates its entire portfolio passes the Total Resource Cost (“TRC”) test.⁶ This is key to the issue articulated above, as the TRC test, in part, determines whether all customers in a customer class receive benefits from a program.⁷ Put simply, the TRC test compares the cost and benefits of a given program, and if the results are greater than one, then the program benefits are greater than the program costs.⁸ Renew Missouri does not dispute Evergy’s TRC analysis, and believes that these results reflect the multitude of benefits that energy efficiency programs have delivered and could continue to deliver in Missouri.

Sub-issue A: Are the avoided cost assumptions in Evergy’s MEEIA Cycle 4 Application reasonable estimations of ratepayer benefits of avoided energy and demand? If not, how should avoided costs be calculated?

Sub-issue B: Does Evergy’s Fuel Adjustment Clause (“FAC”) affect the distribution of potential benefits projected from its MEEIA Cycle 4 Application?

Sub-issue C: Does Evergy’s demand-side management portfolio plan value demand-side investments equal to traditional investments in supply and delivery infrastructure?

³ *Id.* (citing “Everyone Benefits: Practices and Recommendations for Utility System Benefits of Energy Efficiency,” American Council for an Energy Efficient Economy (“ACEEE”) (Jun. 2015)).

⁴ *Id.* at 18.

⁵ *Id.* (citing “Recognizing the Value of Energy Efficiency’s Multiple Benefits,” ACEEE (Dec. 2015)).

⁶ See Evergy MEEIA Report at 13; see also Piontek Rebuttal at 16-17.

⁷ Missouri PSC Docket Nos. EO-2023-0369 and EO-2023-0370, Direct Testimony of Kevin Gunn, p. 17 (Apr. 29, 2024).

⁸ *Id.*

Renew Missouri Position: Renew Missouri did not file testimony specifically addressing sub-issues A, B, and C above, but reserves the right to base a final position on the evidence presented at hearing.

Sub-issue D: Do the programs in the demand-side portfolio plan, and associated incremental energy and demand savings, demonstrate progress towards the goal of achieving all cost-effective demand-side savings?

Renew Missouri Position: Evergy’s comprehensive portfolio of programs and the associated incremental energy and demand savings demonstrate progress towards the goal of achieving all cost-effective demand-side savings. Renew Missouri encourages the Commission to approve all cost-effective programs, except as described below, which will build upon historical MEEIA program success over the past three cycles, deliver benefits to customers, and bolster Missouri’s position as a regional leader in energy efficiency.

Issue 2: Does Evergy’s Integrated Resource Plan (“IRP”) support MEEIA Cycle 4, as proposed in the Application?

Renew Missouri Position: Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

Issue 3: Does Evergy’s MEEIA Cycle 4 Application sufficiently address the interaction of the IRA and other market dynamics within MEEIA?

Renew Missouri Position: While Evergy’s MEEIA Cycle 4 Application fails to fully grasp the benefits of the interaction between IRA rebates and MEEIA program offerings, both Evergy and Renew Missouri acknowledge much remains to be done before Home Efficiency Rebates (“HOMES”) or Home Electrification and Appliance Rebates (“HEERA”) dollars reach Missouri customers.⁹ In fact, IRA funding is unlikely to be available to Missourians prior to 2026.¹⁰ Given

⁹ See Missouri PSC Docket Nos. EO-2023-0369 and EO-2023-0370, Rebuttal Testimony of Brian File, pp. 17-18 (Jul. 9, 2024); see also Piontek Rebuttal at 9.

¹⁰ *Id.*; *id.*

this reality, IRA funding currently cannot substitute for or in any way negate the need for Evergy’s MEEIA portfolio.

Even if IRA funding was available to Missouri customers today, these federal incentives were specifically designed to complement, not replace, utility programs. For example, Department of Energy (“DOE”) guidance specifically provides that these IRA rebates can be “stacked” with non-federal incentives,¹¹ as reiterated on the Missouri Department of Natural Resources website.¹² Renew Missouri supports this stacking where applicable, as combined rebates can serve overlapping markets and maximize positive consumer impact.¹³ Renew Missouri encourages the Commission to look to states further along in IRA funding implementation to determine best practices for stacking incentives that can be applied in Missouri.¹⁴

Renew Missouri understands that the potential for IRA rebates has raised stakeholder concerns surrounding proper attribution of savings.¹⁵ As discussed in the Surrebuttal Testimony of Emily Piontek, the Commission should evaluate this issue by looking to the attribution frameworks developed by the Northeast Energy Efficiency Partnerships (“NEEP”).¹⁶ NEEP’s attribution frameworks provide the Commission with multiple paths forward to determine the approach to attribution best suited to Missouri’s unique regulatory environment.¹⁷ As the federal rebate program is still in its very early stages in Missouri, now is the time for the Commission to coordinate attribution of energy savings with program interactions and to be forward-thinking in this additional infusion of energy efficiency dollars in our state.¹⁸

¹¹ Piontek Rebuttal at 6-7; Missouri PSC Docket Nos. EO-2023-0369 and EO-2023-0370, Surrebuttal Testimony of Emily Piontek, p. 3 (Aug. 20, 2024).

¹² File Rebuttal at 17-18.

¹³ Piontek Surrebuttal at 13.

¹⁴ *Id.* at 4-5.

¹⁵ *Id.* at 11.

¹⁶ *Id.* at 11-13.

¹⁷ *See id.*

¹⁸ *Id.* at 13.

Issue 4: Should there be a cap on administrative costs?

- i. *If yes, what should the cap be?*
- ii. *What is the definition of administrative costs that should be applied to MEEIA programs?*

Renew Missouri Position: Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

Issue 5: If the Commission determines that Evergy may implement a MEEIA Cycle 4, should the Commission authorize an Earnings Opportunity?

Sub-issue A: In valuing demand-side investments equal to supply-side investment as required by § 393.1075.3, RSMO.:

- i. *Who bears the risk of Evergy not achieving its projected energy and demand targets?*
- ii. *Is Evergy’s proposed EO appropriate?*

Sub-issue B: Are any of the proposals regarding the Earnings Opportunity ((1) Evergy’s proposal or (2) Dr. Marke’s proposal in Surrebuttal Testimony) consistent with § 393.1075.3(3), RSMo.’s requirement that any earnings opportunity be “associated with cost-effective measures and verifiable efficiency savings”?

- i. *If so, and if the Commission determines that Evergy may implement a MEEIA Cycle 4, which, if any, proposal should be used to calculate any earnings opportunity?*

Renew Missouri Position: Renew Missouri did not file testimony on this issue or the sub-issues identified above. However, Renew Missouri’s position is that the Commission should authorize an earnings opportunity if it determines that Evergy may implement a MEEIA Cycle 4. Providing a timely earnings opportunity is necessary to achieve the statutory goals of MEEIA and to incentivize investment in demand-side resources. Renew Missouri reserves the right to base its final position on specific sub-issues identified above on evidence presented at hearing.

Issue 6: If the Commission approves Evergy's MEEIA Cycle 4 Application, should the Commission approve Evergy's EM&V plans?

Sub-issue A: In addressing this question, should the results of the EM&V of Evergy's MEEIA Cycle 4 be applied on a prospective or retrospective basis?

Sub-issue B: Should EM&V consider:

- i. The rebound effect;*
- ii. Interactive effects;*
- iii. The principal/agent issue;*
- iv. The IRA;*
- v. Operational inefficiencies;*
- vi. Free ridership;*
- vii. Spillover;*
- viii. Time-based rates; and*
- ix. Any other issues.*

Sub-issue C: Should MEEIA programs continue to be evaluated by an independent, third party EM&V consultant with a Staff auditor; or should the EM&V be completed by a single independent, Commission-approved consultant with no utility oversight?

Sub-issue D: Should the TRM and deemed savings tables included in Evergy's MEEIA Cycle 4 Application be approved, approved with modifications, or rejected?

- i. To what extent should AMI metered data be used in the EM&V?*
- ii. To what extent should AMI metered data be used to recover TD?*
- iii. Prior to approval, should the Commission require Evergy to submit a TRM and deemed savings table with serviceable links and page-specific citations of the assumptions underlying the TRM and deemed savings table themselves?*
 - a. If not prior to approval, when must Evergy submit these items?*

Renew Missouri Position: Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

Issue 7: If Evergy’s MEEIA Cycle 4 Application is approved, should it include a Net Throughput Disincentive Mechanism as requested by Evergy, or a Net Variable Revenue Mechanism as proposed by Staff?

Sub-issue A: If a Net Throughput Disincentive Mechanism is authorized, what, if any, modifications are necessary for the residential and non-residential customer classes to address the changes in circumstances associated with the proliferation of time-based rates and the passage of the federal Inflation Reduction Act?

Sub-issue B: If a Net Throughput Disincentive Mechanism is authorized, is the proposed Technical Resource Manual and planned Evaluation, Measurement, and Verification reasonable for its administration?

Sub-issue C: Does § 386.266.3, RSMo., which authorizes Plant in Service Accounting (“PISA”), prohibit the Commission from authorizing a Net Throughput Disincentive?

Renew Missouri Position: Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

Issue 8: Should the Commission approve, approve with modifications, or reject Evergy’s proposed tariff programs?

Sub-issue A: In regards to programs specifically:

- i. Residential DSM
 - a. Whole Home Efficiency Program*
 - b. Home Demand Response Program*
 - c. Home Energy Education Program*
 - d. Moderate Income Single Family On-Bill Financing Program**
- ii. Hard-to-Reach
 - a. Hard-to-Reach Homes (EE)*
 - b. Hard-to-Reach Home Energy Education Program*
 - c. Hard-to-Reach Businesses Program**
- iii. Business DSM
 - a. Whole Business Efficiency Program (EE)*
 - b. Business Demand Response Program*
 - c. Business Energy Education Program**
- iv. Urban Heat Island Program*
- v. Research and Pilot*

Renew Missouri Position: Renew Missouri encourages the Commission to approve all non-income-eligible MEEIA Cycle 4 programs that pass the TRC test. In addition, the Commission should approve all income-eligible programs regardless of their cost-effectiveness, except for

Evergy’s proposed “Moderate Income Single Family On-Bill Financing Program,” as discussed below. However, if the Commission opts to reject the majority of Evergy’s proposed MEEIA Cycle 4 portfolio, Renew Missouri urges the Commission to, at a minimum, approve income-eligible programs and require Evergy to continue its Pay-As-You-Save® (“PAYS®”) program.

By allowing for approval of income-eligible efficiency programs regardless of cost-effectiveness, the Missouri Legislature indicated income-eligible programs should be evaluated through a different lens than traditional energy efficiency programs. This is because income-eligible energy efficiency programs create opportunities that would otherwise be inaccessible for income-eligible customers to immediately and permanently reduce their energy bills.¹⁹ Moreover, efficiency improvements specifically targeted towards income-eligible customers are a long-term solution to healthy, affordable housing.²⁰ Importantly, the utility’s role in administering these income-eligible programs in Missouri is irreplicable at this time.²¹ As such, these investments remain a good stewardship of ratepayer dollars, facilitate broader public policy goals,²² and therefore should be approved by the Commission.

In addition, Renew Missouri supports the Office of Public Counsel’s (“OPC”) position as set forth in the Rebuttal Testimony of Geoff Marke that the Commission require Evergy to continue its PAYS® program.²³ Further, Renew Missouri supports OPC’s proposal to develop a FastTrack HVAC PAYS® option.²⁴ Evergy’s PAYS® program provides distinct value to customers, unique from that of other efficiency programs, by drastically simplifying home efficiency improvements

¹⁹ See, e.g., Piontek Surrebuttal at 7-8

²⁰ *Id.*

²¹ *Id.*

²² *Id.*

²³ Missouri PSC Docket Nos. EO-2023-0369 and EO-2023-0370, Rebuttal Testimony of Geoff Marke, pp. 19-21, 27-30 (Jul. 9, 2024).

²⁴ See *id.* at 28-30.

for customers.²⁵ PAYS® is designed to provide customers with a comprehensive, streamlined process to understand their efficiency needs and accessibility to opportunities for implementation of the upgrades necessary to achieve their energy goals.²⁶ Perhaps most importantly, PAYS® removes the upfront cost of such upgrades, allowing customers to pursue efficiency measures that may otherwise be out of reach.²⁷ Renew Missouri supports efforts to build upon the significant progress made on PAYS® to date, and encourages the Commission to adopt program modifications that would address the specific challenges PAYS® has faced in Missouri.

Sub-issue B: If the Commission approves the demand-side management portfolio program plan, should the Commission adopt or modify the form of Evergy's DSM programs' exemplar tariff sheets which were attached as Appendices 8.6 and 8.7?

Renew Missouri Position: Renew Missouri did not file testimony on this issue, but reserves the right to base a final position on the evidence presented at hearing.

Issue 9: Should the Commission approve, approve with modifications, or reject an Alternative Plan for MEEIA Cycle 4?

Renew Missouri Position: Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

Respectfully submitted,

/s/ Alissa Greenwald
Alissa Greenwald, Mo. Bar No. 73727
KEYES & FOX LLP
1580 Lincoln St., Suite 1105
Denver, CO 80203
Telephone: (913) 302-5567
E-mail: agreenwald@keyesfox.com

Counsel to Renew Missouri

²⁵ Piontek Surrebuttal at 9.

²⁶ *Id.*

²⁷ *Id.*

Certificate of Service

I hereby certify that copies of the foregoing have been emailed to all counsel of record
this 27th day of August, 2024:

/s/ Alissa Greenwald