Exhibit No.:	
Issues:	Time-of-Use Rates for Distributed Generation Customers, TOU Customer Education, and Crossroads Energy Center
Witness:	Emily Piontek
Sponsoring Party:	Renew Missouri Advocates
Type of Exhibit:	Surrebuttal Testimony
Case Nos.:	ER-2024-0189
Date Testimony Prepared:	September 10, 2024

MISSOURI PUBLIC SERVICE COMMISSION

ER-2024-0189

SURREBUTTAL TESTIMONY

OF

EMILY PIONTEK

ON BEHALF OF

RENEW MISSOURI ADVOCATES

September 10, 2024

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I. INTRODUCTION

Q: Please state your name, title, and business address.

A: My name is Emily Piontek, Managing Director and Policy Coordinator of Renew Missouri, which is headquartered at 915 East Ash St., Columbia, MO, 65201.

Q: Are you the same Ms. Piontek who previously submitted testimony in Case No. ER-2024-0189?

A: I am she.

Q: What is the purpose of your surrebuttal testimony?

A: The purpose of my surrebuttal testimony is to respond to the rebuttal testimony of Evergy ("the Company") witness Mr. Bradley Lutz regarding (a) Time-of-Use ("TOU") rates and the Company's distributed generation ("DG") customers, and (b) the Company's new proposal to make additional TOU plans available to its DG customers. I also address DG customer education and TOU plans, aligning Renew Missouri's position with the rebuttal testimony of Office of Public Counsel ("OPC") witness Ms. Lisa Kremer. Finally, I address the cost-treatment of the Crossroads Energy Center, aligning Renew Missouri's position with that presented in rebuttal testimony of OPC witness Ms. Lena Mantle and Missouri Public Service Commission Staff ("Staff") witness Mr. Keith Majors.

Q: What is your recommendation on the issues you noted above?

A: Regarding TOU plans, I recommend the Missouri Public Service Commission ("the Commission") allow DG customers to enroll in <u>any</u> of the Company's residential TOU plans, including Schedules TOU, TOU-2, and TOU-3. Specifically, I recommend the Commission choose Renew Missouri's proposed approach, which best recognizes the true value of excess generation contributed by the DG customer during peak periods. I also urge the Commission to ensure Evergy's plan for DG customer education is more meaningful and more effective than the Company's previous TOU customer education efforts. Finally, regarding the Crossroads Energy Center, I recommend the Commission approve the cost recovery treatment proposed by Staff and OPC, as well as encourage Evergy to source power from non-carbon emitting resources within the Company's service territory – or at least that of the Southwest Power Pool ("SPP") – to protect ratepayers from contemporary market and regulatory risks associated with fossil-fuel generators.

II. <u>TIME-OF-USE & DISTRIBUTED GENERATION CUSTOMERS</u>

Q: How do you respond to the charge of Company witness Mr. Lutz that Renew Missouri's proposal "has the effect of overpaying Customer-Generators"?[1]

A: Renew Missouri rejects the suggestion excess generation contributed by a DG customer during peak periods is somehow worth only the avoided fuel cost during the same period over which the Company alleges – and the Commission-approved TOU rates affirm – the value of energy is at a premium. We believe that if the on-peak and off-peak energy charges are appropriately set in a rate case to compensate Evergy for the cost of supplying energy to customers during those periods, then it is equally appropriate to compensate DG customers for supplying that same energy during those periods <u>at the same value</u>. As I noted in rebuttal testimony and in response to a data request sought by the Company, retail rate compensation is employed by other utilities when utilizing TOU rates with DG customers.[2]

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[1] Missouri Public Service Commission ("PSC") Docket No. ER-2024-0189, Rebuttal Testimony of Mr. Bradley Lutz, p. 30:1-6 (Aug. 6, 2024).

[2] Missouri PSC Docket No. ER-2024-0189, Rebuttal Testimony of Ms. Emily Piontek, pp. 5-9 (Aug. 6, 2024) (describing the approaches taken by Dominion Energy Virginia and FirstEnergy Pennsylvania Electric Company. Pennsylvania law expressly requires "nondiscriminatory rates" for DG customers that are "identical" to rates of non-DG customers on the same service rate, whereas Virginia law mandates the public utility commission set a rate of

Q: Does Renew Missouri's proposal to compensate DG customers above the avoided fuel cost for excess generation comply with the statute, RSMo Section 386.390?

A: Although I am not a lawyer, upon consultation with counsel, I have interpreted the statute such that it does accommodate our proposal. In rebuttal testimony, Mr. Lutz claimed the statute "clearly states that the value of excess energy shall be the avoided fuel cost".[3] However, I would like to direct the Commission's attention to the phrase "at least" embedded within the statute that provides this leeway (emphasis added):

> *"(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 credited an amount* ***at least*** *equal to the avoided fuel cost of the excess kilowatt-hours generated during the billing period …"*[4]

I will leave further discussion over statutory compliance to counsel during briefing.

Q: By way of comparison, can you describe the Company's proposal?

A: Certainly. I am pleased to see the Company was able to conceive an avenue for inclusion of DG customers in all residential TOU plans – albeit under duress. Under the Company's approach, which follows a "period-netting structure," monthly production would be netted against monthly consumption occurring in the same peak, off-peak, or super off-peak period. Excess generation would be credited at the avoided fuel cost. Mr. Lutz suggests this approach "ensures alignment" between times of production and times of consumption, as well as "balances the interest" of DG and non-DG customers.[5]

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compensation for DG customers "for the total benefits such facilities provide". See 52 PA Code Section 75.13(j) and VA Code Section 56-594(E)).

[3] *Id*. at 29:17-21.

[4] § 386.290, RSMo.

[5] Lutz Rebuttal at 36:5-12.

Q: What is your analysis of the Company's proposal?

A: I would like to comment first on the overall approach to TOU and DG, and second on the proposed tariff language included by Mr. Lutz as Schedule BDL-1 to his rebuttal.[6] Regarding the Company's proposal, Renew Missouri is supportive of the period netting structure, which is essentially aligned with our proposed "On-Phase/Off-Phase" approach that similarly aligns periods of resource production with consumption. However, for the reasons I noted above, we do not believe the Company's proposal to compensate DG customers for excess generation during TOU periods at the avoided fuel cost adequately reflects the value of the DG customer's contribution to the system during peak.

Regarding the language of the proposed tariff, we believe Schedule BDL-1 (C) as written would confuse the Company's customers. However, please note that my suggested modification to Schedule BDL-1 should not be taken to mean Renew Missouri condones the Company's proposal to compensate DG customers only at the avoided fuel cost during a given TOU period, which we do not. Rather, my aim is to show how the proposed wording indirectly describes the proposed crediting method. I suggest a more direct description per my edits to that section below (additions in bold and underlined; strikethroughs my own):

> *"(C) If the electricity generated by the Customer-Generator exceeds the electricity supplied by the Company during a given TOU period, the Customer-Generator shall be credited ~~with the product of~~ **<u>for</u>** the excess kilowatt-hours generated during the TOU period **<u>at the avoided fuel cost</u>** ~~and the rate identified in Parallel Generation Contract Service tariff, Sheet 102.1~~ in the following billing period. ~~This rate is calculated from the Company's avoided fuel cost;"~~*[7]

[6] *Id*. at Schedule BDL-1.
[7] *Id*.

Modified thus, a single tariff sheet could provide the pertinent rate information to customers without a needlessly wordy explanation of the arrangement and without directing customers to locate another tariff in order to understand the rate.

Q: Of the proposals, which do you recommend the Commission approve?

A: Renew Missouri recommends the Commission choose our approach as it aligns periods of generation with consumption <u>and</u> recognizes the greater value of energy during peak periods by crediting excess generation at the retail rate. However, if the Commission is unwilling to order retail rate compensation in this case, then we would encourage modification to the net metering credit such that the value of energy contributed by DG customers during high-value periods more accurately reflects the true value of energy during those same periods than does the Company's proposed tariff. At minimum, as TOU is refined and improved and as pricing differentials are modified over time, the avoided fuel cost and the value of DG should be reconsidered in future rate cases.

III. <u>TOU EDUCATION & DG CUSTOMERS</u>

Q: Why is Renew Missouri concerned with customer education on TOU rates?

A: TOU rates are still a relatively new concept in the Evergy West service area and the Company has so far failed in its charge to educate Missouri customers on the benefits of TOU, as OPC witness Ms. Kremer discusses and with whom we agree.[8] In order for the benefits of the policy to be realized, we do not want to see Evergy make the same mistakes with DG customers whom, we hope, will be newly eligible for additional TOU plans pending the outcome of this rate case.

[8] Missouri PSC Docket No. ER-2024-0189, Rebuttal Testimony of Ms. Lisa Kremer, pp. 4-7 (Aug. 6, 2024).

Q: How should the Company approach TOU education for its DG customers?

A: I recommend Evergy "engage and educate" DG customers as the Commission directed the Company to do when TOU rates were initially being implemented.[9] Further, Evergy should do so in a "positive, constructive, and customer-focused" manner that does not dilute the benefits of TOU as Ms. Kremer noticed the Company doing in previous messaging on TOU.[10] Given that TOU rates have now been available for nearly a year, the Company must make additional effort to reach DG customers already enrolled in the Default Time Based Plan in order to encourage said customers to explore whether any of the other residential TOU plans are a better option, pending the outcome of this case. This can be done via targeted mailers, emails, bill notices, and/or other methods the Company uses to market programs to residential customers. Finally, as I noted above, the final tariff sheet should be written in such a way that the calculation of credits for excess generation is more straightforward than Mr. Lutz's wording in Schedule BDL-1.

IV. COST TREATMENT OF CROSSROADS ENERGY CENTER

Q: What do Staff and OPC recommend for the cost treatment of the Crossroads Energy Center ("Crossroads")?

A: OPC witness Ms. Mantle recommends that Evergy not be allowed to recover costs associated with Crossroads beyond those incurred if the plant had remained an asset through its useful life as well as the disallowance of recovery of transmission costs for power generated at Crossroads.[11] Staff witness Mr. Majors, who generally views the Company's investment in Crossroads as imprudent, recommends a review and reduction

[9] Missouri PSC Docket Nos. ER-2022-0129/0130, Report and Order, p. 94 (Dec. 6, 2022).
[10] Kremer Rebuttal at 6:1-8.
[11] Missouri PSC Docket No. ER-2024-0189, Rebuttal Testimony of Ms. Lena Mantle, pp. 1-3 (Aug. 6, 2024).

of the rate base investment for the facility as determined in previous rate cases (Case Nos. ER-2010-0355 and ER-2012-0175) as well as exclusion of all transmission costs for power generated at Crossroads.[12]

Q: What is Renew Missouri's recommendation?

A: We align ourselves again with Staff and OPC regarding the need for a review of the cost treatment of Crossroads and the need to shield the Company's ratepayers from footing the bill for anything but prudently incurred cots. We further recommend Evergy take the following approach when replacing the 300 MW that would be lost if the Company does not renew the Crossroads contract: invest only in resources located within their territory or at least within the territory of SPP to reduce transmission costs and other inefficiencies. We further urge the Company to invest heavily in non-carbon emitting resources to reduce the risk of ratepayer-funded investments becoming stranded assets due to the market and regulatory forces negatively impacting fossil-fuel generators.

Q: Does this conclude your testimony?

A: It does, thank you.

[12] Missouri PSC Docket No. ER-2024-0189, Rebuttal Testimony of Keith Majors, p. 4 (Aug. 6, 2024).

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Evergy Missouri West, Inc. d/b/a Evergy Missouri West's Request for Authority to Implement a General Rate Increase for Electric Service	))))	File No. ER-2024-0189

AFFIDAVIT OF EMILY PIONTEK

STATE OF MISSOURI)
) **ss**
COUNTY OF BOONE)

My name is Emily Piontek, and on my oath I declare that I am of sound mind and lawful age; that I prepared the foregoing Surrebuttal Testimony; and further, under penalty of perjury, that the same is true and correct to the best of my knowledge and belief.

/s/ Emily Piontek
Emily Piontek

Subscribed and sworn before me this 9th day of September, 2024.

Notary Public – James M. Owen

My commission expires: 8-16-2027

JAMES M. OWEN
Notary Public - Notary Seal
STATE OF MISSOURI
Boone County
My Commission Expires: August 16, 2027
Commission #15637358