# BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the Matter of Evergy Kansas Central, Inc.	)	
Evergy Kansas South, Inc. Seek Approval	)	Docket No. 22-EKCE-020-TAR
from the Commission of the Evergy Energy	)	
Efficiency Rider 2021 Filing.	)	

## **CURB'S RESPONSE TO STAFF'S REPORT AND RECOMMENDATION**

COMES NOW, the Citizens' Utility Ratepayer Board ("CURB") and submits its *Response* to the Report and Recommendation (R&R) filed by the Staff of the Kansas Corporation Commission ("Staff") in the above-captioned docket on October 1, 2021.

- 1. On July 15, 2021, Evergy filed an Application with the Commission requesting approval of its Energy Efficiency Rider (EER). The EER is designed to recover costs associated with Commission-approved energy efficiency programs deferred over a twelve-month period ending in June of each year plus any true-up amount from prior periods. Evergy requests that the proposed 2021 EER become active with the first billing cycle of November 2021, which in this case is November 1, 2021.<sup>1</sup>
- 2. Evergy's Application seeks recovery of costs incurred in relation to Commission-approved demand response and energy efficiency programs in the amount of \$4,379,725. This amount includes unrecovered expenses of \$4,277,148 incurred from the period of July 1, 2020, through June 30, 2021, and under-recovered costs of \$102,577 incurred from the prior period.<sup>2</sup>
- 3. On August 12, 2021, the Corporation Commission of the State of Kansas (Commission) granted CURB's intervention in this docket.

<sup>&</sup>lt;sup>1</sup> Evergy Energy Efficiency Rider Filing (July 15, 2021)

<sup>&</sup>lt;sup>2</sup> Id.

- 4. On October 1, 2021, Staff filed Staff's R&R evaluating Evergy's application and recommended Commission Staff approve Staff's revised recovery amount of \$3,102,124 for Evergy Kansas Central and Evergy Kansas South's annual Energy Efficiency Rider (EER) filing.
- 5. This amount is different than the amount requested by Evergy in that KCC Staff had examined the expenditures associated with Evergy's energy efficiency programs and while KCC Staff has found the proposed EER rate calculations are reasonable and accurate, Staff did recommend an adjustment to the True-Up portion of Evergy's filing. Staff's adjusted True-Up amount takes the amount amortized to the Transmission Formula Rate (TFR) and multiplies it by the Company's Wage and Salary allocator used in the TFR for each year. Staff did this for the time period of 2010 to 2019. This equals an increase in the recovery portion of the True-Up of \$1,277,601 or a reduction of the EER amount of \$1,277,601. This results in a rate of \$0.000161 per kilowatt hour (kWh). If approved, Evergy's EER factor would result in a monthly charge to residential customers of approximately \$0.14. When compared to last year's monthly energy efficiency charge, the average residential customer will experience a decrease of approximately \$0.04 per month or \$0.42 annually.<sup>3</sup>
- 6. CURB does wish to point out that while supportive of the recommendations made in this R&R, it does have concerns with the energy efficiency efforts in Kansas to date. First, Kansas appears to be behind the curve on cost-effective energy efficiency measures. The last time when the Commission conducted a general investigation into energy efficiency policy dates back to the 2008-2010 time frame. Approximately twelve years have elapsed and energy efficiency policies have developed considerably since that time. CURB is hopeful that Kansas utilities will

<sup>&</sup>lt;sup>3</sup> Report and Recommendation of Kansas Corporation Commission Staff (October 1, 2021).

bring meaningful energy efficiency applications to the Commission for review and, if the energy efficiency programs are cost-effective and in the interest of the ratepayers, approval.

- 7. More importantly, CURB believes that portfolios of energy efficiency programs must provide benefits to low-income ratepayers in an equitable manner. As Jeff McClanahan noted during the Commission's workshop on energy efficiency held on April 6, 2021, two aspects of Kansas energy efficiency programs that warrant the Commisson's attention are the need for education around energy efficiency programs to build ratepayer awareness and the need to include low-income ratepayers in energy efficiency programs. CURB fully agrees with Mr. McClanahan's conclusions and wish to echo them here.
- 8. Indeed, energy efficiency riders are paid by all residential customers through the EER, but these programs to date do not provide sufficient benefit to low-income ratepayers. While the EER rates proposed in this docket amount to a small decrease per month, the concept that only a subset of customers can take advantage of the EER seems unfair. CURB is concerned that low-income customers do not have the ability to take advantage of the savings and benefits that these programs provide. CURB would encourage Evergy to work with CURB, KCC Staff and other low-income advocates to find a solution that would enable EER programs to reach all ratepayers through new energy efficiency programs, rather than merely continue with the limited energy efficiency programs currently in effect in Kansas.
- 9. Aside from these concerns, and after careful analysis, CURB has determined that Staff's recommendations in its R&R are reasonable and therefore are in the best interests of Evergy's residential and small commercial ratepayers. Therefore, CURB supports Staff's recommendations.

WHEREFORE, CURB respectively notifies the parties that CURB supports the Report and Recommendation filed by Staff in this matter and would ask the Commission to adopt said R&R.

Respectfully submitted,

David W. Nickel, Consumer Counsel #11170

Joseph R. Astrab, Attorney # 26414

Todd E. Love, Attorney #13445

Citizens' Utility Ratepayer Board

1500 SW Arrowhead Road

Topeka, KS 66604

(785) 271-3200

d.nickel@curb.kansas.gov

j.astrab@curb.kansas.gov

t.love@curb.kansas.gov

# **VERIFICATION**

STATE OF KANSAS	)	
	)	ss:
COUNTY OF SHAWNEE	)	

I, Todd E. Love, of lawful age and being first duly sworn upon my oath, state that I am an attorney for the Citizens' Utility Ratepayer Board; that I have read and am familiar with the above and foregoing document and attest that the statements therein are true and correct to the best of my knowledge, information, and belief.

Todd E. Love

SUBSCRIBED AND SWORN to before me this 8<sup>th</sup> day of October, 2021.

DELLA J. SMITH

Notary Public - State of Kansas
My Appt. Expires January 26, 2025

Notary Public

My Commission expires: 01/26/2025

## **CERTIFICATE OF SERVICE**

#### 22-EKCE-020-TAR

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was served by electronic service on this 8<sup>th</sup> day of October, 2021, to the following:

ROBIN ALLACHER, REGULATORY ANALYST EVERGY KANSAS CENTRAL, INC 818 S KANSAS AVE PO BOX 889 TOPEKA, KS 66601-0889 Robin.Allacher@evergy.com

CATHRYN J. DINGES, CORPORATE COUNSEL EVERGY KANSAS CENTRAL, INC 818 S KANSAS AVE PO BOX 889 TOPEKA, KS 66601-0889 Cathy.Dinges@evergy.com

DARRIN R. IVES, V.P. REGULATORY AFFAIRS EVERGY METRO, INC D/B/A EVERGY KANSAS METRO One Kansas City Place 1200 Main St., 19th Floor Kansas City, MO 64105 darrin.ives@evergy.com

RONALD A. KLOTE, DIRECTOR, REGULATORY AFFAIRS EVERGY METRO, INC D/B/A EVERGY KANSAS METRO ONE KANSAS CITY PLACE 1200 MAIN, 19TH FLOOR KANSAS CITY, MO 64105 ronald.klote@kcpl.com

LISA STARKEBAUM, MANAGER, REGULATORY AFFAIRS EVERGY METRO, INC D/B/A EVERGY KANSAS METRO ONE KANSAS CITY PLACE 1200 MAIN, 19TH FLOOR KANSAS CITY, MO 64105 lisa.starkebaum@evergy.com

CARLY MASENTHIN, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604 c.masenthin@kcc.ks.gov

Della Smith

Senior Administrative Specialist