

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

In the Matter of the Second Prudence Review )  
of the Missouri Energy Efficiency Investment )  
Act (MEEIA) Cycle 2 Energy Efficiency ) File No. EO-2020-0227  
Programs of Evergy Metro, Inc. d/b/a Evergy )  
Missouri Metro )

In the Matter of the Second Prudence Review )  
of the Missouri Energy Efficiency Investment )  
Act (MEEIA) Cycle 2 Energy Efficiency )  
Programs of Evergy Missouri West, Inc. d/b/a ) File No. EO-2020-0228  
Evergy Missouri West )

**POSITION STATEMENT OF  
EVERGY MISSOURI METRO AND EVERGY MISSOURI WEST**

COMES NOW, Evergy Metro, Inc. d/b/a as Evergy Missouri Metro (“Evergy Missouri Metro”) and Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri West”) (collectively referred to as “Evergy”) and for their *Position Statement*, state as follows:

**1. Are Staff’s and OPC’s proposed prudence adjustments within the scope of a MEEIA prudence review as defined by 20 CSR 4240-20.093?**

No. Several of the adjustments recommended by Staff and OPC are not “costs subject to the DSIM” as required by 20 CSR 4240-20.093(11). The Commission recognized in this case that whether the proposed prudence adjustments involve costs subject to the demand-side investment mechanism (“DSIM”) is a matter of fact in addition to a question of law. *Order Denying Motion to Limit Scope*, P. 3. Several of the adjustments proposed by Staff (reduction in SPP fees, failure to enter into capacity sale contracts) do not involve dollars that were spent on Evergy’s demand-side programs and recovered through the DSIM. See, File Rebuttal, p. 4. Instead, these costs are recovered through Evergy’s fuel adjustment clause mechanism, or in a general rate case.

**2. Did Evergy act imprudently in its implementation of the Residential Programmable Thermostat (RPT) program? If the Commission finds Evergy acted imprudently, what adjustment should the Commission order?**

No. Evergy's implementation of its RPT programs was consistent with the purpose and design of its RPT program, which was approved by the Commission. Further, Evergy's implementation of its RPT program proved to be cost-effective and provide system-wide benefits in reducing annual peak load as designed. Staff and OPC have not raised a serious doubt as to the reasonableness of Evergy's implementation of its RPT program. *See*, File Rebuttal, P. 12-17; File Sur-surrebuttal, P. 14, 28.

**3. Did Evergy act imprudently in its implementation of the implementation of its Demand Response Incentive (DRI) Program? If the Commission finds Evergy acted imprudently, what adjustment should the Commission order?**

No. Evergy's implementation of its DRI Program was consistent with the purpose and design of its DRI program, which was approved by the Commission. Further, Evergy's implementation of its DRI program proved to be cost-effective and provide system-wide benefits in reducing annual peak load as designed. Staff and OPC have not raised a serious doubt as to the reasonableness of Evergy's implementation of its DRI program. *See*, File Rebuttal, P. 18-22; File Sur-surrebuttal, P. 26-28.

**4. Did Evergy act imprudently by not calling more demand response events for the purpose of reducing Southwest Power Pool (SPP) fees? If the Commission finds Evergy acted imprudently, what adjustment should the Commission order?**

No. Evergy did not act imprudently by not calling more demand response events for the purpose of reducing SPP fees. Evergy called demand response events consistent with the design,

purpose and requirements of the Commission-approved MEEIA tariffs. The recommended disallowances are based on a course of action inconsistent with the design and purpose of these programs. Further, Staff and OPC's recommended disallowances are based on a course of action which would likely not yield the revenues predicted by Staff and OPC, which are based on hindsight analysis of historical data. Staff and OPC have not raised a serious doubt as to the reasonableness of Evergy's decision making in calling demand response events. *See*, File Rebuttal, P. 22-23; Carlson Rebuttal, P. 7-8; File Sur-surrebuttal, P. 17-27.

**5. Did Evergy act imprudently by not calling more demand response events for the purpose of reducing the costs associated with day-ahead locational marginal prices? If the Commission finds Evergy acted imprudently, what adjustment should the Commission order?**

No. Evergy did not act imprudently by not calling more demand response events for the purpose of reducing day-ahead locational marginal prices. Evergy called demand response events consistent with the design, purpose and requirements of the Commission-approved MEEIA tariffs. The recommended disallowances are based on a course of action inconsistent with the design and purpose of these programs. Further, Staff and OPC's recommended disallowances are based on a course of action which would likely not yield the revenues predicted by Staff and OPC, which are based on hindsight analysis of historical data. Staff and OPC have not raised a serious doubt as to the reasonableness of Evergy's decision making in calling demand response events. *See*, File Rebuttal, P. 6, 9, 24; Carlson Rebuttal, P. 8-11; Carlson Sur-surrebuttal, P. 2-3; File Sur-surrebuttal, P. 19-29.

**6. Did Evergy Missouri Metro act imprudently by not entering into more bi-lateral capacity contracts? If the Commission finds Evergy acted imprudently, what adjustment should the Commission order?**

No. Evergy Missouri Metro did not act imprudently by not entering into more bi-lateral capacity contracts. Staff and OPC's position are based on flawed assumptions regarding the available market for such bi-lateral contracts and the planning time-frame by which such bi-lateral capacity contracts are entered into. Evergy's decision to enter into bi-lateral capacity contracts are the function of market opportunities and long-term planning needs. Staff and OPC have not raised a serious doubt as to the reasonableness of Evergy's decision making in regard to entering into more bi-lateral capacity contracts. *See*, File Rebuttal, P. 10; Carlson Rebuttal, P. 3-7; Carlson Sur-surrebuttal, P. 2-3.

**7. Did Evergy act imprudently by virtue of its MEEIA programs' incentive to non-incentive costs ratios?**

No. Evergy did not act imprudently in its management of incentive to non-incentive costs for its MEEIA programs. Evergy's management of MEEIA costs complied with Commission-approved budgets for those programs. Further, OPC's argument is based on an apples-to-oranges comparison of utilities of different size and differing methods of defining costs. The appropriate way of determining the prudence of costs is on a dollar to kW or dollar to kWh basis. OPC has not raised a serious doubt as to the reasonableness of Evergy's management of its MEEIA program costs. *See*, File Sur-surrebuttal, P. 2-13.

WHEREFORE, Evergy Missouri Metro and Evergy Missouri West respectfully submit their *Position Statement* to the Commission.

Respectfully Submitted,

/s/ Roger W. Steiner

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**Attorneys for Evergy Missouri Metro and  
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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record as reflected on the certified service list maintained by the Commission in its Electronic Filing Information System this 28<sup>th</sup> day of October 2020.

/s/ Roger W. Steiner

Roger W. Steiner