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Demand Response
Witness: Mark Kiesling
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MISSOURI PUBLIC SERVICE COMMISSION
INDUSTRY ANALYSIS DIVISION
ENERGY RESOURCES DEPARTMENT

REBUTTAL TESTIMONY

OF

MARK KIESLING

EVERGY MISSOURI WEST, INC.
d/b/a Evergy Missouri West

CASE NO. EO-2026-0129

Jefferson City, Missouri
March 2026

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2 **OF**

3 **MARK KIESLING**

4 **EVERGY MISSOURI WEST, INC. d/b/a EVERGY MISSOURI WEST**

5 **CASE NO. EO-2026-0129**

6 Q. Please state your name and business address.

7 A. Mark Kiesling, P.O. Box 360, Jefferson City, Missouri 65102.

8 Q. By whom are you employed and in what capacity?

9 A. I am a Senior Research and Data Analyst in the Energy Resources Department
10 of the Industry Analysis Division.

11 Q. Describe your educational background and work experience.

12 A. Please refer to the attached Schedule MBK-r1.

13 Q. Have you previously filed testimony before the Commission?

14 A. Yes, please refer to Schedule MBK-r1, attached to this rebuttal testimony, for a
15 list of cases in which I have filed testimony or recommendations.

16 **EXECUTIVE SUMMARY**

17 Q. What is the purpose of your rebuttal testimony?

18 A. The purpose of my rebuttal testimony is to explain the Evergy Missouri West,
19 Inc., d/b/a Evergy Missouri West (“Evergy Missouri West” or “EMW”) proposed inclusion of
20 Nucor Steel Sedalia, LLC (“Nucor”) in EMW’s Missouri Energy Efficiency Investment Act
21 (“MEEIA”) Cycle 4, Business Demand Response (“BDR”) program and further elaborate how
22 this isn’t beneficial to EMW ratepayers because of the additional earnings opportunity paid
23 to EMW, additional incentives paid to Nucor, and the unrealized avoided capacity benefits.

1 **MEEIA IMPACTS**

2 Q. Is Nucor currently able to participate in EMW’s MEEIA BDR program?

3 A. No. Nucor has a Special Rate for Incremental Load Service (“SIL”) tariff that
4 prohibits participation in EMW’s MEEIA programs. Staff witness Jordan Hull further explains
5 the SIL tariff in his rebuttal testimony.¹

6 Q. What is Evergy Missouri West’s current BDR goal for 2026 and 2027?

7 A. Evergy Missouri West’s current BDR goals are ** [REDACTED] ** megawatts (“MWs”)
8 for 2026 and ** [REDACTED] ** MWs for 2027.² Per the Cycle 4 Stipulation and Agreement, EMW
9 has to reach 65% of its target goal each year in order to trigger its earnings opportunity.

10 Q. How much of the BDR goal for 2026 does Evergy Missouri West currently have
11 curtailment contracts for?

12 A. EMW currently has ** [REDACTED] ** MW contracted for the BDR program for 2026.³
13 Therefore, EMW would need approximately 15.5 MW to reach the threshold of 65% of its
14 stated goal for 2026.

15 Q. Would Nucor’s participation in EMW’s BDR program allow it to meet the
16 target goals?

17 A. Yes. Based on Nucor’s estimated curtailment of ** [REDACTED] ** MWs, this would
18 allow EMW to close the gap for its 2026 target goals for the BDR program to 62 MW, or
19 approximately 70% of its target goal. Staff witness Jordan Hull in his rebuttal testimony
20 discusses the reliability of that estimate.

¹ Hull rebuttal testimony in EO-2026-0129.

² DR #4 response in EO-2026-0129.

³ DR #4 response in EO-2026-0129.

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1 Q. Was Nucor allowed to participate in the BDR program when the targets
2 were established?

3 A. No, at the time the BDR program targets were established, Nucor was not
4 allowed to participate in the BDR program.

5 Q. Would it benefit Evergy Missouri West to have Nucor participating in
6 its BDR program?

7 A. Yes, it would benefit Evergy Missouri West significantly if Nucor is allowed to
8 participate in its BDR program.

9 Q. How much more earnings opportunity (“EO”) would Evergy Missouri West
10 receive if Nucor was approved to participate in EMW’s BDR program?

11 A. Based on current targets and achievement of the 65% targeted goals for EMW’s
12 BDR program, it would be around \$200,000 additional dollars in EO that EMW Shareholders
13 might not otherwise have realized based on current contractual agreements for the EMW
14 BDR program.

15 Q. Does Nucor benefit from participation in Evergy Missouri West’s BDR
16 program?

17 A. Yes. Nucor benefits from the incentives paid out to participants for curtailment
18 in the BDR program. Based on the ** [REDACTED] ** MW Evergy Missouri West is forecasting
19 Nucor can curtail, and based on current incentive structure paid out to participants, which
20 is \$60/kW a year.⁴ The BDR program has an incentive range from \$2-\$75, which was approved
21 by the Commission in Evergy’s MEEIA Cycle 4 Non-Unanimous Stipulation and Agreement⁵.

⁴ DR #1 response in EO-2026-0129.

⁵ *Non-Unanimous Stipulation and Agreement* filed on 9/27/24, in EO-2023-0369/0370.

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1 EMW can set the incentive anywhere within that range once the Commission approves their
2 incentive ranges. The incentive is separate from the avoided capacity cost.

3 Nucor could potentially receive \$1.14 million⁶ in incentives per year of participation.

4 Q. What concerns does Staff have with the possible EO for Evergy Missouri West
5 and incentives for Nucor?

6 A. In this case, Staff is concerned that EMW wants Nucor's participation in
7 its BDR program to help EMW achieve target savings that might otherwise not be achieved.
8 By allowing Nucor's participation, it benefits Evergy Missouri West to achieve target savings
9 and enables EMW Shareholders to capture more EO. Additionally, Nucor's participation
10 allows Nucor to collect millions in incentives, fully funded by EMW's ratepayers, for
11 potentially curtailing without an established baseline load. Staff witness Justin Tevie discusses
12 more about the volatility of the Nucor baseline in his rebuttal testimony.⁷

13 It is Staff's opinion that by allowing Nucor to participate in EMW's BDR program,
14 ratepayers are paying for additional EO for EMW Shareholders to receive while paying
15 additional incentives to Nucor that are completely unnecessary. In this day and age with the
16 potential rising cost for energy demand, adding additional cost to ratepayers bills should be
17 something highly scrutinized.

18 Q. EMW witness Brian File claims that its customers received over \$2.5 million in
19 avoided capacity cost benefits for 2021 and 2022.⁸ Is this estimation applicable to EMW's
20 current proposal to allow Nucor to participate in the BDR program for Cycle 4?

⁶ 19,000 kW x \$60 = \$1.14 million dollars.

⁷ Rebuttal testimony in EO-2026-0129.

⁸ Brian File Direct Testimony in EO-2026-0129, pg. 7, line 19 thru pg. 8 line 1.

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1 A. No, there are no supporting workpapers or documentation that supports
2 Mr. File's claims of avoided cost by allowing Nucor's participation in BDR. There was not an
3 approved avoided cost for Evergy's MEEIA Cycle 4 by the Commission, so any claims of
4 avoidance of capacity cost benefits are unsubstantiated.

5 Q. How is Mr. File over estimating the avoidance of capacity costs with the
6 allowance of Nucor's participation in the BDR program in 2026?

7 A. Mr. File claims there will be avoided cost with the inclusion of Nucor in the
8 BDR program in 2026, but doesn't specifically provide any detailed data to support these
9 claims. Unless EMW can avoid additional capacity purchases or reduces the amount of new
10 generation needed to serve EMW customers, non-Nucor ratepayers will not benefit from
11 Nucor participation in BDR in 2026.

12 Q. Is Staff opposed to demand response?

13 A. No, Staff is not opposed demand response or Nucor participating in demand
14 response. Staff is opposed to allowing Nucor to participate in a program within the constructs
15 of MEEIA that will largely benefit Evergy Missouri West and Nucor, and cost ratepayers
16 unnecessary additional costs.

17 Q. Is there a way for Nucor to participate in demand response outside of MEEIA?

18 A. Yes. Staff witness Jordan Hull explains in his rebuttal testimony that
19 Nucor could participate in a demand response program that is outside of MEEIA that would not
20 include the added cost of program administration, participant incentives, and earnings
21 opportunity while still providing benefits to Evergy Missouri West and Nucor for curtailing
22 load during peak reduction events.⁹

⁹ Jordan Hull rebuttal testimony in EO-2026-0129.

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1 Q. Is there anything else you would like the Commission to beware of that could be
2 harmful to EMW ratepayers by allowing Nucor to participate in the MEEIA BDR program?

3 A. Each customer within the EMW service territory is charged a Demand Side
4 Investment Mechanism (“DSIM”) rate that funds EMW’s MEEIA program. The MEEIA
5 statute allows for commercial customers to opt-out of paying the DSIM charge¹⁰ if they qualify
6 based on the requirements in the rules. If a commercial customer qualifies to opt-out they are
7 allowed to opt-out of paying the DSIM charge for ten years. The cost of BDR is allocated to
8 non-residential classes based on a percentage of kW participation. Nucor currently is the only
9 customer in it’s rate class, so if the Commission would allow Nucor to participate in EMW’s
10 BDR program and Nucor is not subject to the DSIM charge, there would be no other
11 Schedule SIL customers to pay for the costs of Nucor participating in the BDR program. Staff
12 is unaware at this time how those costs would be redistributed to other customers, and could
13 potentially cause additional costs to EMW ratepayers. The original MEEIA statute, § 393.1075,
14 RSMo took effectivne on August 28, 2009; the Commission’s MEEIA rules for demand-side
15 programs under 20 CSR 4240-20.094 initially became effective on May 30, 2011; and the
16 SIL tariff that Nucor received service under became effective on December 27, 2019.¹¹

17 Q. Does this conclude your rebuttal testimony?

18 A. Yes.

19

¹⁰ 20.CSR 4240-20.094 (7) (A-M).

¹¹ Order Denying Motion to Reject Tariff, Denying Motion to Modify Tariff, and Approving Tariff, filed December 17, 2019 in Case No. EO-2019-0244.

Mark Kiesling

CURRENT POSITION:

I am currently a Senior Research and Data Analyst in the Energy Resources Department, Industry Analysis Division, of the Missouri Public Service Commission.

EDUCATIONAL BACKGROUND & WORK EXPERIENCE:

I received my Bachelor of Science Degree in Marketing from Lincoln University in December of 2001. In October of 2014 I began employment with the Missouri Public Service Commission as a Utility Management Analyst II. In January of 2018, I was promoted to a Senior Research/Data Analyst.

Case Number	Company	Issues
EC-2015-0309	Kansas City Power & Light Company (Electric)	Policy/Complaint
SA-2015-0065	Missouri American Water	CCN Case
SA-2015-0150	Missouri American Water	CCN Case
SM-2017-0187	Lake Region Water & Sewer CO, Camden Public Water	Merger/Sale
SM-2018-0117	Confluence Rivers	Merger/Sale
WR-2017-0343	Gascony Water Company, INC	Policy
ER-2019-0374	Empire Electric	C&I Custom Rebate Program
EE-2020-0351	Ameren Missouri	Variance/Waiver for Commission Rule
ER-2021-0240	Ameren Missouri	Rate Case
ER-2022-0337	Ameren Missouri	Rate Case
EC-2023-0037	Ameren Missouri	Complaint
EO-2023-0136	Ameren Missouri	MEEIA Cycle 4 Case
EO-2023-0369	Evergy Metro, Inc	MEEIA Cycle 4 Case
EO-2023-0370	Evergy Missouri West	MEEIA Cycle 4 Case