

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

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

NON-UNANIMOUS STIPULATION AND AGREEMENT

COMES NOW, Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“EMM”), Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“EMW”), (collectively the “Company”), the Office of the Public Counsel (“OPC”), and Renew Missouri Advocates d/b/a Renew Missouri (“Renew Missouri”) (individually “Signatory” and collectively “Signatories”¹) and agree to a *Non- Unanimous Stipulation and Agreement* (“Agreement”) that resolves all pending issues in these dockets, as stated below.

STIPULATION AND AGREEMENT

The Signatories agree to the following terms as set forth below regarding the Company’s MEEIA cycle 4. The total program budget combined for both jurisdictions for items A-F below is \$69,408,990 (this budget spans the life of the programs, over a period of two and three years starting January 1, 2025), plus up to \$250,000 to support a statewide feasibility study as detailed in item H below. The Parties agree to support or not oppose all Commission rule variances needed for the Agreement and establishment of the programs listed below.

¹ The term “Parties” as used in this Stipulation includes those entities who do not object to the Agreement, listed in paragraph 9 below.

A. Income-Eligible Multi-Family and KC LILAC

1. Budget: \$5,500,000 (over 2-years)
Focus: Multi-Family and KC LILAC (including weatherization ready investments for DOE weatherization deferrals)
Earnings Opportunity: 15% return on incentive² spend
Other: Program amount capped
Throughput Disincentive (“TD”): Evergy Surrebuttal approach with NTG of 1

B. Modified³ PAYSTM (Residential Energy Efficiency (“EE”) Program)

2. Budget: \$7,100,000 (over 2-years)
Focus: Moderate income under a modified PAYSTM framework⁴
Earnings Opportunity: 15% return on incentive spend
Other: Program amount capped
TD: Track rate plans of participants, subject to EM&V billing, and process analysis per Paragraph G, NTG of 1

C. Business Demand Response

3. Budget: \$29,075,000 (over 3-years)
Focus: Curtailments
Earnings Opportunity: See Paragraph M below.
Other: No Advanced Demand Response; program amount capped, though potentially subject to increase by Commission order as specified in paragraph K.
TD & Rebasing: None

D. Residential Demand Response

4. Budget: \$17,869,000 (over 3-years)
Focus: Existing and new thermostats
Earnings Opportunity: See Paragraph M below
Other: No throughput disincentive; no pro-installation option; program amount capped, though potentially subject to increase by Commission order as specified in paragraph K
TD & Rebasing: None (Including residential thermostat program)

² Customer incentives are defined as “program costs for direct or indirect incentive payments to encourage customer and/or retail partner participation in programs and the cost of measures, which are provided at no cost as part of the program.”

³ Modifications to PAYSTM expected are: Option for FastTrack HVAC replacement offers for all residential customers, repayment terms expand up to 15 years when measures are installed that have at least a 15 year measure life, allowance for early tariff payoffs and include rate variability in project analysis.

⁴ PAYSTM framework includes standard 4-tier process for moderate income customers only.

E. Business EE (Non-Lighting Measures)

5. Budget: \$7,300,000 (over 2-years)
Focus: Business non-lighting measures
Earnings Opportunity: 15% return on incentive spend
Other: Program amount capped
TD: existing non-residential approach, NTG: 0.70

F. Urban Heat Island (“UHI”)

6. Budget: \$ 2,564,990 (3-year budget consistent with⁵ PY2024 extension Stipulation⁶)
Earnings Opportunity: 10% of spend with cap of \$256,500
TD & Rebasing: None

G. Evaluation, Measurement, and Verification (“EM&V”) Parameters

7. One EM&V Contractor
- Administered by the Staff (“Staff”) of the Missouri Public Service Commission (“Commission”)
 - Funded by ratepayers through the DSIM.
 - Budget-scaled down proportionally to reflect revised budget, expected to be around 3% of total annual budget.
 - Stipulation terms are only applicable to MEEIA Cycle 4 and parties will seek a variance from 20 CSR 4240-20.093(8) for the Cycle 4 EM&V
 - Parties agree to work together and make joint filing to Commission on proposed EM&V Scope of Work
 - Parties agree that Evergy’s costs incurred to submit Southwest Power Pool (“SPP”) Demand Response (“DR”) capacity accreditation for applicable program are provided for in the EM&V budget.
 - Parties agree that EM&V will include formal change request process for Parties to challenge results of EM&V process at the Commission
 - PAYS process evaluation along with AMI billing verification, for use in throughput disincentive true-up.

⁵ The Urban Heat Island budget specified here reflects the amount previously agreed to in the PY2024 Extension Stipulation.

⁶ The PY2024 Extension Stipulation is item number 296 in Commission Case Number EO-2019-0132, as filed in the Commission’s electronic filing information system (“EFIS”).

- Desktop audit of residential thermostats based upon AMI baseline and billing verification samples.
- Desktop audit of business DR based upon AMI baseline and billing verification samples for all participants and events.

H. Statewide MEEIA Feasibility Study and Collaborative Conditions

8. Feasibility Study and the opening of a non-contested workshop docket
 - Up to \$250,000⁷ will be made available for a 3rd party statewide feasibility study (“Feasibility Study”)
 - Parties agree to work together to get a Request For Proposal issued for the Feasibility Study by the end of 2024.
 - Results of the Feasibility Study will be filed in the non-contested workshop docket and a presentation of the findings will be made to the Commission at a future Agenda
 - Funding may be supplemented from other regulated utilities.
9. Statewide MEEIA Feasibility Study includes (but not limited to):
 - Literature review of statewide DSM programs:
 1. Governing structure
 2. Enabling legislative language
 3. Implementation policy and cost sharing
 4. Opportunities for bulk buying and scale economies
 5. Recommendations, timetable, and draft legislative language
10. Periodic Presentations to the Commission
 - Parties agree to present progress to date at a public Commission Agenda during the 4th quarter of 2024, 2025, and [if need be] 2026.
 - Nothing in this agreement precludes Parties from contesting the results or outcome of the Feasibility Study or recommending and/or evaluating other future energy efficiency programs or mechanisms in Missouri, besides the statewide program, in the uncontested workshop docket.

⁷ This amount is not part of the overall \$69M MEEIA 4 program budget referenced above and will be recovered from customers through the DSIM.

K. Budget Caps for Each Program

- All program budgets above are capped amounts and are non-fungible
- For sections C and D, if the Company determines that in order to achieve its target MW reduction additional amounts are needed, the Company can make a filing requesting such for consideration by the Commission. If the Company makes a filing pursuant to this paragraph, this Agreement does not limit any Party's ability to take any position on that filing.

L. Throughput Disincentive

- No kWh savings from thermostats installed as part of MEEIA cycle 4 will be included in the TD for recovery through Rider DSIM. No kWh reductions from MEEIA Cycle 4 thermostats will be included in any rate case annualization or DSIM rebasing adjustment.

M. Earnings Opportunity

1. At least 65% of the MW set out below for each jurisdiction and year must be met for award of any earnings opportunity for that year and that jurisdiction, as determined through the EM&V process.

Jurisdiction	2025	2026	2027
EMM	86.31	106.30	119.70
EMW	120.92	140.27	151.19

2. The EO for demand response is capped annually and by Evergy jurisdiction as indicated in the table below:

Jurisdiction	2025	2026	2027	Total
EMM	\$ 905,198	\$ 1,114,757	\$ 1,255,347	
EMW	\$ 1,268,128	\$ 1,471,043	\$ 1,585,528	
Total	\$ 2,173,326	\$ 2,585,799	\$ 2,840,875	\$7,600,000

The earnings opportunity rate for demand response is \$10,487.27 per MW of peak demand reduction, as determined through the EM&V process, subject to the caps indicated above.

N. TRM and Incentive Ranges

- a. Removal of measures that are not modeled in the remaining programs (including removal of tStat energy savings).
- b. Align incentive range schedule with available measures from TRM.

- c. Submit in dockets EO-2023-0369 and EO-2023-0370 the updated TRM, program budgets and incentive ranges with compliance tariffs.

O. Energy to File Tariffs

Tariff changes are necessary including, at minimum:

1. Description of the purpose of each program including the desired outcome of implementation,
2. Description of availability for each program,
3. Clear definitions of terms of each program,
4. Program level budget, by year.
7. Description of the methodology for recovery of program costs by customer class.

GENERAL PROVISIONS

1. This Agreement is being entered into solely for the purpose of settling the issues in these cases explicitly set forth above and represents a settlement on a mutually-agreeable outcome without resolution of specific issues of law or fact. Unless otherwise explicitly provided herein, none of the Signatories to this Agreement shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any cost of service methodology or determination, depreciation principle or method, method of cost determination or cost allocation or revenue-related methodology. Except as explicitly provided herein, none of the Signatories shall be prejudiced or bound in any manner by the terms of this Agreement in these or any other proceeding, regardless of whether this Agreement is approved.

2. This Agreement is a negotiated settlement. Except as specified herein, the Signatories to this Agreement shall not be prejudiced, bound by, or in any way affected by the terms of this Agreement: (a) in any future proceeding; (b) in any proceeding currently pending

under a separate docket; and/or (c) in these proceedings should the Commission decide not to approve this Agreement, or in any way condition its approval of same.

3. This Agreement has resulted from extensive negotiations among the Signatories, and the terms hereof are interdependent. If the Commission does not approve this Agreement unconditionally and without modification, then this Agreement shall be void and no Signatory shall be bound by any of the agreements or provisions hereof.

4. This Agreement embodies the entirety of the agreements between the Signatories in these cases on the issues addressed herein, and may be modified by the Signatories only by a written amendment executed by all of the Signatories.

5. If approved and adopted by the Commission, this Agreement shall constitute a binding agreement among the Signatories. The Signatories shall cooperate in defending the validity and enforceability of this Agreement and the operation of this Agreement according to its terms.

6. If the Commission does not approve this Agreement without condition or modification, and notwithstanding the provision herein that it shall become void, (1) neither this Agreement nor any matters associated with its consideration by the Commission shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with RSMo. §536.080 or Article V, Section 18 of the Missouri Constitution, and (2) the Signatories shall retain all procedural and due process rights as fully as though this Agreement had not been presented for approval, and any suggestions, memoranda, testimony, or exhibits that have been offered or received in support of this Agreement shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as

part of the administrative or evidentiary record before the Commission for any purpose whatsoever.

7. If the Commission accepts the specific terms of this Agreement without condition or modification, only as to the issues in these cases that are settled by this Agreement explicitly set forth above, the Signatories each waive their respective rights to present oral argument and written briefs pursuant to RSMo. §536.080.1, their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2, their respective rights to seek rehearing pursuant to §536.500, and their respective rights to judicial review pursuant to §386.510. These waivers apply only to a Commission order approving this Agreement without condition or modification issued in these proceedings and only to the issues that are resolved hereby. They do not apply to any matters raised in any prior or subsequent Commission proceeding nor any matters not explicitly addressed by this Agreement.

8. This Stipulation does not constitute a contract with the Commission and is not intended to impinge upon any Commission claim, right, or argument by virtue of the Stipulation's approval. Acceptance of this Stipulation by the Commission shall not be deemed as constituting an agreement on the part of the Commission to forego the use of any discovery, investigative or other power which the Commission presently has or as an acquiescence of any underlying issue. Thus, nothing in this Stipulation is intended to impinge or restrict in any manner the exercise by the Commission of any statutory right, including the right to access information, or any statutory obligation.

9. The following parties have indicated that they do not object to the Agreement:
- Midwest Energy Consumers Group (“MECG”)

WHEREFORE, the undersigned Signatories respectfully request the Commission to issue an order approving the Agreement subject to the specific terms and conditions contained therein.

Respectfully submitted,

/s/ Roger W. Steiner

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 27th day of September 2024.

/s/ Roger W. Steiner

**Attorney for Evergy Missouri Metro and Evergy
Missouri West**