

## **PUBLIC HEARING AND COMMENT PERIOD**

### **Evergy Kansas Metro, Inc., Evergy Kansas South, Inc. and Evergy Kansas Central, Inc. Application for its Energy Efficiency and Demand-Side Management Portfolio**

Evergy Kansas Metro, Inc., Evergy Kansas South, Inc. and Evergy Kansas Central, Inc. (“Evergy”) filed an Application with the Kansas Corporation Commission (“Commission” or “KCC”) on December 17, 2021, Docket No. 22-EKME-254-TAR. This docket pertains to Evergy’s application to implement new Energy Efficiency and Demand-Side Management programs.

### **Public Hearing**

The Commission has scheduled a public hearing concerning Evergy’s application, which seeks KCC approval of its proposed Energy Efficiency (EE) and Demand-Side Management (DSM) programs and costs. This hearing will provide information about Evergy’s application and potential impact on customers’ bills and an opportunity for customers to ask questions and to present testimony or comments for the Commission’s consideration.

The public hearing typically consists of two parts: During the first part, representatives of Evergy, KCC Staff and CURB will give short presentations about their roles in this docket and a review of the issues involved and will be available to answer customers’ questions pertaining to the application. In the second part of the public hearing, customers may make formal statements to the Commission concerning the application. However, the Commission may determine how to best accommodate the public participation in this important rate proceeding.

The date and time of the public hearing is:

**Monday, June 27, 2022, beginning at 6:00 p.m. (CDT)**

**The Commission will hold a public hearing online via zoom.**

Kansans wishing to make a public comment during the hearing should sign up in advance at <https://kcc.ks.gov/your-opinion-matters> to receive login information and time restraints for presentations.

As there may be limited capacity, registration will be first come, first serve. A live video stream will also be available on the Commission’s YouTube channel:

<https://www.youtube.com/channel/UC-uTcucl0oyHJr-iOheuuw> for individuals to watch, but not comment, during the public hearing.

### **Comment Period**

In addition, the Commission is accepting comments from the public until 5:00 p.m. (CDT), July 8, 2022. Comments regarding this case should reference Docket No. 22-EKME-254-TAR. The public can mail their comments to the Kansas Corporation Commission Office of Public Affairs and Consumer Protection, 1500 SW Arrowhead Road, Topeka, Kansas 66604-4027. The public can also submit comments through the Commission’s website <https://kcc.ks.gov/your-opinion-matters> or via electronic mail (sent to [public.affairs@kcc.ks.gov](mailto:public.affairs@kcc.ks.gov)).

A complete copy of the Commission's Order Adopting Procedural Schedule establishing this hearing and Evergy's application with supporting testimony is available on the Commission's website: <https://estar.kcc.ks.gov/estar/portal/ksc/PSC/DocketDetails.aspx?DocketId=26669d71-9c85-433f-a058-183dbaa447ac>

The KCC has until October 21, 2022, to make a decision on the proposed Energy Efficiency and Demand-Side Management programs in this proceeding.

### **Evergy's Application**

Evergy's proposed energy efficiency portfolio is comprised of nine programs: four aimed at residential customers, four for business customers, and a pilot incubator program that covers both classes of customers. The specific energy efficiency programs have the overall goal of reducing demand on the utility's system while lowering customer's bills through reducing individual usage levels. Each Evergy jurisdiction (Evergy Metro and Evergy Central/South) will implement these programs and maintain separate budgets and records to evaluate the portfolio's success. The programs are four-year programs in effect from January 1, 2023 to December 31, 2026. After each program year, Evergy will conduct an Evaluation, Measurement, and Verification study of the implementation results during the relevant time period. Evergy has proposed the use of a third party vendor to conduct the study and to present the results to all parties.

The DSM portfolio can be separated into four types of programs for the residential and business classes: energy efficiency product replacement and rebates; educational materials; DSM measures and controls; and providing access to these programs throughout the service territory. First, on the residential side, there is the Whole Home Efficiency Program. This program is designed to provide financial incentives and rebates for use towards EE measures and replacements. Specific programs include home assessments and repair kits, on-bill financing for appliances, and rebates on products and appliances. Second, there is the Home Energy Education Program. Evergy intends to provide various marketing and education tools and events to inform customers of the available programs and how to participate. This section also includes home energy education reports that evaluate customers' homes and provide feedback on how to reduce energy usage. Third, Evergy proposes a Home Demand Response Program. These measures are designed to reduce load on the grid during peak usage periods. Evergy would provide residential customers with smart thermostats and water heaters and rebates for the same that allow Evergy to directly curtail energy usage during peak times, such as during extreme weather conditions. Fourth, Evergy proposes a Hard-to-Reach Homes programs. To qualify, customers must meet eligibility requirements of other government assistance programs. Customers in this program will be eligible for all the above programs, but at a higher value to further boost participation and savings.

The business side of the portfolio includes similar programs to the residential side, with some changes specific to business needs. Evergy proposes to offer Building Operator Certification courses to train business employees on EE analysis and implementation that can be done by the business itself. Business DSM programs would operate akin to how industrial customers in an Interruptible class are used during a curtailment event. Business would choose to either work with Evergy to develop a curtailment plan to manually implement during a curtailment event or to allow Evergy to control curtailment itself through an automated process. Evergy would pay customers whose curtailed load amounts meet certain threshold levels of savings based on the amount saved

while curtailed. The Hard-To-Reach business program targets small business and not-for-profit customers to work within their unique structures to implement the above programs. These customers have access to the same programs for upgrades and education with increased rebates and financial incentives.

The Pilot Incubator Program is designed to focus on research and testing of new and current programs to add to the EE portfolio. Evergy intends to gather ideas and suggestions from customers and stakeholders through this program and to modify existing programs or to create new programs to bring before the Commission.

Evergy intends to modify its current Energy Efficiency Rider (EER) tariff to recover the full cost of the programs and Evergy's Throughput Disincentive (TD) and to provide Evergy an Earnings Opportunity (EO) award. The TD component of the EER represents the lost margin revenues that Evergy could have received had it sold electricity to meet demand versus outright reducing the demand altogether. The TD would be calculated based on reports that measure the effectiveness of each program and the kWh saved and recovered in a later year. The EO component represents the lost return on shareholder investments into EE programs compared to investments in new physical generation assets to meet customer demand.

Per the application, Evergy has estimated the total recovery amounts it will collect from ratepayers from 2023 through 2026 for each jurisdiction. For Evergy Central, Evergy will collect approximately \$129 million for program costs, \$36.6 million for the TD, and \$16.6 million for the EO, for a total of approximately \$182.2 million. Residential customers account for approximately \$82.38 million for those programs. For Evergy Metro, Evergy would collect \$38 million for program costs, \$21 million for the TD, and \$6 million for the EO, for a total of \$65 million. Residential customers there would be responsible for \$30.5 million over the course of the program period. Program costs would be calculated at Evergy's Weighted Average Cost of Capital as it is recovered from ratepayers. Customers in Evergy Central would see an additional \$1.50 per month for an average customer (usage of 1,000 kWh per month), rising to approximately \$4.00 per month in the last year of the program. Evergy Metro customers would see an additional \$1 per month for every 1,000 kWh used for the program's first year and approximately \$3.25/per month for the final year, of the program.

## **Evidentiary Hearing**

The Commission has scheduled an evidentiary hearing on the proposed programs for Tuesday, August 9, 2022 through Thursday, August 11, 2022, beginning at 9:00 a.m. Central.

## **Additional Information is available from the KCC and CURB**

For more information about Evergy's application or the public hearing, contact the Kansas Corporation Commission Office of Public Affairs and Consumer Protection at 1-800-662-0027. Any persons requiring special accommodations at the hearing site under the Americans with Disabilities Act must give notice to the Commission at least 10 days prior to the scheduled hearing date by calling 1-800-662-0027.

The Citizens' Utility Ratepayer Board (CURB) can also be contacted 785-271-3200 for further information.