

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

In the Matter of a Determination of Special )  
Contemporary Resource Planning Issues to )  
be Addressed by Evergy Missouri Metro ) File No. EO-2023-0100  
in its Next Triennial Compliance )  
Filing or Next Annual Update Report )

In the Matter of a Determination of Special )  
Contemporary Resource Planning Issues to )  
be Addressed by Evergy Missouri West ) File No. EO-2023-0101  
in its Next Triennial Compliance )  
Filing or Next Annual Update Report )

**EVERGY MISSOURI WEST AND EVERGY MISSOURI METRO’S  
RESPONSE TO SUGGESTED SPECIAL CONTEMPORARY ISSUES**

Pursuant to Missouri Public Service Commission (“Commission”) Rule 20 CSR 4240-22.080(4)(B), Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy Missouri Metro”) and Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri West”) (collectively, “Evergy” or the “Company”)<sup>1</sup> hereby respectfully submits *its Response to the Lists of Special Contemporary Issues* suggested by the Missouri Public Service Commission (“Staff”), the Office of Public Counsel (“OPC”), the City of Kansas City (“the City”), New Energy Economics (“NEE”), Renew Missouri (“Renew MO”), and Sierra Club (“SC”). The suggestions by the parties for special contemporary issues are identical for both Evergy Missouri Metro and Evergy Missouri West; therefore, the Company hereby submits one response for both special contemporary issue dockets.

**I. INTRODUCTION**

In Rule 20 CSR 4240-22.080(4)(A) parties to the Integrated Resource Plan (“IRP”) process may file a list of suggested special contemporary issues.

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<sup>1</sup> Effective October 7, 2019, Evergy Metro Inc. d/b/a Evergy Missouri Metro adopted the service territory and tariffs of Kansas City Power & Light Company (“KCP&L”) and Evergy Missouri West, Inc. d/b/a Evergy Missouri West adopted the service territory and tariffs of KCP&L Greater Missouri Operations Company (“GMO”).

The definition of “special contemporary issue” is found at 20 CSR 4240-22.020(55):

(55) Special contemporary issues means a written list of issues contained in a commission order with input from staff, public counsel, and intervenors that are evolving new issues, which may not otherwise have been addressed by the utility or are continuations of unresolved issues from the preceding triennial compliance filing or annual update filing. Each utility shall evaluate and incorporate special contemporary issues in its next triennial compliance filing or annual update filing.

20 CSR 4240-22.080(4) characterizes special contemporary issues generally as, “evolving regulatory, economic, financial, environmental, energy, technical, or customer issues,” that utilities must adequately address in their resource planning. The Commission has provided additional guidance on the assessment of proposed special contemporary issues in its order in File No. EO-2012-0039.

On September 13, 2022 the Commission issued, *Order Opening a File Regarding Special Contemporary Resource Planning Issues and Offering an Opportunity To File Suggestions*, directing interested parties wishing to suggest a special contemporary issue that Evergy should consider in its next annual update report to file written suggestion no later than September 15, 2022. The Company has an opportunity to respond to the lists provided in accordance with Rule 20 CSR 4240-22.080(4)(A). Per the rule, Evergy’s response to the suggested special contemporary issues shall be filed by October 1, 2022.

## II. STAFF LIST OF CONTEMPORARY ISSUES

On September 15, 2022, Staff filed three suggestions for special contemporary issues.

- 1. The Company shall provide details of its plans to utilize securitization. Details shall include but are not limited to: 1) type of items to be securitized; 2) explanation for need of securitization for each item; 3) how it plans to utilize securitization for each item; 4) estimated costs of securitized items; 5) comparison of ratepayer costs and benefits.*

**RESPONSE:** The Company does not support this request. This suggestion does not meet the definition of “special contemporary issue.” It is not an evolving new issue, which may not

otherwise have been addressed by the Company. This type of detailed information is most appropriately addressed when the Company seeks a securitization financing Order. As an alternative, the Company can provide an update on its plans regarding securitization as appropriate.

2. *In its next annual update filing, the Company shall provide detailed analysis comparing ratepayer risks and shareholder risks for additional generation resources which are not required to meet federal, state, or RTO requirements.*

**RESPONSE:** The Company does not believe this request meets the definition of a special contemporary issue. This issue was already addressed as part of the 2022 annual update and the Company believes that the combination of that response and its updated quantitative risk analysis which will be performed through the IRP process on an ongoing basis are sufficient to meet the spirit of this issue.

3. *Given the recent COVID pandemic and the Winter Storm Uri weather event, the Company shall provide details of its plan for handling future emergency events such as these. The details provided shall give a clear plan for maintaining supply-side resource generation and public welfare during emergency events.*

**RESPONSE:** The Company does not believe this request meets the definition of a special contemporary issue and does not support this request. This issue was already addressed as part of the 2022 annual update and the response provided in this annual update would be identical.

### **III. OPC LIST OF CONTEMPORARY ISSUES**

On September 15, 2022, OPC filed suggestions for special contemporary issues. OPC requests the Company address the following issues for Evergy Missouri Metro and Evergy Missouri West: (1) Modeling for low, medium, high performance base accreditation of existing and planned units; (2) Modeling for low, medium, high participation of aggregator of retail customer (“ARCs”); (3) Over-reliance on Southwest Power Pool (“SPP”) Market to meet energy needs; (4) Inflation Reduction Act (“IRA”); (5) Additive Manufacturing (“AM” or “3D Printing”); and (6) Voltage Optimization.

**Issue 1: Modeling for low, medium, high performance base accreditation of existing and planned units**

- 1. Everygy should be required to update its annual and triennial IRP with what it (or SPP) believes is the likely (or the known) performance accreditation amount for each of its existing generating units and should include the rationale for calculating said amount for each of its new supply side resources it models in its IRP.*

*All performance-based accreditation analyses should include the interdependent nature of operating in a competitive market which includes (but is not limited to) the following variables:*

- Current and expected load of the utility;*
- Current SPP generation make-up;*
- Expected retirement and location of expected lost generation;*
- Generation type, and location of expected new generation within the SPP que in determining likely accreditation amount; and*
- Any interplay between generation make-up/accreditation and expected buildout of new transmission investments.*

**RESPONSE:** The Company can comply by providing a sensitivity based on the available information regarding performance-based accreditation for existing resources. As the performance-based accreditation methodology has not yet been fully defined by SPP, it cannot be incorporated into the base IRP analyses at this time, but can be included as a sensitivity. The Company can also include a rationale for the capacity accreditation assumptions used for each new supply-side resource modeled. However, the variables referenced in OPC's proposed special contemporary (e.g., load, overall SPP generation, transmission investment) are not relevant in calculating performance-based accreditation values and thus will not be incorporated.

**Issue 2: Modeling for low, medium, high participation of aggregator of retail customer (“ARCs”)**

- 1. Evergy should model for a low, medium, and high participation scenario of commercial and industrial customers electing to participate in demand response activities based on the introduction of a third-party(s) ARC within its footprint and provide an analysis on what the impact said ARC would have on Evergy’s IRP.*

**RESPONSE:** The Company does not believe this request meets the definition of a special contemporary issue. Third-party aggregations do not provide the Company with capacity, nor do they reduce the Company’s capacity obligations. Third-party aggregations bid services directly to the market thus there is no impact to the Company’s IRP resource selection. Nor does the Company have the insight into the business plans of third-party aggregators.

**Issue 3: Over-reliance on SPP market to meet energy needs**

- 1. Evergy should run a scenario for each of its plans in which the SPP energy available to meet Evergy’s energy requirements is limited to ten percent of Evergy’s annual peak load. The number of hours and the amount of energy required, but not provided from Evergy’s resources should be reported. Evergy’s choice of preferred plan should be reviewed taking into account this additional information.*

**RESPONSE:** The Company does not believe this request meets the definition of a special contemporary issue because it is not a new or evolving issue or an unresolved deficiency or concern. All scenarios include the purchase of all energy from the SPP, as is the case in today’s Integrated Market, and thus limiting purchases to ten percent of annual peak load is not reasonable or informative to the Company’s resource planning.

- 2. Evergy should adjust its IRP modeling to account for the new 15% reserve planning margin recently set by SPP.*

**RESPONSE:** The Company does not believe this request meets the definition of a special contemporary issue. However, the Company has already planned to incorporate this updated reserve margin in its IRP analysis for the 2023 Annual Update and can include it as a special contemporary issue if ordered by the Commission.

#### **Issue 4: Inflation Reduction Act**

- 1. In its future IRP updates and plans Evergy should account for and explicitly identify cost reductions from the Inflation Reduction Act for procuring new generation, transmission, and distribution. Analysis should also include updated assumptions around load growth and/or appliance saturation based on targeted rebates surrounding EV's and energy efficiency products.*

**RESPONSE:** The Company can partially comply. Evergy is planning to assess changes to the law affecting its resource plan and include relevant incentives in its 2023 IRP Annual Update. Because the Inflation Reduction Act is a very recent policy change, its effects have not been analyzed and incorporated in studies used for the load and demand-side program forecasts. The load forecast is updated annually, and the demand-side potential studies are updated less frequently. Evergy's most recent potential study was conducted before the passage of the Inflation Reduction Act. The Company will not have updated studies in time for the 2023 IRP Annual Update.

#### **Issue 5: Additive Manufacturing (“AM” or “3D Printing”)**

- 1. Evergy should explore applicability of this technology within its Distribution, Transmission and Supply Side Generation Chapters as an approved Special Contemporary Topic for its IRP modeling. Examples can include but are not limited to exploring this topic with non-profits (e.g, EEI, EPRI), federal agencies (e.g., The Department of Energy Oak Ridge National Laboratory), and private entities (e.g., General Electric)..*

**RESPONSE:** The Company does not support this request. The Company does not believe at this point that 3D printing would have a significant impact on resource planning in the near future. A similar request by OPC was rejected by the Commission for inclusion in the Company's 2021 Triennial IRP<sup>2</sup> and 2022 IRP Annual Update<sup>3</sup>.

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<sup>2</sup> See *Order Establishing Special Contemporary Resource Planning Issues*, dated November 4, 2020; Docket Nos. EO-2020-0067 and EO-2020-0068

<sup>3</sup> See *Order Establishing Special Contemporary Resource Planning Issues*, dated October 27, 2021; Docket Nos. EO-2021-0055 and EO-2021-0056

## **Issue 6: Voltage Optimization (Distribution)**

- 1. Evergy Missouri Metro and Evergy Missouri West should provide the planning, locational details, cost/benefit breakdown and deliverable actions necessary for system wide voltage optimization analysis on its distribution system in the distribution chapter of the Company's annual IRP's and triennial IRP if still applicable.*

**RESPONSE:** The Company does not support this request. This request amounts to running a complete study and business plan for each IRP cycle which is not practical and will not progress the overall program. In addition, the Company has already committed to leveraging technology to support VVO/CVR deployment. If the Company is ordered to comply, it can provide an update on its analysis and planning activities to support this deployment.

### **IV. CITY OF KANSAS CITY LIST OF CONTEMPORARY ISSUES**

On September 15, 2022, KCMO filed suggestions for special contemporary issues. The City requests the Company address the following topics for Evergy Missouri Metro and Evergy Missouri West: (1) Accelerate carbon reduction in Evergy's grid mix; (2) Continue expanding use of or access to renewable energy; (3) Maximize use of energy efficiency in IRP planning and expand access to efficiency programs for low-income customers.

#### **Topic 1: Accelerate Carbon Reduction in Evergy's Grid Mix**

- I. Conduct a full retirement study of its coal fleet using optimized capacity expansion software. This analysis should evaluate the economics of continuing to operate its coal plants relative to retirement, identify the optimal retirement date for each of its coal-fired power plants and design an optimal future resource mix to meet the Company's projected load.*

**RESPONSE:** The Company does not believe this request meets the definition of a special contemporary issue. This is not an evolving resource planning issue. The identification of a preferred resource plan which meets the fundamental objective outlined in the Chapter 22 IRP rules is the purpose of the IRP process and no additional "full retirement study" is needed. This preferred resource plan includes the selection of retirement dates based on an integrated assessment of the economics of existing resource economics as compared to alternatives.

**II. *Model both the immediate and accelerated retirement (no later than 2025) scenario of the Hawthorn coal plant.***

**RESPONSE:** The Company does not believe this request meets the definition of a special contemporary issue. Considering potential retirement decisions is part of the normal IRP process. The Company could partially comply with this request by analyzing a plan which includes a Hawthorn retirement in the late 2020s. However, the decision whether or not to retire Hawthorn is not purely financial; there are physical and reliability constraints that would prevent a nearer-term retirement date. Evergy must coordinate with SPP and expects that SPP will require reliability network upgrades to be completed before the retirement. The earliest Evergy could procure and install the necessary transmission equipment is likely in the 2027/2028 timeframe.

**III. *Model the scenario of retiring all coal plants no later than 2030.***

**RESPONSE:** The Company does not believe this request meets the definition of a special contemporary issue. However, if Ordered the Company could partially comply. Evergy has not studied all potential reliability network upgrades that would be needed for a full coal fleet retirement, so it would have to make estimates without study results for this scenario.

**IV. *Provide modeling files in its IRP for transparency.***

**RESPONSE:** The Company does not support this request. The PLEXOS modeling files are voluminous and would be impractical to attach with the IRPs. The Company provides all modeling files as they are requested via data requests and will continue to do so.

**V. *Consider environmental justice and health impacts.***

**RESPONSE:** The Company does not believe this request meets the definition of a special contemporary issue. As stated previously, Evergy's position is that public health impacts are assessed when environmental regulations are established.<sup>4</sup> Each alternative resource plan considered by the

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<sup>4</sup>See, *Evergy Response to Suggested Contemporary Issues*, October 1, 2021; Docket No: EO-2022-0055 and EO-2022-0055



Company is based on resources that comply with environmental regulations. There are currently no regulations related to environmental justice, but, if these are implemented in the future, they will be incorporated into IRP modeling in the same way. As a result, no additional public health / environmental justice assessment is needed to evaluate alternative plans. A similar request by Sierra Club was rejected by the Commission for inclusion as a special contemporary issue in both the Company's 2021 Triennial IRP<sup>5</sup> and 2022 Annual Update<sup>6</sup>.

**VI. *Avoid further investments in coal or gas-fired generation.***

**RESPONSE:** The Company does not support this request because it does not meet the definition of a special contemporary issue. This is not an evolving resource planning issue, but is instead simply a directive that the company ignore the safety, reliability, and economics of its fleet in making decisions around investing in the maintenance of its existing fleet or in making changes to its fleet over time.

**VII. *Utilize securitization to minimize costs to customers.***

**RESPONSE:** The Company does not support this request. Securitization is a financing decision that is considered separately from the resource planning process.

**VIII. *Include more demand side management and explore partnership with virtual power plant services like OhmConnect that pay customers cash (not just bill credits) to save during peak demand times.***

**RESPONSE:** This suggestion does not meet the definition of “special contemporary issue.” It is not an evolving new issue, which may not otherwise have been addressed by the Company. A virtual power plant (“VPP”) is a control system used to dispatch dispatchable distributed energy resources such as distributed generation, battery electric storage, electric vehicles (EV), and other

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<sup>5</sup> See *Order Establishing Special Contemporary Resource Planning Issues*, dated November 4, 2020; Docket Nos. EO-2020-0067 and EO-2020-0068

<sup>6</sup> See *Order Establishing Special Contemporary Resource Planning Issues*, dated October 27, 2021; Docket Nos. EO-2021-0055 and EO-2021-0056

demand response technologies. A similar request by OPC was rejected by the Commission for inclusion in the Company’s 2021 Triennial IRP and 2022 IRP Annual Update. It is not appropriate to include this suggestion as a special contemporary issue and the Commission should exclude this proposed issue from the final list of such issues.

**IX. *Request a subsequent all-source procurement strategy following the approval of the IRP.***

**RESPONSE:** The Company does not support this request as it is not a special contemporary issue. It appears to be a directive on how the Company should execute on its resource plan. The Company intends to issue requests for proposals in the future to meet its resource acquisition goals and plans to use the cost information gathered from proposals to inform its future planning, as it has in the past. It is not appropriate to include this suggestion as a special contemporary issue and the Commission should exclude this proposed issue from the final list of such issues.

**Topic 2: Continue Expanding Use of or Access to Renewable Energy**

**I. *Consider the publicly-stated GHG reduction goals of Kansas City in the evaluation of IRP scenarios.***

**RESPONSE:** The Company does not support this request. This suggestion does not meet the definition of “special contemporary issue.” It is not an evolving new issue, which may not otherwise have been addressed by the Company, and Municipal and corporate renewable energy goals are not candidate resource options. However, Evergy does support the goals of the communities that it serves and has tariffs available to accomplish this. While customer goals are a consideration in the Company’s procurement of additional renewables, Evergy cannot solely base its portfolio on a subset of customers wanting to be 100% renewable. It is not cost effective for all customers and by rule, minimizing the expected value of NPVRR across many scenarios is the primary objective function. It is not appropriate to include this suggestion as a special contemporary issue and the Commission should exclude this proposed issue from the final list of such issues.

A similar request by Sierra Club was rejected by the Commission for inclusion as a special contemporary issue in both the Company's 2021 Triennial IRP<sup>7</sup> and 2022 Annual Update<sup>8</sup>.

**II. *Utilize more renewable energy in their resource planning and to increase the utility-scale renewable energy procurement opportunities available to large customers.***

**RESPONSE:** The Company does not believe this is a special contemporary issue and does not support this request. The Company sees renewable energy procurement opportunities and programs available to large customers as a separate topic from resource planning. The Company will research best practices regarding green tariff programs and evaluate future renewable energy programs opportunities available to large customers.

**III. *Model stand-alone or hybrid battery storage resources in its IRP.***

**RESPONSE:** The Company can comply. Evergy agreed to incorporate battery and solar hybrid resources in the 2023 IRP Annual Update as part of an agreement from the 2021 Triennial IRP.<sup>9</sup>

**IV. *Eliminate restrictions on buildout of renewables.***

**RESPONSE:** The Company does not believe this is a special contemporary issue and does not support this request. Build constraints are incorporated in the model to allow Evergy to develop or procure renewables at a reasonable pace considering capital constraints, project availability, and the capacity of the team to assess, negotiate, and execute projects. Resource plans that do not consider these factors may be unrealistic to implement.

**V. *Include Power Purchase Agreements.***

**RESPONSE:** As previously stated by the Company in its 2021 Triennial Compliance Filings, docket No. EO-2021-0035 and EO-2021-0036, Evergy and NEE disagree on whether PPAs should

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<sup>7</sup> See *Order Establishing Special Contemporary Resource Planning Issues*, dated November 4, 2020; Docket Nos. EO-2020-0067 and EO-2020-0068

<sup>8</sup> See *Order Establishing Special Contemporary Resource Planning Issues*, dated October 27, 2021; Docket Nos. EO-2021-0055 and EO-2021-0056

<sup>9</sup> See, *Joint Filing*, December 10, 2021; Docket Nos: EO-2021-0035 and EO-2021-0036.

be modeled as discrete resource options. The Chapter 22 IRP rules do call out either bilateral or market purchases of capacity or energy as supply-side resource options which can be evaluated, but the Company's position is that the purpose of the IRP is to evaluate generic new resource options and not to determine ownership or financial structure. With that in mind, the Company believes ownership of new resources is the appropriate "default" option to represent new resources which are being evaluated.

In its March 29, 2022 order concerning this matter (Order Approving 2021 Triennial Integrated Resource Plan) the Commission found:

The Commission agrees with Evergy and will not require any further response by the Companies to the concern of whether PPA should be modeled as discrete resource options.<sup>10</sup>

**VI. *Model all available tax credits for renewable and storage assets.***

**RESPONSE:** The Company can comply. Evergy is planning assess changes to the law affecting its resource plan and include relevant incentives in its 2023 IRP Annual Update.

**VII. *Use fair cost estimates for renewables.***

**RESPONSE:** The Company does not believe this is a special contemporary issue, as it is part of the normal IRP modeling process, however, it can comply. Evergy already uses fair cost estimates for renewables and plans to continue to do so.

**Topic 3: Maximize use of energy efficiency in IRP planning and expand access to efficiency programs for low-income customers.**

**I. *Maximize the utilization of energy efficiency in its IRP and subsequent resource planning activities.***

**RESPONSE:** The Company does not believe this request meets the definition of a special contemporary issue and does not support this request. This appears to be suggested planning

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<sup>10</sup> See, *Order Approving 2022 Triennial Integrated Resource Plan*, dated March 29, 2022; Docket Nos. EO-2021-0035 and EO-2021-0036

objective. Evergy intends to test various levels of energy efficiency, based on potential study results, and select a preferred resource plan that minimizes costs and appropriately balances risks, consistent with the Policy Objectives of 20 CSR 4240-22.010. It is not appropriate to include this suggestion as a special contemporary issue and the Commission should exclude this proposed issue from the final list of such issues.

**II. *Update the current IRP scenarios by using a utility cost test (“UCT”) and using customer adoption models that include the full range of potential customer adoption methods.***

**RESPONSE:** The Company does not believe this request meets the definition of a special contemporary issue and does not support this request. This appears to be suggested planning objective that conflicts with the stated planning objectives in 20 CSR 4240-22.050 to use the Total Resource Cost Test to evaluate the cost effectiveness of DSM programs. The company does also perform the Utility Cost Test for purposes of comparison as the rules require. It is not appropriate to include this suggestion as a special contemporary issue and the Commission should exclude this proposed issue from the final list of such issues.

**III. *Expand Pay as You Save (PAYS) for energy efficiency***

**RESPONSE:** The Company does not believe this request meets the definition of a special contemporary issue and does not support this request. This is not an evolving resource planning issue but is instead simply a directive that the predetermines the outcome. PAYS is not an energy efficiency measure but rather a program design feature more suitable for the MEEIA program design and planning process. It is not appropriate to include this suggestion as a special contemporary issue and the Commission should exclude this proposed issue from the final list of such issues.

**V. NEW ENERGY ECONOMICS LIST OF CONTEMPORARY ISSUES**

On September 15, 2023, NEE filed three suggestions for special contemporary issues.

1. *The supply-side impacts of the Inflation Reduction Act (“IRA”) provide for an up to 50% Investment Tax Credit (“ITC”) and an up to 120% Production Tax Credit (“PTC”) (currently valued at \$26 per MWh and escalating with inflation) as well as a bonus credit for low-income communities for projects under 5 MW. The manner in which these tax credits can be incorporated and the applicable resources included in Evergy’s integrated resource planning (“IRP”) modeling will be important to ensure least cost plans are developed.*

**RESPONSE:** The Company can comply. Evergy is planning to assess change to the law affecting its resource plan to include relevant incentives in its 2023 IRP Annual Update.

2. *The IRA also provides rebates and tax credits for energy efficient equipment and conversion of certain end-uses to electricity. The impact of those credits should be reflected in Evergy’s load forecasts and other demand-side input assumptions.*

**RESPONSE:** The Company does not believe this request meets the definition of a special contemporary issue and does not support this request. Incorporating such information, to the extent that it is available, is part of the normal IRP process. The Company’s load forecast utilizes energy efficiency and end-use data from the Energy Information Administration (EIA) within its load forecast. The Company will account for the impacts of the IRA on end-uses and energy efficiency to the extent EIA incorporates it into their next forecast. Regarding the DSM input assumptions, this part of the study is already complete and there is not sufficient time to restart the study. It is not appropriate to include this suggestion as a special contemporary issue and the Commission should exclude this proposed issue from the final list of such issues.

3. *The IRA also includes refinancing of uneconomic generation resources with Department of Energy administered loan guarantees. Evergy should consider use of these refinancing options when determining appropriate retirement dates for its generation resources.*

**RESPONSE:** The Company does not support this request. It appears that this suggestion refers to the new Energy Infrastructure Reinvestment Program under Title 17. The Department of Energy (DOE) has not provided guidance on what types of investments would qualify, and at this point the Company does not have enough information to analyze whether it would benefit from this

program. DOE has announced that it intends to issue a Notice of Proposed Rulemaking in the future, but it is not clear what the timeline will be.

## **VI. RENEW MISSOURI LIST OF CONTEMPORARY ISSUES**

On September 15, 2022, Renew MO filed several suggestions for special contemporary issues.

1. *Study and/or model various technologies and programs designed to reduce demand on the customer side of the meter, including but not limited to:*
  - a. *Residential demand response programs, pairing increased rebates for web-enabled or “smart” thermostats with demand response program participation;*

**RESPONSE:** The Company does not believe this request meets the definition of a “special contemporary issue” and does not support this request. The Company already offers and evaluates such a program, and this is part of the normal IRP process through the DSM potential study. It is not appropriate to include this suggestion as a special contemporary issue and the Commission should exclude this proposed issue from the final list of such issues.

- b. *Increased rebates for residential electric vehicle charging units paired with customer agreements to participate in a program allowing the Company’s use of electricity from a customer’s connected electric vehicle at times of high demand;*

**RESPONSE:** The Company does not believe this request meets the definition of a special contemporary issue and does not support this request. The Company already evaluates such programs and this is part of the normal IRP process. It is not appropriate to include this suggestion as a special contemporary issue and the Commission should exclude this proposed issue from the final list of such issues.

- c. New rebates for residential battery storage units paired with customer agreements to participate in a program allowing the Company's use of batteries at times of high demand;*

**RESPONSE:** The Company does not believe this request meets the definition of a special contemporary issue. Considering battery storage technologies is part of the normal IRP process. The Company could partially comply with this request. The Company could research and explore residential battery storage as a customer and grid solution for peak reduction as part of its residential behind the meter pilot.

- d. A program offering free installation of utility-owned battery storage units in exchange for customer agreements to allow the Company use of batteries at times of high demand. Specifically, the Company should consider marketing this offering to all of its net-metered customers;*

**RESPONSE:** The Company does not believe this request meets the definition of a special contemporary issue. Considering battery storage technologies is part of the normal IRP process. The Company could partially comply with this request. The Company could evaluate utility owned battery storage units sited at customer homes for utilization of batteries at times of high demand and grid reliability.

- 2. Study and/or model the potential for utility-scale battery storage to meet current and future demand, including:*

- a. Consideration of the range of potential price reductions in these technologies over the coming two decades;*

**RESPONSE:** The Company does not believe this request meets the definition of a special contemporary issue. The Company already includes forecasted cost reductions in technologies in future years in its modeling. It is unclear what range of reductions is desired, but the Company does not support incorporating speculative cost reductions in future years because it adds little value to the planning process. The Company will update technology forecasts as new information becomes available in future IRPs.



- b. Consideration of pumped hydro, stacked blocks, liquid air, above-ground and underground compressed air, and flow battery technologies in addition to lithium-ion battery technologies;*

**RESPONSE:** The Company does not support this request. The Company considers the maturity of resource technology and availability of cost information as well as other factors such as geographic suitability, in determining which resources are practical to model as future additions to its portfolio. The Company will include the resources suggested if they meet those criteria.

- c. Pairing mid-scale deployments of battery storage technologies with current and future utility-scale solar generation sites;*

**RESPONSE:** The Company can comply. Evergy agreed to incorporate battery and solar hybrid resources in the 2023 IRP Annual Update as part of an agreement from the 2021 Triennial IRP.<sup>11</sup>

- d. Offering free installation of utility-owned battery storage systems to large commercial and industrial customers in exchange for the Company's use of the systems at times of high peak. Consideration should include: university campuses, municipalities, sports complexes, high-rise commercial buildings or skyscrapers, hospitals and medical centers, shopping centers, and other areas of dense development.*

**RESPONSE:** The Company does not believe this request meets the definition of a special contemporary issue. Considering battery storage technologies is part of the normal IRP process. The Company could partially comply with this request. The Company could research best practices regarding front of the meter utility owned storage as a peak reduction and reliability solution with large commercial & industrial customers.

## **VII. SIERRA CLUB LIST OF CONTEMPORARY ISSUES**

On September 15, 2022 Sierra Club filed suggestions for special contemporary issues related to the IRA:

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<sup>11</sup>See, *Joint Filing*, December 10, 2021; Docket Nos: EO-2021-0035 and EO-2021-0036.

1. *Update all modeling and planning scenarios to incorporate the Inflation Reduction Act, which fundamentally changes the resource planning landscape. Such updates should include, without limitation, consideration of:*
  - a. *Expanded and Extended Clean Energy Tax Credits. Evergy should revise its modeling to include the expanded tax credits. Under the IRA, all zero emitting resources will be permitted to take a 30% Investment Tax Credit (“ITC”) or a Production Tax Credit (“PTC”) valued at \$25/MWh if the generator pays prevailing wages. Evergy should be ordered to model zero-GHG -emitting resources that qualify for the “base” credits and those that would receive bonus credits*

**RESPONSE:** The Company can partially comply. Evergy is planning assess changes to the law affecting its resource plan and include relevant incentives in its 2023 IRP Annual Update. In terms of the bonus credits, it is the Company’s understanding that certain criteria would need to be met to qualify, including site specific information. The Company typically plans for generic resource additions in the IRP process and then determines the actual site during the execution of the IRP through the RFP and development process. The Company is still gaining understanding of the IRA and exploring options, however Evergy cannot commit to being able to determine whether future projects will receive bonus credits.

- b. *Low-Income Community Energy Credits. The Inflation Reduction Act provides even larger tax credits for small-scale solar and wind facilities that service low-income communities. In its IRP, Evergy should be ordered to explore options for taking advantage of those credits to the benefit of its customers.*

**RESPONSE:** The Company does not believe this request meets the definition of a special contemporary issue. The Company could partially comply with this request. The Company will work with the Missouri Division of Energy, Renew Missouri and other interested stakeholders to lower the Low-Income Solar Subscription Pilot Solar Block Charge through the use of outside funds.

- c. Electric Transmission. The IRA and the Infrastructure Investment and Jobs Act provide vast subsidies and streamlined siting for new electric transmission lines that facilitate construction of clean energy or that better connect the grid. Eversource should be ordered to ensure that Missouri and Kansas taxpayers get their share of these benefits by exploring opportunities to secure funding for new transmission, including better interconnection between SPP and MISO.*

**RESPONSE:** The Company does not support this request because it does not meet the definition of a special contemporary issue. This is not an evolving resource planning issue, but is simply a directive that the Company “ensure that Missouri and Kansas taxpayers get their share of these benefits”. Additionally, transmission capacity expansion of the type referenced in this proposed special contemporary issue is primarily the responsibility of SPP and MISO as Transmission Providers for their regions. It is not the Company’s role under current FERC regulations to direct the expansion of the transmission system to facilitate clean energy interconnection or to expand interregional transfer capacity. More generally, the Company is exploring opportunities to pursue federal funding in a variety of areas, but none of this exploration “ensures” these pursuits will ultimately be successful given a highly competitive market. Ultimately, the federal funding available which is likely to impact the Company’s resource planning analysis (e.g., IRA tax credits) will be included in the IRP analysis as described previously.

- 2. Analyze and develop as candidate resource options the satisfaction of Kansas City’s municipal clean energy goals.*

**RESPONSE:** Per the above response to the City’s suggestion. The Company does not support this request. This suggestion does not meet the definition of “special contemporary issue.” It is not an evolving new issue, which may not otherwise have been addressed by the Company, and Municipal and corporate renewable energy goals are not candidate resource options. However, Eversource does support the goals of the communities that it serves and has tariffs available to accomplish this. While customer goals are a consideration in the Company’s procurement of additional renewables, Eversource cannot solely base its portfolio on a subset of customers wanting to be 100%

renewable. It is not cost effective for all customers and by rule, minimizing the expected value of NPVRR across many scenarios is the primary objective function. It is not appropriate to include this suggestion as a special contemporary issue and the Commission should exclude this proposed issue from the final list of such issues.

The suggestion to develop ARPs that would achieve 100% clean energy by 2030 and 2035 is not appropriate for an annual update. The resource plans evaluated in this annual update will be much more limited than what would be evaluated for a Triennial filing. In addition, the Company's 2021 Triennial filing demonstrated that, because battery storage options and small modular reactors were not economic, any resource plan which required all fossil generation to be retired and replaced with accredited clean capacity over the next 10-15 years would also not be economic as it would require reliance on these uneconomic, but firm and dispatchable, clean resources.

A similar request by Sierra Club was rejected by the Commission for inclusion as a special contemporary issue in both the Company's 2021 Triennial IRP<sup>12</sup> and 2022 Annual Update<sup>13</sup>.

3. *Analyze and document the net present value of continuing to operate each of Evergy's coal-burning units, including consideration of known and potential compliance costs. Evergy should be ordered to study whether retaining each unit in operation benefits customers in comparison with an alternative suite of resources.*

**RESPONSE:** The Company does not believe this request meets the definition of a special contemporary issue. This appears to be a different description of the core function of the IRP process. The Company develops alternative resource plans to determine the benefits to customers of different future portfolios, including resource additions and retirements. The net present value analysis incorporates expected market revenues, production costs, and fixed costs of each resource portfolio.

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<sup>12</sup> See *Order Establishing Special Contemporary Resource Planning Issues*, dated November 4, 2020; Docket Nos. EO-2020-0067 and EO-2020-0068

<sup>13</sup> See *Order Establishing Special Contemporary Resource Planning Issues*, dated October 27, 2021; Docket Nos. EO-2021-0055 and EO-2021-0056

This includes the known and expected compliance costs of continuing to operate coal resources, if applicable, and the revenues and costs of new alternative resources, if applicable.

**4. *Analyze the comparative public health impacts of each of the alternative resource plans considered by the Company.***

**RESPONSE:** The Company does not believe this request meets the definition of a special contemporary issue.

As stated previously, Evergy's position is that public health impacts are assessed when environmental regulations are established. Each alternative resource plan considered by the Company is based on resources that comply with environmental regulations. As such, no additional public health assessment is needed to evaluate alternative plans. A similar request by Sierra Club was rejected by the Commission for inclusion as a special contemporary issue in both the Company's 2021 Triennial IRP and 2022 Annual Update. Furthermore, the Commission determined in its Order Approving 2021 Triennial Integrated Resource Plan:

The Commission agrees with Evergy and will not require any further response by the Companies to the concern that Evergy failed to evaluate the public health impacts of its ARPs.<sup>14</sup>

**WHEREFORE,** Evergy Missouri Metro and Evergy Missouri West submit their *Response to the Lists of Special Contemporary Issues* to the Commission.

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<sup>14</sup>*Order Approving 2022 Triennial Integrated Resource Plan*, dated March 29, 2022; Docket Nos. EO-2021-0035 and EO-2021-0036.

Respectfully submitted,

*/s/ Roger W. Steiner*

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Evergy Missouri West**

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed or hand delivered, transmitted by facsimile or by electronic mail to all counsel of record on this 30<sup>th</sup> day of September 2022.

*/s/ Roger W. Steiner*

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Roger W. Steiner