

**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 ) **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 )

**STAFF RECOMMENDATION**

**COMES NOW** the Staff of the Missouri Public Service Commission (“Staff”), by and through the undersigned counsel, and for its *Staff Recommendation* respectfully states as follows:

1. Evergy Metro Inc., d/b/a Evergy Missouri Metro (“EMM”), Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“EMW”) (collectively, “Evergy”), the Office of the Public Counsel, and Renew Missouri Advocates d/b/a Renew Missouri filed a *Non-Unanimous Stipulation and Agreement* (“Agreement”) on September 27, 2024. Staff filed its response on October 4, 2024, indicating that Staff did not oppose the Agreement.

2. The Commission issued its *Order Directing Evergy to File Substitute Tariff Sheets and Setting Time for Responses* (“Order”) on October 8, 2024. The Order directed Evergy to file substitute tariff sheets reflecting the terms of the Agreement no later than October 15, 2024. The Order also directed Staff to file a recommendation regarding the substitute tariff sheets compliance with the Agreement no later than October 18, 2024. The deadline for Staff’s recommendation was subsequently extended through November 8, 2024.

3. Following discussions with Evergy and OPC, Staff concluded that the tariff sheets attached and incorporated as Attachments A (“Clean Copy”) and B (“Redline Copy”) to its *Staff Recommendation* complied with the Agreement. However, as noted in Staff’s direct case and the *Staff Response to Non-Unanimous Stipulation and Agreement*, the tariffs lacked the level of detail and specificity that Staff believes are necessary for a MEEIA portfolio. However, for the purposes of complying with the Agreement that Staff does not oppose, Attachments A and B accomplished that goal.

4. Staff also noted in its recommendation on November 8, 2024 that it had not verified the Net Margin Revenue values nor the load shape values included in the tariff sheets as support had not been provided. Staff recommended that the Commission order Evergy to provide the supporting documentation necessary to verify the accuracy of those calculated values as soon as possible. The Commission ultimately ordered Evergy to respond to these concerns no later than November 26, 2024.

5. Staff and Evergy discussed the Agreement language regarding the Technical Reference Manual (“TRM”) and incentive ranges.<sup>1</sup> The Agreement states that the updated TRM and incentive ranges will be submitted in these dockets with compliance tariffs.<sup>2</sup> Staff and Evergy agreed that Evergy would file the updated TRM and incentive ranges no later than December 1, 2024. Evergy filed the updated TRM, incentive ranges, and substitute tariff sheets on November 25, 2024.

6. Evergy and OPC filed a *Joint Response of Evergy and OPC to the Staff Recommendation and Joint Motion to Approve Substitute Tariffs* on November 26, 2024, stating that Evergy incorporated the edits from Staff’s Attachments A and B, as well as

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<sup>1</sup> *Non-Unanimous Stipulation and Agreement*, pg. 5, para. N.

<sup>2</sup> *Id.*, sub-paragraph c.

additional edits from OPC regarding the PAYS program.<sup>3</sup> Staff has no objection to the edits made regarding the PAYS program. The filing also noted that Evergy had provided Staff information on the Net Margin Revenue values and load shape values.

7. The Commission subsequently ordered Staff to file a recommendation regarding the substitute tariff sheets no later than December 6, 2024.

8. The information provided by Evergy answered the concerns Staff had with the Net Margin Revenue values, but Staff remains concerned about the load shape values. Evergy has not provided support sufficient to verify the accuracy of the load shapes to be included in the DSIM tariff sheets.

9. The load shapes included in Evergy's proposed tariff sheets will directly impact the monthly savings estimates used in the calculation of the Throughput Disincentive ("TD"). The TD is included in the calculation of the demand side investment mechanism ("DSIM") rate that will be recovered from all ratepayers that have not opted-out of the charge.

10. The load shapes provided for EMM and EMW are not consistent by program, month, and time period. For example, the percentage of energy savings attributed to the PAYS program-Off-Peak in the month of January for EMM is more than double the value included for the same program, time period, and month in the proposed EMW tariff sheet.

11. Staff and Evergy have been in discussions regarding this inconsistency. Staff has learned that the load shapes are the result of a completely remodeled set of MEEIA programs that occurred during and after settlement negotiations. The new models

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<sup>3</sup> *Joint Response of Evergy and OPC to the Staff Recommendation and Joint Motion to Approve Substitute Tariffs*, pg. 2, para. 5 and 6.

include an amount of information that is, or should be, roughly equivalent to the amount of information that Evergy provided with its workpapers for its initial application for MEEIA Cycle 4.

12. Staff has not received the full documentation supporting the assumptions utilized to develop the new load shapes and does not have the necessary resources to review such a vast amount of information in the time before Evergy's requested effective date of January 1, 2025. Furthermore, to Staff's knowledge, no party has had an opportunity to review, scrutinize, or provide the Commission with feedback on the accuracy or reasonableness of the assumptions contained therein.

13. The load shapes included in Evergy's tariff sheets are dependent on an assumed number of specific energy efficiency measure installations, per year, and by jurisdiction, among other variables that have not been reviewed. To Staff's knowledge, the load shapes included in Evergy's MEEIA Cycle 3 tariff sheets remained unchanged throughout the entirety of Cycle 3.

14. The Agreement was silent on the derivation of weighted load shapes for use in calculating the TD. However, if weighted load shapes are included in the Evergy tariffs, significant discovery and analysis will be necessary to attempt to validate the predictive weightings that Evergy has included in the tariffs. Staff does not recommend approval of the tariff sheets that include the load shapes as they directly impact the DSIM rate that Evergy ratepayers realize on their monthly bill, and the tariffs filed by Evergy on November 25, 2024 include load shapes which are facially unreasonable. However, the Agreement itself is silent on load shapes, and Staff cannot state that these tariffs do not comply with the Agreement.

15. Staff suggests that Evergy revise its tariffs to an approach consistent with that used in the Ameren Missouri MEEIA tariffs,<sup>4</sup> such that load shapes for end-use measures and classes are relied upon, but that the mix of measures is a monthly input to weight the load shape used for TD calculations.

16. To avoid a gap in MEEIA programs, Staff recommends that the Commission reject only the following tariff sheets which include load shapes:

EMM

P.S.C. MO. No. 7 Original Sheet No. 49.5

EMW

P.S.C. MO. No. 1 Original Sheet 138.25

17. Staff further recommends the Commission order Evergy to file revised versions of the tariff sheets listed above that include the following:

- a. References to end-use load shapes, by class, for only those programs and measures that are addressed in the Agreement, and
- b. Language similar to that found in the Ameren Missouri tariff which relies on actual measure installations for the DSIM calculation.

18. Due to the load shapes also having an impact on the TRM and Incentive Ranges, these materials all include measures which were not included in the Agreement. The Agreement states the following regarding the removal of measures from the TRM and incentive ranges:

- a. Removal of measures that are not modeled in the remaining programs (including removal of tStat energy savings);<sup>5</sup> and
- b. Align incentive range schedule with available measures from the TRM.<sup>6</sup>

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<sup>4</sup> Case No. EO-2023-0136, Tariff Revision (JE-2025-0081), EFIS Item 225.

<sup>5</sup> *Non-Unanimous Stipulation and Agreement*, pg. 5, para. N.a.

<sup>6</sup> *Id.*, para. N.b.

19. To avoid a gap in program availability, Staff suggests that the Commission order limited approval to only those measures in those programs which were contemplated by the Agreement. Staff has compiled a list of these measures by program in Staff's Appendix A (EMM) and Appendix B (EMW). Staff recommends that the Commission order Evergy to file an updated TRM, including class level end-use load shapes that will be referenced by the DSIM tariff sheets. These end-use load shapes could then be utilized to more accurately reflect the monthly energy savings values included in the calculation of throughput disincentive based upon actual energy efficiency measure installations as opposed to an assumed number of installations that is unlikely to be accurate.

**WHEREFORE** Staff respectfully submits this *Staff Recommendation* for the Commission's information and consideration, and to grant such other and further relief as the Commission considers just and reasonable under the circumstances.

Respectfully submitted,

**/s/ Travis J. Pringle**

**Travis J. Pringle**, MO Bar #71128  
Chief Deputy Counsel

**Tracy Johnson**, MO Bar #65991  
Senior Counsel

PO Box 360

Jefferson City, MO 65102

Telephone: 573-751-7500

[Travis.Pringle@psc.mo.gov](mailto:Travis.Pringle@psc.mo.gov)

**ATTORNEYS FOR THE STAFF OF  
THE MISSOURI PUBLIC SERVICE  
COMMISSION**

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all parties and/or counsel of record this 6th day of December 2024.

**/s/ Travis J. Pringle**