

Evergy CEO David Campbell on Resilience, Demand Growth, and More

Conversation with Evergy CEO David Campbell,
also Edison Electric Institute Vice Chair



evergy is a utility company with a diverse energy mix that serves some 1.7 million customers across Kansas and Missouri. Being in the Heartland comes with geographic advantages that allow for that diverse energy supply, which includes lots of wind, and natural gas production.

The company also benefits from nuclear power, and Evergy's Wolf Creek Nuclear Generating Station recently celebrated forty years of providing reliable energy to the region. Wolf Creek will continue operations for at least two more decades.

The leader responsible for keeping an eye on that energy mix and lots more is Evergy CEO David Campbell. He joined Evergy in January 2021 as President and CEO and was appointed Chair in May 2024. He also is First Vice Chair of the Edison Electric Institute.

PUF's Steve Mitnick: What is your role, and what do you do on a typical day?

David Campbell: I serve as the CEO and Chair of Evergy, which is an electric utility based in Kansas City. We serve nearly two million customers in Kansas and Missouri, and we're an integrated utility in a fully regulated market. We own and operate generation, transmission, and distribution assets, and serve our end-use customers.

On a given day, it's a dynamic environment that involves a mix of operational, external, regulatory, public affairs or organizational issues. I'll typically speak with an external stakeholder, a regulator, or a member of our regulatory team every day, because so much of what we do is working in concert with our regulators and stakeholders.

I'll also connect with members of our operations team and leaders of our finance, HR, and legal functions. Never a dull day in the power space.

PUF: What are some of the biggest changes, as well as challenges and opportunities for the industry?

David Campbell: So much of what our company does is about providing safe, reliable power. We provide a product that is essential to daily life and safe, reliable power is something that our customers expect twenty-four hours a day, seven days a week.

At the same time, we're an industry that's in the background. Everyone assumes the lights will go on, their A/C unit will start, their oven will start – whatever it is they need, the power is on to support. That part of our business is never going to change and providing safe, reliable power is always at the forefront.

It's also a time of significant change. In our industry, which operates a massive infrastructure base, change typically comes slowly. Over decades, we've each invested tens of billions of capital across our service territories.

But now is a time of unprecedented changes. We are expecting demand growth at higher levels than we've seen in more than fifty years. There are several drivers of growth. First and foremost is demand from data centers, powering advancements in artificial intelligence that are expected to be revolutionary for the U.S. economy.

But it's more than data centers. A second growth driver is the

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onshoring of manufacturing; many businesses are reinvesting in facilities here in the U.S. The third driver is electrification, which will impact transportation in addition to multiple other sectors, including heating, buildings, and other industrial applications that are shifting toward electricity as their primary energy source.

This demand surge will require a corresponding level of investment by utilities.

At the same time, our industry is undertaking the systematic replacement of aging equipment. Like so much of the infrastructure in our country, a large portion of the electric grid, from generation plants to the transmission and distribution system that delivers power to homes and businesses, was built in the fifties to the seventies and has now reached or surpassed its useful life.

The combination of surging demand growth and an aging grid drives significant investment requirements. All utilities face important choices about the level of investment and what types of infrastructure to build. Fortunately, growth is the ideal backdrop, as higher loads enable higher utilization and a greater ability to spread fixed costs.

At Evergy – here in the Heartland, as we like to call it – we benefit from a wide range of opportunities, including multiple options in terms of generation resources. We operate the Wolf Creek Nuclear plant, a great asset for our region.

Kansas is a natural gas producing state and we have ready access to pipelines. We have world-class wind resources and the share of wind generation – on a per unit of total electricity consumption



What we strive to do, because we'll never strike the perfect balance in everyone's eyes, is to be transparent. We are open about the process by which we evaluate options, how we do the math, and conduct the analysis underlying our decisions.

basis — ranks in the top tier of U.S. states. We also have a strong solar irradiance profile. As a result, we have a great set of choices.

Our central location also provides advantaged access to the rest of the country from a logistics perspective. Net, from a resource and location perspective, we're incredibly excited about the prospects for our region and the range of options and opportunities that provides.

PUF: With those opportunities, how do you and your team decide what are the best choices for the customers?

David Campbell: First, you have to work through an iterative scenario-based process with a lot of input from stakeholders. We do a lot of scenario-based modeling for commodity prices, demand trends, potential environmental regulations, and other factors that might influence different resource options.

The analysis also includes questions along the lines of, "How much does it cost to build new equipment? How long will it

last?" We match the various inputs together in a series of different scenarios, seeking to identify the lowest-cost alternatives on a thirty- to forty-year basis for our customers.

We review our analysis through a series of stakeholder interactions, including regulators, consumer advocates, industrial customer representatives, cities, counties, environmental NGOs, and other participants. Our goal is to conduct scenario-based analysis to identify the most resilient plans that will hold up for the future.

Of course, there is no perfect choice, and at any given point in time, a choice may look like the wrong one. For example, with nuclear, when a lot of these plants were first built, the initial wave of excitement was replaced by disappointment when the construction costs far exceeded initial estimates.

Now, nuclear power is back in favor. Virtually everyone loves their nuclear assets, as they provide safe, reliable, emissions-free

power. Nuclear plants are terrific resources, and most are expected to operate for sixty to eighty years.

A scenario-based planning process is also helpful with long-term resource decisions as it helps to develop a path forward that is most likely to be resilient over time. For similar reasons, we at Evergy favor an all-of-the-above strategy that involves a wide set of generation resources because it diversifies risk for our customers.

The planning exercise involves extensive modeling and analysis and includes significant stakeholder input, culminating in review by our regulators. Ultimately, the path we follow will reflect the decisions of our regulators, informed by the policy objectives that they and the elected leaders in our states want to achieve and are based on the best outcomes for our customers.

PUF: To avoid opposition, what's the magic about working with stakeholders so that as many as possible feel like you're trying to do the right thing?

David Campbell: Evergy's strategic tenets are affordability, reliability, and sustainability. If you ever put too much emphasis on one of those tenets at the expense of the others, you'll get out of balance and run into trouble. Out of balance inevitably creates issues with key constituents.

I always list affordability first because we provide a product to every customer in our service territory. Particularly for our customers with lower income levels, our bill represents a significant cost relative to their household income.

It's equally important to be affordable because we have to be competitive when we're trying to attract businesses. Affordability is the engine of the economy and of the customers we serve. Affordability always matters.

Reliability counts because people must have power. No product is more local, and no product is more essential to daily life.

Sustainability may have different meanings for different people; for me, it has a broad definition. As a large infrastructure company, we utilize a wide range of natural resources and interact with the environment on multiple fronts.

We own a lot of land, we generate emissions, and we utilize significant quantities of water. Given that context, we must have a sustainable method and pathway for providing service to our customers and communities.

We must sustain a balance between affordability, reliability, and sustainability, in line with our regulators' preferences. Some stakeholders may focus primarily on affordability; others may focus on emissions and their view of sustainability. Reliability comes to the forefront for all customers during any outage.

What we strive to do, because we'll never strike the perfect balance in everyone's eyes, is to be transparent. We are open about the process by which we evaluate options, how we do the math, and conduct the analysis underlying our decisions. Ideally, at a minimum we are looking at the problem together with a shared understanding.

With transparency and open communications serving as the bedrock approach, even if the ultimate decision is different than what individual stakeholders might choose to do in a vacuum, transparency allows all participants to understand how decisions are reached. And of course, regulators need to have all the information and analysis that they require to support their decision-making process.

PUF: The regulatory process tends to be deliberate and permitting can be slow. What do you think about the pace of how infrastructure is deployed? Can more be done?

David Campbell: We have a chance as a country to be faster in how we deploy infrastructure. Inside and outside of EEL, a

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lot of folks believe reform in our permitting process is needed.

For better or worse, the permitting process can be utilized as a delay tactic for those who oppose new infrastructure. For example, in instances in which a very rigorous process supports a decision, if some parties don't like the outcome, they can utilize the permitting process to drive additional delays. Tactics that drive endless delays are not helpful to anyone.

In contrast, our state rate cases typically run ten to twelve months. That amount of time allows for a substantive, iterative process with significant interaction and mutual feedback. That length of time and thorough process provides sufficient information to support regulatory decisions.

Even in cases without a settlement between the parties, that schedule allows for hearings, briefing, and a final decision. While it would be difficult to make the process significantly shorter, it need not be significantly longer.

The ten- to twelve-month timeframe enables a rigorous process and well-informed decision, which makes sense given the importance of big infrastructure calls. But currently some permitting processes for infrastructure take three, five, seven years – or more – to complete.

That is longer than is necessary to reach an informed decision. And reaching decisions is especially important today, given the historic levels of demand growth that we're seeing.

It behooves us to move faster. Moving faster enables us to take advantage of the historic demand opportunities associated with AI, the onshoring of manufacturing, and electrification.

If we're too slow, we risk impairing our progress or losing the opportunities altogether. Also, moving faster with large customers helps to improve affordability for all of our customers in our high, fixed-cost business.

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PUF: How are your partners in your region? How is the SPP region doing, working together, but also individually?

David Campbell: The SPP does well day to day in managing the market, but there are things we can do to move faster at SPP. Generally, RTOs are doing a very good job making sure we keep the lights on and managing the complicated day-to-day dynamics in wholesale power markets.

The basics of serving customers – ensuring reliability, affordability, safety – are always going to come first. Our RTOs do a good job on that front. However, they, and we as RTO participants and stakeholders, also have to meet the moment in terms of our historic opportunities.

In SPP, like other RTOs across the country, the most significant challenges relate to the time it takes to evaluate the system requirements for large new loads and to work through the backlog of generation interconnection requests. These challenges are particularly acute for load-serving entities like Evergy, given the scale of new demand requests and the importance of access to power in economic development.

If load-serving entities can't get an answer for years out of an RTO, that doesn't work. But at the same time, we are sympathetic to the challenges at SPP and other RTOs, as they often face tens of thousands of megawatts of generation interconnection requests, as well as FERC approval before they can make certain process changes.

Despite these challenges, RTOs have to find a way to move fast enough to meet the historic new load requests and the related new generation interconnections. Utilities and all load-serving entities have to help in these efforts. Fortunately, many of the new customers are very large and have high load factors, so the modeling to serve them is not as complicated as for peaking loads.

Similar to permitting reform, we need to ensure that the evaluation of new loads and new generation additions does not take years to complete, particularly as these upfront reviews may be gating items before large equipment is ordered. That is a challenge, but also an opportunity, for our region and our country.

PUF: You're active as a leader at the Edison Electric Institute, so how is the industry doing with challenges, opportunities and growth?

David Campbell: Challenges vary partly because of geography and resources available. In parts of the country, there simply aren't the kind of low-cost renewable opportunities available that we have here in the Heartland. In addition, policy differences across states impact the issues faced by individual utilities.

In general, our industry does well systematically working with our state regulators and implementing policies that are primarily set at the state level. As a result, across the country, you'll see a fair bit of variability in generation mix and areas of focus, and pretty large differences in rates; these differences reflect the preferences of state leaders, regulators, and elected officials.

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With respect to the historic growth opportunities and investment requirements that we face, I give the industry solid marks, while recognizing that there is always room to do better. And these current activities build on the significant momentum of recent decades.

Stepping back and assessing the amount of generation we've brought online, the transition that's taken place in the power sector over the last ten/twenty years has been enormous. We've quietly been able to transition a

huge part of our generation fleet while keeping affordability and reliability at the forefront.

As an industry, we generally do an effective job of making ten-, twenty-, thirty-year investment decisions. We're driving major changes that match the objectives of our states, while always maintaining a focus on providing safe, reliable, affordable power. The industry's done that well.

While the challenges are real, I believe that we are going to meet the moment in terms of the historic demand growth opportunities and the ongoing generation transition. It's going to be tremendously exciting.

PUF: What's the most rewarding to you?

David Campbell: For me, the most rewarding part of being in the power business is providing a vital product to every person in our service territory. It is a privilege to have a role in providing something essential to everyone's daily life. **PUF**

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