BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

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

POSITION STATEMENT OF
EVERGY MISSOURI METRO AND EVERGY MISSOURI WEST

COMES NOW, Evergy Metro, Inc. d/b/a as Evergy Missouri Metro ("Evergy Missouri Metro") and Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("Evergy Missouri West") (collectively referred to as "Evergy") and for their *Position Statement*, state as follows:

INTRODUCTION

Transportation electrification ("TE") refers to the transition from automotive vehicles primarily powered by internal combustion engines ("ICE") to vehicles powered partially or fully by electricity. Like many utilities across the country, TE presents an opportunity for Evergy to serve its customers, better manage the grid, and maximize the benefits of electrification for all stakeholders. While early adopters have contributed significantly to the EV technology transition, mass market EV adoption requires intentional investment by utilities to ensure underserved communities are able to access EV benefits. (Report, p. 4; Nelson Surrebuttal, pp. 11-12).

Evergy, its customers and the State of Missouri are at an obvious crossroads right now in the electric industry with TE. The time is now for the Commission to make a critical decision that will set the course for our customers for years to come. Do we want to take a proactive approach and make the investment to grow Evergy's ability to manage the inevitable expansion of TE for

Missourians, as well as have the tools and data intelligence to do that, or wait to react down the road? Evergy thinks the answer to that question is obvious – a proactive approach is best.

Over the long term, unmanaged EV proliferation on the electric system is just too great of a risk to take, especially given the relatively small investment presented in Evergy's Application that enables Evergy to continue to stay involved in the roll-out of TE and continue to learn how to mitigate any grid impact. Evergy's proposal related to the pilot programs will cost the typical customer a small amount per month. Based on an average monthly usage of 899 kWh, the bill impact would be approximately $1.00 to $2.00 per year for residential customers. (Ives Surrebuttal, p. 19)

Left to market forces, there is the potential for robust charging infrastructure expansion in urban areas while rural and traditionally underserved communities get left behind. Such an outcome would not be good for Missouri and Evergy's customers. (Report, pp. 6-9; Caisley Surrebuttal, p. 2-20, 22)

The following section will address the specific issues raised in the proceeding as identified in the List of Issues filed by the parties on September 17, 2021.[1]

LIST OF ISSUES

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

Yes. Evergy proposes the Residential Customer EV Outlet Rebate for residential customers to enable Level 2 ("L2"), managed charging and reduce the cost of home EV charging. Evergy is targeting the residential sector because light-duty private EV ownership constitutes the

[1] The Updated Evergy Transportation Electrification Filing Report ("Report") filed on May 7, 2021 and its pre-filed testimony provide an expanded and more detailed discussion of Evergy's position and support for its Application in this case.

majority of existing and projected EV adoption in the Evergy territory over the next five years. With approximately 80% of charging activity typically occurring at home, the residential sector is a strategic way to serve this segment of EV drivers. This rebate aligns with Evergy's equity commitment by reducing the costs associated with installing an EV charger at home and supporting more efficient L2 charging that yields energy savings and reduces household transportation costs.

The Residential Customer EV Outlet Rebate incentivizes the installation of a 240V outlet at residential locations to enable L2 EV charging. Customers are eligible for one rebate per residence to cover 50% of the installation cost, up to $500 per outlet, to install a dedicated 240V circuit (40A or greater, including a NEMA 14-50 outlet). Customers apply for a rebate within six months of the installation of qualified equipment.

Customers will complete an online application form and upload the necessary documentation, which will include dated installation receipts and proof of EV registration at the same address. At the time of application, customers will be educated and encouraged to enroll in a TOU rate and to opt into Evergy's Clean Charge Network ("CCN") for their public charging needs.

The Residential Customer EV Outlet Rebate will reduce the costs associated with L2 charger installation at home and provide customers with the ability to charge EVs in less time and with 7-15% less energy. Today, many EV drivers charge at home using the Level 1 ("L1") cord-set provided with the EV. The 240V outlet will enable drivers to manage charging via either their preferred charger or their vehicle's onboard charge management functionality.

By dramatically reducing the amount of time required to complete charging, the Residential Customer EV Outlet Rebate facilitates the EV driver's ability to utilize Evergy's TOU rate, thereby creating a foundation for future active charge management programs. (Report, p. 23; Voris Surrebuttal, pp. 11-18; Caisley Surrebuttal, p. 20).

The Residential Customer EV Outlet Rebate Program is in the public interest and should be approved as a pilot program, pursuant to Section 393.1610, RSMo.

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

No. The Commission should not require participants to sign up for the Company's existing whole house, opt-in TOU rate as a condition for approval of the Residential Customer EV Outlet Rebate Program. While the Company supports <u>optional</u> TOU rates, the Commission should not require EV customers to accept electric service on a TOU rate schedule. Customers have differing needs and situations, and the existing TOU rate may not be an optimal choice for all EV owners. Learning whether and how these non-TOU customers can be influenced are important objectives of this limited pilot program (Voris Surrebuttal, pp. 14-15).

Evergy agrees with Staff that TOU rates will be a key tool for minimizing grid impacts of transportation electrification and plans to introduce new and revised residential TOU rates in the 2022 general rate case. Evergy will educate and encourage rebate recipients to enroll in a TOU rate during the rebate application process. Moreover, rebate recipients will be periodically reminded of the benefits of TOU based on their specific charging behaviors and needs in the personal communications described in the program objectives.

While Evergy will use this program to educate customers on TOU and encourage TOU rate enrollment, Evergy expects there will always be a subset of EV-owners who are uninterested in TOU rates due to specific consumption requirements or other reasons. Such disinterest, however, does not mean these customers are unwilling to charge overnight. Since an EV can easily be programmed to charge within specified hours via the vehicle's smartphone app or on-board interface, Evergy believes it can effectively shift customers to off-peak charging by ensuring customers know how to program their cars to automatically charge overnight and/or during the weekend while at home ("set it and forget it"), are informed about their charging needs/behaviors, and understand the environmental and other advantages of off-peak charging. Learning whether and how these non-TOU customers can be influenced are important objectives of this limited pilot program. (Voris Surrebuttal, pp. 14-15)

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

No. ChargePoint has made the following recommendations:

Approve the Residential Rebate program with the following modifications:

- Direct Evergy to provide all qualifying customers with a $500 rebate per home;

Evergy Position: No. The Commission should not require every qualifying customer be provided with a $500 rebate per home. Although easier to administer, the rebate amount should be limited to the lesser of $500 or 50% of actual costs, as proposed by Evergy.

- Direct Evergy to allow residential customers that participate in the Residential Rebate program to hardwire their home chargers and not to require the installation of NEMA outlets (but allow customers to install NEMA outlets if they prefer);

Evergy Position: No. Requiring a NEMA 14-50 outlet provides customers with maximum flexibility and limits installations at 50 amps. Customers who desire a third-party charger can simply plug this charger into the NEMA outlet.

- Direct Evergy to develop a list of qualifying chargers for the Residential Rebate program, which should be updated upon request by vendors that introduce new qualifying products. To qualify for the Residential Rebate program, the Commission should require that chargers be ENERGY STAR certified, have a safety certification from UL or another Nationally Recognized Testing Laboratory, and have managed charging capabilities.

Evergy Position: No. This recommendation and requirement for an EV driver to purchase a network-capable ("smart") charger is an unnecessary expense for the customer as the EV's on-board charge management system often has more charge management capabilities than a third-party smart charger. In addition, Evergy has not proposed any rates or other program that necessitate the use of smart charger functionality.

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

Yes. Evergy proposes the Residential Developer EV Outlet Rebate to incentivize developers to pre-wire new homes with adequate circuit capacity to accommodate L2 EV charging by future residents. In the absence of other mechanisms such as building codes that require EV-ready residential construction, the Residential Developer EV Outlet Rebate provides Evergy with an opportunity to partner with developers to future-proof the residential sector and prepare it for expected growth in demand for EVs. Accordingly, customer education and outreach activities associated with the Residential Developer EV Outlet Rebate will target developers and provide information about the benefits of installing infrastructure at the time of construction.

The Residential Developer EV Outlet Rebate incentivizes the installation of a dedicated 240V circuit (40A or greater, including a NEMA 14-50 outlet) to enable L2 EV charging.

Developers are eligible for one $250 rebate per new home constructed according to these requirements. Developers will complete an online application form after the residence has been constructed and upload the necessary documentation to Evergy, which will include the address at which the installation occurred. Residential Developer EV Outlet Rebate program participants are limited to one rebate per residence. Third-party vendors or electric vehicle service providers ("EVSPs") are not eligible for these rebates.

The Residential Developer EV Outlet Rebate supports Evergy's equity commitment by reducing the costs associated with enabling L2 EV charging at home, allowing most EVs to charge during off-peak hours and lowering household transportation costs for future homeowners because it is both faster and more efficient than L1 charging. By tracking EV-ready home addresses, Evergy expects to have the ability to anticipate where EV charging may occur on the system, which can enable further load analysis to support future grid management activities. (Report, p. 24; Voris Surrebuttal, pp. 20-21).

The proposed Residential Developer EV Outlet Rebate program is a limited pilot program and has a relatively small budget, but the program will be an important source of information about contractor willingness to participate in the development of EV charging outlets in the residential market. The Residential Developer EV Outlet Rebate program is in the public interest and should be approved as a pilot program, pursuant to Section 393.1610 RSMo.

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

Yes. Third parties are important contributors to the broader ecosystem of EV charging infrastructure as a complement to Evergy's role in owning and operating the CCN. Evergy proposes the Commercial EV Charger Rebate for third-party EV charging station installations at commercial locations across the Evergy service territory. While residential charging comprises most charging events for light-duty EVs today, the growing market requires an ecosystem of strategically located commercial EV charging sites to reduce range anxiety in drivers and to serve a variety of emerging EV use cases. As noted in the Commission's *Report and Order* for File No. ET-2018-0132, "The evidence showed that without financial incentives, it is not feasible at this time for the private sector to implement public fast charging stations along Missouri's highway corridors anytime soon."[2]

To serve these use cases, EV charging should be conveniently located at common destinations such as workplaces, fleet parking sites, public destinations such as retail sites, multi-family dwellings, and along highway corridors. The proposed Commercial EV Charger Rebates are aligned with Evergy's equity commitment by offering affordable and accessible EV charging at locations that meet the practical needs of the market. Among the commercial customers eligible for the Commercial EV Charger Rebates are public service fleets such as those comprised of urban transit bus, school bus, municipal service fleets, paratransit, rural transit, and public assistance vehicles – all of which have broad benefits for underserved communities.

The Commercial EV Charger Rebates will reduce the costs associated with L2 and DC Fast Charging ("DCFC") EV charging station installations at a variety of locations (highway, public, workplace, fleet, multi-family) by providing a rebate to cover the customer-side infrastructure and EV charger equipment costs. The program design will incentivize smart, network-capable chargers to enable controllable load management regardless of what type of L2 or DCFC charger is installed. These design considerations will also allow Evergy to collect and analyze charger

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[2] *Report and Order*, p. 22, Re Application of Union Electric Company d/b/a Ameren Missouri for Approval of Efficient Electrification Program, File No. ET-2018-0132 (Issue Date: February 6, 2019).

utilization data for various use cases and better understand where EV charging is occurring on the system. Based on Evergy's review of projected EV growth and the associated infrastructure needs, the Company anticipates that a mix of L2 and DCFC, in addition to Evergy's CCN stations, will be needed at commercial locations to meet the requirements and usage patterns of EV drivers. (Report, pp. 24-25; Voris Surrebuttal, pp. 21-26; Nelson Surrebuttal, p. 9).

The Commercial EV Charger Rebate Program will promote the public interest and should be approved, pursuant to Section 393.1610, RSMo.

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

No. ChargePoint made the following recommendations:

Approve the Commercial Rebate program with the following modifications:

- Direct Evergy to remove the requirement that site hosts that participate in the Commercial Rebate program share charger utilization data with Evergy;
- Direct Evergy to remove the requirement that customers agree to participate in demand response events.

Evergy Position: The Commission should reject the proposed modifications. As a pilot program, it is critical that Evergy be allowed to collect and review utilization data from the EV chargers. Without this capability, much of the value of the pilot program will be lost.

Second, the Commission should reject the recommendation to remove the requirement that customers agree to participate in demand response events. It is reasonable to expect that EV chargers may be required to participate in such programs in the event the EV customer is charging during peak periods.

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

Evergy Position: Evergy takes no position on this issue.

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

Evergy Position: No. The Commission should not cap the amount of the rebate incentive on a percentage basis to not exceed 20% of the total costs for a charger station. This recommendation is not contained in any pre-filed testimony and there is no basis in the record to support it.

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

Yes. Evergy proposes a new Electric Transit Service ("ETS") pilot rate option for transit bus fleet customers in Missouri to increase EV adoption in this vehicle segment and support transit customers in realizing the benefits of Battery Electric Buses ("BEBs"). As BEB technology becomes increasingly viable, transit bus fleets in Evergy territory are interested in the advantages of improved Total Cost of Ownership ("TCO"), operational benefits, and environmental advantages of BEBs. A favorable rate enables transit companies to calculate and compare their fuel costs, a major input into building the business case to purchase BEBs. The proposed transit rate will significantly improve the economics of transit fleet electrification.

The ETS rate aligns with Evergy's equity commitment by directly supporting the electrification of public transit buses, which will benefit underserved customers that rely on transit services and are more exposed to the emissions from diesel transit buses.

The ETS rate is a two-period TOU rate with a 12-hour off-peak period (6 p.m.-6 a.m.) that aligns with typical transit fleet depot charging patterns. The rate removes the demand charge, while retaining a small local facility demand charge to incentivize managed charging. Transit customers must separately meter their EV charging station to participate in the rate and all rate riders and surcharges will apply. Customers will work with their Evergy account manager to determine eligibility and enroll in the rate. (Report, pp. 27-28; Lutz Surrebuttal, pp. 2-5).

The ETS rate is just and reasonable and should be approved as part of the pilot program, pursuant to Section 393.1610, RSMo.

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

Yes. The courts and the Commission have recognized that the implementation of rates for new services outside the context of a general rate case does not violate the single-issue ratemaking prohibition.

In State ex rel. Sprint Spectrum L.P. v. Missouri Public Service Com'n, 112 S.W.3d 20, 28–29 (Mo.App. W.D.,2003), the Missouri Court of Appeals held that the introduction of rates for new services did not violate the prohibition against single-issue ratemaking which would otherwise require that all relevant factors be considered in a general rate case. The Western District stated:

> The rationale behind the single-issue ratemaking prohibition is to prevent the Commission from allowing a utility to "raise rates to cover increased costs in one area without realizing there were counterbalancing savings in another area." *State ex rel. Midwest Gas Users' Assoc. v. Pub. Serv. Comm'n of Mo.,* 976 S.W.2d 470, 480 (Mo.App. W.D.1998). This rationale does not apply in the instant case because tariffs have never been established for the rural carriers' termination of the wireless-originated traffic. Both of the cases cited by the wireless companies, in support of their claim of single-issue ratemaking, deal with attempts to increase or change *existing* rates. *In the Matter of Southwestern *29 Bell's Tariff Sheets Designed to Increase Local and Toll Operator Service Rates,* 5 Mo.PSC.3d 59 (June 21, 1996); *MCI Telecom Ins. Corp. v. Southwestern Bell Tel. Co.,* 6 Mo.P.S.C.3d 482 (1997). These cases are clearly distinguishable from the subject dispute because no rates existed at the time the rural carriers filed for approval of Wireless Termination Service tariffs.

The Missouri Public Service Commission itself has also recognized on numerous occasions that rates for new services may be implemented outside the context of a general rate case. In Re Union Electric Company d/b/a Ameren Missouri's LED Street Lighting Update and Tariff Filing, 2016 WL 286919, at *1 (Mo.P.S.C.,2016), the Commission stated:

> Missouri's prohibition against single-issue ratemaking bars the Commission from allowing a public utility to change an existing rate without consideration of all relevant factors, such as operating expenses, revenues, and rates of return. OPC argues that the Commission may not lawfully approve Ameren Missouri's proposed tariff sheets because those tariff sheets change existing rates, which requires the consideration of all relevant factors in a general rate case to avoid impermissible single-issue ratemaking. OPC's assertion is incorrect. The tariff sheets do not change the rates for the existing types of streetlights, but rather maintain those existing rates at their current level and provide additional rates for new LED lights. The rationale behind the single-issue ratemaking prohibition is to prevent the Commission from allowing a utility to "raise rates to cover increased costs in one area without realizing there were counterbalancing savings in another area." This rationale does not apply in this case because Ameren Missouri tariffs have never established a rate for LED streetlights, which is a new type of service. The Commission has approved other tariff sheets in the past outside of a rate case that set a rate for a new service. Since the Ameren Missouri tariff sheets do not change existing rates, it is lawful for the Commission to approve the tariff sheets without the necessity of conducting a general rate case. (footnotes omitted)

Footnote 4 of the Union Electric LED street light case stated: "*The Commission has approved rates for new services outside the context of a general rate case. See*, File Nos. ER-2014-0258 (new tariff for standby service), EO-2013-0367 (new rate for class 6M LED lights), and EA-2005-0180 (added entire rate class)".

Footnote 5 of the Union Electric LED street light case cited to *State ex rel. Sprint Spectrum L.P. v. Missouri Public Service Commission, 112 S.W.3d 20, 28 -29 (Mo.App. 2003)* for the proposition that it is lawful for the Commission to approve tariff sheets without the necessity of conducting a general rate case for new services.

In Re Union Electric Company, Case No. ET-2018-0063, the Commission allowed the implementation of Union Electric's Green tariff outside the context of a general rate case. See *Order Approving Stipulation and Agreement*, (June 27, 2018).

The Commission has often reached the same conclusion in the context of telecommunications cases. In Re Mark Twain Rural Telephone Co., 2001 WL 584348, the Commission stated:

> The Commission agrees with the Filing Companies that the prohibition against single-issue ratemaking does not apply to new service offerings. The legislature did not contemplate the opening of a general rate case in response to each such tariff filing. This is demonstrated by the language of Section 392.220.4, which limits the suspension period for a new service offering to 60 days compared to the otherwise generally applicable period of 120 days plus six months at Section 392.230.3, and also by the command of Section 392.185(3) that Chapter 392 be construed to '[p]romote diversity in the supply of telecommunications services and products throughout the state of Missouri.'
>
> Because, with one exception, the proposed Wireless Termination Service tariffs herein in question introduce a new service, they are not subject to the prohibition on single-issue ratemaking. (footnote omitted)

Numerous telecommunications cases involving new services were implemented outside the context of a general rate case in the 1990s and 2000s. See e.g., Re Southwestern Bell, L.P., Case Nos. TT-98-351, 1998 WL 996183 (September 29, 1998)[Local Plus]; Re Embarq, Case No. TO-2006-0406 (April 27, 2006)[various new services]. (Ives Surrebuttal, pp. 4-7, 20).

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

Yes. The Plant In Service Accounting ("PISA") rate freeze established in Section 393.1655.2 applies to existing base rates and services. It does not apply to new rates for new services like the ones being proposed in this case. Therefore, the PISA rate freeze provisions do not apply in this case and do not limit the Commission's authority to implement new rates for these pilot programs.

Secondly, Section 393.1610 specifically authorizes the Commission to approve pilot programs which includes the adoption of new rates for such pilot programs. Without the ability to implement new rates outside the context of a general rate case for the pilot programs like the ones being proposed in this case, the purpose of the statute to "advance the electrical corporation's operational knowledge of deploying such technologies, including to gain operating efficiencies that result in customer savings and benefits as the technology is scaled across the grid or network" (Section 393.1655.1) would be thwarted. (Ives Surrebuttal, pp. 6-7)

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

No. First, it is not reasonably possible to identify whether the revenue from a particular station is new, incremental revenue. Just like most gasoline car drivers depend on more than one gas station, EV drivers depend on a range of charging locations including at their home, workplace, and other public destinations. For this reason, it is unlikely that a single new station is responsible for driving new revenue that is attributable solely to that station. It is more likely that existing charging activity, such as home or workplace charging, is transferred from one location to that new charging station because of its availability. By virtue of being a mobile load, each EV represents customer demand that is variable not only in terms of time but also location.

Second, the purposes of the pilot program are to ensure Evergy has a role in managing its grid for purposes of providing efficient and effective service, to provide for the provision of electric service to more EV customers, and to allow Evergy to obtain important data for the future. Usage reporting will certainly be a part of our analysis and reporting on the program. As we have detailed in our application and testimony, the electrification of the transportation sector is well underway, and these programs enable Evergy to participate and influence this transformation, which is appropriate given Evergy's central role in the mobile EV fuel supply chain. Certainly, all revenues generated will be reflected in our next general rate case and go to the benefit of all customers. (Ives Surrebuttal, pp. 8-9)

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

Yes. Evergy proposes a new Business EV Charging Service ("BEVCS") pilot rate option for commercial customers to increase EV adoption, meet workplace employee and fleet EV charging needs, support public EVSP networks, and maximize grid benefits of EV charging load at commercial locations. Any commercial customer with an EV charging station is eligible for this rate. While the rate was designed using actual costs and charging patterns at workplace and fleet charging sites, the new rate would be suitable for any commercial EVSP including highway corridors, multi-family dwellings, and other public destinations.

The proposed BEVCS rate aligns with Evergy's equity commitment by directly supporting the electrification of commercial customer vehicles and reducing the cost of commercial EV charging to benefit underserved communities. Additional benefits of this rate for commercial customers include:

- Lower TCO for public fleets in a position to serve all customers, which will reduce the cost of providing public services through school buses, municipal service fleets, paratransit, rural transit, and public assistance vehicles;
- Lower TCO for commercial EV fleets, which will indirectly lower the cost of goods and services for all customers; and

- Affordable commercial charging, which will benefit all customers who charge away from home. (Report, pp. 28-30; Lutz Surrebuttal, pp. 2-5).

The new Business EV Charging Service ("BEVCS") pilot rate for commercial EV fleets is just and reasonable and should be approved, pursuant to Section 393.1610, RSMo.

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

Yes. See discussion under Issue No. 4 a.

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

Yes. See discussion under Issue No. 4 b.

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

No. See discussion under Issue No. 4 c.

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

Yes. In addition to the new pilot programs and rates described above, Evergy seeks to increase the cap to expand the CCN in Missouri to continue meeting the market demand for EV charging aligned to expected EV adoption growth. Evergy requested an increase of 78 charging stations to the existing cap, which will be used to serve underserved communities and an increase of 72 stations for future operational flexibility.

As stated in the *Non-Unanimous Partial Stipulation and Agreement*, which was approved by the Commission, Evergy agreed not to expand beyond the current CCN caps without

Commission approval.[3] Evergy intends to stimulate and meet interim market demand in the absence of adequate charging service from third-party EVSPs. The CCN cap increase will give Evergy the flexibility to respond to emerging gaps in the Missouri market. For this reason, the CCN expansion complements the commercial rebate offering and will ensure that all charging use cases are well-supported through a combination of these proposed program elements.

The CCN expansion will allow Evergy to continue to collect and analyze charger utilization data for various use cases, better understand where EV charging is occurring on the system, and enable further load analysis to support grid management activities. Evergy will build upon its award-winning customer outreach approach to spread awareness of the CCN, maintain up-to-date information about EV model availability, and hold events to engage customers.

The proposed CCN expansion is aligned with Evergy's equity commitment by maintaining a focus on filling gaps in the market and serving underserved communities. Site selection for new CCN stations will prioritize commercial locations in underserved communities, secondary and tertiary highway corridors, streetlight charging, and designated charging to support rideshare and transportation network companies ("TNC") use cases. Evergy will use existing CCN data and experience to identify suitable locations to support these use cases. (Report, p. 34; Voris Surrebuttal, pp. 3-8)

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

Yes. Creating a sufficient charging network decreases "range anxiety" by giving consumers the confidence they can safely reach their intended destination using an EV and be able

[3] *Non-Unanimous Partial Stipulation and Agreement*, pp. 3-4 , Re Kansas City Power and Light Company's Request For Authority to Implement A General Rate Increase, Case Nos. ER-2018-0145 and ER-2018-0146. (September 19. 2018).

to find a charger if needed. Range anxiety is still considered a significant barrier to increased EV adoption and is a concern that can be magnified when traveling longer distances on highways. Fast charging hubs along highway corridors enable long distance and inter-city travel for EV drivers. Evergy proposes to expand the CCN to secondary and tertiary highway corridor locations within the service territory by providing DCFCs at strategic locations near highway exits. Currently, DCFC infrastructure is nascent in Evergy's territory. The addition of DCFC to highway corridors supports community-based fast charging for time-sensitive EV drivers while bolstering confidence for Evergy customers with real or perceived range anxiety to adopt an EV. This expansion will allow Evergy to better meet an interim market need in the absence of adequate charging services from third-party EVSPs that may seek more profitable locations.

Evergy's active participation in the Missouri EV Collaborative will enable continuity with statewide corridor infrastructure development activities. In addition, through the Midwest Memorandum of Cooperation, Evergy has partnered with other utilities to create a multi-state EV charging network along major Midwest travel corridors by the end of 2022. This commitment is consistent with Evergy's TE program priority to fill gaps in underserved areas, particularly along highway corridors to ensure that EVs operating across Evergy's territory can complete long-range trips with minimal range anxiety. (Report, pp. 24-26; Caisley Surrebuttal, pp. 2-20, 22; Voris Surrebuttal, pp. 3-8)

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

Yes. Evergy is partnering with the Metropolitan Energy Center and the City of Kansas City, Missouri to pilot streetlight charging installations in the city's right of way. The U.S. Department of Energy awarded a grant to demonstrate and test the benefits of curbside charging for EVs utilizing streetlight infrastructure. This is a collaborative effort to identify and evaluate the benefits and impacts of streetlight charging and use these findings to streamline future efforts to support more EV drivers, particularly in underserved areas such as densely populated residential areas without off-street parking or where charging access is not readily available (e.g., multi-family residents). Additional project partners include NREL, EVNoire, Black and McDonald, LilyPad EV, the Missouri University of Science and Technology, and other local community organizations.

Because CCN stations are recognized among EV drivers, as well the CCN's established payment collection and O&M processes, Evergy was asked to participate in the project and take ownership of the assets. Evergy accepted this role prior to a cap being established and has not taken ownership of stations, pending Commission approval of the cap increase. Evergy is funding the cost of the make-ready infrastructure and the installation while the cost of the EV charging equipment is being provided through the grant thus reducing the overall capital costs for the new CCN assets. (Report, pp. 35-36; Voris Surrebuttal, pp. 10-11)

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

Yes. Evergy's request for additional CCN cap space includes four direct current fast charging ("DCFC") sites in MO Metro intended for use by transportation network companies ("TNCs")/rideshare companies. Capital cost estimated to be $100,000 per site on customer's side of meter, and ratepayer exposure to capital costs on utility side of meter is capped by the standard line extension of $27,000 per site. Evergy does not have a definite plan or stated agreement with TNCs (such as Uber/Lyft), nor is there any guarantee such an agreement will materialize. Requesting the ability to pursue emerging opportunities does not guarantee such opportunities will materialize. The purpose of requesting additional "headroom" in the cap is to provide Evergy with the flexibility to manage its business and respond to emerging opportunities like TNC/Rideshare, which expands the availability/accessibility of transportation electrification. (Ives Surrebuttal, pp. 15-16)

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

Yes. Evergy requests that the Commission find that the limited and targeted CCN expansion plans Evergy has announced in this filing are prudent from a decisional perspective although the Company is not seeking any regulatory asset tracking mechanism treatment for the expansion of additional CCN deployments as part of this filing. Evergy will request recovery of prudently incurred O&M expenses as well as rate base treatment of prudently incurred capital spend associated with the CCN deployments as part of a future general rate case consistent with other capital investments made by the Company and the Commission's decisional prudence determination in this proceeding. (Report, pp. 32-33; Caisley Surrebuttal, pp. 21-22; Ives Surrebuttal, pp. 8-16, 20; Nelson Surrebuttal, pp. 11-12).

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

No. The price for electricity charged at a Company owned charging station through the CCN is provided for under Schedule CCN. Additionally, the hardware and network service provider for a CCN site is selected by Evergy given that it is regulated plant in service.

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

Yes. Evergy proposes a separate component to conduct outreach and customer engagement related to this portfolio request. Given the significant benefits that EV adoption will bring to all customers, Evergy has a responsibility to help stimulate the EV market and inform customers about those benefits and available incentives, as well as educate customers about managing charging to save money and reduce the potential for negative grid impacts. As stated in the MPSC Staff Report on potential models for facilitating EV charging station installation, a key theme of the process was that "enhanced customer education is a must."[4] Evergy's program administration activities will include rebate intake and processing, customer care, and overall program management and coordination.

This portfolio component is aligned to Evergy's equity commitment by ensuring transparency and lessening the barrier for customers to access accurate information about EV benefits and offerings in order to make informed decisions about EV purchases and charger usage. Furthermore, a focus on customer education is considered a best practice among utilities pursuing TE programs and is viewed favorably by other commissions. According to Atlas Public Policy, education components of utility TE filings have been met with an 83% approval rate.

The program will offer customer education to support EV adoption and encourage participation in Evergy's program offerings. This will ensure that customers have the latest information regarding Evergy's EV rebates, tariffs, as well as the benefits of EVs, electric fuel costs, and charging station locations. Evergy will expand its current role of "energy advisor" into the TE space by offering technical assistance to help customers navigate EV-related decisions and to maximize the benefits of EV adoption. For example, Evergy will partner with transit and fleet customers to understand charging needs, evaluate existing capacity, and determine whether new

[4] *Report and Order*, p. 26, Re Application of Union Electric Company d/b/a Ameren Missouri for Approval of Efficient Electrification Program, File No. ET-2018-0132, (Issue Date: February 6, 2019).

infrastructure is needed to support their projects. (Report, pp. 30-31; Voris Surrebuttal, pp. 18-19).

Evergy requests that the Commission approve its proposed education program to promote the goals of its EV pilot program.

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

Yes. Evergy proposes to administer the new pilot rebate programs over a five-year period, beginning in the first quarter of 2022 and concluding in the first quarter of 2027. Evergy anticipates a three-month ramp-up period following Commission approval to establish key processes, contracts, and operations prior to launching the pilot programs.

Evergy proposes to voluntarily record and report annually to the Commission quantitative and qualitative measures of the new TE programs' status. Key performance indicators may include, but are not limited to, program participation and enrollment, customer and site types, EV charging installations to date, rebates paid, and customer satisfaction. Evergy believes that tracking and reporting is valuable for several reasons. Given that EV and charging technologies and services are relatively new for both Evergy and customers, regularly measuring and reporting on the outcomes of pilot program implementation will be important to help improve and adapt TE program offerings in the future. Reporting on Evergy's experience is also valuable for stakeholders and other utilities that are pursuing TE efforts. Sharing best practices and lessons learned from Evergy's TE program implementation will be a valuable contribution to the broader industry. Furthermore, program reporting is considered a best practice among utilities pursuing TE programs. (Report, p. 31; Ives Surrebuttal, pp. 18-20).

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

Yes. The Company believes it is appropriate to establish a 5-year amortization period with the creation of a deferral mechanism of costs as part of this case. Establishing a 5-year amortization period lines up with the pilot period for the requested Evergy EV programs. It is appropriate for the Commission to make this determination in this docket as opposed to a future rate case because given the unique nature of the termed program duration, it makes sense for the Commission to address it and tie the amortization term to the program duration. (Ives Surrebuttal, p. 17**)**

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

Yes. Evergy requests that the Commission authorize the Company to use a regulatory asset tracking mechanism to track and defer the pilot program costs which include rebate incentives and certain associated customer education and administrative costs. This regulatory asset tracking mechanism will provide the Company the ability to track and defer program costs to be recovered in the Company's cost of service in future rate cases. Evergy will not be able to recover the costs of the pilot programs contemplated in this filing from program inception through the Company's next general rate case and between future rate cases without the requested regulatory asset tracking mechanism.

Evergy is seeking in this proceeding the ability to track and defer program costs for recovery of prudently incurred program costs in future rate cases through expense amortization over a period of five years, which is equivalent to the length of the proposed pilot programs.

Evergy will not seek rate base treatment of the program costs that will be included in the regulatory asset tracking mechanism for the pilot programs. Evergy will provide the capital to fund the pilot programs from program inception and between rate cases and proposes to be compensated for the capital carrying costs of doing so by retaining any additional revenues the program will produce until rates are reset in subsequent rate cases. The Commission has previously found that such a proposal is in the public interest to authorize a deferral accounting mechanism or regulatory asset tracker mechanism.[5] Such a proposal aligns the interests of the Company and its customers because the Company has no incentive to pay program rebates to charging station owners unless the resulting charging stations will create more widespread EV adoption and, in turn, produce incremental electricity sales.

This Commission previously found that this approach also benefits ratepayers because, by tracking and deferring the program costs associated with rebate incentives and educational and administrative costs, it serves to "sync up" the costs of the program with the benefits or revenues of the added load and provides "a smoother pattern of rate impacts to" ratepayers.[6]

Specifically, Evergy requests the Commission authorize it to defer pilot program costs associated with rebate incentives and customer education and program administrative costs into a regulatory asset from the inception of the program until the true-up period in the Company's next general rate case to then ultimately recover prudently incurred costs for inclusion in cost of service in the Company's next general rate case. (Report, pp. 32-33; Ives Surrebuttal, pp. 17-18, 20-21).

The Company proposes the pilot program costs be amortized into cost of service through an amortization period of five years. For such pilot program costs that continue past the true-up date in the Company's next general rate case, the regulatory asset tracking mechanism will

[5] *Report and Order*, p. 26, Re Application of Union Electric Company d/b/a Ameren Missouri for Approval of Efficient Electrification Program, File No. ET-2018-0132, (Issue Date: February 6, 2019).
[6] *Report and Order*, p. 26, Re Application of Union Electric Company d/b/a Ameren Missouri for Approval of Efficient Electrification Program, File No. ET-2018-0132, (Issue Date: February 6, 2019).

continue to defer program costs for the five-year term of the pilot programs and be included in the Company's cost of service through amortizations in future rate cases. Absent Commission authority to track pilot program costs through a regulatory asset tracking mechanism, the Company is unlikely to have the ability to recover the Company funded program costs. The Company acknowledges that deferred pilot program costs will be subject to prudence review. (Report, pp. 32-33; Ives Surrebuttal, pp. 8, 17-21).

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

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

Under the proposed pilot programs, Evergy will offer incentives for the installation and use of equipment. Therefore, without a variance from the rule, Evergy would be in violation of 4 CSR 240-14.020(1)(B) and (1)(D). Additionally, the Commission noted in Case No. ET-2018- 0132 that under a strict reading of the rule, these incentives may provide "free, or less than cost or value, wiring, piping, appliances or equipment" in violation of 4 CSR 240-14.020(1)(E).

Good cause exists to grant Evergy these variance requests because the proposed TE portfolio will (a) provide benefits to both Evergy and its customers, both from the standpoint of lower overall rates, more efficient utilization of the electric grid, and reduced emissions in the areas where those customers work and live; and (b) not negatively affecting either the Company's customers who are not participants in the program or regulated alternative fuel suppliers competing in the Company's service territory.

Evergy requests a variance from subsections 4 CSR 4240-14.020(1)(B), (1)(D), and (1)(E), which provide:

(1) No public utility shall offer or grant any of the following promotional practices for the purposes of inducing any person to select and use the service or use additional service of the utility:

(B) The furnishing of consideration to any architect, builder, engineer, subdivider, developer or other person for work done or to be done on property not owned or otherwise possessed by the utility or its affiliate, except for studies to determine comparative capital costs and expenses to show the desirability or feasibility of selecting one (1) form of energy over another…

(D) The furnishing of consideration to any dealer, architect, building, engineer, subdivider, developer or other person for the sale, installation or use of appliances or equipment…

(E) The provision of free, or less than cost value, wiring, piping, appliances or equipment to any other person… (Report, p. 33; Ives Surrebuttal, pp. 17-18).

WHEREFORE, Evergy Missouri Metro and Evergy Missouri West respectfully submit their *Position Statement* to the Commission.

Respectfully Submitted,

/s/ Roger W. Steiner

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record as reflected on the certified service list maintained by the Commission in its Electronic Filing Information System this 27th day of September 2021.

/s/ Roger W. Steiner

Roger W. Steiner