

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

In the Matter of the Application of Southern)
Pioneer Electric Company for Approval of its) Docket No. 24-SPEE- 540 -TAR
Renewable Energy Program Rider Tariff.)

DIRECT TESTIMONY OF

**CHANTRY C. SCOTT
EXECUTIVE VICE PRESIDENT – CHIEF FINANCIAL OFFICER
SOUTHERN PIONEER ELECTRIC COMPANY**

ON BEHALF OF

SOUTHERN PIONEER ELECTRIC COMPANY

January 31, 2024

1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Chantry C. Scott. My business address for legal service is 1850 W. Oklahoma,
4 Ulysses Kansas 67880 and for mail receipt is PO Box 430, Ulysses Kansas 67880-0430.

5 **Q. What is your profession?**

6 A. I am Executive Vice President - Chief Financial Officer (“CFO”) and Assistant Secretary
7 of Southern Pioneer Electric Company (“Southern Pioneer”). Southern Pioneer’s corporate
8 office is in Ulysses, Kansas. The Company also has distribution-customer service offices
9 in both Liberal and Medicine Lodge, Kansas. I am also CFO of Pioneer Electric Cooperative,
10 Inc. (“Pioneer Electric”), 100% owner of Southern Pioneer. Pioneer Electric is a member-
11 owned electric cooperative not subject to Kansas Corporation Commission (“KCC” or
12 “Commission”) jurisdiction for rate setting.

13 **Q. Please describe your responsibilities with Southern Pioneer.**

14 A. As CFO, I work directly for the President-Chief Executive Officer. I am responsible for
15 assisting with establishing financial policy and rates, implementing Board-approved strategic
16 programs, and the overall financial operations of Southern Pioneer. As the Assistant
17 Secretary, in the absence of the Corporate Secretary, I sign and attest to corporate resolutions
18 and other documents as necessary or as authorized or directed by the Board of Directors.

19 **Q. What is the purpose of your testimony in this proceeding?**

20 A. The purpose of my testimony is to provide support for Southern Pioneer’s Application in this
21 docket requesting Commission approval of its Renewable Energy Program Rider (“RE Rider”).

22 **Q. What is your educational background?**

23 A. I graduated from the University of Kansas in 2000 with a Bachelor of Science in both

1 Accounting and Business Administration, and in 2001 with a Master of Accounting and
2 Information Systems. I attended and completed various industry specific training programs
3 including the National Rural Electric Cooperative Association's Financial Planning and
4 Strategies Workshop and the Cooperative Financial Professional Certificate program.

5 **Q. What is your professional background?**

6 A. I began work at Pioneer Electric in June 2001 as Senior Accountant, where I assisted the
7 Manager of Finance and Administration in completing general accounting activities. In
8 December 2003, I was promoted to Manager of Accounting where I oversaw the Financial
9 Accounting department's activities such as budgeting, financial forecasting, monthly and
10 annual reporting, and various other accounting activities. In May 2011, I was promoted to
11 the position of Chief Financial Officer and VP of Finance and Accounting. Finally, in
12 November 2020, I was promoted to my current position as Executive Vice President and
13 Chief Financial Officer. Pursuant to the July 7, 2006 Services Agreement between Pioneer
14 Electric and Southern Pioneer, I fulfill these same roles for Southern Pioneer.

15 **Q. Have you previously presented testimony before the KCC?**

16 A. Yes. I provided direct, and in some instances rebuttal, testimony in Docket No. 12-MKKEE-380-
17 RTS ("12-380 Docket"), Docket No. 13-MKKEE-699-RTS ("13-699 Docket"), Docket No. 15-
18 SPEE-161-RTS ("15-161 Docket"), Docket No. 18-KPEE-343-COC ("18-343 Docket"),
19 Docket No. 19-SPEE-240-MIS (19-240 Docket), Docket No. 20-SPEE-169-RTS ("20-169
20 Docket"), Docket No. 21-SPEE-331-GIE ("21-331 Docket"), and Docket No. 24-SPEE-415-
21 TAR ("24-415 Docket"). I have also provided review of or assisted with preparing responses
22 to and supporting documents for data requests and witness testimony in numerous Southern
23 Pioneer dockets.

1 **Q. Are you sponsoring any Exhibits to your Direct Testimony?**

2 A. Yes. I am sponsoring an exhibit, **Exhibit CCS-1**, which is Southern Pioneer’s Renewable
3 Energy Program Rider (RE Rider) tariff proposed for Commission approval in this docket.
4 The RE Riders sets out the specific terms of the RE Program.

5 **II. RENEWABLE ENERGY PROGRAM**

6 **A. Program Overview**

7 **Q. Please provide an overview of the Renewable Energy Program (“RE Program”) as**
8 **defined in the RE Rider.**

9 A. Southern Pioneer seeks approval of its RE Program as defined in the RE Rider to provide our
10 commercial and industrial (C&I) and residential customers a convenient and economical
11 alternative to customer-sited generation such as rooftop solar and wind and other behind-the-
12 meter generation resources. The program gives customers direct access to renewable energy
13 generation without having to own, install and maintain their own systems. The RE Program
14 is a voluntary program designed to provide a path for customers to participate in a utility-
15 scale renewable resource and receive the economic benefits associated with the resource
16 without the long-term commitment, risk, and cost associated with customer-sited
17 generation.

18 **Q. Who developed the RE Rider?**

19 The RE Rider was developed by Sunflower Electric Power Corporation (“Sunflower”) and
20 is administered at the retail level by Sunflower’s member cooperatives.¹ Pioneer Electric

¹ Sunflower’s member cooperatives are Southern Pioneer, Pioneer Electric, Lane-Scott Electric Cooperative, Prairie Land Electric Cooperative, The Victory Electric Cooperative, Western Cooperative Electric, and Wheatland Electric Cooperative.

1 has already implemented a renewable energy program for its members identical to the RE
2 program proposed in Southern Pioneer's Application.

3 **Q. What customer classes have access to the RE Program?**

4 A. The RE Program is available to C&I and residential customers taking service under
5 Southern Pioneer's standard service rate schedule. The program is not available to
6 customers taking Irrigation Service, LED Lighting Service, Municipal Lighting and
7 Ancillary Service, Water Pumping Service, Municipal Service, or any Street Lighting
8 Service. Customers with self-generation requiring standby, backup, breakdown or
9 supplemental service also do not have access to the program.

10 **Q. Please explain the design elements of the RE Program.**

11 A. The program utilizes a Division-Tier structure. There are two Divisions (Wind and Solar), and
12 each Division includes multiple Tiers. The Wind Division is comprised of Tiers 1, 2 and 3, and
13 the Solar Division is comprised of Tiers 1a, 1b, 2 and 3. Wind and Solar Tiers 1 and 2 will
14 utilize existing Sunflower PPAs in effect as of January 1, 2020, and Wind and Solar Tier 3
15 will utilize new wind and solar resources procured by Sunflower. Note that Solar Tier 1b is
16 a new residential solar subscription program approved by Sunflower in March 2023. I discuss
17 this new subscription program later in my testimony.

18 **Q. Are there different parameters for each Division-Tier?**

19 Yes. Each Division-Tier has different qualification requirements and participation limitations.
20 These include minimum size requirements, customer participation limits (Participant Caps)
21 and total participation limits (Total Tier Caps). Customers meeting the qualifications for a given
22 Division-Tier may select a Participation Level ranging from a minimum of 25% of their total

1 energy consumption to a maximum of either 100% of their total energy (kWh) consumption or
2 the Tier Participant Cap, whichever is greater.

3 **Q. Please describe the program’s minimum size requirements.**

4 A. The minimum size requirements for all Division-Tiers are based on the customer’s average
5 hourly demand (kW) from the previous twelve months. Eligibility under these requirements is
6 evaluated when the customer requests service under the RE Rider. Subsequent evaluations
7 are performed at the beginning of each calendar year to determine the customer’s ongoing
8 eligibility. The table below shows the minimum size parameters for each Division-Tier.

<i>WIND</i>	Minimum Size
Tier 1	100 kW
Tier 2	200 kW
Tier 3	1,000 kW
<i>SOLAR</i>	Minimum Size
Tier 1a	1 kW
Tier 1b	125 kW (1 share)
Tier 2	5 kW
Tier 3	500 kW

9 **Q. Please describe the program Tier Cap parameters.**

10 A. The Tier Caps prescribed by the RE Rider include both Tier Participant Caps and Total Tier
11 Caps. The Tier Participant Caps are monthly limits on maximum participation (kWh/month)
12 by individual customers in the program. The Tier Participant Caps are effective each month
13 that a customer is taking service under the RE Rider. The Total Tier Caps are monthly limits
14 on maximum participation (kWh/month) by all Tier participants. The Total Tier Caps are
15 evaluated each time a customer requests service under the RE Rider. This evaluation is
16 performed by summing the maximum monthly participation energy (MWh/month) from
17 the previous 12 months for all customers participating in a given Tier with the anticipated

1 maximum monthly hourly participation energy for the customer requesting service based
 2 on the customer’s maximum monthly energy usage for the preceding 12-month period.
 3 That sum is then multiplied by the customer’s requested level of participation. The table
 4 below shows the Participant Caps and Total Tier Caps for all Division-Tiers.

<i>WIND</i>	Tier Participation Cap	Total Tier Cap
Tier 1	1,500,000 kWh	8,000,000 kWh
Tier 2	3,000,000 kWh	16,000,000 kWh
Tier 3	None	None
<i>SOLAR</i>	Tier Participant Cap	Total Tier Cap
Tier 1a	100,000 kWh	600,000 kWh
Tier 1b	Based on customer’s previous 12-month average kWh usage	Total number of shares made available to Southern Pioneer by Sunflower
Tier 2	200,000 kWh	1,200,000 kWh
Tier 3	None	None

5
 6 **Q. Why are there no Tier 3 Tier Caps listed in the table?**

7 A. Tier 3 Caps are subject to limitations associated with Southern Pioneer’s ability to access new
 8 renewable energy resources through its wholesale power provider, Sunflower. As stated in the
 9 RE Rider, the Company will work with eligible customers to define appropriate Participation
 10 Levels and Caps for Tier 3 participants.

11 **Q. Are there different program offerings for different customer classes?**

12 A. Yes. Southern Pioneer will offer two class-specific programs under the RE Rider: the C&I
 13 Program and the Residential Program.

14 ***(1) Commercial and Industrial (“C&I”) Program***

15 **Q. Please describe the C&I Program**

16 A. The C&I Program will provide C&I customers the opportunity to participate directly in
 17 utility-scale solar or wind resources, with qualifying options. Participation options available

1 under the C&I Program include Wind and Solar Tiers 1 and 1a, Wind and Solar Tier 2, and
2 Wind and Solar Tier 3.

3 **Q. Please explain the C&I Program's Tier 1 options.**

4 A. Under Wind Tier 1 and Solar Tier 1a, participating customers pay a fixed price of
5 \$0.0025/kWh and \$0.0035/kWh, respectively, to receive the Renewable Energy Credits
6 ("RECs"). The program does not provide an economic benefit or financial hedge. The
7 customer is paying for the right to claim the RECs and green benefits. A qualified
8 customer is any customer with usage greater than 1 kW. The price paid by the customer
9 will be listed as a separate line-item cost in addition to the customer's standard billing.

10 **Q. Can C&I Customers access the Solar Division Tier 1b Program?**

11 A. No. Solar Division Tier 1b is the Residential Community Solar Program, which is
12 available only to residential customers.

13 **Q. What terms apply to Tier 2 and Tier 3 participation under the C&I Program?**

14 A. Wind and Solar Tiers 2 and 3 are available to customers with a minimum usage of 5 kW
15 for Tier 2 and 500 kW for Tier 3. Under Tier 2 the customer is allowed to participate in
16 Sunflower's existing PPAs in effect as of January 1, 2020. Under Tier 3 the customer
17 participates in new solar or wind resources that may be procured by Sunflower. The
18 customer's participation supports those future generation procurements.

19 **Q. What are the pricing terms for the Wind Division Tiers 1, 2 and 3?**

20 A. For Wind Tier 1, the Renewable Energy Charge is \$0.0025/kWh, in addition to all other
21 applicable charges under the applicable rate schedule for standard service to the customer.

22 For Wind Tier 2, the Renewable Energy Charge is the average energy charge
23 associated with energy received in a given month from Southern Pioneer's wholesale power

1 provider's wind purchase power agreements ("PPAs") in effect as of January 1, 2020. A
2 monthly Renewable Energy Adjustment will be applied, equal to the total monthly revenue
3 earned from selling renewable energy from the wind PPA into the Southwest Power Pool,
4 Inc. ("SPP") Integrated Marketplace, divided by the total energy (kWh) produced by the
5 wind resource under the PPA during the month, multiplied by the customer's total
6 participation energy. All other applicable charges under the applicable rate schedule for
7 standard service to the customer apply.

8 For Wind Division Tier 3, the Renewable Energy Charge is the average energy
9 charge associated with energy received in a given month from Southern Pioneer's wholesale
10 power provider's wind purchase power agreement associated with the customer's Tier 3
11 Service Agreement. A monthly Renewable Energy Adjustment will be applied, equal to the
12 total monthly revenue earned from selling renewable energy from the wind purchase power
13 agreement into the SPP Integrated Marketplace, divided by the total energy (kWh) produced
14 by the wind resource under the purchase power agreement during the month, multiplied by
15 the customer's total participation energy. All other applicable charges under the applicable
16 rate schedule for standard service to the customer apply.

17 **Q. What are the pricing terms for the Solar Division Tiers 1a, 2 and 3?**

18 A. For Solar Tier 1a the Renewable Energy Charge is \$0.0035/kWh, in addition to all other
19 applicable charges under the applicable rate schedule for standard service to the Customer.

20 For Solar Division Tier 2 the Renewable Energy Charge is the average energy
21 charge associated with energy received in a given month from Southern Pioneer's
22 wholesale power provider's solar purchase power agreements in effect as of January 1,
23 2020. A monthly Renewable Energy Adjustment will be applied, equal to the total monthly

1 revenue earned from selling renewable energy from the solar purchase power agreement
2 into the SPP Integrated Marketplace, divided by the total energy (kWh) produced by the
3 solar resource under the purchase power agreement during the month, multiplied by the
4 customer's total participation energy. All other applicable charges under the applicable
5 rate schedule for standard service to the customer apply.

6 For Solar Division Tier 3 the Renewable Energy Charge is the average energy
7 charge associated with energy received in a given month from Southern Pioneer's wholesale
8 power provider's solar purchase power agreement associated with the customer's Tier 3
9 Service Agreement. A monthly Renewable Energy Adjustment will be applied, equal to the
10 total monthly revenue earned from selling renewable energy from the wind purchase power
11 agreement into the SPP Integrated Marketplace, divided by the total energy (kWh) produced
12 by the wind resource under the purchase power agreement during the month, multiplied by
13 the customer's total participation energy. All other applicable charges under the applicable
14 rate schedule for standard service to the customer apply.

15 **Q. How does Tier 3 participation assist Sunflower in future procurements?**

16 A. One of the factors considered by Sunflower in pursuing development of a new solar
17 project is the amount of interest by C&I customers for participation in utility-scale solar.
18 Sunflower and its members have been in high-level discussions with several large C&I
19 customers who have expressed interest in the opportunity to participate in a utility-scale
20 Sunflower renewable resource. Currently, the only solar facility online Sunflower can
21 offer for customer participation is the Johnson Corner Solar Farm, a 20 MW solar facility
22 located in Stanton County, KS. Sunflower is developing the Russell Solar Project, a 20
23 MW solar facility to be located in Russell, KS, as well as the Boot Hill Solar Project, a

1 150 MW solar project to be located in Ford County, KS. These projects are projected to
2 come online at the beginning of 2025 and 2026, respectively. Sunflower and its
3 distribution members are excited about the opportunity to be able to offer to all C&I
4 customers in the Sunflower footprint the ability to directly participate in these renewable
5 resources at a very economical and competitive price, especially when compared to
6 standalone behind-the-meter solar arrays.

7 **Q. How do C&I customers sign up for the RE Program?**

8 A. All C&I customers will be required to enter into a three-party service agreement between
9 Southern Pioneer, Sunflower, and the customer. The service agreement will define the
10 customer's selected Division, Tier, and Participation Level. The term of the agreement
11 will be determined between the parties but will not be less than one year for service under
12 Tiers 1 and 2 (except for Solar Tier 1b-Residential Community Solar, addressed below).
13 Tier 3 service agreements will include exit fee provisions to protect against stranded
14 investment if a customer leaves prior to the expiration of any new power supply
15 arrangement entered into by Sunflower as Southern Pioneer's wholesale power provider
16 to serve the customer per the terms of this Rider.

17 **Q. Are other provisions of the RE Rider tariff applicable to the C&I Program?**

18 A. Yes, and most of these are also applicable to the Residential Program. One such provision
19 states that certification of renewable energy purchased under this Rider will be delivered
20 to the customer, excluding customers taking service under Solar Division Tier 1b-
21 Residential Community Solar. Another provides that service under Tiers 1 and 2 is made
22 subject to adjusted participation levels if the total amount of participation energy in a given

1 month exceeds 50% of the total renewable energy produced by Sunflower's renewable
2 energy resources.

3 Another provision states that service under Tier 3 is not available until the aggregate
4 participation level requested reaches a threshold sufficient for Sunflower to justify pursuing
5 a new renewable resource, as determined by Sunflower.

6 A fourth provision states that Southern Pioneer may terminate the customer's
7 service agreement if they are disconnected pursuant to Southern Pioneer's Rules and
8 Regulations, or if they make three or more late payments in one year.

9 A fifth provision states that Southern Pioneer may include additional terms and
10 conditions in the service agreement as it may reasonably determine is necessary.

11 **(2) Residential Program**

12 **Q. Please describe the Residential Program.**

13 A. Residential customers have access to the Solar Division Tier 1b Program. As described
14 above for C&I customers, under this Tier, residential customers are given the opportunity
15 to buy shares and participate in the Community Solar Program. Sunflower has allocated
16 2,907 125 kWh shares to Southern Pioneer from the Johnson Corner Solar Farm to sell to
17 its residential customers who desire to directly participate in the solar resource. The shares
18 are being sold at \$5/share, or \$0.004/kWh. This is the equivalent of two solar panels. A
19 residential customer may purchase shares up to the customer's total energy usage, which
20 is on average approximately 1,000 kWh, or 8 shares.

21 **Q. How is the cost of the Program represented on the customers' bills?**

22 A. The \$0.04/kWh fixed price will appear as a separate line item on the bill in addition to the
23 customer's regular monthly bill. There will also be an additional line-item adjustment on

1 the bill equal to the amount of margin the solar resource earns in the SPP Integrated
2 Marketplace on a monthly basis. The energy costs will reflect the performance of the
3 customer's subscribed number of solar shares. The monthly adjustment (\$/kWh) is
4 calculated by taking the total revenue Johnson Corner Solar Farm receives from selling solar
5 energy into the Southwest Power Pool (SPP) Integrated Market for that month, divided by
6 the total electric output from the facility during the month.

7 Residential Community Solar does not directly offset a subscriber's energy use.
8 Instead, the customer pays a subscription for each share and receives an adjustment each
9 month based on the performance of the facility. The net of the participation fee and the
10 market revenue adjustment offsets the electric bill.

11 **Q. Will customers own solar panels if they participate in the Residential Community**
12 **Solar Program?**

13 A. Participants in this program will not actually own any solar panels. They will be buying
14 a monthly subscription to the energy from the solar farm.

15 **Q. Can a customer be removed from the program for late payments or if they carry**
16 **an arrearage?**

17 A. Participation in the Residential Community Solar Program will require the customer to
18 maintain their account in good standing with Southern Pioneer. Disconnection of service
19 due to non-payment or three late payments within a year will result in the termination of
20 the community solar contract. Customers who leave the program, either voluntarily or
21 through disconnection, cannot subscribe to the program again for one year.

22 **Q. How do customers sign up for the Residential Community Solar Program?**

23 A. Assuming Commission approval of this Application, Southern Pioneer customers will

1 subscribe on a first-come, first-served basis until the available shares have been fully
2 subscribed. If Southern Pioneer's available shares sell out, the Customer has the option
3 of being placed on a waiting list to be contacted if/when additional shares become available.
4 Subscriptions will be applied to accounts starting in the first month after approval and will
5 be reflected on bills starting in the following month after that. Subscriptions implemented
6 after that time will be applied at the start of the next billing period. Customers having an
7 interest in participating can sign up by completing the Southern Pioneer Community Solar
8 Share Agreement. A copy of the agreement is attached as **Exhibit CCS-2** to my testimony.

9 **Q. Is there a limit to the number of shares a customer can subscribe?**

10 A. Yes. To participate in Solar Tier 1b - Residential Community Solar, the minimum size for
11 requirement is 1 share (125 kWh). The Participant Cap is equal to the individual residential
12 customer's previous 12-month average kWh usage. For example, if a customer's 12-month
13 average consumption is 1,000 kWh, the customer can subscribe to no more than eight
14 shares. The total number of shares available to residential customers under this Tier is
15 limited to the total number of shares made available to Southern Pioneer by Sunflower.

16 **Q. Are there fees associated with a Residential Community Solar subscription?**

17 A. There is no application, administration, or other fees to participate in the Residential
18 Community Solar program.

19 **Q. Is the customer locked into their subscription for a certain amount of time or is it
20 on a month-by-month basis?**

21 A. Once enrolled, the customers may terminate the subscription at any time. However, after
22 termination, the customer must wait one year before they can subscribe to the program
23 again.

1 **Q. Can customers change the number of their subscribed shares?**

2 A. Customers may increase or decrease the number of shares subscribed up to two times
3 within a 12-month period. Customers will be required to agree to and follow the terms
4 and conditions of the Community Solar Share Amendment Form, attached to my testimony
5 as **Exhibit CCS-3**. Subscription amendments are still subject to share availability and
6 maximum participation allotments.

7 **B. Purposes and Benefits of the Program**

8 **Q. Why is Southern Pioneer proposing the Renewable Energy Program at this time?**

9 A. Pioneer Electric provides electric service to its territory, which is near the territory of
10 Southern Pioneer. Pioneer Electric already offers a Renewable Energy Program to its
11 members, and Southern Pioneer's customers have expressed a high level of interest in
12 having the option of a similar program. Our customers support renewable energy and seek
13 ways to participate in its use. Several of Southern Pioneer's C&I customers are seeking
14 renewable energy solutions in an effort to meet corporate sustainability initiatives and find
15 ways to reduce their carbon footprint. Currently, the only available option to do this is for
16 these customers to consider behind-the-meter renewable resource solutions. These
17 solutions come with a substantial up-front capital investment along with ownership and
18 maintenance obligations. Approval of this Renewable Energy Program would provide
19 these customers with a better economic alternative without ownership obligations.

20 **Q. Does the Program benefit all Southern Pioneer's customers by helping to retain load
21 on your system?**

22 A. Yes, it does. The Program allows our customers to achieve the benefits of participating in
23 renewable energy without having to install their own behind-the meter generation, which,

1 if installed, would result in removing at least a portion of their load from Southern
2 Pioneer's system. When that happens, cost recovery shifts to Southern Pioneer's other
3 customers. By retaining that load on the system, we mitigate that cost shift.

4 **Q. Has Pioneer Electric experienced strong subscribership among its members?**

5 A. Pioneer Electric is currently in discussion with several C&I members regarding
6 participation in the program. Since implementation of its Residential Community Solar
7 Program last summer, Pioneer Electric has sold approximately 338 shares.

8 **Q. How does Pioneer's renewable energy program compare with the program proposed
9 by Southern Pioneer in this docket?**

10 A. The Pioneer Electric renewable energy program is the same program.

11 **Q. Are there other reasons customers are seeking this program?**

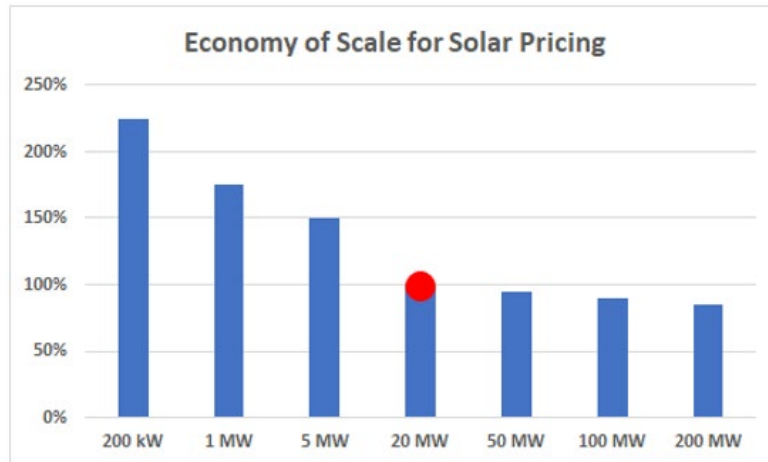
12 A. Yes, the program provides a number of benefits that appeal to our customers, especially
13 relative to installing their own standalone behind-the-meter resource:

14 *C&I Program Benefits:*

15 **Q. What are the benefits for C&I customers?**

- 16 • Customers can participate in utility-scale wind or solar projects at a fixed price per
17 kWh, which offers significant economies of scale relative to small standalone arrays
18 with behind-the-meter generation. The following chart demonstrates the economies
19 of scale of utility-scale solar as compared to smaller stand-alone solar arrays.²

² Based on data compiled by the National Renewables Cooperative Organization.



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- Customers can aggregate load as most C&I customers have several metering points. This would not be allowed with behind-the-meter generation.
- Customers can tailor a contract term to fit their needs, unlike behind-the-meter installations that involve a 20-year capital investment.
- Customers will have no up-front capital cost to invest in a Sunflower wind or solar project unlike behind-the-meter generation.
- Customers are directly assigned all the RECs associated with their participation energy in the resource as if they owned the resource but without the ownership and maintenance obligations.
- Customers ultimately have a direct assigned fixed price hedge against high or volatile market prices, helping to ensure rate stability.

Q. How does this fixed price hedge work?

A. The fixed price per kWh paid by the customer will appear as a separate line item on the customer’s bill, in addition to the customer’s regular monthly bill. There will then also be a “Renewable Energy Adjustment” which will be a credit equal to the revenues the participation energy receives from the SPP Integrated Marketplace, applied to offset the

1 fixed price cost. In those months where market prices are higher than the fixed price per
2 kWh charge, the customer will make a margin on the investment, which helps lower the
3 customer's overall bill. In months when market prices are lower than the fixed price per
4 kWh charge, the customer will not earn back its entire investment, but the customer's
5 ECA will be lower because of lower market prices. Thus, it provides an additional direct
6 assigned hedge against high market prices to help with rate stability.

7 Residential Program Benefits:

8 **Q. What are the benefits for residential customers?**

9 A. Participating in a community solar program has several advantages for residential
10 customers relative to customer-sited generation:

- 11 • If a customer rents or has homeowner agreements that prevent the installation of
12 rooftop solar, participating in community solar may be the customer's only viable
13 option for supporting and participating in renewable energy.
- 14 • If a customer's home is too shaded or the roof is not strong enough to support a solar
15 array, the customer can still participate in community solar through the Program. This
16 provides maximum utilization of solar irradiance with no impacts from shading from
17 trees or adjacent buildings.
- 18 • A customer who cannot afford an upfront investment in a solar array may be able to
19 afford participation in a community solar unit.
- 20 • Participating in community solar allows subscribers to avoid the upfront cost, hassle,
21 and maintenance of rooftop solar.
- 22 • If a subscriber moves to a new house within Southern Pioneer's service territory, their
23 subscription may transfer to their new service. Customers are not likely to be able to

1 transfer a roof top solar installation to a new location.

- 2 • Sunflower’s Johnson Corner Solar Farm 20 MW facility is about 2,000 times bigger
3 than a typical residential rooftop solar installation. The utility-scale size of Johnson
4 Corner Solar Farm provides a significantly lower price for solar energy compared
5 to solar energy from rooftop installations because Community Solar systems have
6 the advantage of economies of scale, meaning that costs decrease as the size of the
7 system increases. The costs can also be spread out amongst many participants. That
8 makes a portion of a large solar system less expensive than a comparable residential
9 rooftop system.
- 10 • The Johnson Corner Solar Farm also has tracking motors that adjust the angle of the
11 solar panels throughout the day to maintain maximum exposure to the sun.

12 **Q. Please elaborate on how the Residential Community Solar Program compares**
13 **favorably to owning a rooftop solar system?**

14 A. When a customer chooses to install a solar system on their own roof, they are responsible
15 for deciding what system to purchase, choosing a reputable contractor, and maintaining,
16 repairing, and insuring the system. It is a big investment, requiring significant time for
17 researching, asking questions, obtaining multiple bids, and reviewing contracts. The system
18 will belong to the customer, they will reap the benefits of the power generated from the
19 system, and they may be able to take advantage of federal, state, and local incentives. But
20 they will also be responsible for paying up front for the components, installation, and
21 connectivity costs. They will also be responsible for all maintenance and repair costs over
22 the life of the system and will bear the liability for the system. Some installers offer service
23 and maintenance contracts, but many do not.

1 By subscribing to the Residential Community Solar program, the customer will not
2 be responsible for owning, operating, or maintaining any solar equipment. As such, the
3 program is a good choice for customers who logistically are not able to install rooftop solar,
4 or simply do not want to install their own solar system.

5 **Q. Are customers guaranteed that they will save money under the program?**

6 A. While Southern Pioneer projects that customers will save money under the program,
7 there is no guarantee as the solar adjustment is based on the revenues the solar facility
8 receives in the SPP Integrated Marketplace. When market prices are high, participants
9 will save money. When market prices are low, participants may pay a premium.
10 Southern Pioneer will make this clear to customers when we discuss the Program with
11 them, as Pioneer Electric has done under its Program.

12 **Q. Has Southern Pioneer performed any quantitative analyses of the overall
13 likelihood and amount of potential savings for residential customers under the
14 program?**

15 A. Yes. We have performed analyses using actual historical data based on 2021, 2022 and
16 2023 market prices. These analyses allow customers to estimate what their savings could
17 be in a high market price environment, and conversely, in a low market price
18 environment.

19 **Q. What happens if the Johnson Corner Solar Farm is unable to generate power?**

20 A. In the event the solar farm is unavailable due to an event outside of the control of Southern
21 Pioneer or Sunflower, the monthly subscription charge and Renewable Energy Adjustment
22 will not be applied to bills until the facility is returned to full operation. The facility may
23 also be subject to physical damage, equipment failure and other events that may degrade or

1 limit its output. Southern Pioneer will be under no obligation to issue any credit or refund
2 to the customer based on the efficiency or output of the Johnson Corner Solar Farm.

3 **Q. How does implementation of the RE Program impact Southern Pioneer's revenues**
4 **and earnings?**

5 A. The Application is revenue neutral to Southern Pioneer.

6 **Q. Is there a potential that customers who do not participate in the Program could**
7 **end up subsidizing the Program somehow?**

8 A. No. That cannot happen.

9 **Q. Does this conclude your testimony?**

10 A. Yes, it does.

SOUTHERN PIONEER ELECTRIC COMPANY
(Name of Issuing Utility)

Schedule: 2023 – RE

ENTIRE SOUTHERN PIONEER TERRITORY
(Territory to which schedule is applicable)

Replacing Schedule ORIGINAL
Which was filed INITIAL

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 1 of 6 Sheets

RENEWABLE ENERGY PROGRAM RIDER

AVAILABILITY

Service is available under this Rider at points on the Company’s existing electric distribution system, located within its service area, for Customers taking service under the Company’s standard service rate schedule and as applicable and pursuant to the qualifications provided herein. Notwithstanding the foregoing, this Rider shall not be available to Customers taking service under Company’s Irrigation Service, LED Lighting, Municipal Lighting and Ancillary Service, Water Pumping, Municipal, or any Street Lighting Service schedules, or to Customers with self-generation that require standby, backup, breakdown or supplemental service.

CHARACTER OF SERVICE

As is available, Company will offer to Customer energy from renewable resources and associated renewable energy credits in an amount equal to the level of service purchased by Customer taking service under this Rider. Energy output from renewable resources will vary from month-to-month due to weather and other factors, and in some months participating Customers may not receive the full amount of participation energy associated with their selected Participation Level.

DIVISIONS, TIERS, AND PARTICIPATION LEVELS

Service under this Rider is available under either the wind Division or the solar Division. Three Tiers are available under each Division. The qualifications and cost structure for each Division and the associated Tiers are uniquely defined herein. Customers that meet the qualifications for a given Division and Tier may select a Participation Level ranging from a minimum of 25% of their total energy consumption to a maximum of either 100% of their total energy (kWh) consumption or the Tier Participant Cap, whichever is greater.

Issued _____
Month Day Year

Effective _____
Month Day Year

By _____
Chantry C. Scott Title

SOUTHERN PIONEER ELECTRIC COMPANY
 (Name of Issuing Utility)

Schedule: 2023 – RE

Replacing Schedule ORIGINAL
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ENTIRE SOUTHERN PIONEER TERRITORY
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Sheet 3 of 6 Sheets

Solar Division Tier 1a -

Minimum Size = 1 kW
 Tier Participant Cap = 100,000 kWh/month
 Total Tier Cap = 600,000 kWh/month

Solar Division Tier 1b –

Residential Community Solar
 Minimum Size= 1 share (125 kWh)
 Tier Participant Cap= Total number of shares (kWhs) available to an individual residential Customer shall be equal to an individual residential Customer’s previous 12-month average kWh usage.
 Total Tier Cap= The total number of shares (kWhs) available to residential customers under this tier shall be limited to the total number of shares made available to the Company by Company’s wholesale power provider.

*Participation under the Solar Tier 1b – Residential Community Solar shall be limited to Residential service only and shall be available on a first-come, first-served basis until the Company’s available shares has been fully subscribed.

Solar Division Tier 2 -

Minimum Size = 5 kW
 Tier Participant Cap = 200,000 kWh/month
 Total Tier Cap = 1,200,000 kWh/month

Solar Division Tier 3 -

Minimum Size = 500 kW
 Tier Participant Cap = None*
 Total Tier Cap = None*

*Tier caps under Tier 3 are subject to limitations associated with Company’s ability to access new renewable energy resources through its wholesale power provider. Company will work with eligible Customers to define appropriate Participation Levels and caps.

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Sheet 4 of 6 Sheets

Wind Division Tier 1: Renewable Energy Charge will be \$0.0025/kWh. The Renewable Energy Charge will be in addition to all other applicable charges under the applicable rate schedule for standard service to the Customer.

Wind Division Tier 2: Renewable Energy Charge will be the average energy charge associated with energy received in a given month from Company’s wholesale power provider’s wind purchase power agreements in effect as of 1/1/2020. A monthly Renewable Energy Adjustment will be applied, equal to the total monthly revenue earned from selling renewable energy from the wind purchase power agreement into the SPP Integrated Marketplace, divided by the total energy (kWh) produced by the wind resource under the purchase power agreement during the month, multiplied by the Customer’s total participation energy. All other applicable charges under the applicable rate schedule for standard service to the Customer will apply.

Wind Division Tier 3: Renewable Energy Charge will be the average energy charge associated with energy received in a given month from the Company’s wholesale power provider’s wind purchase power agreement associated with the Customer’s Tier 3 Service Agreement. A monthly Renewable Energy Adjustment will be applied, equal to the total monthly revenue earned from selling renewable energy from the wind purchase power agreement into the SPP Integrated Marketplace, divided by the total energy (kWh) produced by the wind resource under the purchase power agreement during the month, multiplied by the Customer’s total participation energy. All other applicable charges under the applicable rate schedule for standard service to the Customer will apply.

Solar Division Tier 1a: Renewable Energy Charge will be \$0.0035/kWh. The Renewable Energy Charge will be in addition to all other applicable charges under the applicable rate schedule for standard service to the Customer.

Solar Division Tier 1b – Residential Community Solar: The monthly Renewable Energy Charge will be \$5.00 per each 125 kWh share. The monthly Renewable Energy Adjustment will be equal to the total monthly revenue earned by the Johnson Corner Solar Project from selling energy into the SPP Integrated Marketplace divided by the total energy (kWh) produced by the Johnson Corner Solar Project during the month multiplied by 125 multiplied by the total number of subscription shares. The Renewable Energy Charge and Renewable Energy Adjustment will be in addition to all applicable charges under the applicable rate schedule for standard service to the Customer.

Solar Division Tier 2: Renewable Energy Charge will be the average energy charge associated with energy received in a given month from the Company’s wholesale power provider’s solar purchase power agreements in effect as of 1/1/2020. A monthly Renewable Energy Adjustment will be applied, equal to the total monthly revenue earned from selling renewable energy from the solar purchase power agreement into the SPP Integrated Marketplace, divided by the total energy (kWh) produced by the solar resource under the purchase power agreement during the month, multiplied by the Customer’s total participation energy. All other applicable charges under the applicable rate schedule for standard service to the Customer will apply.

Issued _____
Month Day Year

Effective _____
Month Day Year

By Chantry C. Scott _____
Title

SOUTHERN PIONEER ELECTRIC COMPANY
 (Name of Issuing Utility)

Schedule: 2023 – RE

Replacing Schedule ORIGINAL
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 (Territory to which schedule is applicable)

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 5 of 6 Sheets

Solar Division Tier 3: Renewable Energy Charge will be the average energy charge associated with energy received in a given month from the Company’s wholesale power provider’s solar purchase power agreement associated with the Customer’s Tier 3 Service Agreement. A monthly Renewable Energy Adjustment will be applied, equal to the total monthly revenue earned from selling renewable energy from the wind purchase power agreement into the SPP Integrated Marketplace, divided by the total energy (kWh) produced by the wind resource under the purchase power agreement during the month, multiplied by the Customer’s total participation energy. All other applicable charges under the applicable rate schedule for standard service to the Customer will apply.

SERVICE AGREEMENT

All Customers taking service under this Rider, excluding Customers taking service under Solar Division Tier 1b – Residential Community Solar, will be required to enter into a three-party service agreement between Company, Company’s wholesale power provider, and the Customer. The service agreement will define the Customer’s selected Division, Tier, and Participation Level. The term of the agreement will be determined between the parties, but the term shall be no less than one year for service under Tiers 1 and 2, except for Solar Division Tier 1b – Residential Community Solar. Tier 3 service agreements shall include exit fee provisions to protect against stranded investment if a Customer leaves prior to the expiration of any new power supply arrangement entered into by Company’s wholesale power provider to serve the Customer per the terms of this Rider.

All residential Customers taking service under Solar Division Tier 1b – Residential Community Solar will be required to enter into a written service agreement with the Company. A residential Customer may terminate service under the service agreement and this Rider at any time, but if terminated, Customer will be prohibited from signing up for service under this Rider again for a period of one year.

ADDITIONAL TERMS AND CONDITIONS

1. Certification of renewable energy purchased under this Rider will be delivered to the Customer, excluding Customers taking service under Solar Division Tier 1b – Residential Community Solar.
2. Service under Tiers 1 and 2 is subject to adjusted Participation Levels if the total amount of participation energy in a given month exceeds 50% of the total renewable energy produced by Company’s wholesale power provider’s renewable energy resources.
3. Service under Tier 3 will not be available until the aggregate participation level requested reaches a threshold sufficient for Company’s wholesale power provider to justify pursuing a new renewable resource, as determined by Company’s wholesale power provider.

Issued _____
 Month Day Year

Effective _____
 Month Day Year

By _____
 Chantry C. Scott Title

SOUTHERN PIONEER ELECTRIC COMPANY
(Name of Issuing Utility)

Schedule: 2023 – RE

ENTIRE SOUTHERN PIONEER TERRITORY
(Territory to which schedule is applicable)

Replacing Schedule ORIGINAL
Which was filed INITIAL

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 6 of 6 Sheets

ADDITIONAL TERMS AND CONDITIONS

- 4. Company may terminate Customer's service under this Rider if Customer is disconnected by Company pursuant to the Company's Rules and Regulations, or if Customer makes three or more late payments in one year.
- 5. Company may include additional terms and conditions in the service agreement as reasonably determined by the Company.
- 6. Certification of renewable energy purchased under this Rider will be delivered to the Customer, excluding Customers taking service under Solar Division Tier 1b – Residential Community Solar.
- 7. Service under Tiers 1 and 2 is subject to adjusted Participation Levels if the total amount of participation energy in a given month exceeds 50% of the total renewable energy produced by Company's wholesale power provider's renewable energy resources.
- 8. Service under Tier 3 will not be available until the aggregate participation level requested reaches a threshold sufficient for Company's wholesale power provider to justify pursuing a new renewable resource, as determined by Company's wholesale power provider.
- 9. Company may terminate Customer's service under this Rider if Customer is disconnected by Company pursuant to the Company's Rules and Regulations, or if Customer makes three or more late payments in one year.
- 10. Company may include additional terms and conditions in the service agreement as reasonably determined by the Company.

Issued _____
Month Day Year

Effective _____
Month Day Year

By Chantry C. Scott _____
Title

COMMUNITY SOLAR SHARE AGREEMENT

Name(s) on Account: _____

Mailing Address: _____ City: _____ State: _____ Zip: _____

I/We, hereinafter called the "Customer", do agree to:

the subscription of _____ shares (each share consisting of 125 kWh) at the rate of \$5 per share premium under the Southern Pioneer Electric Company.(SPEC) Residential Community Solar Program, provided in the SPEC Renewable Energy Program Rider (Schedule 23-RE).

These shares are to be applied and billed to the residential service on account # _____ in accordance with Schedule 23-RE, Solar Division Tier 1b (Residential Community Solar Program) and is an addition to Customer's monthly electric bill.

Terms and Conditions of Residential Community Solar:

1. Customer's participation in the Residential Community Solar Program will be governed by this Agreement, Schedule 23-RE as may be amended or superseded from time to time, and the PEC Rules and Regulations.
2. Participation in the Residential Community Solar Program is limited to residential service and available on a first-come, first-served basis.
3. Share availability under the Residential Community Solar Program is limited due to the total number of shares allocated to SPEC by SPEC's wholesale power provider for the Johnson Corner Solar Farm.
4. The maximum total number of shares (kWhs) available to an individual residential Customer shall be equal to an individual residential Customer's previous 12-month average kWh usage.
5. Customer will be subject to a Renewable Energy Charge (listed as Community Solar Sub. - JC on billing statements) of \$5.00 per each 125 kWh share and a Renewable Energy Adjustment (listed as Community Solar Adj. - JC on billing statements) calculated pursuant to Schedule 23-RE, as may be amended or superseded from time to time. The Community Solar Sub. - JC and Community Solar Adj. - JC will be listed as line items on Customer's bill while subscribed to the program. Subscriptions will be applied to Customer's account starting on the following billing cycle upon the completion of this application.
6. Renewable Energy Credits (RECs) will not be available to Customers participating in the Residential Community Solar Program. Customer acknowledges and agrees it has no rights in or claims to RECs on account of the Johnson Corner Solar Farm.
7. In the event Customer relocates to another residential service location within SPEC's service territory, Customer's subscription and this agreement shall remain in effect and the monthly Community Solar Sub. - JC and Community Solar Adj. - JC will be applied to the new service address. Subscription is subject to an adjustment of shares based on the 12-month average usage of the new service address and may require an amendment of this contract.

8. Customer may not assign, gift, bequeath or otherwise transfer its subscribed shares under the Residential Community Solar Program to any other individual or entity.

9. Customer's participation in the Residential Community Solar Program will not alter or modify any rate, charge, term or condition of electric service provided by SPEC to Customer under the applicable standard service rate schedule for which Customer remains obligated.

10. Southern Pioneer Electric Company and its trustees, officers, employees and agents shall not be liable hereunder for any type of damages, whether indirect, incidental, consequential, exemplary, reliance, punitive or special damages, including damages for loss of use regardless of the form of action, whether in contract, tort, indemnity or warranty, including negligence of any kind.

11. This agreement shall be interpreted and construed according to the laws of the State of Kansas, without regard to the principles of conflicts of laws thereof.

Additional Customer Acknowledgments:

12. Customer acknowledges and agrees that:

- (a) Customer's subscription under the Residential Community Solar Program provides no ownership or possessory interest in the Johnson Corner Solar Farm and does not grant Customer any right of access to the Johnson Corner Solar Farm, the underlying real estate, or to any solar panel for any purpose.
- (b) The Renewable Energy Adjustment may vary significantly from month to month based on weather and other conditions and that the Johnson Corner Solar Farm may, from time to time, become subject to physical damage, equipment failure and other events that may degrade or curtail the solar farm's efficiency and energy output. Cooperative shall be under no obligation to issue any credit or refund to Customer based on the efficiency or output of the Johnson Corner Solar Farm. In the event the solar farm is unavailable due to a "Force Majeure Event," the monthly subscription charge and Renewable Energy Adjustment will not be assessed until such time as the solar farm is returned to full operation. A "Force Majeure Event" means causes or events beyond the reasonable control of SPEC or SPEC's wholesale power supplier, including, without limitation, acts of God, sudden actions of the elements such as floods, earthquakes, hurricanes, tornadoes; high winds of sufficient strength or duration to materially damage the solar farm or significantly impair its operation; long-term material changes in output caused by climatic change, lightening, fire, ice storms, sabotage, vandalism, terrorism, war, riots, fire explosion, insurrection, strike slow-down or labor disruptions, and actions or inactions by any governmental authority taken after the date of this agreement becomes effective.
- (c) PEC has marketed the subscriptions only as a means to participate in a renewable energy program and has made no warranty or representation, express or implied, that customer may or will derive an economic benefit from its subscription. Customer further acknowledges that PEC makes no warranty or representation, express or implied, regarding the efficiency of the solar farm, or the amount of the renewable energy adjustment, if any, that subscriber will receive during any billing period during the term of this agreement.

Amendment and Termination:

13. Southern Pioneer reserves the right to modify, amend, supplement or terminate **Schedule 23-RE** or the Solar Division Tier 1b Residential Community Solar under **Schedule 23-RE** at any time. In the event **Schedule 23-RE** or Solar Division Tier 1b Residential Community Solar under **Schedule 23-RE** is terminated, this agreement and Customer’s subscription will automatically terminate. In the event the Solar Division Tier 1b Residential Community Solar under **Schedule 23-RE** is amended, modified or supplemented, Customer will be bound by such modified terms and conditions under **Schedule 23-RE**.

14. Customer may amend this agreement to lower or raise the number of shares subscribed up to two times within a 12-month period. Customer will be required to follow and agree to the terms and conditions expressed within the Community Solar Share Amendment form. Amendment of subscriptions will be subject to share availability and maximum participation allotments outlined in this agreement.

15. Customer may terminate the subscription and this agreement at any time by contacting SPEC. This agreement and the Customer’s subscription may also be terminated by SPEC if:

- a) The Customer is disconnected for non-payment of electrical service, including non-payment of charges assessed under this agreement, or violation of other terms of SPEC’s Rules and Regulations,;
- b) the Customer makes three or more late payments within a twelve-month period while holding a community solar subscription; or
- c) the service is closed by the customer or SPEC due to any other reason.

16. Upon termination of this agreement and Customer’s participation in the Residential Community Solar Program, assessment of the Renewable Energy Charge and Renewable Energy Adjustment on the Customer’s billing will terminate effective with the subsequent Customer billing.

17. Customer will be unable to participate in the program for one year after the termination of any subscription.

Customer Signature

Date

Accepted by: Southern Pioneer Electric Company

_____ Southern Pioneer Representative	_____ Date
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AMENDMENT TO COMMUNITY SOLAR SHARE AGREEMENT

Account Number: _____ Name(s) on Account: _____

Mailing Address: _____ City: _____ State: _____ Zip: _____

The above-named customer ("Customer") is participating in the Southern Pioneer Electric Company. ("SPEC") Residential Community Solar Program under that certain Community Solar Share Agreement dated _____. Customer now desires to amend (the "Amendment Agreement") the Community Solar Share Agreement to raise or lower the number of shares subscribed pursuant to the terms of the Community Solar Share Agreement and as provided herein.

Current Number of Community Solar Shares: _____

New Number of Community Solar Shares: _____

The above change will be implemented starting on (date) _____ and will go into effect at the next billing cycle. Customer understands that this change in subscribed shares will count towards the two instances in which Customer can adjust the number of subscribed shares within a 12-month period.

This Amendment Agreement shall remain in effect for the remainder of the term of the Community Solar Share Agreement and shall automatically terminate and be of no further force or effect should the Community Solar Share Agreement terminate. Except for the amendment to the number of subscribed shares provided in this Amendment Agreement, all other terms and conditions provided in the Community Solar Share Agreement shall remain unaltered and in full force and effect.

Accepted by: Southern Pioneer Electric Company
Southern Pioneer Representative Date

Customer Signature Date

VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF GRANT)

The undersigned, Chantry C. Scott, upon oath first duly sworn, states that he is Executive VP – Chief Financial Officer and Assistant Secretary of Southern Pioneer Electric Company, that has reviewed the foregoing direct testimony, that he is familiar with the contents thereof, and that the statements contained therein are true and correct to the best of his knowledge and belief.



Chantry C. Scott

Subscribed and sworn to before me this 31st day of January, 2024.



Notary Public

My appointment expires: 9-30-2024

