Exhibit No.:	
Issue:	Policy
Witness:	Kevin D. Gunn
Type of Exhibit:	Direct Testimony
Sponsoring Party:	Evergy Missouri Metro and Evergy Missouri West
Case No.:	EO-2025-0154
Date Testimony Prepared:	February 14, 2025

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: EO-2025-0154

DIRECT TESTIMONY

OF

KEVIN D. GUNN

ON BEHALF OF

EVERGY MISSOURI METRO AND EVERGY MISSOURI WEST

Kansas City, Missouri
February 2025

TABLE OF CONTENTS

DIRECT TESTIMONY

OF

KEVIN D. GUNN

CASE NO. EO-2025-0154

I. Introduction and Executive Summary

Q: Please state your name and business address.

A: My name is Kevin D. Gunn, and 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 – State and Federal Regulatory Policy for Evergy Metro, Inc. d/b/a Evergy Missouri Metro ("Evergy Missouri Metro" or "EMM"), and Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("Evergy Missouri West" or "EMW"), Evergy Metro, Inc. d/b/a Evergy Kansas Metro ("Evergy Kansas Metro" or "EKM"), 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 EMM and EMW (collectively, the "Applicants" or "the Company").

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. Currently, my state duties are limited to Missouri regulatory policy.

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 Missouri Public Service Commission ("Commission") or before any other utility regulatory agency?

A: Yes, I have offered testimony before this Commission in File No. EO-2023-0369/0370, ER-2024-0189, EA-2024-0292, and EA-2025-0075.

Q: Are there other witnesses testifying in support of the Company's Application?

A: Yes. In addition to my testimony, the two additional witnesses are also providing direct testimony in conjunction with Evergy's filing in this docket. Mr. Jeff Martin, Vice President of Large Customer Strategy, and Mr. Bradley Lutz, Director of Regulatory Affairs.

Q: What is the purpose of your direct testimony?

A: The purpose of my Direct Testimony is to provide the policy support and background for Evergy's Large Load Power Service ("LLPS") Rate Plan. Among other things, I provide an overview of the national trends and marketplace driving new large customer loads across the country. I explain how this trend presents a historic opportunity for the State of Missouri

to benefit from a scale of economic development opportunity that has not occurred for decades, if ever. I also provide an overview and background of how the Company developed its LLPS Rate Plan, including some of the Company's key considerations in developing the LLPS Rate Plan, and the core goals and objectives the LLPS Rate Plan is designed to achieve. Additionally, I provide a summary of the Company's LLPS Rate Plan, including all new and modified tariffs proposed as part of this filing. Finally, I discuss the policy reasons that support prompt Commission approval of the Company's LLPS Rate Plan, explaining why time is of the essence, and how existing and non-participating customers will benefit from the LLPS Rate Plan.

Q: What recommendations are you making in your Direct Testimony?

A: Evergy recommends the Commission issue an order approving the Company's LLPS Rate Plan in full, including the Company's request for approval of the following new and modified tariffs:

- New Tariffs - Base Tariffs to the LLPS Rate Plan
  - Schedule LLPS (Large Load Power Service)
- New Tariffs – Complementary Riders to the LLPS Rate Plan
  - Schedule SR (System Support Rider)
  - Schedule CCR (Customer Capacity Rider)
  - Schedule DRLR (Demand Response & Local Generation Rider)
- New Tariffs – Renewable/Carbon Free Attribute Procurement Riders Within the LLPS Rate Plan
  - Schedule CER (Clean Energy Choice Rider)
  - Schedule RENEW (Renewable Energy Program Rider)
  - Schedule AEC (Alternative Energy Credit Rider)
  - Schedule GSR (Green Solution Connections Rider)[1]

[1] The Green Solutions Rider is currently before the Commission in Case No. EA-2024-0292, *In re Application of Evergy Missouri West for Permission and Approval of Certificates of Public Convenience and Necessity Authorizing It to Construct, Install, Own, Operate, Manage, Maintain and Control Two Solar Generation Facilities* (filed Oct. 25, 2024). The Company is proposing the same rider for EMM in this filing.

- Modified Tariffs to accommodate LLPS Rate Plan
  - Schedule LPS (Large Power Service)
  - Schedule SIL (Special Rate for Incremental Load Service)[2]
  - Rules and Regulations Section 2 and Section 8

The Company also requests approval of any additional or conforming tariff changes identified through the course of this proceeding that are needed to implement the LLPS Rate Plan, as approved. The Company also requests the Commission issue an order on its Application no later than August 1, 2025, to bolster the Company's and State's competitiveness in attracting new large load and to enable the Company to better manage its growing queue.

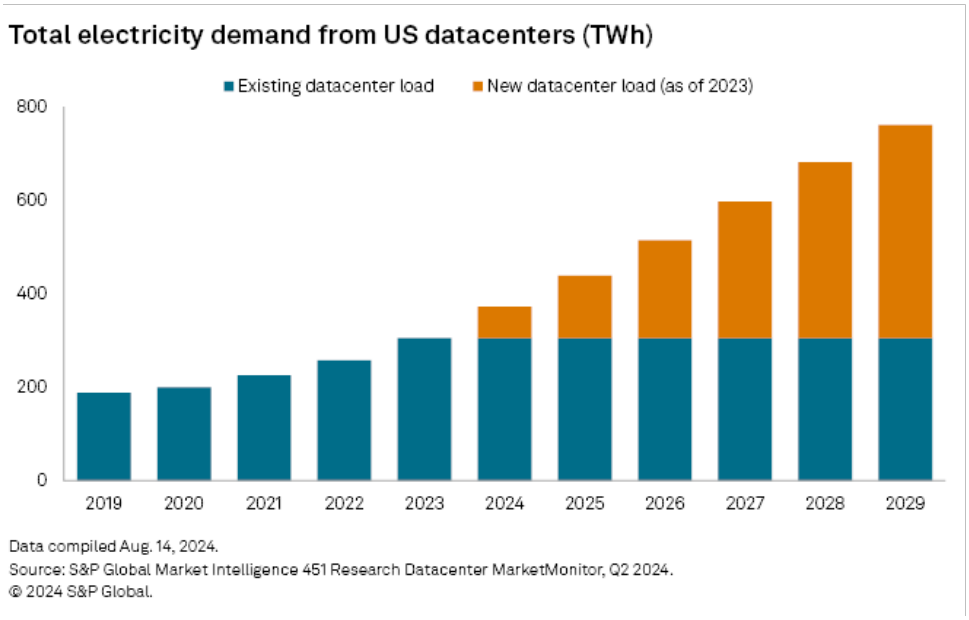
II. Overview of the Large Customer Load Landscape Nationally and in Missouri

Q: What was the impetus for Evergy to develop the LLPS Rate Plan?

A: The technological renaissance occurring with the proliferation of artificial intelligence ("AI") technology and advanced manufacturing technologies has been well publicized. AI technology, combined with the widescale electrification of various industries, and policy and security desires to on-shore many of the data centers and manufacturing plants needed to support these advancements, is driving significant electric load growth across the country and globe.[3] Notably, data centers are one of the fastest growing industries worldwide. While national forecasts vary, one thing is clear – the nation is in the midst of the most dramatic electricity load growth phases of modern times. According to the North American Electric Reliability Corporation ("NERC") 2023 Long-Term Reliability Assessment, 10-year peak demand growth rates "are higher than at any point in the past

[2] For EMW only.
[3] Robert Walton, *Five-year US load growth forecast surges 456%, to 128 GW: Grid Strategies*, Utility Dive, (Dec. 6, 2024).

decade" and "are increasing more rapidly than at any point in the past three decades."[4] According to the Department of Energy, total energy demand may grow 15-20 percent in the next decade.[5] While this load growth is driven by a variety of new types of loads, data centers are one of the major drivers, with S&P Global Market Intelligence forecasting a near quadrupling of data center demand between 2019 and 2029.



Not only is the scale of new large customer load drastically increasing, but many large customers have ambitious clean energy and emission reduction targets. For example, 75 percent of the respondents to the Area Development Magazine's Corporate Survey in the first quarter of 2022 indicate that "access to renewable sources of energy are very or somewhat important to their companies. And more than 90 percent of the survey respondents also say sustainability efforts are very or somewhat important to their companies."[6] While large commercial and industrial ("C&I") customer interest and

[4] North American Electric Reliability Corporation, *2023 Long-Term Reliability Assessment* at 33 (Dec. 2023).
[5] *Clean Energy Resources to Meet Data Center Electricity Demand*, U.S. Dep't of Energy, Office of Policy (Aug. 12, 2024).
[6] Geraldine Gambale, *36th Annual Corporate Survey: Executives Focus on Labor, Energy, Shipping Costs,* Area Development Magazine (2022).

demand for renewable energy persists, the complexity of customer requests are also increasing.

Q: Can you provide some specific examples of the types of programs or energy supply options large customers are seeking?

A: Yes. Below are several examples of trends the Company is seeing across large customers:

- Customers are increasingly requesting "additionality" in resource development, meaning customers are seeking to be served with new, low-cost renewable energy that may not have otherwise been built.
- Other customers want to "bring their own energy." This may be achieved through on-site behind-the-meter generation, virtual purchase power agreements, or similar arrangements.
- Customers seeking to be served with a high percent of carbon free energy ("CFE") to meet their 24/7 demand has also increased. Large data centers, such as Google, and large manufacturers are increasingly seeking 24/7 carbon-free energy. However, providing and accounting for 24/7 carbon free energy is somewhat in its infancy and will require more development and support by utilities, customers, and renewable registries.
- Some large C&I customers look to achieve their clean energy goals through the procurement of renewable energy certificates ("RECs"). Some large customers prefer a simple historical REC option that is "unbundled," which means the energy has been disassociated with the REC. Alternatively, customers may seek a "bundled" REC where the RECs are sold to a customer as part of their electricity tariff at a fixed price. RECs can be

obtained directly from the electric provider, which provides a closer matching of a customer's energy use with the production of a given renewable resource.

- Last, customers may seek to procure or be supplied from generation resources that deliver the renewable or carbon free energy.

Q: How is Evergy responding to these trends?

A: The entire energy sector has been impacted by these trends and must pursue new paths to adapt technical and commercial practices to quickly, efficiently, and equitably interconnect new customer load through a variety of strategies.[7] Such strategies range from new tariffed offerings, special contracts, generator colocation arrangements, and behind-the-meter configurations, with new approaches and partnerships being publicly announced almost daily. Missouri offers no exception to this trend and is positioned to benefit from this surge in new customer growth. Consequently, Evergy conducted a comprehensive, cross-functional assessment to determine how to meet these evolving demands while benefitting the region and all customers it serves. There, Evergy analyzed industry trends and a variety of other utility offerings. The goal was to create a nation-leading program to attract large

[7] *Powering Intelligence: Analyzing Artificial Intelligence and Data Energy Consumption*, Electric Power Research Institute, 2024 White Paper; PNUCC, *Northwest Regional Forecast of Power Loads and Resources*, at 4 (May 2024). Earlier this year, the Pacific Northwest Utilities Conference Committee ("PNUCC") released its 2024 regional forecast, which projected an increase in average electricity demand of over 30 percent in the next 10 years, up from 24 percent in last year's forecast.

customers in a manner that is equitable, efficient, transparent, and responsive to today's large customer's clean energy and emission reduction objectives.

Q: Has Evergy proposed a similar LLPS Rate Plan in Kansas?

A: Yes. Evergy has filed a very similar LLPS Rate Plan with the Kansas Corporation Commission. The plan will be available to large load customers interested in locating in Kansas.

Q: Are other jurisdictions experiencing similar interest from large customers seeking to locate in their states?

A: Yes. Increased power demand driven by large customers, including data centers, advanced manufacturing and other forms of industrial load, is a national trend.[8] According to one study, the U.S. is expected to be the fastest growing market for data centers, growing from 25 gigawatts ("GW") of demand in 2024 to more than 80 GW of demand in 2030.[9] According to a recent International Energy Agency report, in the U.S., data centers are expected to represent six percent of electricity consumption in 2026,[10] and could consume up to nine percent of U.S. electricity by 2030 – up from four percent in 2024.[11] Additionally, "while tech companies can technically take their power-hungry data centers elsewhere, pressure on the electric grid is mounting all over the country, and many

[8] *See, e.g.* Duke Energy, *Chapter NC Supplement*, at 2-3 (2024); Duke Energy, *Chapter SC Supplement* at 35-38 (2024); Georgia Power, *2023 IRP Update*, at 8-10 (Oct. 2023); Arizona Public Service Company, *2023 IRP*, at 18-19 (Nov. 2023); NV Energy, *Joint 2025-2044 IRP, 2025-2027 Action Plan, and 2025-2027 Energy Supply Plan, Vol. 6,* at 3-6 (May 2024); Tennessee Valley Authority ("TVA"), *TVA Plans to Invest $15 Billion Over the Next Three Years to Meet Region's Growth* (Aug. 24, 2023); TVA, *Integrated Resource Plan 2025*, Volume 1 Draft Resource Plan, 1-5 (Sept. 2024).

[9] Alastair Green et al., *How data centers and the energy sector can sate AI's hunger for power*, McKinsey, Sept. 17, 2024

[10] International Energy Agency, *Electricity 2024: Analysis and Forecast to 2026,* at 32 (Jan. 2024).

[11] Electric Power Research Institute, *Power Intelligence: Analyzing Artificial Intelligence and Data Center Energy Consumption,* at 2 (May 28, 2024).

communities are already grappling with how to accommodate it, making it incumbent on the Big Tech companies to find a way to work with utilities…."[12]

In light of this new reality, utilities across the country are working to quickly accommodate new large loads, while maintaining reliability, affordability, and other regulatory and policy objectives, such as emissions reductions goals.

Q: What are some of the challenges regulated utilities face in interconnecting new large customers?

A: Utilities face many challenges with interconnecting new large customers. This includes managing the sheer volume of requests in an efficient, timely, fair, and technically sound manner – both from an administrative and technical side. Moreover, many utilities are challenged to source and secure the generation capacity needed to serve new large customers. Not only is the country's grid highly constrained in many places, but most regulated utilities and generators are subject to complex regulatory processes, such as a Certificate of Convenience and Necessity ("CCN") in Missouri.[13] These proceedings can delay the length of time it takes to secure capacity to serve new loads, especially given the growing volume of interconnection requests. At the same time, given the rush to secure power, many new large customers "shop" their project with multiple jurisdictions looking for the quickest path to interconnection and best financial incentives. This increases jurisdictional competition for customers, but also can inject uncertainty into whether a customer will materialize. In addition, there is a need to protect existing customers and ensure that that the new large load customers are "paying their share" and contributing to

[12] Carolina O'Donovan, *Tech giants fight plan to make them pay more for electric grid upgrades*, The Washington Post (Sept. 13, 2024).
[13] 20 CSR 4240-20.045 ("CCN Rule").

the fixed costs of maintaining the current the system. Finally, it is imperative that the load additions be added without endangering long term reliability and affordability.

Q: Do large customers ever seek alternative solutions to interconnection challenges?

A: Yes. To circumvent delays the regulatory process creates, many large customers are turning to colocation and self-supply. Recently, Constellation Energy made the historic announcement it would seek regulatory approval to restart the Three Mile Island Nuclear Plant for the sole purpose of selling energy to Microsoft for an AI data center.[14] In another recent example, ExxonMobil announced it would join the power generation business and offer a natural gas-fired power plant dedicated solely to serve data centers.[15] Other examples include: Meta's recent announcement that it is seeking up to four GW of new nuclear power to meet both its AI and sustainability objectives;[16] and, Google's plans to co-locate data centers in "energy parks" with approximately $20 billion in renewable energy and energy storage to be built by Intersect Power.[17]

Q: What opportunities does this new load present for the State of Missouri and Evergy?

A: According to the global real estate firm Cushman & Wakefield, Kansas City is the leading global emerging data center market among cities including Milan, Italy, and Minneapolis, Minnesota.[18] Large manufacturing customers are also likely to find Missouri to be an

[14] Constellation, *Constellation to Launch Crane Clean Energy Center, Restoring Jobs and Carbon-Free Power to The Grid* (Sept. 20, 2024).
[15] Darrell Proctor, *ExxonMobil Planning Large Gas-Fired Plant to Serve Data Centers*, Yahoo! Finance (Dec. 11, 2024).
[16] Brian Martucci, *Meta seeks up to 4 GW of new nuclear power to help meet AI, sustainability objectives*, Utility Dive (Dec. 4, 2024).
[17] Ethan Howland, *Google, Intersect Power to develop co-located energy parks with $20B of renewables, storage,* Utility Dive (Dec. 11, 2024).
[18] Cushman & Wakefield, *Global Data Center Market Comparison,* A Publication of Cushman & Wakefield's Data Center Advisory Group (2024).

attractive market in which to locate. Thus, Evergy has a unique opportunity to leverage this unprecedented demand growth for its customers and the State of Missouri. Notably, by attracting quality new large load, Evergy will drive job creation and increased tax revenues, which fund important services like schools and roads. While data centers may, in some cases, not employ as many individuals as new manufacturing plants, they attract many ancillary businesses, such as construction, food and beverage, and housing. Employees of the prospective customer spend money at local businesses, including restaurants, shops and entertainment venues, which further stimulates the local economy. New large customer growth will also improve Missouri's economic resiliency by helping diversify Missouri's economic industrial base. Finally, the addition of large new customers will provide benefits to existing customers through the design of the LLPS Rate Plan and by allowing the Company to allocate fixed costs across a larger customer base, as Mr. Lutz discusses in more detail.

Q: Is there new technology that may impact artificial intelligence performance and cause data centers to be less energy intensive?

A: Yes. DeepSeek, a Chinese AI startup, recently released two AI models that it alleges have greater computing efficiency and consequently consume less energy.[19] If this technology performs, it is nascent and foreign based which creates significant questions about its widespread adoption that will not be known for years. As a result, it is currently not expected to eliminate the need for this plan. Data centers and advanced manufacturing loads will continue to drive large load customer growth. Even at half the projected growth levels, these projects remain significant and are multiple times larger than existing

[19] Matt O'Brien, *What is DeepSeek, the Chinese AI company upending the stock market?* Associated Press (Jan. 27, 2025).

customers. In any event, Evergy will take steps to ensure that the risk to existing customers or to the system itself through any significant reduction in load will be mitigated.

Q: Has Missouri historically had policy that attracts large customers?

A: Yes. The Missouri Department of Economic Development ("DED") recently celebrated former Governor Mike Parson's impact on business growth. The DED noted that during his tenure, the state supported more than 740 business projects totaling more than $17 billion in investment and creating 60,000 jobs.[20] His recent successor, Governor Mike Kehoe and former Lieutenant Governor, has indicated that economic development is a key policy that will remain a focal point of his administration.[21]

The DED has in place a sales tax exemption specifically to incentivize the location and expansion of data center s in the State of Missouri, which exempts sales and use taxes associated with activities necessary to build a new facility or expand an existing one. DED has also partnered with the Hawthorn Foundation, the State of Missouri, and economic development agencies across the state to form the Missouri Partnership, a public-private economic development organization focused on attracting new jobs and investment to the state. Data centers are one of the key industries the Missouri Partnership focuses on attracting.[22]

Q: Please describe the pipeline of large load customers interested in locating in Evergy's Missouri's service territory.

A: The Company has engaged in several recent transactions, including securing a large Google data center in Missouri. The Company is currently working with over 20 prospective large

[20] https://ded.mo.gov/press-room/ded-celebrates-impact-parson-administration-missouris-economy.
[21] Mike Kehoe, Governor of Missouri, *Securing Missouri's Future: Governor Kehoe Delivers First State of the State Address*, Press Release from the Office of the Governor, (Jan. 28, 2025).
[22] *Data Centers Safe and Secure*, Missouri Partnership (2025).

load customers with more than six gigawatts of incremental demand that are interested in locating in its service territory. These large load customers include both data centers and large manufacturing customers, all of which stand to bring benefits to the State.

To remain competitive and capitalize on this opportunity, Evergy will need to re-tool its entire approach to evaluating and interconnecting new large load. I discuss the proposed solution to this in more detail below.

III. Evergy's LLPS Rate Plan - Background

Q: Please explain the background research and process Evergy used to develop its LLPS Rate Plan.

A: The Company identified the need for a new strategy for large load customers based on the national landscape, as well as the Company's recent experience interconnecting large customers across Kansas and Missouri, such as a Google facility in Missouri. As testament to this, the Company recently named Jeff Martin, who testifies in this proceeding, as Vice President of Large Customer Strategy. Mr. Martin led the effort to develop a comprehensive rate plan and interconnection process for large load customer needs. Mr. Martin describes that process in more detail in his Direct Testimony.

Q: What are some of the characteristics of large load customers that Evergy considered when developing its LLPS Rate Plan?

A: There are several key characteristics that are particularly important to many large load customers. These include traditional business needs, such as speed to market, availability of infrastructure, transparency, and efficiency. But equally, if not more important for many large load customers, is their desire to influence the type of energy they use. Given the

variety of perspectives, this means large load customers need a wide variety of choices in the energy and energy services they receive. As I mentioned earlier, many large load customers have corporate decarbonization goals ranging from percentage-based emission reduction or clean energy targets, zero or even negative carbon emission goals, and 24/7 renewable energy goals. Some customers desire to contract for their own power supply, while others seek to purchase RECs to achieve their goals, and others who desire to support system-wide clean energy resources. Customers may also be interested in participating in demand response programs that can add system value, reduce demand at critical times, and drive bill savings for the customer.[23]

Q: Conversely, what are some of the key considerations Evergy must balance for its existing customers and non-participants?

A: While the Company is eager to help Missouri seize the opportunity to bring new economic development to the State, it is critical that any program avoid shifting undue risk onto existing customers and non-participants. Programming for large customers must ensure that new customers "pay their share" by paying for the costs of new facilities constructed to serve them. Additionally, new customers must be thoroughly vetted and have the financial means to pay for any new infrastructure that will serve them, and that the new customers stay long enough to provide benefits to existing customers, system value, and minimize the risk of stranded costs.

[23] For example, in October 2023, Google announced it is piloting demand response methods to reduce its data centers' electricity consumption during times of high stress on the power grid. Varun Mehra and Raiden Hasegawa, *Supporting power grids with demand response at Google data centers*, Google Cloud (Oct. 3, 2023).

Q: How has Evergy taken these considerations into account?

A: As I previously noted, Evergy has a significant pipeline of interest and new requests from large load customers. This pipeline is not speculative, and many potential customers have taken significant financial and logistical steps to demonstrate their commitment to the proposed projects. These large load customers bring capacity needs that often exceed the Company's current generation capacity and transmission capabilities, and the Company's ability to efficiently process them. Thus, Evergy has created a comprehensive suite of new and modified offerings, which the Company is cumulatively referring to as the LLPS Rate Plan. The LLPS Rate Plan is guided by Evergy's desire to: (1) meet large load customer needs in a way that is *equitable and fair*, protects existing and non-large load customers, and minimizes the risk of cost shift; (2) *promote economic development* and attract new large customers to Missouri; (3) leverage the established ratemaking framework to develop a program that is *transparent and efficient*; (4) afford large load customers *choice and flexibility*, while accommodating diverse customer situations; and, (5) have a program that treats the power grid as a *shared resource*, while enabling customers with aggressive clean energy goals the ability to pay incrementally more to support those objectives. The LLPS Rate Plan emerged from these goals.

IV. LLPS Rate Plan Overview

Q: Please provide a summary of the LLPS Rate Plan.

A: The LLPS Rate Plan builds on the existing rate structures for commercial and industrial customers but is enhanced to accommodate large load customers. Key among the features of the LLPS Rate Plan is a new rate offering, Large Load Power Service, Schedule LLPS, which sets forth the specific terms and conditions that will apply to customers over 100

MW seeking to interconnect to the Missouri system. In addition to Schedule LLPS, the LLPS Rate Plan includes a selection of new and existing tariff offerings that will address the unique needs of large customers while protecting existing customers and non-participants. Customers can alternatively enroll in the existing Special High-Load Factor Market Rate, Schedule MKT, but still take advantage of the complementary tariff offerings the Company has developed to support large customers. Among the features of the program is the "Path to Power," which reflects strategic updates to the Company's queue process to enable more transparent and efficient interconnection for new customers over 25 MW. Company witness Mr. Martin describes the process in detail in his Direct Testimony. Other features of the LLPS Rate Plan focus on:

- Providing increased customer choice offerings, such as a variety of clean energy and emissions-reduction programs that will provide large load customers optionality in supporting a power portfolio that aligns with their own goals and objectives;
- Driving system value by adding a new demand response/interruptible rate offering that will provide large load customers with two bill credit options if they are willing to have load curtailed should system conditions warrant;
- Implementing a variety of new programs, terms, and conditions designed to make sure large load customers pay their share, such as the System Support Rider, a minimum bill requirement, which updates to the Company's line

extension policies to ensure new large load customers pay for the costs of dedicated facilities needed to serve them; and,

- Implementing a number of financial due diligence requirements and metrics large new customers must comply with to demonstrate their ability to pay for any and all costs attributed to them over the term of their agreement (15 years for customers over 100 MW).

Combined, the innovative and multi-faceted LLPS Rate Plan will position Evergy and the State of Missouri to attract and accommodate new large load customers, while also protecting Evergy's existing and non-participating customers.

Q: What is the Company's existing policy for large customers?

A: Presently, the Company has two service rates available for large load customers – Schedule Large Power Service ("LPS")[24] and the Company's Special High Load Factor Market rate, Schedule MKT, which is available to customers with an annual load factor of 85 percent or higher and monthly demand of 100 MW or more, or load projected to be over 150 MW within five years of receiving service. The Company has also entered into special contracts with certain customers on a limited basis. Company witness Mr. Lutz describes these special rates in more detail in his Direct Testimony. These special contract options, which are often paired with the statutorily established economic development rate ("EDR"), allow Evergy to offer a rate discount to customers who demonstrate a competitive need and meet other qualifications. Special Contracts may be appropriate in certain circumstances and the

[24] The EMM and EMW Large Power Service rate tariffs are similar. The tariffs are both are four-part designs with blocked demand charges and hours-use energy charges. An absolute demand threshold for service does not exist for the EMM or EMW rates. If a customer selects service under EMW's Schedule LPS, the customer will be billed a minimum demand of 500 kW. If a customer selects secondary voltage service under EMM's Schedule LPS, the customer will be billed a minimum demand of 980 kW. Customers served at higher voltages have higher minimum demands. These rates do not currently have a maximum limit.

Company intends to maintain the option of entering into special contracts if the situation warrants. However, given the significant pipeline of new large load, the special contracts mechanism is administratively burdensome and inefficient to offer on a widespread basis. Moreover, neither Schedule LPS nor the special contracts approach were developed for the extreme size and range of accommodations that today's large customer load requires.

Q: Why did the current rate structures need to be modified?

A: While the Company's current rate structures available for large customers are generally adequate for smaller C&I customers, many of today's large load customers require a more tailored approach. By offering a new, dedicated tariff to customers over 100 MW, Evergy can mitigate concerns about shifting costs protect existing customers and non-participants from undue risk. This is critical to prioritizing equity and fairness among all customers while meeting the needs of today's large load customers.

Q: Please summarize the specific tariffs that comprise the LLPS Rate Plan.

A: Table One below summarizes new tariffs the Company is proposing as part of the LLPS Rate Plan.

Table One			
Rider	**Relationship to Schedule LLPS**	**Description**	**Nature of Charge**
Large Load Power Service (Schedule LLPS)	Base Rate Option	Sets forth the specific terms and conditions that will apply to customers over 100 MW seeking to interconnect to Evergy's system	Combination of fixed, demand, and energy charges
Special High Load Factor Market Rate (Schedule MKT)	Alternative Base Rate Option	Provides large, high load factor customers access to energy pricing set by SPP and incremental cost for capacity.	Combination of fixed, demand, energy, and capacity charges
System Support Rider (Schedule SR)	Mandatory	Customers contribute to ensure appropriate recovery of costs incurred to serve Schedule LLPS customers, and to reflect the acceleration of resource investment required to serve large loads that join the Company's system	$/kW demand charge
Customer Capacity Credit Rider (Schedule CCR)	Optional	Optional credit to customers for using their existing capacity as SPP-accredited capacity	$/kW-month bill credit for capacity contribution
Demand Response & Local Generation Rider (Schedule DRLR)	Optional	Customers designate a set level of curtailable load that can provide demand response services to Evergy	Bill credit based on demand response commitment and performance
Clean Energy Choice Rider (Schedule CER)	Optional	Option to provide customers with a means to influence Evergy's integrated resource plan for clean resource generation	Negotiated installment payment.
Renewables Rider (Schedule RENEW)	Optional	Unbundled REC offering that provides attributes from Evergy's local generation fleet or attributes procured on the customer's behalf.	Incremental $/kWh charge for applicable attributes
Green Solution Connections (Schedule GSR)	Optional	Unbundled REC offering that provides multi-term current and future year renewable attributes from Evergy's IRP resources.	Incremental $/kWh charge for applicable attributes
Alternative Energy Credits (Schedule AEC)	Optional	Unbundled AEC offering that provides carbon free attributes from Evergy's Wolf Creek nuclear facility.	Incremental $/kWh charge for applicable attributes

Q: How does the LLPS Rate Plan leverage Evergy's established ratemaking framework?

A: Schedule LLPS is intended to both complement and have the same general structure as the LPS rate but with distinct protective terms that may be combined with several riders that address the unique accommodations and cost recovery considerations of today's large load customers. It introduces features that more comprehensively achieve the goals for a large load customer rate offering but aligns with the Schedule LPS rate, from a structure and

pricing perspective, providing consistency in rate offerings for both new and existing C&I customers.

Q: How does the LLPS Rate Plan expand customer choice?

A: The Company will offer several existing and new renewable programs offerings to accommodate diverse renewable energy needs. For example, some large load customers want to ensure that their power supply aligns with their corporate clean energy goals and are willing to pay a premium to achieve that. Other large load customers have flexible demand or onsite generation that can reduce their transmission interconnection capacity or contribute to meeting Evergy's resource adequacy requirements.

As Table One above reflects, the LLPS Plan includes a number of optional programs for large customers to procure renewable or carbon free attributes to meet their corporate sustainability goals. These four programs include:

- **Clean Energy Choice Rider -** This new, voluntary tariffed program offering will provide large customers with the ability to support the procurement of clean energy resources in lieu of or in addition to the Company's Preferred Resource Plan, as part of a "Clean Energy Resource Plan." Under this program, the requesting customer or customers will be financially responsible for the incremental cost difference associated with Clean Energy Resource Plan, which shall be charged to these customers through a levelized charge on their bill.
- **Renewable Energy Program Rider** - This existing tariff, available on a voluntary basis, provides customer access to historical RECs at a fixed price adjusted annually. The Company agrees to purchase energy from renewable

sources or purchase RECs in an amount equal to the level of service purchased by Renewable Energy Program participants.

- **Green Solution Connections Program** - This new tariff, available to non-residential customers with an average monthly peak demand greater than 200 kW. It offers participants the opportunity to subscribe to future renewable energy attributes associated with new Company-owned wind or solar generation acquired through the Integrated Resource Planning ("IRP") process that are not needed to meet renewable compliance targets or requirements. This program will allow customers to subscribe to forward renewable energy attributes for a specified term based on the associated resource.
- **Alternative Energy Credit Rider** - This new, voluntary tariff will provide Alternative Energy Credits ("AECs") to large customers who wish to include emission-free nuclear energy from Company owned or sourced resources into their clean energy portfolio to support their sustainability needs and decarbonization goals.
- **Demand Response Generation Rider** - Additionally, large customers enrolled in Schedule LLPS will be able to participate in a new interruptible demand response program. Under Schedule DRLR, participants may designate a certain amount of load as interruptible (*i.e.* curtailable). The Company retains the right to curtail that load support system reliability and resource adequacy. Additionally, the Company's right to curtail helps to support a more economical energy procurement and deployment, such as at

high-cost system peaking hours, and/or to otherwise offset system peaks that may drive the need for capacity additions. The Company will provide advance notice but will require participants to have a curtailment plan and demonstrate their ability to curtail the load. Customers will have two timing options to make their load available for DRLR curtailments during that time. Participating customers will be compensated through a credit based on their enrolled timing option.

Q: How does the LLPS Rate Plan treat the power grid?

A: The Company retains the ability within the LLPS tariff to directly assign interim incremental purchase power costs to individual customers. But, once a new large load is incorporated into Evergy's resource planning process and generation procurement approach, the LLPS Rate Plan relies on system average energy rates for purposes of billing large load customers. The power grid is a resource that is collectively used and shared by all customers, and the LLPS Rate Plan eliminates the notion that the grid is something that can be attributed to each customer's use on an individual, incremental basis.

Q: How does the LLPS Rate Plan protect existing customers and non-participants?

A: The LLPS Rate Plan includes numerous protections for existing customers and non-participants. This includes the proposed System Support Rider, a minimum bill requirement, which updates the Company's line extension policies to ensure new large load customers pay for the costs of dedicated facilities needed to serve them. Additionally, the Company proposes to implement several due diligence requirements and financial metrics to ensure that customers have the ability to pay for any and all costs attributed to them over the minimum term of their agreement. Schedule LLPS will also require a 15-year

commitment, thus mitigating the risk of speculative load and stranded costs. Company witness Mr. Lutz describes each of these protections in detail.

Q: How does the LLPS Rate Plan streamline the contracting process?

A: The new LLPS Rate Plan promotes fairness and transparency among large load customers and minimizes the administrative burden to customers and Evergy. By offering the same rate design and rider choices to all large load customers rather than individually negotiating tailored contracts, large load customers are treated more consistently. The LLPS Rate Plan enables the Company to minimize the protracted contracting process. Moreover, with the development of the Path to Power process for studying new load, new customers will have a clear understanding of the necessary steps and processes for having their load studied, the stages of the commercial contracting process, and identifying costs.

Q: Will the Company continue to offer its EDR to qualifying large load customers?

A: Yes. Missouri law requires the Company to offer the EDR to qualifying customers. The Missouri EDR, which is driven by state enabling legislation, provides significant discounts to certain large customers who meet the criteria.[25] Missouri also offers another EDR tariff, not specifically authorized or directed by statute, which includes a declining discount over a five-year term.[26] It has similar criteria as the statutory EDR. The Company plans to continue to make the EDR available to qualifying customers. Company witness Mr. Martin explains how the EDR and the LLPS plan will interact in more detail in his Direct Testimony. Company witness Mr. Lutz explains in his Direct Testimony the number of customer protections and safeguards, such as the minimum bill requirement and System

[25] Mo. Rev. Stat. § 393.1640 (2022).
[26] See, EMW EDR, Sheet 123.1-123.4; EMM EDR, Sheet 32E-32J.

Support Rider, which are designed ensure that new large load customers continue to pay their share and avoid undue risk to non-participants.

V. Benefits for Existing and New Large Load Customers; Reporting

Q: How will the LLPS Rate Plan benefit new large load customers seeking new service on the system?

A: The Schedule LLPS Rate Plan includes provisions to protect and prevent other customers from subsidizing large load customers. The LLPS Rate Plan accommodates the unique needs of today's large load customers. It recognizes the utility's requirement to design a system that supports all customers being served. It enables large load customers to influence renewable deployment to assist these customers with meeting their corporate sustainability goals. Finally, the LLPS Rate Plan is designed to recognize the benefits large load customer provide to the system.

Q: How will the proposed LLPS Rate Plan rate benefit all other customers on Evergy's system?

A: Non-Schedule LLPS customers will benefit from transparency and openness, undue cross-subsidization, as well as a variety of tariffs and riders that were designed consistent with long standing cost causation principles. The LLPS Rate Plan will help attract large load customers to the region, supporting economic development in the state for the collective benefit of all Missourians. The Schedule LLPS Rate Plan also recognizes how the new large load allocates fixed costs over a larger rate base, in turn, both protecting and benefitting all customers. The System Support Rider ensures appropriate cost recovery and makes an allowance for the cost of accelerated generation investment. Last, revenues collected from subscribing customers to the four new renewable/carbon free attribute

procurement riders within the LLPS Rate Plan are to be credited to the fuel adjustment clause in the respective jurisdiction thus lowering the cost of fuel for all customers.

Q: How will the LLPS Rate Plan benefit the Commission and other stakeholders?

A: The Commission will benefit from having a transparent and open process. Other stakeholders will benefit from the Company's thorough development of provisions to prevent undue cross-subsidization or risk to other customers.

Q: Is Evergy open to providing the Commission with updates regarding the status of its LLPS Rate Plan and large customer adoption?

A: Yes. In the interest of transparency and helping track the uptake and success of the LLPS Rate Plan, Evergy proposes that it provide the Commission with an annual report, either in this docket or through a repository docket. As part of the annual report, Evergy will inform the Commission of the number of new or expanded customers that have enrolled in Schedule LLPS, the total estimated load enrolled under each rate, the sector the customer is in, and the estimated number of new or retained jobs associated with each new customer (to the extent available). Because large load customers often consider their energy usage information to be proprietary and commercially sensitive information, the Company will provide these updates on an anonymized basis.

VI. Evergy's Tariff Requests

Q: What specific requests for approval is the Company seeking?

A: The Company requests approval of any additional or conforming tariff changes identified through the course of this proceeding that are needed to implement the LLPS Rate Plan. Additionally, the Company also requests the Commission issue an order on its Application no later than August 1, 2025.

Q: Why is the Company seeking Commission approval of the Application by August 1, 2025?

A: The Company seeks expedited approval of these tariffs to provide certainty and clarity of rate treatments available to new customers considering Missouri as a potential location and existing customers. Additionally, Evergy recently filed a similar application and tariffs in Kansas and wants to have a similar timeline so that Missouri customers can take advantage of the new rate plan if approved.

VII. Conclusion

Q: Please state your conclusions and summarize your testimony.

A: In sum, Evergy's plan achieves the goals of attracting large new load to the system, allocating incremental costs in a way that aligns with causation principles and protects and benefits existing Evergy customers. I recommend the Commission issue an order approving the Company's LLPS Rate Plan in full, including the Company's request for approval of all new and modified tariffs included in the LLPS Rate Plan. I additionally request the Commission grant this Application on an expedited basis and issue an order approving the LLPS Rate Plan by August 1, 2025.

Q: Does this conclude your Direct Testimony?

A: Yes.

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 and Evergy Missouri West, Inc. d/b/a Evergy Missouri West for Approval of New and Modified Tariffs for Service to Large Load Customers	)))))	File No. EO-2025-0154

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 – State and Federal Regulatory Policy.

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-six (26) 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

Subscribed and sworn before me this 14th day of February 2025.

Notary Public

My commission expires: 4/26/2025

ANTHONY R. WESTENKIRCHNER
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES APRIL 26, 2025
PLATTE COUNTY
COMMISSION #17279952