BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Evergy Metro, Inc. d/b/a Evergy Missouri Metro's 2024 Triennial Compliance Filing Pursuant to 20 CSR 4240-22	)))	File No. EO-2024-0153
In the Matter of Evergy West, Inc. d/b/a Evergy Missouri West's 2024 Triennial Compliance Filing Pursuant to 20 CSR 4240-22	)))	File No. EO-2024-0154

EVERGY MISSOURI METRO AND EVERGY MISSOURI WEST
RESPONSES TO ALLEGED DEFICIENCIES AND CONCERNS

COMES NOW, Evergy Metro, Inc. d/b/a Evergy Missouri Metro ("Evergy Missouri Metro") and Evergy West, Inc. d/b/a Evergy Missouri West ("Evergy Missouri West") (collectively, "Evergy" or the "Company") and in response to the pleadings filed on August 29, 2024 respectfully states the following:

BACKGROUND

On April 1, 2024, Evergy submitted its triennial compliance filings related to Chapter 22 of the Commission's regulations concerning the Company's Electric Utility Resource Planning.

On August 29, 2024, the Staff of the Missouri Public Service Commission ("Staff"), the Office of Public Counsel ("OPC"), the Council for the New Energy Economics ("NEE"), Renew Missouri Advocates d/b/a Renew Missouri ("Renew MO"), and Sierra Club submitted reports identifying concerns and in some cases alleging certain deficiencies regarding Evergy's 2024 Triennial IRP.

The Company, Staff, OPC, NEE, Renew MO, and Sierra Club submitted a Joint Agreement Filing contemporaneously with this pleading that that includes agreed upon remedies to many of the alleged deficiencies and concerns pursuant to the Commission's Electric Utility Planning Regulation, 20 CSR 4240-22080(10) which provides:

> If full agreement on remedying deficiencies or concerns is not reached, then, within sixty (60) days from the date on which the staff, public counsel, or any intervenor submitted a report or comments relating to the electric utility's triennial compliance filing, the electric utility may file a response and the staff, public counsel, and any intervenor may file comments in response to each other. The commission will issue an order.

UNRESOLVED AND PARTIALLY RESOLVED ALLEGED DEFICIENCIES AND CONCERNS

OFFICE OF THE PUBLIC COUNSEL

OPC Deficiency 1: The preferred plans are unreasonable. The preferred plans Evergy both show that Evergy West and Evergy Metro are planning to depend on SPP to meet a significant portion of the energy needs of their customers.

Response: Evergy does not agree that this is a deficiency in meeting the requirements outlined in the Chapter 22 IRP rule. Evergy has listened to OPC's concerns in prior filings and in the past couple of years has adapted its forward planning process specifically to reduce potential future dependence on the SPP market. The 2024 Triennial IRP has a narrative that explains why Evergy has taken this perspective.

OPC's assertion that Evergy Missouri West and Evergy Metro are planning to not have enough generation to meet their customers energy requirements is false. The economic analysis of the resource plans demonstrates that the ability to buy and sell energy to and from the market benefits both utilities. However, even though the IRP model allows both utilities to buy and sell from the energy market, they each will have physical generation available when needed to cover customer energy.

From a physical energy capability standpoint, Evergy (and each utility) plans to meet or exceed expected SPP planning reserve margins in every year of the plan. SPP sets reserve margins by performing a Loss of Load Expectation (LOLE) study, resulting in requirements that each utility maintain enough accredited capacity such that SPP expects to lose load on average one day in ten years, which is the industry planning standard. SPP in the past couple of years has undertaken comprehensive studies and stakeholder processes to refine its assessment of reliability needs and resource contributions to meeting those needs. While future policy changes have not been finalized, Evergy incorporated the most current information into its capacity needs assessment in the 2024 Triennial IRP. Each utility was restricted to planning for only nominal amounts of "market capacity" which would be accredited capacity contracted from other market participant. This market capacity can serve as a bridge in years when small amounts of capacity are needed until a new resource reaches commercial operation.

As explained in the IRP, beginning in 2031, Evergy Missouri West was limited to 200 MW per hour of energy purchases or sales (net of load), representing approximately 15% of average load or 10% of peak. This planning assumption balances the benefits expected from participation in the SPP market, while also prompting Evergy Missouri West to attain a future resource portfolio that provides a physical and economic hedge. Evergy Metro was limited to 300 MW per hour. Allowing market purchases does not mean that a utility is physically incapable of meeting 100% of customer energy needs. Resource Adequacy Requirements are established to outline the amount of physical capability (i.e., accredited capacity) necessary to meet customer energy needs. These market purchase constraints simply mean that, when an optimal resource mix is selected, it is selected not only because it is the lowest-cost way to meet these Resource Adequacy Requirements, but also because it is the lowest-cost way to produce energy which aligns closely (within 10-15%) with the utility's customers' hourly energy needs. On the market sale side, it also means that an optimal plan will not be developed solely because of the revenues it could generate from selling energy in excess of customer needs. In short, this constraint ensures that a resource portfolio is developed based on specific customer energy needs and not just forecasted energy market prices. This constraint is phased in over time because it is most relevant in the second decade of the planning horizon when expected fossil retirements across the SPP and within Evergy's fleet, combined with the expiration of Evergy's wind PPAs, are expected to significantly change Evergy's net position in the SPP energy market.

OPC Deficiency 3: No modeling of data center load growth. The impacts of high load and high load-factor data center customers on Evergy West and Evergy Metro's capacity and energy requirements are neither modeled nor analyzed.

Response: Evergy does not agree that this is a deficiency in meeting the requirements outlined in the Chapter 22 IRP rule. Evergy included the firmly committed economic development load into the load planning assumptions in the 2024 IRP and was able to resolve Staff's concern regarding firm, publicly announced economic development load.

Additionally, per the Commission's *Order Establishing Special Contemporary Resource Planning Issues*, the Company will:

> *Model large load growth scenarios stemming from: 1) data centers with a demand of 30 megawatts or greater; 2) potential re-shoring of industries, specifically manufacturing or materials refinement; and 3) electrification of buildings and vehicles as a result of federal mandates changes in the marketplace, or evolving consumer preference.*[1]

OPC Deficiency 5: Capital Budget Spending Constraints. Resource additions are limited by Evergy's expected capital budget spending constraints. Additional risk is placed on customers due to the restriction.

Response: Evergy does not agree that this is a deficiency in meeting the requirements outlined in the Chapter 22 IRP rule. Ensuring balance sheet stability and financial metrics is a primary consideration of Evergy's future ability to provide reliable, adequate service while minimizing costs.

[1] Docket EO-2025-0076 and EO-2025-0078, In the Matter of a Determination of Special Contemporary Resource Planning Issues to be Addressed by Evergy Missouri Metro and Evergy Missouri West in its Next Triennial Compliance Filing or Next Annual Update Report; October 23, 2024.

Evergy does not believe more risk is put on the customers due to the restrictions. Conversely, the annual build limitations do not only manage the utilities' balance sheet stability and financial metrics, they also stagger the rate base additions to moderate the need to increase rates annually. The build limits also reduce risks for customers by spreading risks linked to supply chain pricing, component availability, construction execution. Limiting the amount of projects developed per year also allows Evergy more flexibility in vetting projects and choosing the best ones available among the options.

Evergy believes that the current IRP approach meets customers' needs at least cost, considering development risk and financial risk. The company could test further relaxing build limits for high load growth scenarios. Generally, we don't expect the Preferred Plans to change much due to these annual build limitations.

NEE

NEE Concern 7: Stakeholder Workshops The stakeholder process is not currently structured to allow best practice transparency and to solicit input from stakeholders.

Response: Evergy follows all Missouri IRP rules and as part of the triennial held three stakeholder meetings and provided draft sections of the IRP in advance of the filing. The Company has transparently stated and explained its planning process, assumptions, and model inputs in the stakeholder meetings, responses to data requests, and in narrative in the filings. The Company provided all inputs, all outputs, and the IRP model to stakeholders through data request responses. Due to the quick turnaround time for annual refreshes of most of the information that comprises the IRP, the team is unable to provide full modeling files in advance of the filing. Stakeholders had 150 days to review these to provide comments after the filing, and also had the entire model from the 2023 annual update to review, and learned of key changes in multiple stakeholder meetings months prior to the triennial filing.

SIERRA CLUB

Sierra Club Deficiency 1: The Company has only tested a limited amount of coal retirements, and heavily favored plans that keep the units on-line longer.

Response: Evergy does not agree that this is a deficiency in meeting the requirements outlined in the Chapter 22 IRP rule. The Company tested retirement dates based on times when large fixed cost spends could be avoided by retirement. This is consistent with the logic of picking a least-cost resource plan by determining whether new resources can meet customer needs with lower costs than the going-forward costs of keeping existing resources. Evergy does not believe that testing more early retirement scenarios adds value to the IRP decision making process.

Sierra Club Deficiency 3: The Company has overstated the costs of clean resources.

Response: Evergy does not agree that this is a deficiency in meeting the requirements outlined in the Chapter 22 IRP rule. Costs for solar, wind and storage resources were based on RFP offers. The Company also incorporates expected technological improvement and inflation to forecast project costs in future years. Because there has been considerable volatility in costs in the past few years, construction costs were included as a critical uncertain factor in the 2024 IRP. Evergy does not agree with using non-transactable forecasts in future IRPs.

Sierra Club Deficiency 4: The Company has understated the costs of new gas by not considering the costs associated with carbon, capture, and storage ("CCS") in most cases**.**

Response: Evergy does not agree that this is a deficiency in meeting the requirements outlined in the Chapter 22 IRP rule. CCS is not economic unless needed for environmental compliance. Evergy will incorporate expected environmental compliance associated with the GHG rule for new natural gas resources in the 2025 IRP.

WHEREFORE, the Company submits this response, as detailed above.

Respectfully submitted,

/s/ Roger W. Steiner

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ATTORNEYS FOR EVERGY MISSOURI METRO AND EVERGY MISSOURI WEST

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 5th day of November 2024.

Roger W. Steiner

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