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Case No.:	EO-2026-0345
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MISSOURI PUBLIC SERVICE COMMISSION

CASE NOS.: EO-2026-0345

DIRECT TESTIMONY

OF

KEVIN D. GUNN

ON BEHALF OF

EVERGY MISSOURI METRO and EVERGY MISSOURI WEST

Kansas City, Missouri
August 2026

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DIRECT TESTIMONY

OF

KEVIN D. GUNN

Case No. EO-2026-0345

I. INTRODUCTION

Q: Please state your name and business address.

A: My name is Kevin D. Gunn. My business address is 1200 Main Street, Kansas City, Missouri 64105.

Q: By whom and in what capacity are you employed?

A: I am employed by Evergy Metro, Inc. and serve as Vice President – Regulatory and Government Affairs for Evergy Metro, Inc. ("Evergy Metro") d/b/a Evergy Missouri Metro ("Evergy Missouri Metro", "EMM", "Applicant", or the "Company"), Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("Evergy Missouri West"), Evergy Metro, Inc. d/b/a Evergy Kansas Metro ("Evergy Kansas Metro"), and Evergy Kansas Central, Inc. and Evergy Kansas South, Inc., collectively d/b/a as Evergy Kansas Central ("Evergy Kansas Central" or "EKC"), the operating utilities of Evergy, Inc. ("Evergy").

Q: Who are you testifying for?

A: I am testifying on behalf of Evergy Missouri Metro and Evergy Missouri West (together as "Companies").

Q: What are your responsibilities?

A: My responsibilities include developing and implementing Evergy's regulatory policy at the state and federal level, including managing regional transmission organization ("RTO") policy and government affairs.

Q: Please describe your education, experience, and employment history.

A: I received a Bachelor of Arts degree from American University in 1992 and a Juris Doctor degree from St. Louis University School of Law in 1996. I was a Commissioner on the Missouri Public Service Commission ("Commission" or "PSC") from 2008 to 2013 and served as Chair from 2011-2013. Prior to being on the Commission, I served as a lawyer in private practice and as a chief of staff to a Member of Congress from Missouri. After serving on the Commission, I was a regulatory affairs consultant and was Executive Director of Regulatory and Political Affairs, Central Region for NextEra Energy Resources.

Q: Have you previously testified in a proceeding at the Commission or before any other utility regulatory agency?

A: Yes, I have offered testimony before this Commission in Case Nos. EA-2025-0075, ER-2024-0189, EA-2024-0292, EO-2025-0154, ET-2025-0184, ER-2026-0143, and EA-2026-0154.

II. PURPOSE OF TESTIMONY

Q: What is the purpose of your direct testimony?

A: The purpose of my testimony is to sponsor the Evergy MEEIA Cycle 5 Demand-Side Management Portfolio Application ("Application") in this docket and to introduce Evergy's witnesses who support the Application. In addition, I describe the value that MEEIA programs provide for customers, how this Application is consistent with statewide policy and the enabling statute[1] and Evergy's successful history of offering MEEIA programs to its Missouri customers.

III. INTRODUCTION OF EVERGY WITNESSES

Q: Please identify the other witnesses testifying in support of the Company's Application.

A: Brian File, Director of Demand-Side Management Programs, demonstrates how Evergy's proposed MEEIA Cycle 5 portfolio builds on its successful offering of DSM programs for the past 12 years while addressing new dynamics in the energy landscape, explains how the Companies are depending on the plan to deliver expected results, and is a strategic element of our Evergy's customer value proposition for customers to take control of their energy use and costs, which will deliver benefits to all customers. In addition, Company witness File offers an overview of the filing details, including the portfolio design process, program implementation, performance metrics to measure the success of the programs, cost management approach, and earnings opportunity design. Lastly, Company witness File provides an overview of the demand-side management ("DSM") financial recovery rider approach and results, the Technical Resource Manual ("TRM") and its role in evaluating programs, and plans for Evaluation, Measurement and Verification ("EM&V") for MEEIA Cycle 5.

Cody VandeVelde, Senior Director of Strategy and Long-Term Planning, explains the important role that demand-side management plays in Evergy's long-

[1] Section 393.1075 RSMo is the "Missouri Energy Efficiency Investment Act," or ("MEEIA").

term resource planning and provides updates regarding EMM and EMW's Integrated Resource Plan ("IRP") 2025 and 2026 Annual Updates.

IV. TESTIMONY SUMMARY

Q: Will you please summarize the key points of your Direct Testimony?

- Evergy is requesting the Commission approve Evergy's proposed DSM portfolio of programs, the proposed DSIM Rider, the proposed tariffs implementing the programs and mechanism, and any other approvals or terms the Commission deems necessary related to the Application in this docket.
- The Companies' proposals are consistent with the MEEIA statute, Commission rules, and prior Commission determinations, and they are consistent with the objectives that policymakers in the legislative and executive branches sought to obtain through MEEIA.
- The MEEIA statute was passed approximately 15 years ago and the state policy and construct remains appropriate and needed in today's environment. MEEIA has successfully delivered positive results for customers on many levels including engagement opportunities, significant energy reduction, economic impact, and overall satisfaction in the state over the past 12 years. Changes in the electric industry in the years since MEEIA became law reinforce the need to promote demand flexibility that MEEIA promotes. The MEEIA framework continues to work and provides flexibility for utilities to

adapt programs, which Evergy has done throughout its different cycle offerings.

- MEEIA is a flexible resource that helps enable customers to control costs. Commission approval is needed for Evergy to continue offering a portfolio of cost-effective DSM programs that provides benefits to all customers.
- The Company is confident in the statewide evaluator process established for MEEIA Cycle 4 and proposes to continue the same approach for Cycle 5. Staff's evaluator will create an EM&V plan and Evergy will implement the plan in collaboration with Staff.
- The cost recovery mechanism requested by Evergy in this application is appropriate for the Commission to approve and is consistent with mechanism that the Commission has determined repeatedly over twelve years that Commission-approved MEEIA programs resulted in just and reasonable rates.
- Evergy seeks to implement its DSM portfolio January 1, 2027, to be effective through December 31, 2028.

V. THE MEEIA STATUTE

Q: What is the Missouri Energy Efficiency Investment Act?

A: MEEIA is state legislation approved in 2009 which states that "It shall be the policy of the state to value demand-side investments equal to traditional investments in supply and delivery infrastructure and allow recovery of all reasonable and prudent costs of delivering cost-effective demand-side programs. In support of this policy, the commission shall:

(1) Provide timely cost recovery for utilities;

(2) Ensure that utility financial incentives are aligned with helping customers use energy more efficiently and in a manner that sustains or enhances utility customers' incentives to use energy more efficiently; and

(3) Provide timely earnings opportunities associated with cost-effective measurable and verifiable efficiency savings.[2]

A demand-side program referenced in the statute is any program conducted by a utility to modify the net consumption of electricity on the retail customer's side of the electric meter, including but not limited to energy efficiency measures, rate management, demand response, and interruptible or curtailable load.[3]

Participation under MEEIA is voluntary and utilities do not have to offer demand-side programs.[4] Utilities participate in MEEIA because it authorizes cost recovery that allows utilities to value demand-side efficiency equal to traditional investments as an incentive to participate in energy efficiency programs.[5]

Q: Are you familiar with the history and intent of the subsequent rulemaking proceeding at the Commission to implement MEEIA?

A: Yes. I served as a commissioner during this time, and specifically as Chair from 2011 until when I left the Commission in 2013. The Commission worked with the

[2] 393.1075.3.
[3] 393.1075.2(3) RSMo.
[4] Section 393.1075.RSMo.
[5] *Amended Report and Order*, ¶6, p. 8, File No. EO-2019-0132, issued March 11, 2020.

General Assembly when MEEIA was originally passed and then developed the rule that ultimately implemented MEEIA. The Commission's intent at the time the rules were developed was to encourage efficiency programs that allowed customers to save money as well as creating a least cost option for the utilities to meet load demands. Additionally, energy efficiency programs can also support affordability for individual participants through providing tools they can use to manage their usage and impact their individual bill while reducing overall system costs over time. The idea was to encourage innovation by the utilities, even if ultimately some of the programs were not as effective as all the parties had hoped. The utilities were tasked with the development of the programs with oversight from the Staff and its auditor to determine if the programs are cost effective.

Q: Is the Company's Application consistent with the MEEIA statute and Commission rules?

A: Yes. The Company's proposals are consistent with the MEEIA statute and are consistent with the objective's policymakers in the legislative and executive branches sought to obtain through MEEIA. Importantly, the framework and details of the Company's proposed DSM portfolio of programs, the proposed cost recovery/earnings opportunity mechanism, the proposed tariffs implementing the programs and mechanism, and the proposed EM&V approach are all consistent with how the Commission's IRP and MEEIA rules have been consistently applied in previous utility MEEIA programs approved by the Commission.

Q: Has Evergy previously opted to utilize this statutory authority to voluntarily implement Commission-approved demand-side programs?

A: Yes. Evergy Missouri West first implemented Commission-approved MEEIA programs in February 2013 and Evergy Missouri Metro implemented similar programs in July 2014. Since that time, Evergy has implemented subsequent Commission authorized programs with MEEIA Cycle 2, MEEIA Cycle 3, and MEEIA Cycle 4 programs, including one-year extensions. Evergy has over a 12-year history in developing, implementing, and providing successful DSM programs to its customers. During this time, the Company has demonstrated continued success with its customers and also developing innovative programs that are leading in the industry.

Evergy has been a strong advocate of DSM programs in Missouri which has resulted in significant positive benefits to the State, individual customers, and the community at large, including increased economic activity resulting in jobs, environmental benefits through emissions reductions like CO_2 reduction, and granting customers a greater ability to control their individual costs.

From 2013 – 2024 (the last year of evaluated programs)[6], Evergy Missouri West and Evergy Missouri Metro's combined MEEIA portfolios have delivered $447 million in cumulative net benefits to our customers and consistently delivered strong energy and demand savings. Below is a summary of Evergy's investment, first-year energy savings, and demand savings from each of its cycles:

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[6] Under the new state-led process approved with the MEEIA Cycle 4 Order, Staff's evaluator will create an EM&V plan for 2025 and Evergy will implement the plan in collaboration with Staff.

	Timeframe	Investment (program costs)	Energy Savings (first-year incremental)	Demand Savings (first-year incremental)
Cycle 1	Ended 12/31/15 (Metro: 18 months, West: 36 months)	$107.1 M	403 GWh	123 MW
Cycle 2	Ended 12/31/19 (45 months)	$136.8 M	641 GWh	329 MW
Cycle 3 including extensions	1/1/20 to 12/31/24 (60 months)	$140.7 M	522 GWh	428 MW
Cycle 4 Approved	1/1/25 - 12/31/27	$69.4M	41 GWh	280 MW

MEEIA rules define the total resource cost ("TRC") as the preferred cost-effectiveness test for the approval of DSM programs and Evergy has demonstrated that these portfolios are cost effective programs with a TRC well-above 1.0. Additionally, Evergy has continually designed its portfolios such that it has a diversity of offerings that gives all customers the opportunity and option to participate, with providing increased emphasis on income-eligible programs.

VI. EVERGY MEEIA CYCLE 5 REQUEST AND CONSIDERATIONS

Q: Why is Evergy filing this Application at this time?

A: The immediate need is to avoid a gap in energy-efficiency programs after December 31, 2026. Demand response and Urban Heat Island activities already have approved 2027 authority under the MEEIA Cycle 4 settlement, but energy-efficiency programs do not. Evergy needs approval for the energy efficiency programs proposed in 2027 and for all programs proposed in 2028. Additionally, in this time of load growth, MEEIA programs greatly assist in creating capacity at a competitive cost. It also allows, in a time of rising costs, customers to control their costs.

Q: Why does the portfolio need approval before January 1, 2027?

A: The requested approvals need to be effective in time to avoid an interruption in energy-efficiency offerings beginning January 1, 2027, and to provide an orderly transition into the 2028 program year. Customers and contractors make decisions based on whether programs and incentives are available. A break in approved programs would create uncertainty, interrupt projects, and make it harder to retain the trade ally and implementation network we will need to offer programs going forward.

Q: The MEEIA statute was passed approximately 15 years ago. Is the state policy and construct still appropriate and needed in today's environment?

A: Yes. First of all, the state legislature that sets state policy says it's still relevant. The state policy set in 2009 to value demand-side investments equal to traditional investments in supply and delivery infrastructure and allow recovery of all reasonable and prudent costs of delivering cost-effective demand-side programs has not been changed by the state legislature. MEEIA has successfully delivered positive results for customers on many levels including engagement opportunities, significant energy reduction, economic impact, and overall satisfaction in the state over the past 12 years. In addition, changes in the electric industry as a whole in the years since MEEIA became law only reinforce the need to promote demand flexibility that MEEIA promotes. An interactive grid future is getting closer and the more touchpoints the utility and the customer have to enable dynamic interaction will promote long term value for both.

Q: What has changed since the approval of MEEIA Cycle 4?

A: A macro trend we're seeing across the industry is a significant increase in demand and the need for more capacity from economic development, especially when coupled with the need for higher reserve margins, changes to the resource accreditation process, and long wait periods for interconnection queues that are being addressed at the Regional Transmission Organization level. In particular, since MEEIA Cycle 4, the emergence of unprecedented large load projects across the country and in Evergy's service territory has created demand for new resources not seen in generations and has further driven the need for flexible load and the ability to serve customers.

Q: Evergy continues to seek Certificates of Convenience and Necessity ("CCNs") to build out of new generation. Are DSM programs still needed?

A: As the load serving entity for its service territory, Evergy is required to have enough accredited capacity resources to serve its load, plus meet the reserve margin required by the Southwest Power Pool ("SPP"). As the Companies' recent Integrated Resource Plans identify, Evergy needs significantly more accredited capacity megawatts to meet these requirements. Simply because the Company is building new generation plants does not negate the role of DSM programs. DSM programs are cost competitive to other resources and have consistently been selected as part of the Company's preferred resource plans to meet these needs. Moreover, these programs are an important part of our resource mix reflecting an all-of-the-above approach that supports reliability, affordability and long-term customer needs while positioning Evergy to serve significant economic development.

In addition, Company witness VandeVelde describes, in today's environment we need additional capacity sooner than we thought even a year or two ago, and programs we can use to leverage demand flexibility are helpful when responding to these potential grid constraints and meeting the load ramps for new customers and demand growth.

Q: Company witness File describes the potential changes that SPP may make to its accreditation methodology for demand response resources. If this occurs, won't this make demand response an uneconomic choice for customers compared to other alternative resource options?

A: No. While it may be true that with a potential change in accreditation methodology, the accredited megawatt achieved per dollar spent may be less in the future than it has been in the past, that does not mean that the programs are not cost effective. They are still cost effective and, importantly, still a cost competitive choice when modeling and comparing to other alternative resource options, all of which have seen escalating costs in the last few years.

Q: Why is the MEEIA Cycle 5 filing only through 2028?

A: This application requests approval for certain energy-efficiency programs in 2027 and 2028 because the MEEIA 4 Order only included energy-efficiency program budgets through 2026. In addition, Evergy is also requesting approval for extending demand response programs into 2028.

Evergy recognizes we are operating in a dynamic and fast changing environment, with emerging and outstanding policy questions around the impacts of potential changing resource accreditation methodologies, consideration for how large loads fit into DSM program designs, technology advancements and their impact on DSM programs and evaluation, and proposed changes to the Commission's rules around the Integrated Resource Planning process and how evaluation and approval of DSM programs should fit into that construct.

Evergy does acknowledge that a comprehensive review of MEEIA may be in order. However, the programs deliver sufficient and demonstrated cost-effective benefits to allow these programs to continue as the Commission contemplates a review. Evergy views this limited filing as a bridge for programs to continue that continuity of benefits to customers while those policy discussions can occur with the Commission and interested stakeholders during the next two years.

Q: Why is approval of this limited portfolio preferable to allowing programs to pause until the next long-term filing?

A: A pause does not preserve the status quo. It creates costs and risks for customers, trade allies, implementation partners, and the demand-response resource. Customers with projects in development lose a program pathway, contractors redirect their attention, enrollment declines, and demand-response capability erodes. Restarting the programs requires Evergy to rebuild those relationships and operating processes before savings return to prior levels.

This filing instead provides a defined and reviewable transition plan that supports affordability for individual participants through providing tools they can use to manage their usage and impact their individual bill as well as provide affordable resources for the system as a whole. The program schedules, budgets, targets, reporting requirements, and performance controls establish what Evergy will deliver during 2027 and 2028. The limited term preserves the Commission's ability to evaluate the next portfolio on a separate record while maintaining customer and system value in the interim.

Q: What specifically is Evergy requesting in this proceeding?

A: Evergy is requesting the Commission approve Evergy's proposed DSM portfolio of programs through December 31, 2028, the proposed cost recovery/earnings opportunity mechanism, the proposed tariffs implementing the programs and mechanism, the requested variances from Commission rules, and any other approvals or terms the Commission deems necessary related to the Application in this docket.

Q: Is Evergy seeking any variances in conjunction with its MEEIA application?

A: Yes. Evergy is requested variances be granted from five Commission rules and Company witness Brian File will discuss these in detail.

Q: Please provide an overview of the program portfolio Evergy is proposing.

A: The Company has presented a MEEIA Cycle 5 portfolio that builds on the successful programs in the previous four MEEIA cycles. In presenting our MEEIA Cycle 5 portfolio, we sought continuity for customers for what they have found beneficial, while creating new bundling of programs to enhance accessibility to new offers and pathways to engage deeper in energy efficiency and demand response.

We took into account our experience from the previous four MEEIA cycles, what worked well and what needed improvement.

Evergy Missouri Metro and Evergy Missouri West have proposed separate DSM portfolios that contain the same programs. At a high level, the MEEIA Cycle 5 DSM Portfolio includes residential energy efficiency, income eligible energy efficiency, business energy efficiency, residential demand response, and business demand response which will span both residential and business customer bases. These programs will deliver an effective and balanced portfolio of energy and demand savings opportunities across all customer segments.

Evergy Missouri Metro and Evergy Missouri West are each proposing a MEEIA Cycle 5 portfolio that makes programs available to customers through 2028 and collectively will incrementally invest $55 million (approximately $15 million in 2027 and $40 million in 2028) and is anticipated to produce 34,067 MWh of first year annual energy savings and 308 MW of net demand reduction by the second year of the Cycle. Each program is designed to leverage the optimal mix of best-practice measures and technologies, delivery strategies, and target markets to most cost-effectively deliver programs and measures to Missouri customers. Brian File's **Schedule BAF-1** provides a more detailed overview for each of these program designs and budgets that are part of the portfolio.

Q: Why should the Commission approve Evergy's Application?

A: The Application is a key component of Evergy's strategy and business plan to meet this significant load growth we are experiencing in part due to large load economic development opportunities. It is a flexible resource that helps meet this growing demand, especially for periods of need where new supply side resources can take multiple years to develop and come online and drives customer costs down. MEEIA programs are an integral part of Company implementing several of the least cost options and the preferred plan from our IRP and the use of DSM programs help lower the overall cost of providing retail electric service in the State of Missouri.

The Commission has previously stated that a successful MEEIA Application is dependent on multiple program offerings in the categories of energy efficiency, demand response, low-income, and pilot programs.[7] Evergy is proposing program offerings including both business and residential programs. The proposed programs are cost effective and result in energy or demand savings and are beneficial to all customers in the customer class in which the programs are proposed, regardless of whether the programs are utilized by all customers. The utility financial incentives are consistent with previously approved incentives and are aligned with helping customers use energy more efficiently and in a manner that sustains or enhances utility customers' incentives to use energy more efficiently. Additionally, our residential energy efficiency programs allow customers greater flexibility in controlling their costs. As affordability increasingly becomes an issue, MEEIA programs help address those issues for all rate classes and income levels.

Q: How does the IRP consider the proposed MEEIA programs?

A: When we think of flexibility, Evergy believes in a balanced supply portfolio to serve our customer needs, and we want exposure to a broad swath of generation

[7] *Amended Report and Order*, ¶10, p. 9, File No. EO-2019-0132, issued March 11, 2020.

technologies, fuel types, and locations – we need all of the above and not put all our eggs in one basket. DSM programs are an important part of this "all-of-the-above" portfolio, particularly as we face one of the most significant transitions of energy supply in U.S. history. The value of DSM programs and their potential to offset the need to build or acquire new capacity is factored into Evergy's IRP Process. The long-term planning process of the IRP is how the Company informs its resource decisions. The Company is not trying to solve capacity issues year to year. While each new IRP plan, similar to new MEEIA proposals, recalculates and evaluates components of the plans, there is not a drastic overhaul to what is presented each time.

Capacity planning for electric utilities is, of necessity, focused on the long-term because supply side resources are long-lived, costly, and often take years to put in place. Long-term planning cannot be undertaken with any meaningful degree of reliability if significant variables used in that analysis change substantially from year to year. Said another way, if MEEIA programs are not implemented as long-term resources, then the value of such programs is diminished - the contribution to avoided capacity costs shrinks if less DSM is implemented than Evergy planned. This affects long-term planning as it accelerates the need to build or acquire other forms of supply-side capacity to make up for DSM's shortfall.

Over time, if the Company receives signals from its regulators that long-term DSM program investments are not preferred in a particular jurisdiction, it may be forced to adjust downward its reliance on DSM when selecting a preferred plan, and plan for more supply-side investment upfront instead to serve its load. Company witness VandeVelde provides an overview of the Company's IRP process and interaction with MEEIA programs.

Q: Why is it important to evaluate MEEIA programs using avoided-cost assumptions that are consistent with Evergy's resource planning analysis?

A: A Missouri regulated electric utility seeking to utilize demand-side programs and demand-side program investment mechanisms is required to use the IRP and risk analysis used in its most recently adopted preferred resource plan to calculate its avoided costs, unless the Commission grants it a variance from the request for good cause shown.[8] The value of avoided capacity costs to use for the assessment of cost-effective demand-side programs is a significant variable in long-term capacity planning, as is the expected level of demand-side programs over the planning period. Evergy is requesting a variance and Brian File explains why this request uses avoided capacity values from the 2024 IRP evaluation of supply side options.

These programs can directly impact our ability to push out or defer supply side investments through the IRP process, although the Commission has previously ruled that the MEEIA statute does not limit avoided costs to those associated with the deferral of capacity or require deferral of capacity.[9] In addition, the Commission has also ruled that demand-side programs that produce capacity savings have an avoided cost greater than zero even if the subject utility is long on capacity.[10] Otherwise, this would reduce the number of cost-effective programs

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[8] *Amended Report and Order*, Conclusions of Law, ¶L, p. 22, File No. EO-2019-0132, issued March 11, 2020.
[9] *Amended Report and Order*, Findings of Fact, ¶29, p. 12 and ¶L, p. 22, File No. EO-2019-0132, issued March 11, 2020. See also Report and Order, File No. EO-2026-0129, issued August 5, 2026.
[10] d. Findings of Fact, ¶33, p. 13.

offered by companies that have excess capacity. When a resource reduces the present value of long-run utility costs, the benefits of choosing that resource are independent of whether the utility is long or short of capacity in the near term.

Q: Are the proposed MEEIA programs cost effective?

A: Yes. The application demonstrates cost-effectiveness using the complete set of required tests. The Total Resource Cost test is the preferred test under the Commission's rules, and the modeling workpapers also present the utility cost, participant, ratepayer-impact, and societal tests. Each test answers a different question, and Brian File's **Schedule BAF-2** presents the results by program, jurisdiction, and portfolio. Company witness File describes the methodology and results of this process.

Q: What is the process to ensure that the claimed savings will occur, be measurable, and contribute meaningfully to resource needs?

A: Evergy begins with the applicable Technical Resource Manual, program models, measure data, and demand-response assumptions and then the independent EM&V proposed to be administered by the Commission Staff compares those estimates with actual results. Importantly, the Company only recovers lost revenue or earnings based on actual, verified results. Company witness File describes the detailed process for both our energy efficiency and demand response programs.

The filing does not claim that this portfolio resolves Evergy's broader resource needs by itself. It demonstrates measurable energy and demand reductions, preserves an existing demand-response resource, and utilizes impacts to inform future portfolio planning.

Q: Will all customer classes have a reasonable and accessible opportunity to participate?

A: Yes. The portfolio provides participation pathways for residential, income-eligible, business, and demand-response customers.

The income-eligible program addresses up-front cost, housing-condition, landlord-tenant, information, and contractor-access barriers through dedicated funding, simplified participation, community partnerships, direct installation, and coordination with other funding sources. The program description establishes how Evergy measures participation, geographic reach, and customer experience.

For other residential and business customers, Evergy uses clear program rules, practical application processes, qualified trade allies, targeted outreach, and multiple participation channels. **Schedule BAF-1** and tariffs further discuss both technical eligibility and the process customers use to participate.

Q: How does the portfolio address free ridership, outside incentives, and the risk of paying for actions customers would take anyway?

A: The EM&V Plan, proposed to be administered by the Commission Staff's independent third party, addresses free ridership and spillover through program-appropriate net-to-gross methods. Company witness File also describes how Evergy addresses these potential concerns from a program design perspective.

Q: Are demand-side investments treated comparably to supply-side investments?

A: Yes. Missouri law directs that demand-side investments be valued equally with traditional investments in supply and delivery infrastructure. Equal treatment does not require identical accounting, recovery timing, or risk allocation because power plants, transmission projects, energy-efficiency portfolios, and demand-response programs have different operating lives, cost structures, and performance risks. Comparable treatment means a cost-effective demand-side resource is not disadvantaged because its value is delivered through customer action rather than a utility-owned physical asset.

Supply-side investments generally receive cost recovery and an opportunity to earn when they are approved, placed in service, used and useful, and prudently managed. Under the proposed MEEIA framework, demand-side investments receive recovery of prudent program costs, recovery of qualifying lost margin, and an earnings opportunity based on verified performance. That results-based structure retains execution risk for Evergy because earnings depend on customer participation, disciplined cost management, and measured outcomes.

The cost-effectiveness and resource-planning workpapers apply consistent resource-value assumptions for avoided energy, capacity, transmission, distribution, and other applicable costs while accounting for differences in useful life, timing, scalability, operational flexibility, and risk. This analysis demonstrates that the proposed demand-side resources receive a fair opportunity to compete with traditional alternatives.

Q: Are the cost recovery mechanisms requested by Evergy in this Application appropriate for the Commission to approve?

A: Yes. Company witness File describes in detail the proposed cost recovery mechanism for MEEIA Cycle 5. The Commission has determined repeatedly over twelve years that Commission-approved MEEIA programs resulted in just and reasonable rates. The Commission has acknowledged that MEEIA is designed to compensate the utility for promoting energy efficiency as it encourages its customers to save money by using less of the product the utility sells.[11] The earnings opportunity is tied to defined performance measures rather than spending alone. Independent verification establishes achievement, and the DSIM applies the approved thresholds and caps. Throughput-disincentive recovery uses the approved savings methodology without duplicate recovery. Program costs are recorded in identified accounts and reconciled to actual prudent expenditures. Company witness File describes this in more detail in his direct testimony.

Continuing to leverage the historical three-legged stool inclusive of program cost recovery, the throughput disincentive mechanism, and an earnings opportunity is consistent with the state statute and supports achievement of state policy goals. Ultimate effectiveness will be determined by the EM&V of the particular program. However, initial program implementation costs are still recoverable in order to incent the utility to offer these programs.

VII. REQUESTED VARIANCES

Q: Is Evergy seeking any variances in conjunction with its MEEIA application?

A: Yes. Evergy is requesting variances be granted from five Commission rules. Company witness File describes each variance request and good cause shown for granting the requested variances.

[11] Id. Findings of Fact, ¶¶34, p. 13.

VIII. CONCLUSION

Q: What effective date is Evergy requesting for its DSM proposal?

A: Evergy seeks to implement its DSM portfolio January 1, 2027, to be effective through December 31, 2028.

Q: Please summarize your request.

A: The Commission should approve the attached application and proposed tariffs for implementing MEEIA Cycle 5 programs and budgets through December 31, 2028. That relief includes new 2027 energy-efficiency authority, the requested 2028 portfolio approvals, the DSIM provisions, energy and demand targets, and reporting requirements. The application also identifies the 2027 demand-response and Urban Heat Island authority that remains effective under MEEIA Cycle 4 and identifies each requested modification for 2028.

This is a focused request for a defined period. It reflects the right level of programs and investment for the current stage of Evergy's planning, while avoiding a gap that would create real consequences for customers and program delivery. The proposal is measurable, reviewable, and limited in duration. It preserves customer options and demand-response capability now without limiting what Evergy may support in the future. The next potential study, IRP analysis, stakeholder work, program results, and evaluation of different recovery mechanisms, external funding, financing structures, and other funding options may support a broader or differently structured portfolio in the next filing. I believe the current proposal is a balanced outcome for customers and a sound basis for Commission approval.

Q: Does that conclude your testimony?

A: Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Evergy Metro, Inc. d/b/a Evergy Missouri Metro's and Evergy Missouri West, Inc. d/b/a Evergy Missouri West's Notice of Intent to File an Application for Authority to Establish a Demand-Side Programs Investment Mechanism	)))))	File No. EO-2026-0345

AFFIDAVIT OF KEVIN D. GUNN

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Kevin D. Gunn, being first duly sworn on his oath, states:

1. My name is Kevin D. Gunn. I work in Kansas City, Missouri, and I am employed by Evergy Metro, Inc. as Vice President-Regulatory and Government Affairs.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Evergy Missouri Metro and Evergy Missouri West consisting of twenty-four (24) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

Kevin D. Gunn

Kevin D. Gunn

Subscribed and sworn before me this 21st day of August 2026.

Anthony R Westenkirchner

Notary Public

My commission expires: April 26, 2029

ANTHONY R WESTENKIRCHNER
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES APRIL 26, 2029
PLATTE COUNTY
COMMISSION #17279952