

**THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

Before Commissioners: Andrew J. French, Chairperson
 Dwight D. Keen
 Annie Kuether

In the Matter of The Evergy Kansas Central,)
Evergy Kansas Metro, & Evergy Kansas South) Docket No. 25-EKCE-128-TAR
Application for Net Metering Tariff Changes)
from HB 2527.)

ORDER APPROVING TARIFF REVISIONS

This matter comes before the State Corporation Commission of the State of Kansas (“Commission”) for consideration and decision. Having reviewed the pleadings and record, the Commission makes the following findings:

I. BACKGROUND

1. On April 18, 2024, Kansas House Bill 2527 (“HB 2527”) was signed into law, going into effect on July 1, 2024.¹ In part, HB 2527 enacted various changes to Kansas’s Net Metering and Easy Connection Act, K.S.A. 66-1263, *et. seq.*

2. On August 12, 2024, Evergy Kansas Central, Inc. & Evergy Kansas South, Inc., d/b/a Evergy Kansas Central and Evergy Metro, Inc., d/b/a Evergy Kansas Metro (together, “Evergy”) filed an Application requesting the Commission approve various tariff changes to mirror the legislative changes made by H.B. 2527 regarding net metering and associated time-of-use tariffs.²

¹ H.B. 2527, https://kslegislature.gov/li/b2023_24/measures/hb2527/ (2024).

² Evergy Application, p. 1 (Aug. 12, 2024) (“Application”).

3. On August 22, 2024, the Commission granted intervention in this matter to the Citizens' Utility Ratepayer Board ("CURB").³

4. Commission Staff submitted a Report and Recommendation ("R&R") to the Commission for review on October 15, 2024, attached hereto as Exhibit A.⁴ CURB reviewed Staff's R&R and has represented to Commission Staff that it does not oppose Staff's R&R and does not intend to respond.⁵

II. JURISDICTION AND LEGAL STANDARDS

5. The Commission holds full power, authority and jurisdiction to regulate Evergy as an electric public utility doing business in Kansas and is empowered to do all things necessary and convenient for the exercise of such power, authority, and jurisdiction.⁶ The Commission is empowered to require all electric public utilities to establish and maintain just and reasonable rates when the same are reasonably necessary in order to maintain reasonably sufficient and efficient service from such electric public utilities.⁷

6. No public utility governed by the Commission shall make effective any changed rate, joint rate, toll, charge or classification or schedule of charges, or any rule or regulation or practice pertaining to the service or rates of such public utility or common carrier without filing the same with the Commission at least thirty days prior to the proposed effective date of such change.⁸ In accordance with the Commission's authority pursuant to K.S.A. 66-117(c), the

³ Order Granting the Citizens' Utility Ratepayer Board's Petition to Intervene, Protective Order and Discovery Order (Aug. 22, 2024).

⁴ Staff's Report and Recommendation (Oct. 15, 2024) ("Staff's R&R" or "R&R").

⁵ Staff's R&R, p. 5.

⁶ See K.S.A. 66-101.

⁷ See K.S.A. 66-101b.

⁸ See K.S.A. 66-117(a).

Commission suspended this docket until April 9, 2025, to allow Staff adequate time to analyze the Application and proposed changes to Evergy's various tariffs.⁹

7. The Commission has reviewed Staff's R&R. Staff determined the changes were made to be consistent with the statutory requirements outlined in HB 2527, and to create consistency amongst Evergy jurisdictions, and therefore recommended the Commission find the changes were just and reasonable.¹⁰ Staff also discussed several clerical errors made within the Application that can be remedied prior to the filing of the tariffs.¹¹ The Commission agrees the identified clerical errors should be corrected prior to filing the tariffs.

III. FINDINGS

8. The Commission adopts Staff's R&R in its entirety and incorporates it herein by reference. The Commission finds that Evergy's Application will result in tariff changes that are just and reasonable and in accordance with recent legislative enactments made by H.B. 2527. The Commission finds that Evergy's Application should be approved, incorporating the corrections to clerical errors within the tariffs as identified in Staff's R&R.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. Evergy's Application and requested tariff changes, subject to the correction of identified clerical errors within the tariffs, are approved.

B. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).¹²

⁹ Suspension Order: April 9, 2025 (Aug. 22, 2024).

¹⁰ See Staff's Report and Recommendation, pp. 3-5.

¹¹ See *id.*, FNs 10-13.

¹² K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner
10/22/2024

Dated: _____

Lynn M. Retz

Lynn M. Retz
Executive Director

CRM

**REPORT AND RECOMMENDATION
UTILITIES DIVISION**

TO: Andrew J. French, Chairperson
Dwight D. Keen, Commissioner
Annie Kuether, Commissioner

FROM: Justin Prentiss, Senior Rate Analyst
Justin Grady, Deputy Director of Utilities
Jeff McClanahan, Director of Utilities

DATE: October 15, 2024

SUBJECT: Docket No. 25-EKCE-128-TAR: In the Matter of The Evergy Kansas Central, Evergy Kansas Metro & Evergy Kansas South Application for Net Metering Tariff Changes from HB2527

EXECUTIVE SUMMARY:

On April 18, 2024, Kansas House Bill 2527 (HB2527) was signed into law and went into effect on July 1, 2024.¹ HB2527 required updates to multiple Evergy tariffs.

On August 12, 2024, Evergy filed updated compliance tariffs to address the needed changes. The tariffs updated are: Evergy Kansas Central's Time of Use, Residential Time of Use Two-Period, and Net Metering Rider tariffs; and Evergy Kansas Metro's Net Metering for Renewable Energy Sources, Residential Time of Use, and Residential Time of Use Two-Period tariffs.²

On August 14, 2024, CURB petitioned to intervene³ and was granted intervention on August 22, 2024.⁴

Staff has reviewed the tariff changes resulting from the passage of HB2527, including changes made to unify and clarify practices across the company's territories and found them to accurately reflect the contents of HB2527. Accordingly, Staff considers the tariff language to be just and reasonable.

¹ H.B. 2527, https://kslegislature.gov/li/b2023_24/measures/hb2527/ (2024).
² Evergy Application. August 12, 2024.
³ CURB Petition to Intervene and Motion for Protective Order, Discovery Order and Order Assessing Cost, August 14, 2024.
⁴ Order Granting the Citizens' Utility Ratepayer Board's Petition to Intervene, Protective Order and Discovery Order, August 22, 2024.

BACKGROUND:

On April 18, 2024, Kansas House Bill 2527 (HB2527) was signed into law, going into effect on July 1, 2024. HB2527 required updates to multiple Evergy tariffs.

HB 2527 amended K.S.A 66-1265 to increase the limits on the number of customers allowed to install their own renewable generation. Previously, the limit was set at 1% of the utilities' peak demand from the previous year. Starting July 1, 2024, this limit increased to 2% of the utilities peak demand during the previous year. It then raises to 3% of the previous year's peak starting July 1, 2025; 4% starting July 1, 2026; and 5% starting July 1, 2027, and then remaining at 5% any year after. HB2527 allows the Commission to raise the percentage above 5% after conducting a hearing pursuant to K.S.A. 66-101d.

HB2527 also amended K.S.A. 66-1266 to clarify the language regarding net excess customer generated electricity, shifting from the term *generates* to *exports* in various places when describing the customer activity of placing excess electricity onto a utility's system in various places. Language was also changed with respect to how much of the utility's electricity is used by a customer, from being described as a *customer-generator's monthly consumption* to simply *electricity supplied by the utility*.

The amended statute altered language surrounding the payment to customers for excess electricity exported to the utility. Customers who entered into an interconnection agreement prior to July 1, 2014, will continue to have their net excess generation carried forward month-to-month and credited against the electricity supplied by the utility in subsequent months⁵ until January 1, 2030, at which time all customer-generators, regardless of when they entered into an interconnection agreement, will be moved to a payment structure where the customer-generator is compensated for excess generation at a rate of *at least* 100% of the utility's monthly system average cost of energy per kilowatt hour. The former language capped the compensation at 100%. Language for customer-generators who entered into an interconnection agreement on and after July 1, 2014, was also amended to state they would receive *at least* 100% of the utility's monthly system average cost of energy per kilowatt hour.

K.S.A. 66-1266 was also revised to make changes for renewable energy customer-generators on optional time-varying rates, such as Evergy's Time-of-Use rates. For such customer-generators entering into an interconnection agreement on or after July 1, 2024, the utility is required to measure the net exports and imports of electricity usage by each time-of-use block. The customers would be billed as standard customers for each of the blocks as applicable for any electricity consumed in excess of electricity exported to the utility. When the customer exports electricity, the same rate of at least 100% of the utility's monthly system average cost is credited. The credit will be applied to the next billing period.

K.S.A. 66-1267 had similar language modifications as K.S.A. 66-1266, trading the word *generate* for *export* in various places. Also, limitations on the size of customer-generator facilities by class was eliminated and the limit was set to 150 kW for all classes. A requirement was also added that

⁵ See K.S.A. 66-1266(a)(2).

the 150 kW would be measured as alternating current. Also, the statute was revised to include a formula for calculating the “appropriately sized” load for the customer generator facility.⁶

On August 12, 2024, Evergy filed updated compliance tariffs to address the needed changes. The tariffs updated are: Evergy Kansas Central’s Time of Use, Residential Time of Use Two-Period, and Net Metering Rider tariffs; and Evergy Kansas Metro’s Net Metering for Renewable Energy Sources, Residential Time of Use, and Residential Time of Use Two-Period tariffs. Also included are changes to align tariffs across jurisdictions and clarify part of the set-up process for customer-generators that wish to interconnect with Evergy’s system.

ANALYSIS:

In Evergy Kansas Central’s Time of Use tariff, the restriction of the tariff that excluded net metering customers was eliminated and rate codes for these customers was added.⁷ For Evergy Kansas Central’s Residential Time of Use Two Period tariff, the same changes were made, eliminating the exclusion in the tariff for net metering customers and adding rate codes for these customers.⁸ The remaining tariff changes were made in Evergy Kansas Central’s Net Metering Rider. The tariff was renamed from “Schedule NMR” to “Net Metering Rider”. There was also text added limiting the addition of net metering facilities to 2% of the company’s peak load beginning July 1, 2024, 3% of the peak load beginning July 1, 2025, 4% of the peak load beginning July 1, 2026, and 5% of the peak load beginning July 1, 2027, and each year going forward. There was also an addition of a sentence noting that resale electric service would not be supplied under the Net Metering Rider. Next, text was added to indicate the rider is now available to both residential and commercial customers. With the addition of commercial customers, the limitation on the size of net metering facilities was raised from 15 kW to 150 kW. A note was also added indicating that the net metering facility must be “appropriately sized” for the customer’s anticipated load. Also, the company will assist the customer in determining the appropriate size based on historical load profiles.

In the terms and conditions of the Net Metering Rider, language was added to indicate that either a single bidirectional meter or multiple meters to measure the customer’s electricity imported from the system in contrast with the electricity exported by the net metering facility.⁹ For Time of Use customers, the measured period would separate out the Time of Use period as opposed to the general billing period. Language was also added that if non-Time of Use customers had larger imports of electricity from the system than exports to the system, the customer will be billed for the net usage at the standard applicable tariff rates. If the customer exports more electricity to the system than imports, the customer will be billed the minimum monthly bill and credited for the net electricity export at the company’s average cost of energy per kWh for the month. A similar

⁶ There are other changes in HB 2527 besides those summarized here, but these changes do not directly affect these specific tariffs.

⁷ Since filing the application, Evergy has decided to change the new rate codes from WCTOUNM, WSTOUNM to WCTOUN and WSTOUN respectively. These changes will be reflected in the compliance tariff filings.

⁸ In the initial filing, Evergy erroneously wrote the new rate codes as WCTOUNM and WSTOUNM instead of WCTOU2NM and WSTOU2NM. Evergy decided to change the intended rate codes to WCTOU2N and WSTOU2N respectively. These changes will be reflected in the compliance tariff filings.

⁹ While this language was present before, it was modified to accommodate the inclusion of more than just standard residential customers with the rider.

section was added for the Time of Use customers, but the net exports and imports of electricity to the company's system would be broken up by the Time of Use periods. The excess imports or exports would be determined by each individual Time of Use period. Each excess import would be billed at the period's standard rate, and each excess period credited at the company's monthly average cost of energy per kWh. If all Time of Use periods result in a credit, the customer is still charged the minimum monthly bill as well.

Previously, Evergy Kansas Central guaranteed a notification of approval or denial for a customer with a Net Metered Facility of 15 kW or lower within 30 days. All other customers were guaranteed a notice within 90 days. The 30-day approval limit was downsized from 15 kW or lower customers to 10 kW or lower customers¹⁰ to unify the practice across all Evergy territories. It is also worth noting that the average residential net metering facility installation is 8.09 kW and the average commercial net metering facility installation is 66 kW (with the Small General Service customer net metering facility installation averaging 36.02 kW). Thus, the shrinking of that window from 15 kW to 10 kW would have, on average, little impact on residential customers. Evergy Kansas Central also added to the tariff, as a final step after approval of the net metering facility but before it is connected to the grid, a requirement for the customer to also furnish a receipt of any required city or county inspections of the facilities.¹¹ This aligns the practices of the company with other work policies such as initiating new service, upgrading existing service, and reinstallation after maintenance.

Evergy Kansas Metro had similar adjustments to its tariffs. The Residential Time of Use and Residential Time of Use Two-Period tariffs eliminated the exclusion of net metering customers and added rate codes to include these customers¹². Evergy Kansas Metro renamed "Schedule NM" to "Net Metering for Renewable Energy Sources". Also, the same language was added regarding the change to the limitations of customers as it relates to the company's peak load (2% by 2024, 3% by 2025, etc.). Evergy Kansas Metro already had requirements for appropriate sizing and availability to both residential and non-residential customers. Residential, non-residential, and school customers previously had various size limitations (with the largest limit being a 150 kW system for systems installed on or after July 1, 2014), but the net metering facility size limit was changed to 150 kW for all customers. In the terms and conditions of the Net Metering for Renewable Energy Sources tariff, language was added to indicate examples of criteria used to determine the appropriate net metering facility size for customers, and to require that customer owned generating facilities would be connected for parallel operation with company facilities. Also, the same language used by Evergy Kansas Central was added by Evergy Kansas Metro regarding the measuring, billing, and credits for customer net electricity imports as opposed to exports on the company's electric system.¹³ Finally, the same changes were added for the turnaround time of approval or denial of within 30 days for a net metering system lowering from

¹⁰ There is a small clerical error on the tariff showing the change from 15 kW to 10 kW in the numerical digits, but not written out in the narrative. This error will be corrected before the tariffs are stamped.

¹¹ A very minor clerical error was also made here where a comma was left out when the language was added.

¹² Since filing the application, Evergy has decided to change the new rate codes from 2RTOUNM for the Residential Time of Use customers and RTOU2NM for the Residential Time of Use Two Period customers to 2RTOUN and RTOU2N respectively. These changes will be reflected in the compliance tariff filings.

¹³ In this language, another clerical error was made, where it listed the average costs of Evergy Kansas Central as opposed to Evergy Kansas Metro.

15 kW size to a 10 kW size, and the addition of language before interconnection of the system requiring proof of a post inspection and any city or county clearance required.¹⁴

Commission Staff has shared this Report and discussed the same with the Citizens' Utility Ratepayer Board ("CURB"). It is Staff's understanding that CURB does not oppose this Report and does not intend to file a response.

RECOMMENDATION:

Staff has reviewed the tariff changes filed by Evergy, as necessitated by the passage of HB 2527, and found them consistent with the statutory requirements outlined in HB 2527 and therefore just and reasonable. Staff further reviewed the proposed changes for unifying practices and clarifying practices across the company's territories and found those changes to be just and reasonable as they promote consistency across Evergy jurisdictions. Staff recommends the Commission approve the tariff changes.

¹⁴ The same clerical error when changing from a 15 kW limit to a 10 kW limit also exists.

CERTIFICATE OF SERVICE

25-EKCE-128-TAR

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 10/22/2024.

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