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MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

TARIFF/RATE DESIGN DEPARTMENT

SURREBUTTAL TESTIMONY

OF

J LUEBBERT

**UNION ELECTRIC COMPANY,
d/b/a Ameren Missouri**

CASE NO. ET-2025-0184

*Jefferson City, Missouri
November 2025*

**TABLE OF CONTENTS OF
SURREBUTTAL TESTIMONY
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SUSTAINABILITY INITIATIVES2

CUSTOMER OWNED GENERATION4

DEMAND RESPONSE5

DEMAND REDUCTION IMPACT.....11

1

2

3

4

5

6

8

10

1

12

17

19

SUSTAINABILITY INITIATIVES

Q. Beginning on page 10 of her rebuttal testimony, Renew Missouri witness Jessica Polk Sentell discusses instances of large Missouri customers “powered entirely by renewable energy.”

Is this an accurate representation of how the energy needs of the aforementioned customers are served?

A. No. Ms. Sentell’s representation ignores the reality of market participants in the MISO IM. Each megawatt hour of energy utilized by each of these customers is purchased through the MISO IM. The generation utilized to serve those customers is not necessarily produced by wind farms, but a mix of generation assets throughout the MISO footprint at a given point in time. As I have discussed in several prior cases¹ including this one, the location, magnitude, and timing of generation compared to the location, magnitude, and timing of load can and does cause imbalances.

Q. Can you provide a brief example of the imbalance you discussed above?

A. Yes. Wind generation tends to be most prevalent in the overnight hours in off-peak months, which generally coincides with periods of demand that are relatively lower, and consequently lower market prices are available for that generation. Wind generation tends to be less prevalent during summer peak hours which generally coincides with periods of higher demand and higher costs of serving load.

Q. Please explain the relevance of the discussion above as it relates to Ms. Sentell’s representation.

¹ The most recent cases before this Commission that I provided testimony on these topics include Case Nos. EO-2025-0154, EA-2025-0075, EA-2024-0292, EA-2024-0237, EA-2023-0286, and EA-2022-0328.

1 A. Even if annual wind generation matches the annual load of these customers,
2 there will still be additional costs caused by the timing differences of load compared to the
3 generation. The magnitude of the imbalance cost is driven by differences in prices at the
4 generation node along with the magnitude of generation and the nodal price to serve the load,
5 and the magnitude of load.

6 Q. Is meeting individual customer's sustainability initiatives necessary to provide
7 safe and adequate service?

8 A. No.

9 Q. Are large load customers prohibited from purchasing Renewable Energy
10 Credits, or owning renewable facilities to act as a market participant in a Regional Transmission
11 Organization (RTO)?

12 A. No. As far as I am aware, there is no prohibition for either. The types of
13 customers that would be considered a Large Load Customer Electric Service ("LLCS")
14 customer typically have ample access to capital and the ability to participate in the build out of
15 renewable resources in multiple ways. A few of the options that would be available are:

- 16 1. Entering a Purchased Power Agreement with an independent power producer
17 that participates in a RTO;
- 18 2. Building facilities and becoming a market participant in a RTO;
- 19 3. Purchasing an existing renewable resource; and
- 20 4. Purchasing Renewable Energy Credits.

21 If the sustainability initiatives of these individual customers with large capital budgets
22 carries enough importance, they likely have the means and ability to do so without introducing
23 cost subsidization and risk to non-LLCS ratepayers.

1 Q. Is it just and reasonable for non-participating ratepayers to subsidize in-house
2 sustainability initiatives set by potential LLCs customers?

3 A. No.

4 **CUSTOMER OWNED GENERATION**

5 Q. Ms. Sentell discusses a rider that would allow large-load customers to own their
6 own generation.²

7 Does Staff support Ms. Sentell's proposal for a customer owned generation rider?

8 A. No.

9 Q. Ms. Sentell suggests that the details of a rider include "a contract would be
10 negotiated subject to Ameren's capacity needs and discretion." Does Staff agree?

11 A. No. Staff is opposed to the proposal by Ms. Sentell for providing credits based
12 on the difference between the demand charge and the negotiated capacity price, especially if
13 the negotiations for capacity is not prudently procured via an arms-length agreement. As stated
14 in the Staff Recommendation, "Staff does not object to Ameren Missouri entering reasonable
15 agreements with LLCs customers for the purchase of capacity or energy from customer-owned
16 or customer-controlled generation that is not located behind the customer meter, so long as
17 those arrangements are otherwise prudent."^{3,4} Ms. Sentell does not provide a specimen tariff
18 or much detail to evaluate her proposal for such a complex issue.

19 Q. Would you expect the depth of detail in a contract or rider to be identical for all
20 potential generation additions by a customer?

² Page 13 of Ms. Sentell's rebuttal testimony in this case.

³ Any such contract would be the result of arms-length agreements and would not be part of the Optional Agreement.

⁴ Page 56 of the Staff Recommendation in this case.

1 A. No. Ms. Sentell does not discuss the scale of generation in her rebuttal
2 testimony. The level of detail to incorporate a small set of on-site solar panels or backup
3 generation would be quite different than a hypothetical small modular nuclear reactor.
4 The potential scale of generation in this case has the potential for large complexities with North
5 American Electric Reliability Corporation (NERC) and RTO requirements as well as rate
6 revenue impacts.

7 Q. If Ms. Sentell is proposing a rider similar to the Evergy proposed Customer
8 Capacity Rider,⁵ does Staff have additional concerns?

9 A. Yes. An excerpt of Staff's recommendation in Case No. EO-2025-0154 that
10 pertains to Evergy's proposed Customer Capacity Rider (CCR) is attached to this testimony as
11 Schedule JL-s1.

12 To the extent that Ms. Sentell is proposing something similar to Evergy's proposed CCR
13 in Case No. EO-2025-0154, Staff's concerns are largely the same as those offered in the Staff
14 Recommendation in that case. Furthermore, the concept of adding undefined capacity resources
15 may exacerbate the load and generation imbalances previously mentioned in my testimony as
16 well as potential imbalances in seasonal accreditation compared to seasonal customer demand
17 as a result of the MISO Planning Resource Auction.⁶

18 **DEMAND RESPONSE**

19 Q. On pages 15 and 16 of her rebuttal testimony, Ms. Sentell suggests that Ameren
20 Missouri consider a Large Load Demand Response tariff. Is it appropriate to approve a demand
21 response rider in this proceeding?

⁵ Case No. EO-2025-0154.

⁶ The United States Department of Energy recently issued a letter and an advanced notice of rulemaking related to interconnection of large loads and potential co-location of generation.
<https://www.energy.gov/articles/secretary-wright-acts-unleash-american-industry-and-innovation-newly-proposed-rules>

1 A. No. Ms. Sentell offers very little detail of how the program should be designed
2 and how it will be implemented in a manner that would actually achieve any of benefits that are
3 alluded to in her testimony.

4 Q. Ms. Sentell states that demand response events could “improve system
5 reliability, address resource adequacy, offset system peaks, or lower market costs.”⁷ Are these
6 perceived benefits inherent for all demand response events?

7 A. No. In order to derive tangible ratepayer benefits from demand response
8 programs, the design and execution must be thoroughly thought out with a goal of deriving
9 those benefits. Calling demand response events will not always result in benefits for other
10 ratepayers; in fact, it is possible that those demand response events are detrimental to other
11 ratepayers based upon program design and execution.

12 Q. In support of the “benefits” offered in Ms. Sentell’s testimony she offers the
13 following discussion in footnote 40 on page 15 of her testimony:

14 Energy generation and transmission requires harvesting and then moving
15 electricity across long distances. There are inevitable energy losses along
16 the route, **as well as unavoidable infrastructure costs to do this -**
17 **especially when generating and transmitting large amounts of**
18 **energy as would be the case for large-load customers.** Thus,
19 customers in this program **will be saving Ameren Missouri generation,**
20 **transmission, and infrastructure costs, including energy losses, when**
21 **curtailing their load or shifting to on-site generation during an**
22 **“event.” By reducing generation, transmission, and infrastructure**
23 **costs, this helps keep costs low for all customers.** Similar to costs,
24 when large amounts of energy are generated and transmitted to a
25 large-load customer, resources are certainly being used at high rates and
26 system reliability is decreased. When a large-load customer curtails their
27 demand or shifts to on-site energy production, generation, transmission,
28 and infrastructure resources will all be more plentiful as they will not be
29 used by the large-load customer(s). Less demand then improves resource
30 adequacy and generation and transmission reliability. [Emphasis added.]

⁷ Page 15 of the rebuttal testimony of Jessica Polk Sentell.

1 Q. Is Ms. Sentell's statement of the benefits of a called demand response event an
2 accurate assessment?

3 A. No. First, Ms. Sentell implies that there will be a reduction in infrastructure
4 costs that results from each demand response event. This statement ignores how Ameren
5 Missouri and MISO plan infrastructure upgrades. Unless demand response events target
6 specific system and market conditions that can avoid infrastructure upgrades throughout the
7 year, infrastructure will have to be built in order to serve the customer. Ms. Sentell
8 acknowledges the point that there are unavoidable infrastructure costs to supply large load
9 customers, but seemingly ignores that reality when stating that each event will result in avoided
10 infrastructure costs. Simply put, once infrastructure upgrades are placed into service and rates,
11 calling a few demand response events per year will not avoid the cost of those upgrades for
12 ratepayers. If the programs are designed improperly, the called event may actually result in
13 more of the costs for that infrastructure being spread to other ratepayers.

14 Q. Does installed on-site renewable generation necessarily result in reduced
15 generation investment?

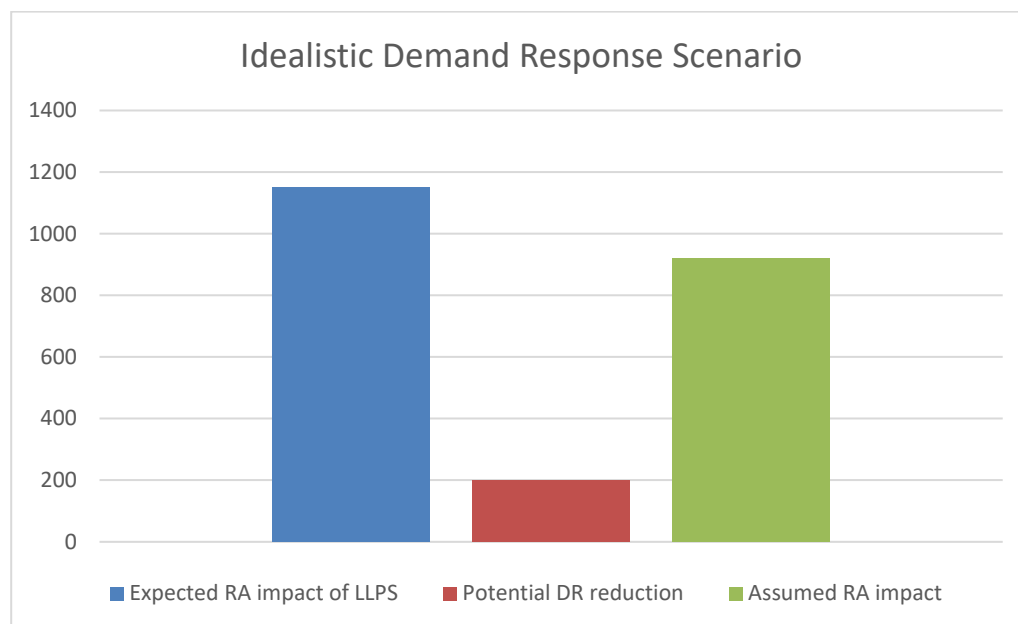
16 A. Not inherently and not without careful planning and program design.
17 Ameren Missouri is required to meet the MISO resource adequacy requirements seasonally.
18 If the on-site generation does not produce consistently during peak periods of the MISO
19 Planning Resource Auction seasons during the course of serving those customers, Ameren
20 Missouri will either need to meet those requirements with existing capacity (already included
21 in rates) or by building or acquiring additional capacity. Neither of those two options reduce
22 generation investment that will be realized by all ratepayers.

Q. Could on-site generation result in decreased transmission costs?

A. While it is unlikely to result in avoided transmission upgrades and the associated costs, it could result in a smaller increase in the costs associated with those MISO charges that are dependent on energy usage and load-ratio share in comparison with the rest of the MISO footprint.

Q. Is Staff confident that the program mentioned by Ms. Sentell will actually keep costs lower for all customers?

A. No. The fact that Ms. Sentell offers this support without any analysis of the economics of the program compared to cost alternatives should speak volumes to the Commission. From my perspective, the costs and potential benefits of a program like this must be considered, and scrutinized, prior to approval. The example below provides a view of an idealistic assumption of the impact of demand response on potential resource adequacy (RA) requirements, assuming 1,000 MW of LLCS load and 200 MW of continued demand response performance aligned with system peaks.



1 While the graphic above shows that demand response could have an impact on the
2 overall MISO RA requirement,⁸ it does not consider the challenges of aligning demand response
3 events with system peaks, the potential to underperform expectations, the potential impact of
4 load being shifted within the MISO region, and many other key factors. Ignoring the impacts
5 of key factors might lead an analyst to conclude that benefits will outweigh costs for all demand
6 response programs, but that is not always the case.

7 Q. Is it possible for Demand Response programs to keep costs lower for
8 all customers?

9 A. Absolutely, but doing so requires carefully planned programs, safeguards,
10 requirements of performance, avoided investment, longevity, evaluation, and mindful planning
11 of other meaningful areas of utility investment.

12 Q. Has Staff raised concerns with Ameren Missouri's Demand Response programs
13 in prior cases?

14 A. Yes. Staff has raised concerns with Ameren Missouri's Demand Response
15 programs in prior Missouri Energy Efficiency Investment Act applications.⁹

16 Q. What are the consequences under MISO if a demand response resource doesn't
17 perform as planned during a relevant system peak?

18 A. Future year accreditation could be impacted by failure to perform during
19 relevant system peaks. If that occurs, Ameren Missouri would be required to account for a
20 reduced amount of load reduction or meet the MISO RA requirements in a different manner,

⁸ MISO OATT attachment AA describes resource adequacy requirements and has been attached to my surrebuttal testimony as Schedule JL-s1.

⁹ See Case Nos. EO-2018-0211 and EO-2023-0136.

1 i.e. bilateral contracts for capacity, additional build out of generation, additional Planning
2 Resource Auction purchases, etc.

3 Q. Does Ameren Missouri bid the demand reductions associated with its existing
4 Demand Response programs into the MISO IM?

5 A. No. Bidding the demand response into the IM would allow for the assets to be
6 dispatchable to meet market conditions, but also require additional metering and record keeping
7 to comply with MISO's tariff and business practice manual.

8 Q. Do Ameren Missouri shareholders have financial incentives to undermine the
9 potential benefits of demand response programs?

10 A. Yes. Shareholders are compensated for investments in plant including
11 generation, transmission, and distribution facilities. Without appropriate planning, safeguards,
12 requirements of performance, avoided investment, longevity, evaluation, and mindful
13 planning of other meaningful areas of utility investment, ratepayers run the risk of paying for
14 the costs associated with demand response in addition to significant generation costs being
15 included in rates.

16 Q. Is Staff proposing solutions to resolve those issues in this case?

17 A. Staff is not proposing specific solutions to resolve the issues directly related
18 to a demand response program. Frankly, given the complexity of this case even
19 without consideration of all of the additional riders and the timeline associated with this case,
20 Staff does not have resources available to adequately address these concerns in this proceeding.
21 Staff recommends that the Commission reject any demand response program associated with
22 this case, including the proposal by Renew Missouri that is lacking in detail.

23 Q. Are there other ratemaking methods to mitigate the need for a demand
24 response program?

1 A. Yes. Appropriately designed, seasonal demand and energy charges with
2 time-based variation provide a financial incentive for accurate forecasting of demands and
3 shifting of demand away from on-peak periods. It is better to design rates in a manner that
4 reasonably reflects cost causation to customers prior to their operation. Creating a Demand
5 Response program after customers are being served on flat energy and demand rates creates
6 additional risk of generation investment being necessary that might have been avoided if rates
7 were designed appropriately. Staff continues to recommend the Commission order seasonal
8 demand and seasonal time-based energy charges as proposed in the Staff Recommendation in
9 this case.

10 **DEMAND REDUCTION IMPACT**

11 Q. Beginning on page 13 of her rebuttal testimony, Google witness
12 Dr. Carolyn A. Berry suggests that Ameren Missouri, and subsequently the Commission,
13 should revise Ameren Missouri's allowance of penalty free demand reduction for each
14 LLCS customer to up to 20%. Does Staff agree that Dr. Berry's suggestion is reasonable?

15 A. No. Dr. Berry suggests that the risk associated with allowing that type of
16 demand reduction carries low risk. Staff disagrees. The amount of capacity that will be
17 necessary to serve LLCS customers will likely cost billions of dollars and will likely be
18 recovered over periods of 30-40 years. Furthermore, the amount of new demand from LLCS
19 customers will be a large percentage of Ameren Missouri's total demand for MISO resource
20 adequacy purposes if Ameren Missouri's total pipeline of customers comes to fruition.
21 If industry changes, either through market functions or efficiencies in usage, drive massive
22 reductions in necessary demand, there is a very real risk that Ameren Missouri will have
23 overbuilt capacity necessary to serve the load of its customers and will be forced to find
24 alternative ways to provide offsetting revenues. If those offsetting revenues do not cover the

1 cost of the already built capacity, all other ratepayers will be worse off by paying for that
2 capacity through increased rates. That is not a risk that Staff, nor the Commission, should take
3 lightly. However, from an investor-owned utility point of view, once those capacity resources
4 are deemed prudent and included in rates, shareholders will expect recovery of, and a return on,
5 that investment regardless of the customer base paying for the resources.

6 Q. Are there additional considerations that are warranted based upon Dr. Berry's
7 proposed increase to the penalty-free demand reductions?

8 A. Yes. Ameren Missouri proposed a minimum demand threshold based upon
9 contract demand. If the initially contracted demand is not utilized for that threshold, then other
10 customers will be worse-off, all else being equal. If Dr. Berry's proposal of allowing a 20%
11 reduction is stacked with the minimum bill threshold of 70% of contract demand charges, then
12 the realized protection for non-LLCS ratepayers is further reduced to a realized minimum
13 demand bill of only 56% of demand related bill components. The erosion of non-LLCS
14 protection can be eliminated or mitigated in several ways. Staff's primary recommendation is
15 to implement the Staff's proposal to include a Demand Deviation Charge and an Imbalance
16 Charge.¹⁰ If the Commission decides that a minimum demand threshold is more appropriate,
17 making the threshold higher will provide more certainty of revenue over the life of the LLCS
18 contracts. Staff recommends that the Commission reject Dr. Berry's proposal to increase the
19 threshold for non-penalty demand reductions, as it creates unnecessary risk for the remaining
20 ratepayers.

21 Q. Does this conclude your surrebuttal testimony?

22 A. Yes.

¹⁰See page 60 of the Staff Recommendation.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of	)	
Union Electric Company d/b/a Ameren Missouri	)	Case No. ET-2025-0184
for Approval of New Modified Tariffs for	)	
Service to Large Load Customers	)	

AFFIDAVIT OF J LUEBBERT

STATE OF MISSOURI	)	
	)	ss.
COUNTY OF COLE	)	

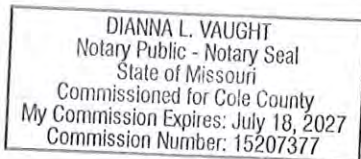
COMES NOW J LUEBBERT and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Surrebuttal Testimony of J Luebbert*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

J LUEBBERT

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 29th day of October 2025.



Dianna L. Vaught
Notary Public

Customer Capacity Rider

The Customer Capacity Rider (CCR) provides an LLPS customer with a bill credit for contracting customer-controlled generation capacity to either EMM or EMW, were that generation not located behind the customer's meter. The generation source can either be owned by the customer or contracted by the customer. Some customers may desire to own or contract for their own generation to address that customer's corporate green policies or emissions reduction goals. However, as a Load Responsible Entity under SPP Resource Adequacy requirements, EMM or EMW is still responsible for adequate capacity and reserve for all customers, including LLPS customers who may own or contract for other generation.¹⁶⁷ Evergy asserts that "The primary tangible benefit of the Customer Capacity Rider is to allow customers to provide solutions, in addition to the solutions Evergy develops or acquires, to meet Evergy's overall future load requirements in situations where the Company needs to build or acquire capacity."¹⁶⁸ This means that purchasing the capacity from these customers allows Evergy to avoid constructing additional generation purely to meet part of its capacity requirements. Evergy also claims that this option could be more economic for both itself and the customer.

However, Staff has major concerns with Evergy's requested tariff language, and recommends the Customer Capacity Rider be rejected. Staff notes that nothing prohibits EMM or EMW from entering into agreements with an LLPS customer to purchase energy or capacity from that customer, including customers who may be considered qualifying facilities as contemplated in the Commission's rule regarding cogeneration and small power production, 20 CSR 4240-20.060. However, these contracts should remain subject to the same prudence standards as any other power supply contract.

Staff's concerns include:

1. The excessive discretion provided to Evergy in the terms applicable to transactions under the CCR, and the lack of key terms within the CCR tariff,
2. The interaction of the CCR with the Resource Adequacy requirements of EMM and EMW,
3. The interference of the CCR with prudent resource planning,
4. The inclusion of Schedule MKT customers within the rider eligibility,
5. The interaction of the CCR with the LLPS tariff and the SSR, and
6. The revenue losses through the CCR will be harmful to other customers.

¹⁶⁷ The SPP Open Access Transmission Tariff requires Load Responsible Entities, which includes Evergy Metro and Evergy West, to maintain capacity equal to the entity's summer season net peak demand plus a reserve margin of 15%.

¹⁶⁸ Evergy's response to Data Request 83.

1 Essentially, the proposed tariff provides EMM and EMW authority to enter into agreements
2 of their choice, with customers of their choice, on terms of their choice, and for the results of those
3 agreements to modify the otherwise applicable bills of their largest customers. It is unclear what
4 oversight the Commission may possibly exercise over these transactions and over the revenue
5 requirement impact of these transactions.

6 Staff also has concerns about the CCR's language relating to revenue decreases and make
7 whole payment provisions. Evergy's proposed SSR Cost Recovery Component is needed by
8 Evergy to address the revenue losses caused by the CCR, which is more complicated than simply
9 reasonably administering capacity contracts to begin with. Additionally, the explanation
10 concerning the make whole payment fails to specify items such as when the company will annually
11 review the customer's accredited capacity as well as how and when the customer will be billed
12 concerning this payment.

13 *Staff Witness: Brodrick Niemeier*

14 **Resource Adequacy Concerns**

15 The proposed CCR does include reference to "make whole payments," in the event that the
16 actual capacity is less than contracted, and for additional compensation in the event that the actual
17 capacity is more than contracted. However, excess capacity calculated after the fact has essentially
18 no value to the ratepayers who will be compensating the LLPS customer for this capacity, and, as
19 discussed in the section, "Resource Adequacy-Related Requirements and Cost of Service,"
20 the monetary consequences for failing to meet resource adequacy requirements may dwarf any
21 contracted make-whole payment value.

22 *Staff Witness: Brodrick Niemeier*

23 **Resource Planning Concerns**

24 EMM and EMW should acquire generation assets and enter into capacity contracts based
25 on prudent resource planning. Staff is concerned that contracts from the CCR may not take
26 resource planning into account. Consistent with the concerns stated in regard to the CER, Staff's
27 concern is particularly relevant in light of recent legislative changes to resource planning
28 requirements and new legislative generation acquisition requirements. To the extent that the CCR
29 could be viewed as a means for EMM or EMW to modify its prudent resource plans, or to acquire
30 rights to capacity or generation outside of a prudent planning process it is unreasonable.

31 *Staff Witness: Brad J. Fortson*

Interaction of the CCR with LLPS Ratemaking

The proposed tariff states that “the Customer shall receive a credit equal to the price difference between the Schedule LLPS Demand Charge price and the negotiated pricing in the capacity contract for each accredited kW of contracted customer capacity, reduced by the applicable Southwest Power Pool (“SPP”) planning reserve margin.”¹⁶⁹ If the Commission determines in this proceeding that the appropriate demand charge for all EMM LLPS customers is \$10 per kW per month, under the CCR, EMM could enter into a contract so that one customer has an effective rate of \$7 per kW per month, and another has an effective rate of \$2 per kW per month. In a rate case, the revenue from those LLPS customers would not offset the EMM revenue requirement to the same extent that LLPS revenue would be offset without those contracts. It is unclear, when, how, or on what timeline Staff or the Commission has an opportunity to review the reasonableness of those contracts. Staff, the Commission, and other stakeholders will have no knowledge of, or access to, the negotiation of these contracts between Evergy and a LLPS customer.

Further, it appears that Evergy intends that a resource under the CCR would offset – in whole or in part – the Acceleration Component charges that it asserts is appropriate under the SSR. If a power plant is built to enable service of an LLPS customer, and the customer subsequently enters into a CCR agreement with EMM or EMW, then the problem that Evergy asserts the Acceleration Component is designed to address has been made worse, not better. Namely, the problem is not only that the power plant was built sooner than it would have been, it is now that the power plant provides excess capacity that may not be needed otherwise.

Staff Witness: Brodrick Niemeier

Evergy proposes that the determinant for the LLPS demand charge is the customer’s NCP. Under the CCR, the LLPS demand determinant would “be determined by seasonal capacity accreditation (annually for both summer and winter), as determined by the pertinent SPP methodology.” There is no reason to conclude that the accredited value of a generation resource, wherever it may be located, is coincident with an LLPS customer’s peak demand at its point of interconnection. However, the CCR effectively treats this remote resource’s output at a given point in time as a one-for-one reduction to the LLPS customer’s demand. This result is not

¹⁶⁹ From the proposed Customer Capacity Rider tariff language, Schedule BDL-1 page 77.

reasonable, and transfers responsibility for the LLPS customer's cost of service to other ratepayers. This result is not consistent with Section 393.130.7, RSMo., to be effective August 28, 2025, enacted pursuant to SB 4.

Staff Witness: Sarah L.K. Lange

Renewable Energy Program Rider

Program Description

Evergy has proposed its Renewable Energy Program Rider ("Schedule RENEW"), which would give customers the option to purchase unbundled RECs¹⁷⁰ at a fixed price that is adjusted annually. This program would be eligible to customers participating in a voluntary renewable energy program.¹⁷¹ Evergy witness Bradley D. Lutz discussed Schedule RENEW on page 44 of his direct testimony. Customers may subscribe for up to 100% of their annual energy usage in increments of 10%. The subscription is voluntary, month-to-month, with no upfront costs or contract. Participants can change their subscription or cancel at any time with no penalties or fees.

RECs will be retired annually by Evergy on behalf of the customer and revenues collected will be recognized in the associated resource's jurisdictional FAC for the benefit of all respective jurisdictional customers. This program has already been in place in Evergy's Kansas territory and has 21,000 Evergy Kansas customers participating.

Evergy intends to determine the amount of kWh available to participants based on the amount of RECs anticipated to be available to the Company for any program year. If demand in a given year exceeds the amount available, the Company will purchase RECs from external sources if they can be procured at prices equal to or less than the tariffed renewable energy charge.¹⁷² If this is not possible, Evergy will issue a refund to each participating Customer at the end of each

¹⁷⁰ Renewable Energy Credits or Certificates ("RECs") are a means of tracking and certifying energy generated from renewable energy resources. One REC represents that 1 MWh of electricity has been generated from a certified renewable energy resource. RECs can be generated, traded, bought, or sold. Once a REC has been utilized to comply with the RES requirements, it must be retired and cannot be used for any other purpose. The purchase or sale of an unbundled REC represents that only the REC was purchased or sold and it did not accompany the energy that it represents.

¹⁷¹ Lutz Direct Testimony, Schedule BDL-1, page 40.

¹⁷² Response to Data Request 73.2.