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Direct Testimony of Philip A. Fracica (Rate Design)
Case No. ER-2026-0143

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Issues:	Customer Battery Programs
Witness:	Philip A. Fracica
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MISSOURI PUBLIC SERVICE COMMISSION

ER-2026-0143

DIRECT TESTIMONY

OF

PHILIP A. FRACICA

ON BEHALF OF

RENEW MISSOURI ADVOCATES

July 14, 2026

PURPOSE OF TESTIMONY AND SUMMARY OF RECOMMENDATIONS

Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.

A. My name is Philip A. Fracica, Director of Programs for Renew Missouri. My business address is 501 Fay Street Suite 206, Columbia, Missouri, 65201.

Q. ARE YOU THE SAME PERSON WHO FILED DIRECT TESTIMONY ON JUNE 30, 2026 CONCERNING EVERGY'S REVENUE REQUIREMENT?

A. Yes.

Q. **WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

A. I recommend the Commission direct Evergy to propose a comprehensive Battery Energy Storage program in its next rate case that builds upon the lessons learned from the Company's Residential Battery Energy Storage Pilot. Specifically, I recommend the Company evaluate three complementary pilot programs: (1) a Residential Battery Demand Response Pilot Program to compensate customers for providing dispatchable grid services; (2) a Targeted Residential Grid Support Rebate Pilot Program that directs incentives toward batteries providing the greatest distribution system value; and (3) a Large Customer Battery Partnership Pilot Program to evaluate utility-owned, customer-hosted battery systems as a flexible planning resource for supporting reliability, accommodating load growth, and deferring traditional infrastructure investments. Ialso recommend that Evergy streamline battery interconnection requirements and develop future incentive structures that increasingly reflect the measurable value battery systems provide to the electric system. Together, these recommendations provide a practical framework for expanding battery storage in a manner that benefits participating customers, non-participating customers, and the electric system as a whole.

BATTERY ENERGY STORAGE CUSTOMER PROGRAMS

Q: When do you think the Company should offer a full program?

A: I recommend the Commission direct the Company to propose a full Battery Energy Storage ("BES") program in its next rate case.

Q: What benefits are associated with residential battery energy storage ("RBES") systems and what did pilot program participants like most about the program?

A: Customers that recently participated in the company's RBES Pilot were surveyed on what they liked about the program. Most of the respondents indicated that the feature they liked the most from the program was the availability of the backup power provided. This was followed by (bill) savings, technology interest, solar, off-peak, and other. Based on the customer feedback, we recommend an approach that fairly shares the incentive for a few different reasons.

Q: How are you proposing the Company structure the battery storage programs?

A: We recommend the Company evaluate three complementary battery storage pilot programs, each designed to address a different customer need and electric system objective.

First, a Large Customer Battery Partnership Pilot Program that would focus on deploying larger battery energy storage systems at commercial and industrial customer sites where they can provide significant grid benefits. Rather than offering a traditional customer rebate, the Company could develop utility partnerships with large electric users to install or develop battery systems located behind the customer's meter while retaining the ability to dispatch those systems for grid support.

Second, a Residential Battery Demand Response Pilot Program, operating similarly to Evergy's existing smart thermostat[1] demand response offerings. Customers who voluntarily enroll would

[1] Evergy. (n.d.). *Thermostat program terms and conditions (Missouri).* https://www.evergy.com/-/media/documents/ways-to-save/discounts/thermostat-program-terms-and-conditions-mo.pdf

allow the Company to dispatch their battery during demand response events in exchange for ongoing bill credits or annual incentive payments.

This structure ensures that incentives are tied to measurable grid value rather than simply subsidizing battery purchases. Customers would continue to receive the backup power and resiliency benefits of battery ownership while also being compensated for providing dispatchable capacity to the electric system. Because batteries can typically provide greater flexibility than thermostat load reductions, the compensation should be no less than existing thermostat demand response incentives and should reflect the additional system value batteries can provide.

Third, a Targeted Residential Grid Support Rebate Pilot Program, separate from the demand response program, designed to encourage battery adoption with rebates in areas where the Company expects the greatest distribution system benefit.

Rather than offering the same rebate to all customers, Evergy should identify a limited number of distribution circuits experiencing capacity constraints, recurring overloads, reliability concerns, or anticipated infrastructure upgrades. Customers installing batteries within these targeted areas would receive an upfront rebate because their battery provides localized benefits by reducing stress on the distribution system, improving reliability, and potentially deferring future infrastructure investments.

Initially, we recommend using a simple flat rebate amount to keep the pilot straightforward and easy to administer. However, the Commission should encourage Evergy to collect operational data during the pilot with the expectation that future phases could transition to a variable incentive structure that more closely reflects the locational value each battery provides to the electric system.

Participation in this rebate program should not necessarily require enrollment in the demand response program. Some customers primarily purchase batteries for backup power and resiliency.

Even if those batteries are not actively dispatched during demand response events, strategically locating them on constrained portions of the distribution system can still provide planning and reliability benefits that justify a targeted incentive.

Our recommendations are informed by both customer survey responses and emerging utility practices across the country. Survey participants consistently identified two primary motivations for investing in residential battery storage: maintaining backup power during outages and reducing electricity costs. Because customers value battery storage differently, we believe the most effective program design is one that offers multiple participation options rather than relying on a single incentive structure. Doing so broadens customer participation while reducing free ridership by aligning incentives with the specific benefits each participant provides to the electric system.

Finally, I recommend Evergy examine ways to streamline battery interconnection requirements alongside these programs. Simplifying the interconnection process would reduce non-financial barriers to adoption and improve participation in any future battery storage initiatives.

Q: How are you proposing the Company offers incentives for an expanded BES program?

A: The incentive structure should reflect the differing value each battery provides to the electric system. Rather than relying on a single systemwide incentive, we recommend incentives that vary based on customer participation, customer class, and the distribution system benefits provided while minimizing free ridership. Under this approach, Evergy could identify distribution circuits where customer-sited batteries could provide measurable system benefits, such as reducing peak load, improving reliability, deferring transformer replacements, or postponing other distribution system investments.

This targeted approach is consistent with principles already reflected elsewhere in Evergy's tariffs. For example, the Company's distribution line extension policy recognizes that investments should

be evaluated based upon their long-term economic benefit through the use of a feasibility model and construction allowance. Rather than treating every service extension identically, Evergy evaluates the expected value each project provides to the system when determining the appropriate customer contribution. Additionally, Evergy has a program for customers to receive discounted line extensions when locating in underutilized circuits.[2] This program relies on very similar analytical reasons, just targeting areas that experience *overutilization* or other capacity stressing conditions. Not every commercial or residential battery will provide the same distribution system value. Batteries located on constrained or high-value circuits may avoid or defer future infrastructure investments, while batteries installed elsewhere may provide comparatively less system benefit. I believe incentive levels should ultimately reflect those differing system values and customer class.

Utilities in other jurisdictions have demonstrated that meaningful battery incentives can be structured around the grid value provided by participating systems. For example, Green Mountain Power's Bring Your Own Device[3] program provides upfront incentives of $850 to $950 per kilowatt of enrolled battery capacity, with additional incentives available in targeted locations where storage provides greater system value. Hawaiian Electric's Bring Your Own Device Plus[4] program similarly offers an upfront incentive of $400 per kilowatt of committed capacity, with additional incentives for qualifying low-to-moderate income customers. These examples demonstrate that utilities are already differentiating battery incentives based on operational commitments and system benefits rather than providing a uniform statewide incentive.

[2] New Facilities - Utilizing Existing Infrastructure https://www.evergy.com/partner-with-us/construction-and-upgrades/new-facilities

[3] Green Mountain Power. (n.d.). *Bring your own device*. https://greenmountainpower.com/rebates-programs/home-energy-storage/bring-your-own-device/

[4] Hawaiian Electric. (n.d.). *Bring your own device Plus*. https://www.hawaiianelectric.com/products-and-services/customer-incentive-programs/bring-your-own-device-plus

Consistent with the pilot nature of this proposal, I recommend the Company includes a proposed targeted budget of approximately $5 million in their next rate case to support the Residential Programs for both programs.

Evergy should also identify a limited number of highly constrained distribution circuits where customer-sited batteries are most likely to defer future infrastructure investments to begin deployment of the Target Residential Grid Support Rebate Pilot. Given the pilot nature of this proposal, we believe Evergy should begin with a simpler flat rebate for the Targeted Residential Grid Support Rebate Pilot Program and collect operational data before transitioning to a more sophisticated, location-specific incentive structure in the future. As operational experience is gained, the Company could transition toward a variable incentive that reflects the relative value batteries provide on different portions of the distribution system.

I recommend Evergy retain flexibility to target incentives based on locational system needs. Depending on local grid conditions, this could include circuits experiencing capacity constraints, reliability concerns, and anticipated infrastructure upgrades. The Company should identify these areas by relying upon capacity analyses and distribution planning studies, or other planning tools. This targeted approach allows incentives to be directed where customer-owned batteries provide the greatest distribution system value.

For the Residential Battery Demand Response Pilot Program, we recommend a straightforward approach utilizing a bill reduction for participating customers located on circuits selected by Evergy and based upon the number of DR events needed for the batteries. This program could also be paired with the Targeted Residential Grid Support Rebate Pilot Program, allowing qualifying customers to receive both an upfront rebate and ongoing bill savings for participation in demand response events. This dual incentive structure would provide Evergy with valuable operational

experience dispatching distributed battery resources while allowing future incentive levels to evolve based on hosting capacity analyses, distribution planning studies, and measured system benefits.

While the Residential Battery Demand Response and Targeted Residential Grid Support Rebate Pilot Programs focus on customer participation, I also believe Evergy should consider a utility-owned partnership model for larger commercial and industrial customers. Evergy should investigate and report on the feasibility and interest for a Large Customer Battery Partnership Pilot program, including engaging customers on interest levels and participation terms and structures, identification of benefits to the localized grid, the utility, the participating customer, and all non-participating customers, and interactions with large load riders and tariffs.

Q: Are any other utilities offering anything similar to a Large Customer Battery Partnership Pilot Program?

A: Yes. Utilities across the country have begun deploying utility-owned battery energy storage systems ("BESS") at customer locations where the batteries provide both customer resiliency and electric system benefits. Under this model, the utility retains ownership, operational control, and dispatch rights, while the host customer receives resiliency benefits and, where appropriate, financial compensation for providing the site.

I believe this concept complements the Company's existing Large Load Tariff ("LLT"). The LLT is intended to facilitate economic development while ensuring infrastructure costs associated with serving large customers are appropriately planned and allocated. A utility-owned, customer-hosted battery program expands that philosophy by allowing Evergy to strategically deploy utility infrastructure on customer sites where it can improve reliability, support growing electricity demand, and potentially defer future transmission and distribution investments while protecting

existing customers from unnecessary infrastructure costs. In many respects, this proposal represents a natural extension of the planning strategy reflected in the Company's Large Load Tariff. Rather than planning utility infrastructure around a new large customer, Evergy would intentionally deploy utility infrastructure at existing large customer sites to improve system reliability, accommodate future load growth, and maximize the value of existing electrical infrastructure. Furthermore, this program would capture commercial and industrial customers who might be larger facilities or users of energy, but fall under 75 MW threshold for Evergy's LTT tariffed customers, and thus not eligible for Evergy's BESS rider.

Utility ownership also ensures that battery dispatch, maintenance, upgrades, and eventual replacement remain under the Company's control, allowing these assets to be operated as an integrated component of the distribution system rather than relying on continued customer participation in a voluntary demand response program over the life of the project. The Company would retain ownership and operational control of these assets, so that battery deployment decisions can be based on system planning needs rather than individual customer purchasing decisions, allowing Evergy to strategically locate storage where it provides the greatest value to the electric system. As the Company evaluates increasing load growth, including from new large commercial and industrial customers, and the need for timely infrastructure investments, this type of utility-owned, customer-hosted BESS program would provide another flexible planning tool that could be deployed where it offers the greatest value to the grid.

Unlike traditional utility-scale battery projects, customer-hosted systems can often be deployed on property that is already developed, already interconnected to the grid, and located immediately at or adjacent to significant electrical load. This can reduce land acquisition and permitting requirements, shorten development timelines, and make more efficient use of existing electrical

infrastructure. Rather than viewing battery storage solely as a customer incentive, we believe utility-owned, customer-hosted BESS should be planned and evaluated as distributed utility infrastructure located on customer property pursuant to a voluntary host agreement. This approach also provides Evergy with an additional tool for addressing localized capacity constraints in situations where a traditional transmission or distribution upgrade may not represent the lowest-cost or most timely solution.

An example of this partnership approach already exists in the state through Ameren Missouri's utility scale solar projects at Lambert-St. Louis International Airport[5] and Barnes-Jewish Hospital.[6] These projects demonstrate that utilities can successfully partner with large customers to locate utility-owned energy infrastructure on customer property, leveraging existing customer sites with significant electrical demand and established electrical infrastructure. While these projects utilize utility-scale solar rather than battery storage, they illustrate the viability of the customer-hosted partnership model that could similarly be applied to battery energy storage.

Another useful example comes from Orange & Rockland Utilities, a subsidiary of Consolidated Edison. The utility developed a 12 MW battery storage project[7] consisting of three strategically located battery installations through partnerships with community hosts, including two on property owned by the Warwick Valley Central School District. The project was designed to increase capacity at the Company's Wisner Substation, improve reliability, provide support during periods of peak demand, and defer more costly transmission and distribution infrastructure investments.

[5] *Solar Energy Centers*. (2025). Ameren.Com https://www.ameren.com/reliability/generation/solar
[6] Id.
[7] *Warwick Battery Storage Project | Orange & Rockland*. (2018). Oru.Com. https://www.oru.com/es/our-energy-future/our-energy-projects/warwick-project

Orange & Rockland[8] has stated that the project allows the utility to reduce costs to customers and incorporate new technologies to maintain efficient, resilient and reliable electric operations.

I believe Evergy could build upon these concepts by partnering with commercial and industrial customers that already possess suitable land, electrical infrastructure, and proximity to significant electrical load. Potential host sites could include airports, hospitals, universities, manufacturers, water treatment facilities, data centers, and other large commercial customers. These facilities often possess suitable land, existing electrical infrastructure, and available space necessary to accommodate strategically located BESS. In exchange for hosting the Company's battery system, participating customers could receive a site lease or easement payment, enhanced resiliency through access to the battery system, or other mutually agreed-upon compensation, creating a partnership that provides value to both the host customer and the electric system. Under this approach, Evergy would retain ownership, operational control, and dispatch rights for the battery while the host customer would benefit from the terms established in the voluntary host agreement. This model has the potential to accelerate deployment, maximize the use of existing electrical infrastructure, and serve as a cost-effective non-wires alternative[9] for addressing localized transmission and distribution needs.

Taken together, these three pilot programs would allow Evergy to evaluate multiple pathways for deploying battery storage while gathering the operational and planning experience necessary to support a broader statewide RBES program in future rate proceedings.

[8] Seeking Battery Projects to Aid Clean Energy Push | Con Edison. (2021). Oru.Com. https://www.oru.com/es/about-us/media-center/news/2021/08-92/con-edison-and-oru-utilities-seeking--battery-projects-to-aid-clean-energy-push

[9] American Public Power Association. (2022, March 28). *Exploring non-wire alternatives in a wired industry*. https://www.publicpower.org/periodical/article/exploring-non-wire-alternatives-wired-industry

Q: Can you briefly summarize your recommendations to the Commission?

A: Yes. Renew Missouri recommends the Commission direct Evergy to propose a comprehensive Battery Energy Storage program in its next rate case that builds upon the lessons learned from the Company's Residential Battery Energy Storage Pilot. Specifically, we recommend the Company evaluate three complementary pilot programs: (1) a Residential Battery Demand Response Pilot Program to compensate customers for providing dispatchable grid services; (2) a Targeted Residential Grid Support Rebate Pilot Program that directs incentives toward batteries providing the greatest distribution system value; and (3) a Large Customer Battery Partnership Pilot Program to evaluate utility-owned, customer-hosted battery systems as a flexible planning resource for supporting reliability, accommodating load growth, and deferring traditional infrastructure investments. We also recommend that Evergy streamline battery interconnection requirements and develop future incentive structures that increasingly reflect the measurable value battery systems provide to the electric system. Together, these recommendations provide a practical framework for expanding battery storage in a manner that benefits participating customers, non-participating customers, and the electric system as a whole.

Q: Does this conclude your testimony?

A: Yes.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Request of Evergy Metro, Inc. d/b/a Evergy Missouri Metro for Authority to Implement a General Rate Increase for Electric Service	))))	**File No. ER-2026-0143**

AFFIDAVIT OF PHILIP FRACICA

STATE OF MISSOURI)
) **ss**
COUNTY OF BOONE)

COMES NOW Philip Fracica and on his oath states that he is of lawful age; that he prepared the attached Direct Testimony; and that the same is true and correct to the best of his knowledge and belief.

Further the Affiant sayeth not.

Philip Fracica

Subscribed and sworn before me this 13th day of July, 2026.

Notary Public – James M. Owen

My Commission expires: 8-16-27

JAMES M. OWEN
Notary Public - Notary Seal
STATE OF MISSOURI
Boone County
My Commission Expires: August 16, 2027
Commission #15637358

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