Rates, Resistance and Power Struggles

An Analysis of (Attempted) Time of Use Rate Implementation in Missouri

Summary

In 2023, the Missouri Public Service Commission (PSC) mandated two service areas of Evergy, Inc., an investor-owned utility (IOU), Evergy Missouri Metro (EMM) and Evergy Missouri West (EMW) to implement a default *opt-out* time-of-use (TOU) rate with a price differential of 4:1, the highest in the country[1]. Prior to this, leading up to 2022, Evergy had conducted a 20-month pilot with opt-in default TOU rates at a differential of 6:1, resulting in only 1.1% residential customer[2] enrollment. Through the new mandate, PSC aimed to increase this dismal rate. However, as Evergy prepared to educate customers of the changed policy, public backlash[3] ensued, led most notably by Missouri Senate Majority Leader, Cindy O'Laughlin, R-Shelbina, who criticized this policy as *rationing*[4] and part of a so-called *woke movement which involves shutting down power*[5]. In September 2023, citing public backlash as a reason, Evergy filed a request with the PSC seeking, among other changes, a reduction of the default TOU rate from the proposed 4:1 differential. This change was approved by PSC. In January 2024, Senator Cindy O'Laughlin, through Senate Bill 759, made the TOU rate opt-in, reversing the other bold aspect of PSC's decision. In February, Chairman Scott Rupp, who had signed off on the initial *opt-out*

[1] A. Faruqui and Z. Tang, draft document, Page 19, Time-varying rates are moving from the periphery to the mainstream of electricity pricing for residential customers in the United States

[2] Docket ER-2022-0129 - Item 658; Docket ER-2022-0130 - Item 673, Page 58 (https://efis.psc.mo.gov/Case/FilingDisplay/116038)

[3] Docket ET-2024-0061 - Item 1, Exhibit B, Pages 1-3: https://efis.psc.mo.gov/Document/Display/754111

[4] Facebook post dated July 5, 2023: https://www.facebook.com/cindy.olaughlin/posts/pfbid01HEXa5UfJE9ncCN9ZSM37e6BcPzFx7nGQkioJeP171y5jgX6NJfEj1A49LECupurl

[5] Facebook post dates July 5, 2023: https://www.facebook.com/cindy.olaughlin/posts/pfbid092R33ehhgV7HZ1a3MEPcxiEW99CVTD4fvrduoT2gmoX3tHtf3VRSPAkDcSnWQpTVl

proposal with a 4:1 differential, was replaced by Commision member Kayla Hahn, making his tenure as Chairman of Missouri PSC the shortest in the last 30 years.

Introduction: Smart Meters & TOU Rates

A smart meter[6] - also sometimes referred to as Automated Metering Infrastructure (AMI), although the latter encompasses the broader infrastructure - facilitates bi-directional flow of data between utilities and customers. This data is more granular and more frequent than provided through older meters, which typically only provided end-of-month meter readings to customers. With smart meters, customers can monitor consumption at one-hour, or even 15-minute intervals, for specific appliances[7]. This ability to monitor detailed consumption patterns allows customers to change their usage behavior, which allows utility companies to handle aggregate consumption - also called *demand* - more efficiently. As an example, imagine a hot summer day in Chicago on which everyone decided to do their laundry and run air conditioning on full-blast between 3-5 PM. Ignoring all other customers except residential, in this scenario, 3-5 PM would witness what is called *peak demand.* To cater to this peak demand, utility companies would have to ensure they have enough supply. In a world where we want to transition to clean energy faster, this situation would put more pressure on our wind, solar and other renewable sources during the 3-5 PM period. Since these sources don't generate nearly as much as peak demand[8], we end up with two bad outcomes: one, we have to resort to unclean sources of energy to meet the residual demand, and two, because of supply shortage, utility companies and in turn customers, end up paying more for consumption during that period.

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[6] Wikipedia definition: Smart meter - Wikipedia

[7] Can New Smart Meters Change How We Use Energy?

[8] Trends on aggregate generation - in 2022, only 13% of total generation comes from renewables: U.S. energy facts explained - consumption and production

This example is not far from real life. What are possible solutions to these problems? We cannot stop doing our laundry, and increasing renewable generation will take time. However, not everyone has to do their laundry during 3-5 PM, and air conditioning usage can also be wisely managed. Now why would customers care to change their default behavior if they are asked to pay a flat rate at the end of the month?

The short answer is they won't. Which is why we need *time of use rates (TOU)* - rates that vary with time based on aggregate demand. These TOU rates give *price signals* to customers, telling them how they can save money by changing their electricity consumption patterns. In the scenario above, if more than 50% of residential customers decided to reduce the air conditioning and do their laundry at 9 PM instead, the older *peak demand* from 3-5 PM would reduce, which would help in tackling, to a great extent, the two bad outcomes previously mentioned. TOU rates can be implemented only with bidirectional flow of data that smart meters enable. In fact, the main goal of enabling this data flow is to influence customer consumption patterns. Thus, smart meters and TOU rates should go hand in hand, at least in principle.

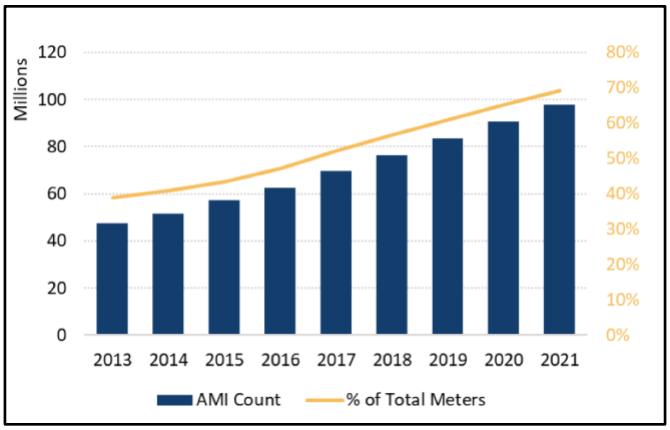
In 2022, about 73%[9] total residential electric meters were smart meters. This translates to 105 million devices. Smart meter adoption has steadily increased over the last decade, initially fueled through the American Recovery and Reinvestment Act passed in early 2009[10].

SMART METER INSTALLATION (2013-2021)[11]

[9] US EIA (Energy Information Administration) FAQs: Frequently Asked Questions (FAQs) - U.S. Energy Information Administration (EIA)

[10] Smart Grid Legislative and Regulatory Policies, December 2011: https://www.eia.gov/analysis/studies/electricity/

[11] A. Faruqui and Z. Tang, draft document, Page 8, Time-varying rates are moving from the periphery to the mainstream of electricity pricing for residential customers in the United States



Even if we assume a dated cost estimate of $50-$75 per smart meter[12], by conservative estimates, total investments in smart meter technology is in the range of USD 5.3 billion and USD 7.6 billion. However, only 12.3 million households (9% of total residential customers) are enrolled in TOU rates[13]. Where TOU is available, the average enrollment rate is 3%[14]. While installing a piece of hardware is relatively easy, expecting large swathes of people to monitor and change their electricity consumption patterns is a hard policy problem for at least three reasons. First, not everyone can be expected to change their behaviors because of age, disabilities and other reasons; second, in principle, the dollar benefit to consumers should outweigh costs associated with behavior change, and third, this benefit should be communicated clearly so that consumers don't feel confused. Poor risk management on any of these fronts, as we will see in subsequent sections, can lead to suboptimal consequences.

[12] NREL, Government Program Briefing: Smart Metering: Government Program Briefing: Smart Metering

[13] A. Faruqui and Z. Tang, draft document, Page 8, Time-varying rates are moving from the periphery to the mainstream of electricity pricing for residential customers in the United States

[14] A. Faruqui, R. Hledik, S. Sergici, Survey of TOU rates, Page 2, A Survey of Residential Time- Of-Use (TOU) Rates | The Brattle Group

Evergy's TOU Rate Design[15]

On January 7, 2022, Evergy Metro, Inc. (EMM) and Evergy Missouri West, Inc. (EMW) (together, "Evergy") each submitted tariff sheets to the Missouri Public Service Commission (PSC) to produce net increases in their electric base rates. EMM serves approximately 301,200 customers in the Kansas City metropolitan area and surrounding cities of Missouri and EMW serves approximately 337,000 customers in the western and northwestern counties of Missouri. The cases had joint filings and a joint evidentiary hearing, with details available in PSC dockets ER-2022-0129 and ER-2022-0130. The Commission set the test year in both files to be the twelve-month period ending June 30, 2021, updated through December 31, 2021, with the true-up period ending on May 31, 2022. To allow sufficient time to study the effect of the tariff sheets and to determine if the rates established by those sheets are just, reasonable, and in the public interest, both EMM's and EMW's submitted tariff sheets were suspended until December 6, 2022. As a part of their rate case, EMM and EMW presented eight issues, out of which, TOU implementation is dealt with in the issue pertaining to *Rate Design*.

When it comes to TOU rates, three factors are of utmost importance: default enrollment method (opt-in vs. opt-out), price differential and length of peak vs. non-peak periods. After its rate case approvals in 2018, Evergy implemented a *3-period, opt-in* TOU rate plan for residential customers as a pilot. An opt-in structure is such that the default is a flat rate or a blocked/tiered rate and a customer may choose to have a time varying rate. The choice of remaining on the status quo flat or blocked/tiered rate is the choice of the customer. On the other hand, an *opt-out* structure is such that all customers are placed on a TOU rate, which requires a customer to take action to revert to a different rate. Evergy's existing 3-period TOU rate had a 6-

[15] All facts and figures mentioned in this section have been sourced from ER-2022-0130 - Item 673 https://efis.psc.mo.gov/Case/FilingDisplay/116038

times *price differential* between the *on-peak* and *super off-peak rate.* Table below illustrates how to break down this statement:

Periods	Definition	Dummy Cost (in cents/kWh)
Peak	4-8 PM on non-holiday weekdays	6x
Super off-peak	12 AM- 6 AM on all days	x
Off-peak	All other hours	2x
Price Ratio (Differential)		**6:1:2**

Over a 20 month period leading up to 2022, Evergy's pilot resulted in 1.1% residential customers enrollment in TOU rates. According to the company's research, customers wanted more rate options, but were hesitant regarding opt-out TOU rates. To expand customer choice, Evergy proposed two adjustments: have separate unit costs for summer (June 1 - September 30) and non-summer (other months), with the latter having slightly lower price differentials (for example 5.9: 1: 1.8 instead of the ratio above). In addition, the company proposed three additional opt-in residential TOU rates – a 2-period TOU rate; a High Differential TOU rate to accommodate charging patterns of electric vehicle (EV) drivers (High Differential EV TOU rate); and a Separately Metered Electric Vehicle TOU rate which is identical to the High Differential TOU rate with the exception that customers need to have a separate meter for EVs. The table below summarizes these plans and suggested price differentials for each:

	Dummy Cost (in cents/kWh)							
Plan	3-Period TOU (x>y)		**2-Period TOU (p>q)**		HD TOU (r>s)		EV HD TOU	
Period	Summer	Non-Summer	Summer	Non-Summer	Summer	Non-Summer	Summer	Non-Summer
Peak	6x	5.9y	4p	2q	12r	12s	12r	12s
Super off-peak	x	y	N/A	N/A	r	s	r	s
Off-peak	2x	2.3y	p	q	4r	4s	4r	4s
Price Ratio	**6:1:2**	**5.9:1:2.3**	**4:1**	**2:1**	**12:1:4**	**12:1:4**	**12:1:4**	**12:1:4**

Out of these rate options, Evergy wanted the 2-Period to be the default rate opt-in TOU rate. Their rationale seemed to be that this proposal would provide customers who have less ability to shift usage throughout the year an additional TOU rate option and mitigate the bill impact of the 3-period TOU rate typically occurring for space heating customers.

PSC Staff's Conservative Recommendation[16]

Missouri PSC Staff did not support Evergy's proposed variations but found the 2-period TOU rate structure less objectionable. PSC Staff recommended a simple cost-based default (opt-out) TOU rate which is summarized in the table below:

Periods	**Dummy Cost (in cents/kWh)**	
	Summer	**Winter**
Peak	X+ 1	Y + 0.25
Super off-peak	X -1	Y-1

[16], All facts and figures mentioned in this section have been sourced from ER-2022-0130 - Item 673 https://efis.psc.mo.gov/Case/FilingDisplay/116038

Off-peak	X	Y
Price Ratio (Differential)	**1.2: 1**	**1.2:1**

What jumps out is the low price differential, which would only translate to any significant bill value for high-consumption households. The main rationale for this conservative choice, as stated in the Commission's order, was that it was supposed to be a "training wheels" approach for introducing TOU rates to customers that currently are not and have never been enrolled in Evergy's TOU pilot.

Commission's Takes a Bold Step[17]

In the end, however, the Commission ruled that a low differential rate, even though it provided protections to some customers, did not provide sufficient incentive to see savings from TOU rates. **To balance these two competing priorities, the Commission, in December 2022, around a year after the rate case hearings began, mandated that Evergy's 2-period TOU rate with a 4:1 price differential be established as the default (opt-out) residential customer rate with PSC Staff's low differential TOU rate as an opt-in TOU rate**. In addition, the Commission also approved Evergy's additional proposed TOU rates (3-period TOU rate; the High Differential EV TOU rate; and the Separately Metered Electric Vehicle TOU rate) to further advance customer choice.

The Commission found these alternate rates *reasonable*. Further, it was mandated that residential customers who were not on a TOU rate plan, would be assigned to the 2-period TOU rate automatically, and they could then opt-in to either Staff's low differential, Evergy's 3-period, High Differential EV rate or Separately Metered EV rate. Existing 3-period TOU

[17] All facts and figures mentioned in this section have been sourced from ER-2022-0130 - Item 673 https://efis.psc.mo.gov/Case/FilingDisplay/116038

customers would stay on their existing 3-period TOU rate during and after the transition of non-TOU residential customers to the 2-period TOU rate unless those customers requested to opt-in to the 2-period TOU rate or any other available residential TOU rate. This table, presented in docket EW-2023-0199[18], meant for customer education, summarizes the rate design aspect of this mandate well:

Summary of Evergy's TOU rates (MO Metro)

	Default		Opt-in Alternatives					
	2-period TOU		3-period TOU		High Differential TOU		Peak Adjustment Rate (Low Differential TOU)	
	Summer	Non-summer	Summer	Non-summer	Summer	Non-summer	Summer	Non-summer
Peak	38.3	N/A	33.8	27.6	35.9	27.3	+ 1 cent	+0.25 cents
Off-peak	9.6	11.3	11.3	10.8	12.0	9.1	14.5 (avg)	10.7 (avg)
Super off-peak	N/A	5.7	5.6	4.7	3.0	2.3	- 1 cent	- 1 cent
Price ratio	4 : 1	2 : 1	6 : 2 : 1	5.9 : 2.3 : 1	12 : 4 : 1	12 : 4 : 1	1.2 : 1 (est)	1.2 : 1 (est)

Notes:

- *Rates are shown in cents/kWh and exclude customer charge and riders. Rates are shown as rounded to the nearest tenth of one cent.*
- *The same period and season definitions apply to all modeled rates: Summer = June 1 – Sept 30. Peak = 4 to 8 pm on non-holiday weekdays. Super off-peak = midnight to 6 am on all days. Off-peak = all other hours.*
- *The Peak Adjustment Rate displayed in the table above reflects the average energy charge that the average customer would face in the given season.*

Further, the Commission mandated that these rates be implemented starting October 2023, i.e. ~10 months after passing the order. The Commission recommended Evergy to begin work on marketing and outreach efforts, to be tracked under a separate docket, and to involve and update them periodically.

The boldness of this mandate boils down to three elements: the default nature (opt-out) of TOU rate, the higher-than-average price differential (4:1)[19], and the expected pace of execution. It

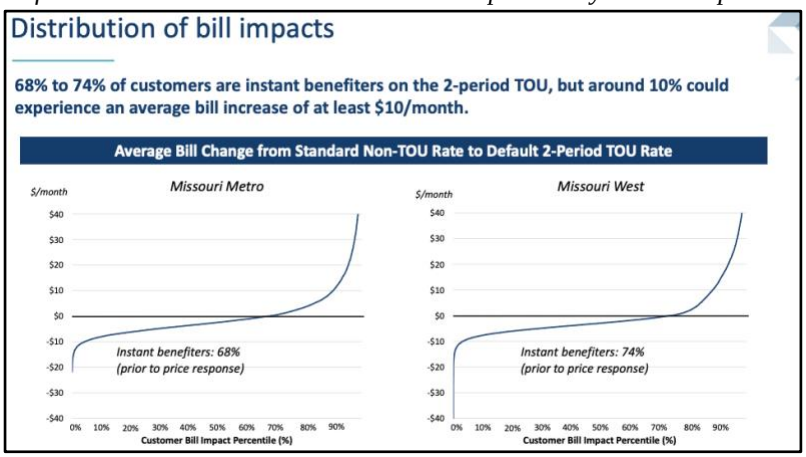
[18] Item 5, Brattle Group Analysis: https://efis.psc.mo.gov/Document/Display/74178

[19] A. Faruqui and Z. Tang, draft document, Page 7, *The mean differential of a two-period TOU is 3.04:1* - Time-varying rates are moving from the periphery to the mainstream of electricity pricing for residential customers in the United States

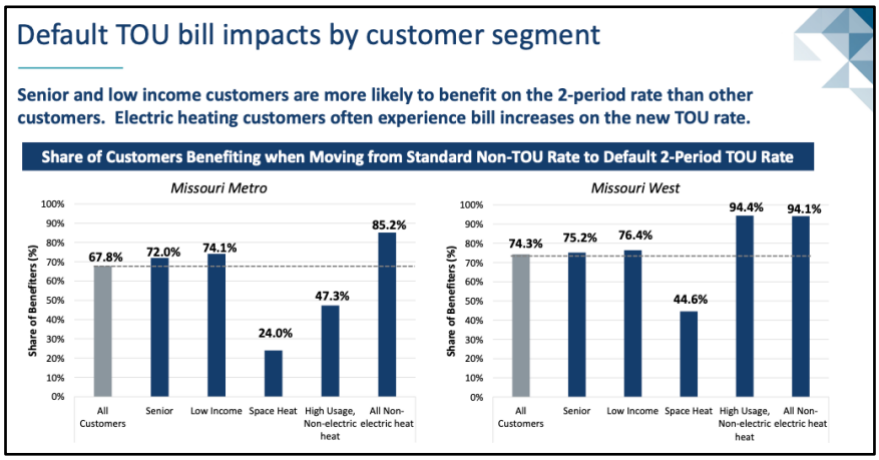
seems to the author that the Commission underestimated certain risks, three of which have been highlighted below from Brattle Group's analysis[20]:

Risk 1: $ saving per benefiter < $ burden per non-benefiter

The benefiters have a flat curve while ~20% with a bill increase potentially witness exponential increases in bills

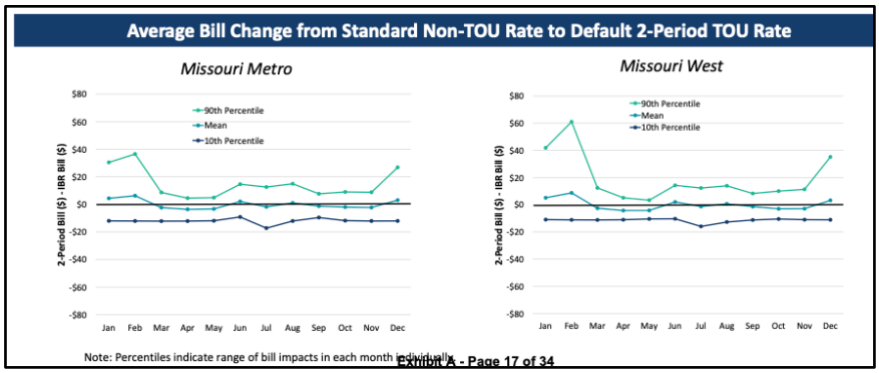


Risk 2: Not enough benefits for **Space Heat** users



Risk 3: Bill shocks during winter months of Dec-Jan

[20] ER-EW-2023-0199 - Item 5, Brattle Analysis, Slides 13-17



This analysis points to what is called the 80-20 problem. While there seemed to be some savings (0-$10) for 70-80% customers, the potential dollar increase for the rest of the 20% was disproportionately high. We can also see that **Space Heat** customers - who are also likely to be low income - have the lowest share of benefiters on the 2-period TOU rate.

Bold Policy, Bad PR, Big Backlash

On July 5th, Missouri Senate Majority Leader, Cindy O'Laughlin, R-Shelbina, wrote multiple Facebook posts, criticizing the Commission's mandate to implement 2-period default TOU rate as *rationing*[21] and part of a so-called *woke movement which involves shutting down power*[22]. In an article[23] published on July 17, then Chairman, Scott Rupp responded by saying (about TOU pricing) *"That allows price signals from the free market to be delivered to the consumer and then they can react accordingly."* It is interesting to note that even in July, while preparing Marketing materials in line with the Commission's order, Evergy's spokesperson, Gina Penzig expressed discontentment with the order, *"Evergy has offered voluntary time-base rate options for several years because we see value in providing rate options for our customers,"* Penzig wrote in an email. *"We feel strongly that time-based rate plans should be voluntary and we*

[21] Appendix item 1, Facebook post dated July 5, 2023
[22] Appendix Item 2, Facebook post dates July 5, 2023
[23] Missouri utility regulators plan for peak pricing prompts pushback from top Republican

advocated for that choice in our last rate case." To this, Chairman Rupp remarked, "*Eventually we came in and said, 'you've been promising for eight years and now you're doing it. You have the fancy toy (smart meter) that's attached to the house. You've got to start using it to benefit the customer."*

In addition to this clear war of words, the Commission approached customer outreach and marketing somewhat naively. While Evergy wanted to focus the messaging around customer discounts, the Commission Staff, in a response filed on June 8th, 2023[24] highlighted, *"Staff notes that the direction of the promotional materials and rate plan names fails to achieve the primary focus, which should be on educating customers of the bill impacts expected under default ToU rate, and education on how the rate applies to customers' usage. Staff notes that the plan names and promotional materials focus on the potential for discounts and savings, which is not the most reasonable aspect to emphasize…Staff recommends that Evergy prioritize education of customers who will be getting seasonal or annual bill increases on the default rate plan. Staff warns against dilution of this priority education with marketing that is less educational and more corporate puffery related to "savings."* ***It is not necessary to educate those customers that are expected to experience seasonal and annual bill reductions due to elimination of space heating discounts. It is Staff's understanding that the 10 month delay in rate implementation was intended to educate customers about the potential for bill increases, and would not be necessary for customers experiencing bill reductions.****"*

In summary, the Commission's communication in a game theoretic analysis involving Evergy, its customers, and political leadership shows a clear lack of understanding of their incentives. In September 2023, Evergy filed a request[25] with the PSC seeking, among other changes, a

[24] ER-EW-2023-0199 - Item 13: https://efis.psc.mo.gov/Document/Display/74736
[25] Docket ET-2024-0061: https://efis.psc.mo.gov/Case/Display/82361

reduction of the default TOU rate from the proposed 4:1 differential. Specifically, in item 1 of the docket, the company mentions, *"As Evergy has been educating its customers about the Commission's decision to mandate a high differential 2-period TOU rate as the default rate, it has become apparent that there is a significant subset of Evergy customers that prefer a TOU rate structure that is substantially similar to the existing traditional rate structure. The low differential Peak Adjustment TOU rate proposed by the Commission Staff in the last general rate case is the closest approved TOU rate to the traditional residential rate structure; however, it still includes a time variant element with an on- peak and super off-peak charge and credit, respectively."* Further the company attached a presentation with research highlighting, among other things, "*84% of customers in August say they are somewhat concerned or extremely concerned about switching to time-based rates (slide 26); 73% of customers are concerned their bill will go up with time-based rates (slide 33)."* Finally, the company also highlighted the impact of customer complaints on social media: *"Customer dissatisfaction expressed on social media is largely about the mandatory aspect of the move to TOU and accusations of price gouging as opposed to customer confusion about the rates or TOU structure. The tone of the comments is mostly negative and speaks to customer frustration with being forced to move rates because Evergy is trying to spike customer bills to increase profits."*

In a response[26] filed on September 13, PSC staff rejected this proposal stating, *"A tariff is a schedule of rates and charges. "In the context of cases before the [PSC], the terms 'tariff" and 'rate schedule' are synonymous. Under traditional, cost-of-service ratemaking, a tariff can only be modified after a general rate proceeding during which all relevant factors are considered.*

[26] ET-2024-0061 - Item 7: https://efis.psc.mo.gov/Document/Display/754825

Between rate cases, the tariff is fixed and immutable." Essentially, Staff argued that Evergy should have filed a new rate case.

However, in an order passed on September 27, the Commission approved Evergy's request, stating *"Evergy is not requesting that the Commission change any of the current rate choices under the available TOU plans. Instead, it is requesting that from the multiple TOU rate options included in Evergy's current tariff, that the Commission switch the default TOU rate from the high-differential TOU to the low-differential TOU rate. Evergy's amended application does not seek to change the price per kWh the Commission established under the approved TOU rate implementation plan."*

It is interesting to note that while the Evergy spokeswoman Gina Penzig publicly stated preference for opt-in implementation, the company did not seek this change from the Commission even in the revised docket.

Bold Policy Is Not Enough: Expectation Setting Matters

In January 2024, Senator Cindy O'Laughlin, through Senate Bill 759, made the TOU rate opt-in, reversing the other bold aspect of PSC's decision. In February, Chairman Scott Rupp, who had signed off on the initial *opt-out* proposal with a 4:1 differential, was replaced by Commision member Kayla Hahn, making his tenure as Chairman of Missouri PSC the shortest in the last 30 years.

What went wrong? Per the author's analysis, it seems that the Commission potentially overlooked four important factors: timelines, consumer protection, marketing and lack of strong political will. **The broader issue encompassing this is expectation mismanagement with respect to the utility, customers and political actors.** Missouri PSC expected Evergy to have a head-start and execute the plan within 10 months when there is no clear precedent for this pace

of implementation[27]. The Commission assumed that warnings of *potential bill increases* without an explicit mention of cost savings matter more for customer education. While the intent - to set realistic expectations - might be ethically sound, in the absence of any consumer protection programs[28], this assumption fell flat on its face. The Missouri Commission also underestimated the impact of public backlash especially in the absence of a strong political will[29].

Recommendations

First, it is useful to examine useful recommendations that were made throughout the course of this case, but were not followed:

- In item 5, EW-2023-0199, Brattle Group, in their analysis of other TOU implementations, highlight **focusing on price discounts**. From slide 22, Utilities *recommended focusing messaging on the off-peak price discount that is offered during the majority of hours of the year relative to current standard non-TOU rate. This includes when engaging with the media*
- On slide 23, they highlight that **customer engagement** might take longer. *Some utilities provided up to a full year of customer engagement prior to the transition. In the case of the California utilities, early engagement focused on a general statewide information campaign*
- Most importantly, the section on **rollout strategy** points to a much **slower and cautious approach** with emphasis on a “soft launch”, “deployment in waves”, “targeted initial deployment” instead of a full-scale approach.

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[27] EW-2023-0199 - Item 5, Page 26 of 34 Brattle Group Analysis: *For several utilities, the period during which consumers were moved to new TOU rate spanned 15-20 months* Docket Sheet - EW-2023-0199 - Item 5 - EFIS

[28] See section **Recommendations** for specific risk mitigation levers suggested by Brattle Group in EW-2023-0199 - Item 5

[29] Appendix items 3 highlight customer responses on social media

In addition to these, the author finds planning around **call center** strategy questionable. Since this was an *opt-out, high price differential* case (before the revision in September), the Commission could have asked Evergy to front-load investments in call center operations. Evergy aimed to hire 30 TOU-specific call center representatives[30] in May 2023, but that number seems low, given:

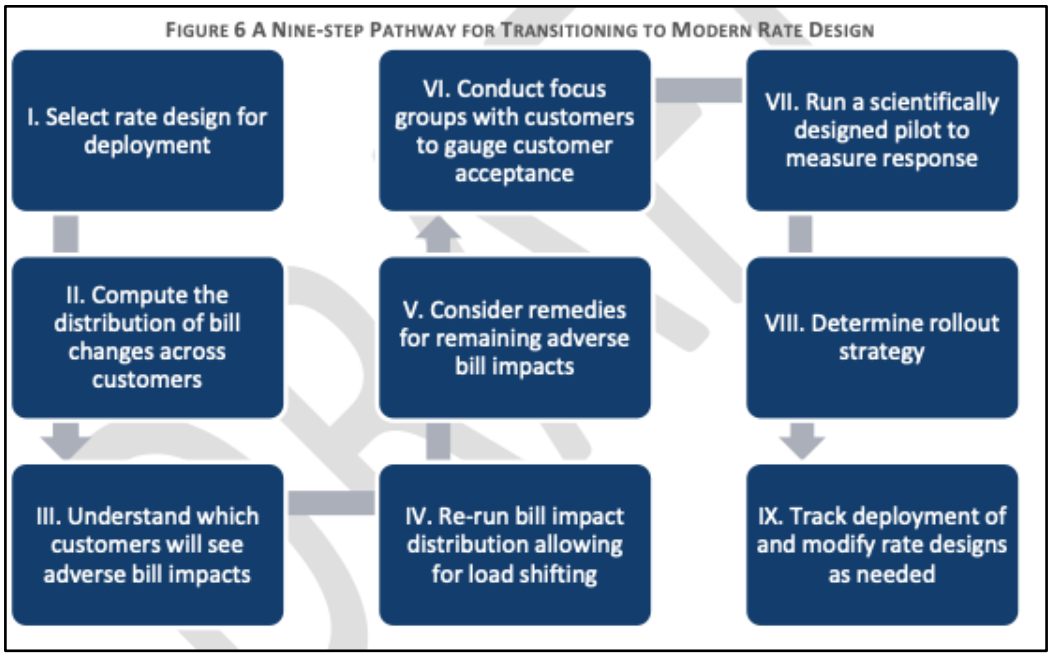
- Evergy (EMM, EMW) had a total of 600,000 customers. Since the plan was opt-out, all 600,000 customers would be impacted through the rate change. Let's assume the 80% who see savings are fine, but the 20% are worried and want to talk to someone
- This 20% number would translate to 120,000 customers. Even if these people get posters, billboards etc., when it comes to increased expenses, one can assume they'd still want to clarify. If we assume 80% of these customers decide to call, that's ~96,000 customers
- We assume these customers call once uniformly across a 5-day period- that would be 96,000/5 ~20,000 calls per day. 30 people handling this volume would mean 20,000/30 = ~700 calls per day. Assuming call center operators work for 6 productive hours in a day, that's 700/5 = 140 calls per hour, which is 140/60 = 2 and ⅓ rd call in a minute

Even if this math is off ~30%, 30 people in Call Center Operations are not enough to implement a step like this. The broader point is PSC Staff, or the Commission never asked questions like this, which indicates to the author that instead of focusing obsessively on the nitty-gritties of language which would "educate" the customer, they could have spent time on anticipating customer needs better.[31]

[30] EW-2023-0199 - Item 12, slide 58: https://efis.psc.mo.gov/Document/Display/189424

[31] Appendix, item 5: Example of Staff Response that highlights poor customer understanding. Docket EW-2023-0199, Item 13

From the nine-step process recommended by expert Ahmad Faruqui from the Brattle Group[32], Evergy lacked a clear strategy for step V, VI, VII. To implement bold policy changes successfully, the author believes Public Service Commissions need to hold utilities accountable on these steps as a part of the TOU rate case mandate. The more risk-proof the strategy, the lower would be likelihood of political actors preventing forward-looking change.

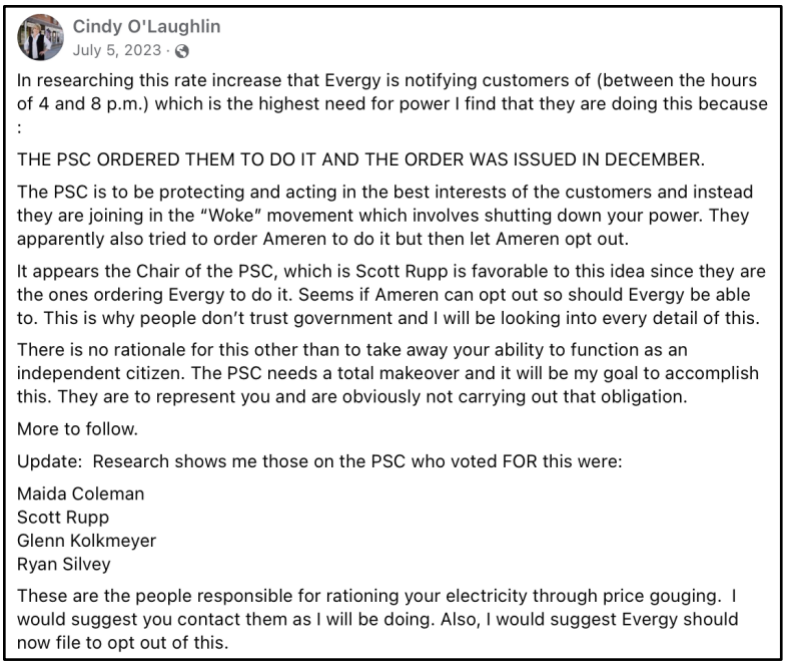


Appendix

Item 1: Senator Cindy O' Laughlin's Facebook post specifying names of Commission members who voted for the proposal and highlighting what Evergy should do[33]

[32] A. Faruqui and Z. Tang, draft document, Page 14, - Time-varying rates are moving from the periphery to the mainstream of electricity pricing for residential customers in the United States

[33] https://www.facebook.com/cindy.olaughlin/posts/pfbid01HEXa5UfJE9ncCN9ZSM37e6BcPzFx7nGQkioJeP171y5jgX6NJfEj1A49LECupurl



Cindy O'Laughlin
July 5, 2023 ·

In researching this rate increase that Evergy is notifying customers of (between the hours of 4 and 8 p.m.) which is the highest need for power I find that they are doing this because :

THE PSC ORDERED THEM TO DO IT AND THE ORDER WAS ISSUED IN DECEMBER.

The PSC is to be protecting and acting in the best interests of the customers and instead they are joining in the "Woke" movement which involves shutting down your power. They apparently also tried to order Ameren to do it but then let Ameren opt out.

It appears the Chair of the PSC, which is Scott Rupp is favorable to this idea since they are the ones ordering Evergy to do it. Seems if Ameren can opt out so should Evergy be able to. This is why people don't trust government and I will be looking into every detail of this.

There is no rationale for this other than to take away your ability to function as an independent citizen. The PSC needs a total makeover and it will be my goal to accomplish this. They are to represent you and are obviously not carrying out that obligation.

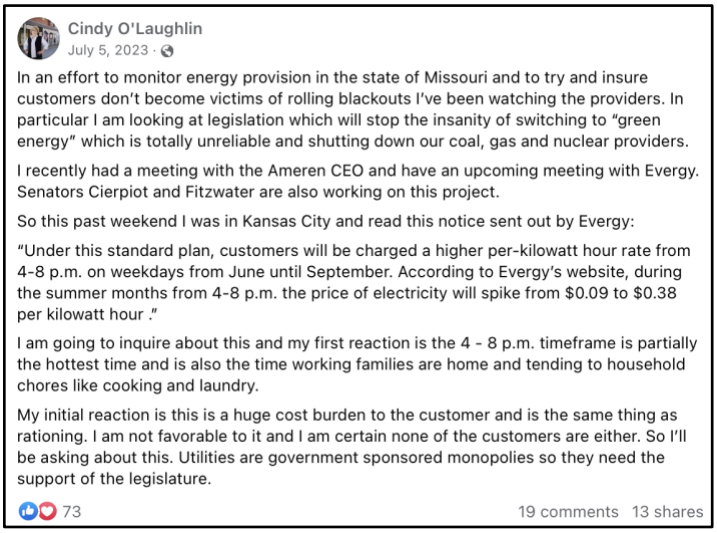
More to follow.

Update: Research shows me those on the PSC who voted FOR this were:

Maida Coleman
Scott Rupp
Glenn Kolkmeyer
Ryan Silvey

These are the people responsible for rationing your electricity through price gouging. I would suggest you contact them as I will be doing. Also, I would suggest Evergy should now file to opt out of this.

Item 2: Senator's Facebook post highlighting she would be meeting with Evergy leadership[34]



Cindy O'Laughlin
July 5, 2023 ·

In an effort to monitor energy provision in the state of Missouri and to try and insure customers don't become victims of rolling blackouts I've been watching the providers. In particular I am looking at legislation which will stop the insanity of switching to "green energy" which is totally unreliable and shutting down our coal, gas and nuclear providers.

I recently had a meeting with the Ameren CEO and have an upcoming meeting with Evergy. Senators Cierpiot and Fitzwater are also working on this project.

So this past weekend I was in Kansas City and read this notice sent out by Evergy:

"Under this standard plan, customers will be charged a higher per-kilowatt hour rate from 4-8 p.m. on weekdays from June until September. According to Evergy's website, during the summer months from 4-8 p.m. the price of electricity will spike from $0.09 to $0.38 per kilowatt hour ."

I am going to inquire about this and my first reaction is the 4 - 8 p.m. timeframe is partially the hottest time and is also the time working families are home and tending to household chores like cooking and laundry.

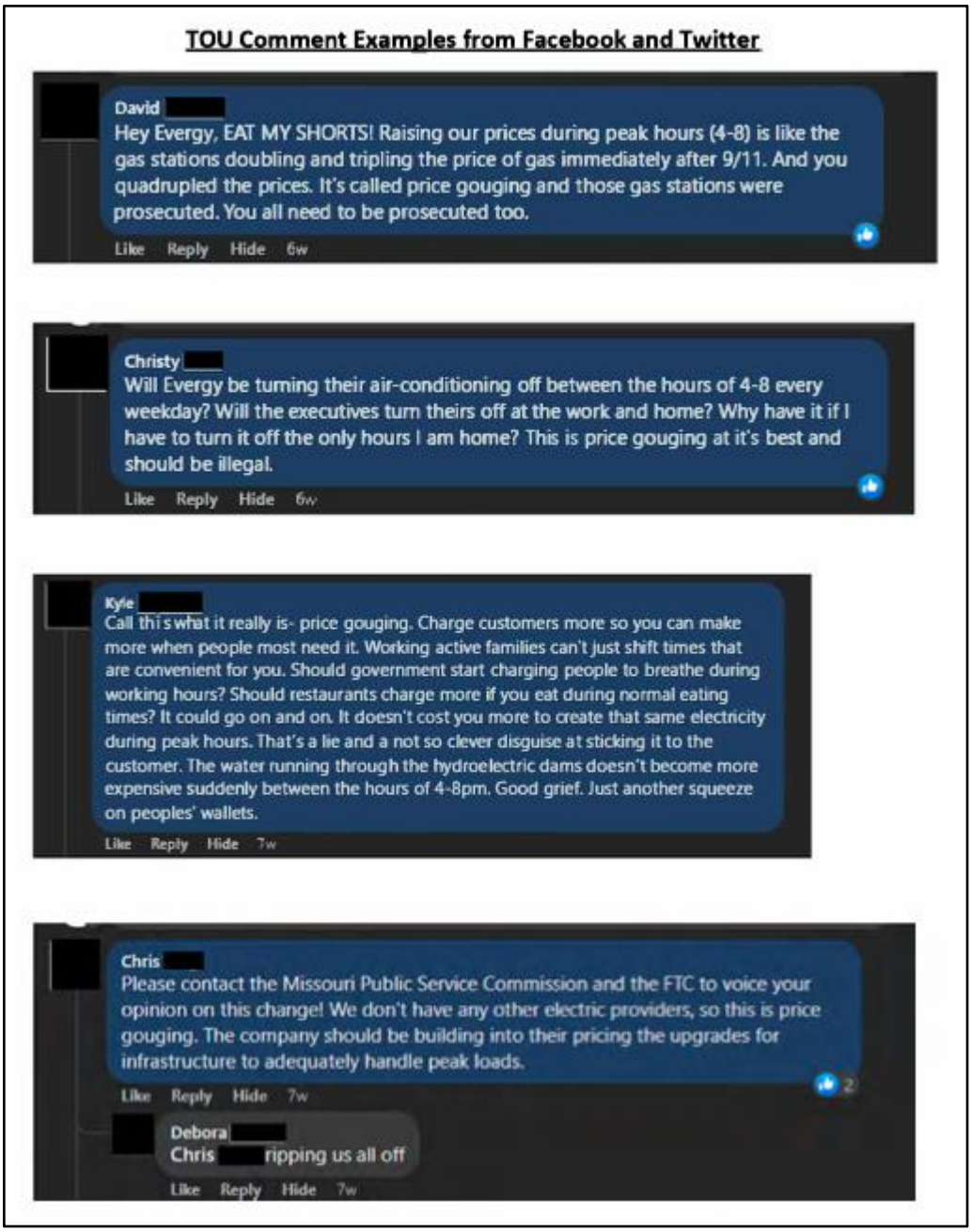
My initial reaction is this is a huge cost burden to the customer and is the same thing as rationing. I am not favorable to it and I am certain none of the customers are either. So I'll be asking about this. Utilities are government sponsored monopolies so they need the support of the legislature.

73 19 comments 13 shares

Item 3: Evidence presented by Evergy of customer backlash on social media[35]

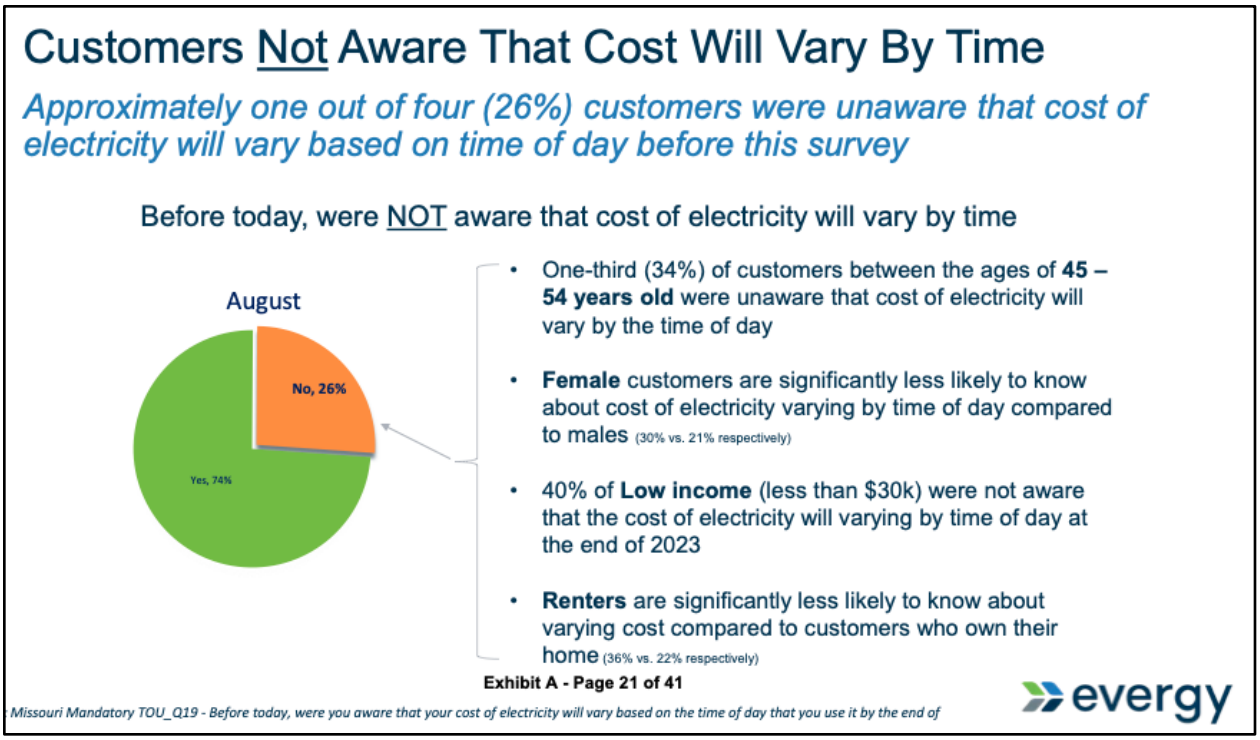
[34] https://www.facebook.com/cindy.olaughlin/posts/pfbid092R33ehhgV7HZ1a3MEPcxiEW99CVTD4fvrduoT2gmoX3tHtf3VRSPAkDcSnWQpTVl

[35] ET-2024-0061, Item 1, Exhibit B, Page 1 of 3: https://efis.psc.mo.gov/Case/FilingDisplay/573970



Item 4: Lack of awareness among older and low-income customers as presented needed a more cautious and step-by step approach[36]

[36] ET-2024-0061, Item 1, Exhibit A, Page 21 of 41: https://efis.psc.mo.gov/Case/FilingDisplay/573970



Item 5: Most of PSC Staff recommendations were around modifications to marketing material[37]

Evergy Missouri is changing electric rate structures this Fall, and Evergy is here to help you understand your new rate options, how to pick a plan that is best for your home, and how to be successful on the new plan as the seasons change. This means that Missouri customers will have a choice of electric rate plans that fit their household. The new rate plans charge higher rates for energy used at peak times, and lower rates for energy used at other times.~~The new rate plans will help you save money when using less energy during peak times, when people use it most~~.

Phase 2 Evergy is offering new rate plans to charge you more for energy used~~ to help you save money by using less energy~~ during peak times…

[37] ET-2023-0199, Item 13, https://efis.psc.mo.gov/Document/Display/74736