BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Evergy Metro, Inc. d/b/a Evergy Missouri Metro for Approval of a Transportation Electrification Program.	))))	File No. ET-2021-0151
In the Matter of the Application of Evergy Missouri West, Inc. d/b/a Evergy Missouri West for Approval of a Transportation Electrification Program.	))))	File No. ET-2021-0269

STAFF'S POSITION STATEMENT

1. Should the Commission approve Evergy's proposed Residential Customer EV Outlet Rebate Program?

> **No. Staff cannot recommend approval of this program as a reasonable use of ratepayer funds. It has no protections against free ridership, and no requirement for participation in managed charging. Customers who receive the subsidy may or may not install a Level 2 Charger. Customers who install a Level 2 Charger may choose one capable of delivery of energy far in excess of the 6.6 kW cap assumed in Evergy's modeling. Customers may cause wholesale energy cost increases, and may cause capacity costs increases. Evergy has not provided any evidence of what education or marketing will cause customers to participate in "Managed" charging, nor have they shown how the $500 subsidy is necessary to deliver that education or marketing to customers who may participate in "Managed" charging. Evergy assumes participating customers will lower their bills, thus decreasing their contributions to retail revenue.[1]**

[1] See Staff Report, pages 5 – 15.

a. If the Commission approves Evergy's proposed Residential Customer EV Outlet Rebate Program, should the Commission require that participants also sign up for the Company's existing whole house, opt-in TOU rate?

Yes. If EV charging load is not managed it will likely occur during expensive peak hours.[2]

b. If the Commission approves Evergy's proposed Residential Customer EV Outlet Rebate Program, should the Commission modify the program consistent with ChargePoint's recommendations?

No.

2. Should the Commission approve Evergy's proposed Residential Developer EV Outlet Rebate Program?

No. To be eligible for this rebate, the builder only has to provide proof the outlet was installed, with no restriction on the outlet's placement or use. There is no tariff requirement for Evergy's intended eventual "education" component to reach the future homeowners – who may or may not own an EV and who may or may not pursue installation of a Level 2 charger of any particular demand capability- and there is not a tariff requirement that the future homeowners even know the plug was installed as a result of the subsidy.[3]

3. Should the Commission approve Evergy's proposed Commercial EV Charger Rebate Program?

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[2] See Staff Report, pages 7-12.
[3] See Staff report, pages 5, 16.

No. Evergy does not model Level 2 charging in excess of 6.6 kW and could not provide details concerning the kW assumptions for DCFC charging at technical conferences, including whether or not assumed demands reflected single DCFC chargers or paired chargers. The distribution facilities needed to accommodate 350 kW run in the tens of thousands to hundreds of thousands of dollars. These costs are not included in Evergy's stated budget or considered in its economic analysis.

The budgets proposed by Evergy Missouri West and Evergy Missouri East in this proceeding are not reasonable in size, and additional work is needed to refine the parameters of each program that may be authorized to – among other things – reduce free ridership, avoid load building, and optimize customer behaviors to avoid the need for additional distribution, transmission, or generation capacity or assets. A factor to consider in reviewing the budget proposed by Evergy versus those in place at Ameren Missouri and under consideration for Liberty is the existing saturation of the Evergy Clean Charge Network chargers within the service territory. As a point of reference, Evergy West and Evergy Metro combined have less than half the number of non-residential customers as compared to Ameren Missouri; however, Evergy is requesting approximately $4 million more than Ameren Missouri's approved budget for Commercial EV charging rebates.[4]

[4] See Staff Report at pages 16-19.

a. If the Commission approves Evergy's proposed Commercial EV Charger Rebate Program, should the Commission modify the program consistent with ChargePoint's recommendations?

No.

b. If the Commission approves Evergy's proposed Commercial EV Charger Rebate Program, should the Commission require that 20 percent of Commercial Rebates be reserved for multi-family locations?

Staff takes no position at this time, but reserves the right to do so at hearing or in briefs.

c. If the Commission approves Evergy's proposed Commercial EV Charger Rebate Program, should the Commission order rebate incentive amounts be capped on a percentage basis to not exceed 20% of the total costs for a charger station?

Staff does not oppose this recommendation if the program is approved.

4. Should the Commission approve Evergy's proposed Electric Transit Service Rate?

No. Evergy asserts that the rates it proposed for the BEVCS and ETS tariffs are "revenue neutral." Evergy's interpretation means the addition of a customer on the new BEVCS and ETS rate tariffs would have approximately the same revenue impact as a new LGS customer coming onto the LGS rate schedule, assuming the LGS customer has a class average load factor. However, these are not reasonable assumptions. The Company has calculated the rate values using the assumptions that an EV charging station is similar to that of an LGS customer and will cause no additional transmission and capacity costs. For example, the minimum demand to be served on

the LGS rate schedule is 150 kW, yet as further mentioned below, an L2 EV charging station may be anywhere from 3.8 – 19.2 kW and DCFC station may be anywhere from 50-350 kW. Depending on the number and type of charging station installed, a customer may have the equivalent demand requirements of a Small General Service customer or a Large Power customer rather than a Large General Service customer. It is not reasonable to develop a rate schedule based on applying assumed revenue levels from a given size of customer to customers of significantly different sizes, let alone to do so in the absence of billing determinants, cost of service data, and other vital information determined only in the context of a general rate proceeding. The Company's proposed BEVCS and ETS rate schedules do not prohibit separately metered EV charging stations from being served on one of Evergy's existing rate schedules and, therefore, are not needed in order for EV charging stations to be served. Staff recommends the Commission reject the Company's proposed BEVCS and ETS rate schedules absent a general rate proceeding.[5]

a. Is it lawful for the Commission to approve a rate for this new service outside of a general rate case?

No. The foundation on which just and reasonable rates are built upon is evidence that considers all relevant factors.[6] Unless authorized by statute, single issue ratemaking is prohibited.[7] Without the context of a general rate

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[5] See Staff Report at pages 2-5.
[6] 393.270.
[7] State ex rel. Util. Consumers' Council of Missouri, Inc. v. Pub. Serv. Comm'n, 585 S.W.2d 41 (Mo. 1979)

proceeding, where factors like billing determinants, plant balances, return of equity, and expenses, among others, are considered, it is improbable that rates will be designed to accurately reflect the cost of service.[8]

b. Is it lawful for the Commission to approve a rate for this new rate at this time given the Company has elected PISA?

No. 393.1655(2) prohibits utilities that have elected PISA from adjusting rates for a period of three years from the election date.[9] The only exceptions are for statutorily authorized rate adjustment mechanisms such as the FAC, RESRAM, MEEIA rider, and others authorized in sections 386.266, 3939.1030, or 393.1075.

c. If the Commission does approve the new rate, should the Company use the revenue received from the rate schedule to offset the costs Evergy is requesting to defer to a regulatory asset account?

Yes.

5. Should the Commission approve Evergy's proposed Business EV Charging Service Rate?

No, for the same reasons described above in response to question 4.

[8] ***State ex rel. Utility Consumers Council of Missouri, Inc. v. Public Service Commission,*** 585 S.W.2d 41, 49 (Mo. banc 1979) ("Even under the file and suspend method, by which a utility's rates may be increased without requirement of a public hearing, the commission must of course consider all relevant factors including all operating expenses and the utility's rate of return, in determining that no hearing is required and that the filed rate should not be suspended.").

[9] Notwithstanding any other provision of law and except as otherwise provided for by this section, an electrical corporation's base rates shall be held constant for a period starting on the date new base rates were established in the electrical corporation's last general rate proceeding concluded prior to the date the electrical corporation gave notice under subsection 5 of section 393.1400 and ending on the third anniversary of that date, unless a force majeure event as determined by the commission occurs. Whether a force majeure event has occurred shall be subject to commission review and approval in a general rate proceeding, and shall not preclude the commission from reviewing the prudence of any revenue reductions or costs incurred during any proceeding to set rates. This subsection shall not affect the electrical corporation's ability to adjust its nonbase rates during the three-year period provided for in this subsection as authorized by its commission-approved rate adjustment mechanisms arising under section* 386.266, 393.1030, or 393.1075, or as authorized by any other rate adjustment mechanism authorized by law.

a. Is it lawful for the Commission to approve a rate for this new service outside of a general rate case?

See response to Issue 4(a).

b. Is it lawful for the Commission to approve a rate for this new rate at this time given the Company has elected PISA?

See response to Issue 4(b).

c. If the Commission does approve the new rate, should the Company use the revenue received from the rate schedule to offset the costs Evergy is requesting to defer to a regulatory asset account?

Yes.

6. Should the Commission approve Evergy's proposed cap increase for the Clean Charge Network Expansion?

Only as provided below.

a. Should the Commission approve Evergy's request to expand its CCN along the highway corridors?

No.[10] Evergy's plans to expand the Clean Charge network along highway corridors and to support transportation network companies is premature. For the highway corridor project, Evergy has presented only a general framework of where the highway corridor stations would be sited.[11]

[10] See Staff Report pages 27-28.
[11] See Report, page 31.

b. Should the Commission approve Evergy's request to partner with the Metropolitan Energy Center and the City of Kansas City, Missouri to pilot streetlight charging installations in the city's right of way?

Staff does not oppose this request.[12]

c. Should the Commission approve Evergy's request to utilize some of the charging stations under the cap towards use by transportation network companies ("TNCs")/rideshare companies?

No. At this time, Evergy has not identified locations for rideshare chargers or partnership opportunities. Additionally, Evergy has not presented even a general framework for how such a partnership would be structured. Staff appreciates Evergy's consideration of equity in developing its proposed Transportation Electrification Portfolio. However, at this time Evergy's request to increase the cap to support this program is premature.[13]

d. Should the Commission approve Evergy's request that the Commission find that the limited and targeted CCN expansion plans Evergy has proposed in this filing are prudent from a decisional perspective?

In this case, Evergy requested the Commission find the decision to expand its Clean Charge Network prudent. Pre-approval of decisional prudence is inconsistent with tariff applications. The Commission may make a determination of the prudence of a decision when determining whether to grant a Certificate of Convenience and Necessity, which Evergy has not applied for nor met the applicable filing requirements. As Evergy indicated

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[12] See Staff Report pages 26-27.
[13] See Staff Report, page 27.

the expansion of the Clean Charge Network would be within its service territories, which would not necessitate a Certificate of Convenience and Necessity as Staff does not consider the expansion an asset as defined in 20 CSR 4240-20.045. However, Evergy has since identified possible locations that may be outside its service territories, which would require a Certificate of Convenience and Necessity to cover those locations.

Setting aside that Evergy's request for decisional prudence is inappropriate, Evergy has not provided sufficient evidence in this case to support the full Clean Charge Network expansion and related requested programs. The revenues from the existing Clean Charge Network stations are not fully covering its revenue requirement. Further, Evergy's spending plan of $2.8 million does not cover the cost of the number of stations Evergy is requesting.

Staff recommends the Commission revise the current cap for Evergy Missouri Metro to 450 stations to support the KC Streetlight Corridor Pilot. The estimated budget for this pilot program is $0.8 million. The pilot program goals are well defined, Evergy's contribution is limited to make-ready infrastructure, and market demand modeling was used to inform initial site screening.[14]

e. Should the Commission direct Evergy to allow site hosts at new CCN sites to choose the EV charging hardware and network service provider and to set the prices paid by drivers?

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[14] See Staff Report, page 30-31.

No. Ultimately, Chargepoint's witness Mr. Wilson is recommending the site hosts select the charging hardware that will be owned, operated, and maintained by Evergy. Site hosts have the flexibility to work with Evergy within the parameters set forth in the Commission approved tariff (Clean Charge Network Schedule CCN), to host competitive providers, or own and operate their own stations.[15]

7. Should the Commission approve Evergy's proposed Customer Education and Program Administration proposal?

No. There is no concrete proposal to address at this time, and Staff recommends rejection of program components aside from the Streetlighting partnership.

8. Should the Commission approve Evergy's proposal to administer the new pilot rebate programs over a five-year period, beginning in the first quarter of 2022 and concluding in the first quarter of 2027, including periodic reporting to the Commission and stakeholders?

No, but if the programs are approved reporting requirements should be implemented.

9. Should the Commission approve Evergy's request that the Commission authorize the Company to use a regulatory asset tracking mechanism to track and defer the pilot program costs which include rebate incentives and certain associated customer education and administrative costs?

[15] See Surrebuttal Testimony of Robin Kliethermes, page 3, lines 8-12.

If the Commission approves Evergy's request, Staff is not opposed to the creation of a deferral mechanism for the costs. The costs included in the deferral mechanism would then be evaluated for prudency in a future rate case.

a. Should the Commission approve the requested 5-year amortization timeframe requested as part of this case?

Determination of the amortization period for the deferred cost should be determined in a future rate proceeding. The determination of an amortization period is a ratemaking decision and ratemaking decisions should be made based on all the relevant factors, including prudency of the costs and expenses. [16]

10. Should the Commission approve Evergy's requests for a variance of subsections 4 CSR 240-14.020(1)(B), (1)(D), and (1)(E) only as those subsections are applied to the pilot programs as described in any approved compliance tariffs resulting from this case?

Only to the extent and duration necessary to effectuate any order resulting in this case.[17]

Respectfully submitted,

/s/ Nicole Mers

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[16] See Staff Report, pages 31-32.
[17] See Staff Report at page 32.

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, emailed or mailed, postage prepaid, to counsel for all parties this 27th day of September, 2021.

/s/ Nicole Mers