

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

In the Matter of Evergy Missouri West, Inc.)
d/b/a Evergy Missouri West’s Request for) File No. ER-2024-0189
Authority to Implement a General Rate)
Increase for Electric Service)

**STATEMENT OF POSITIONS OF
RENEW MISSOURI**

COMES NOW Renew Missouri Advocates d/b/a Renew Missouri (“Renew Missouri”) and offers the following Statement of Positions regarding Evergy Missouri West, Inc. d/b/a Evergy Missouri West’s (“Evergy” or the “Company”) *Request for Authority to Implement a General Rate Increase for Electric Service*.¹ Due to the number of issues presented in the parties’ *List of Issues*,² the following position statements are limited to the issues Renew Missouri offered testimony on in this proceeding. At this time, Renew Missouri does not offer a position on the remainder of the issues, but reserves a right to take a final position on any issue in briefing based on the evidence presented at hearing.

Issue 5(A): Should the transmission costs EMW incurs to transmit energy from its Crossroads Energy Center at Clarksdale, Mississippi to its service area in Missouri due to this generating facility being located outside of EMW’s regional transmission organization be included in EMW’s revenue requirement?

Renew Missouri Position: Renew Missouri supports the position taken by Office of Public Counsel (“OPC”) witness Lena Mantle that transmission costs associated with the Crossroads Energy Center should not be included in Evergy’s revenue requirement or fuel adjustment clause.³ In testimony, Ms. Mantle explained that the Commission previously concluded it was not just and

¹ Missouri Public Service Commission (“PSC”) Docket No. ER-2024-0189.
² Missouri PSC Docket No. ER-2024-0189, List of Issues, Order of Opening Statements, Order of Cross Examination and Motion for Extension to File Order of Witnesses (Sept. 19, 2024).
³ Missouri PSC Docket No. ER-2024-0189, Rebuttal Testimony of Emily Piontek, pp. 9-10 (Aug. 6, 2024); Missouri PSC Docket No. ER-2024-0189, Direct Testimony of Lena Mantle, p. 42 (Jun. 27, 2024).

reasonable for Evergy’s customers to pay the approximately \$5 million in Crossroads’ transmission costs.⁴ Since that time, the transmission costs associated with the Crossroads Energy Center have tripled.⁵ Accordingly, Renew Missouri supports the OPC’s recommendation that the Commission should continue the rate base treatment of the Crossroads Energy Center as ordered in Docket No. ER-2012-0175 and not include its transmission costs in Evergy’s revenue requirement or FAC.

Should Evergy elect not to renew the firm transmission contract for the Crossroads Energy Center, Renew Missouri urges the Company to invest in resources geographically situated to reduce transmission costs and other inefficiencies.⁶ Moreover, Renew Missouri urges the Company to invest in non-carbon emitting resources to reduce risk for customers arising out of market and regulatory risks associated with fossil-fuel generation.⁷

Issue 21(D): Should Evergy conduct additional education and outreach efforts to educate residential net metering customers of TOU rate availability?

Renew Missouri Position: As discussed in more depth below, Renew Missouri, Staff, and Evergy have all put forward proposals to allow net metering customers to fully participate in the Company’s time-of-use (“TOU”) rates. Up until this point, net metering customers were excluded from TOU rate plans, and more recently, offered access solely to the Company’s Default Time Based Plan.⁸ Evergy offers a total of five residential TOU rates; the Default Time Based Plan is the Company’s lowest differential TOU rate structure.⁹

At the conclusion of this proceeding, net metering customers will presumably have access to the broader range of Evergy TOU rate plans for the first time. As such, it is important that Evergy

⁴ Mantle Direct at 40-41 (citing Missouri PSC Docket No. ER-2010-0356, pp. 77-100 and Missouri PSC Docket No. ER-2012-0175, pp. 52-59).

⁵ *Id.* (citing Evergy West Response to PPC Data Request 8039).

⁶ Missouri PSC Docket No. ER-2024-0189, Surrebuttal Testimony of Emily Piontek, p. 9 (Sept. 10, 2024).

⁷ *Id.*

⁸ Missouri PSC Docket No. ER-2024-0189, Direct Testimony of Emily Piontek, p. 4 (Jul. 12, 2024).

⁹ *Id.*

specifically engage and educate its net metering customers to ensure that these customers are able to properly select the rate plan that most benefits them.¹⁰ Importantly, this outreach should be informed by the lessons learned through Evergy’s larger TOU rollout and the ensuing customer backlash.¹¹ For example, education and outreach tailored towards net metering customers should be crafted in a “positive, constructive, and customer-focused” manner that does not dilute the benefits of TOU rates.¹² Renew Missouri supports education and outreach efforts such as targeted mailers, emails, bill notices, and other methods the Company currently utilizes to inform customers of new rate or program availability.¹³

Issue 29(D)(ii): What is the appropriate approach to enable residential net metering customers to fully participate in time-of-use rates?

Renew Missouri Position: Renew Missouri has long advocated that TOU rates be made available to Missouri net metering customers. Missouri law requires that Evergy “[o]ffer to the customer-generator a tariff or contract that is identical in electrical energy rates, rate structure, and monthly charges to the contract or tariff that the customer would be assigned if the customer were not an eligible customer-generator...”¹⁴ This statutory guidance is clear; net metering customers must be afforded access to the suite of TOU rate options non-net metering customers enjoy.

The Legislature’s directive is further supported by clear policy rationale. TOU rates generally have the potential to naturally incentivize efficiency, leading to demand savings and helping to defer or prevent the need for additional utility investment in new supply-side

¹⁰ Piontek Rebuttal at 8.

¹¹ *Id.*

¹² *Id.* (citing Missouri PSC Docket No. ER-2024-0189, Rebuttal Testimony of Lisa Kremer, p. 6:1-8 (Aug. 6, 2024).

¹³ *Id.*

¹⁴ § 386.890.3, RSMo.

resources.¹⁵ As such, TOU rates provide an additional tool to achieve meaningful peak demand reduction, providing a litany of related system benefits.¹⁶

Customer-owned distributed energy resources are a natural complement to TOU rates. For example, on-peak and off-peak pricing differentials encourage distributed generation (“DG”) customers to adapt their energy usage to times of the day that are most cost-effective.¹⁷ Specifically, TOU pricing encourages DG customers to consume electricity during the off-peak periods and to use self-generated electricity during the on-peak period.¹⁸ Moreover, time variable compensation can encourage DG customers to use less power during the on-peak period and instead send the electricity saved to the grid to achieve greater financial returns.¹⁹ Ultimately, by pairing TOU rates with customer-owned DERs, utilities can leverage an additional cost-effective resource to achieve demand savings at the household and system levels.²⁰

While Missouri utilities have historically resisted complying with the unambiguous mandate of Section 386.890.3 to achieve these policy goals, the Commission recently provided that:²¹

The Commission encourages Evergy, Staff, and any other party to bring a solution for all customers being able to access all TOU rates in Evergy’s next rate cases and/or when Evergy expands the SSP. All participants should be able to have access to all TOU rates and Evergy should be moving forward and making progress in this regard.

In the instant proceeding, Renew Missouri, the Company, and Staff have each followed this direction and proposed three different paths forward to provide net metering customers access

¹⁵ Piontek Direct at 9.

¹⁶ *Id.*

¹⁷ *Id.* at 9-10.

¹⁸ *Id.* at 10 (citing Missouri PSC Docket Nos. ER-2022-0129 and ER-2022-0130, Rebuttal Testimony of James Owen, p. 11 (Jul. 13, 2022)).

¹⁹ *Id.*

²⁰ *Id.*

²¹ Missouri PSC Docket No. ET-2024-0182, Report and Order, p. 24 (May 15, 2024).

to all TOU rates.²² At this juncture, the question is not *whether* the Commission should order Evergy to open up TOU rates to net metering customers, but rather, *which approach is most appropriate*.

Under Renew Missouri’s proposal, Evergy would account for the time of day when the customer’s excess solar production is sent back to the Company’s system.²³ When excess solar generation is sent back during an on-peak period, the customer would receive an "On-Phase Credit."²⁴ When excess generation is sent back during the off-peak period, the customer would receive an "Off-Phase Credit."²⁵ This structure is referred to as “period netting.” Excess generation accrued within a period would be credited at that period’s requisite price per kWh rate.²⁶

Importantly, Renew Missouri’s proposal provides customers with compensation for excess generation at the retail rate.²⁷ This approach is consistent with the Net Metering and Easy Connection Act, which provides that a customer-generator must be credited for excess generation at “an amount at least equal to the avoided fuel cost of the excess kilowatt-hours generated during the billing period.”²⁸ Moreover, this proposal accurately reflects the value of the DG customer’s contribution to the utility’s system during peak times.

Renew Missouri’s approach as applied to Evergy’s Residential TOU – Two Period Schedule is illustrated in Figure 1 below.

²² See, e.g., Missouri PSC Docket No. ER-2024-0189, Surrebuttal/True-Up Direct Testimony of Claire Eubanks, pp. 2-4 (Sept. 10, 2024) (providing an overview of each party’s proposal).

²³ Piontek Direct at 6.

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.* at 6-7.

²⁷ See *id.*

²⁸ § 386.290, RSMo.

Figure 1: Renew Missouri Approach – RTOU-2

A. Customer Charge (Per month)	\$12.00
B. Energy Charge per Pricing Period (Per kWh)	
	<u>Summer Season</u>
On-Peak	\$0.38328
Off-Peak	\$0.09582
	<u>Winter Season</u>
Off-Peak	\$0.11311
Super Off-Peak	\$0.05656

Evergy’s proposal similarly employs a period-netting structure in which monthly production is netted against monthly consumption occurring in the same peak, off-peak, and super off-peak period.²⁹ However, under Evergy’s approach, customers would be compensated at the Company’s avoided fuel cost.³⁰

Finally, Staff proposes restructuring all TOU rate plans to align with the rate structure of the Residential Peak Adjustment rate plan, enabling net metering customers to take service on those restructured rate plans.³¹ Staff proposes the following language to be included on the Company’s more highly-differentiated rate plans:³²

For bill calculation purposes, all net kWh shall be billed at the off-peak rate, with the difference between the on-peak and off-peak rate applied as a surcharge to the net kWh consumed during the on-peak period, and the difference between the super off-peak and off-peak rate applied as a credit to the net kWh consumed during the super off-peak period.

It appears that Staff also proposes compensation for excess generation at the avoided fuel cost,³³ however, Staff agrees that Evergy “ignores that the statute contemplates that excess generation

²⁹ Piontek Surrebuttal at 5.

³⁰ *Id.*

³¹ Eubanks Surrebuttal/True-Up Direct at 2.

³² *Id.*

³³ *Id.* at 10.

shall ‘be credited at an amount at least equal to the avoided fuel cost.’ In other words, the statute is setting a minimum, not a maximum, credit for excess generation.”³⁴

Renew Missouri maintains that its approach best aligns periods of generation with consumption and accounts for the greater value of energy during peak periods by crediting excess generation at the retail rate.³⁵ However, should the Commission determine that retail rate compensation is not justified at this time, Renew Missouri encourages the Commission to adopt Evergy’s proposal. As Evergy’s proposal utilizes a similar period netting structure, it provides a path forward to continue evaluating the value of DG and to more appropriately compensate net metering customers in the future.

Regardless of the approach the Commission ultimately adopts, it is important that the resulting tariff changes are clear and easy for customers to understand. For example, Evergy provided sample tariff language to accompany its proposal that directed net metering customers to another tariff in order to determine the compensation rate for excess generation.³⁶ Renew Missouri encourages the Commission only to approve tariff revisions that communicate the pertinent information to customers without being needlessly wordy or directing customers to locate another tariff to understand their rate.³⁷

Finally, Renew Missouri recommends that the Commission direct Evergy to continue the quarterly TOU reporting originally ordered in Docket Nos. ER-2022-0129 and ER-2022-0130.³⁸ These reports should include updates on how Evergy is conducting education and outreach to net

³⁴ *Id.* at 5.

³⁵ Piontek Surrebuttal at 7.

³⁶ *Id.* at 6.

³⁷ *Id.* at 7.

³⁸ Piontek Direct at 3.

metering customers regarding TOU rate availability, as well as information about net metering customer enrollment and participation in TOU plans.³⁹

WHEREFORE, Renew Missouri respectfully submits its Statement of Positions.

Respectfully submitted,

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³⁹ *Id.*

Certificate of Service

I hereby certify that copies of the foregoing have been emailed to all counsel of record
this 23rd day of September, 2024.

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