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OVERVIEW:

Company Summary

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PRESENTATION

Operator

Good day, and thank you for standing by. Welcome to the Q4 2024 Evergy Inc. earnings conference call. (Operator Instructions) Please be advised that today's conference is being recorded.

I would now like to hand the conference over to your first speaker today, Pete Flynn, Director of Investor Relations. Please go ahead.

Pete Flynn - *Evergy Inc - Director, Investor Relations*

Thank you, Jill, and good morning, everyone. Welcome to Evergy's fourth quarter 2024 earnings conference Call. Our webcast slides and supplemental financial information are available on our Investor Relations website at investors.evergy.com. Today's discussion will include forward-looking information. Slide 2 and the disclosures in our SEC filings contain a list of some of the factors that could cause future results to differ materially from our expectations. They also include additional information on our non-GAAP financial measures.

Joining us on today's call are David Campbell, Chairman and Chief Executive Officer, and Bryan Buckler, Executive Vice President and Chief Financial Officer. Dave will cover 2024 highlights, provide updates on economic development activities, and discuss our regulatory and legislative agendas. Bryan will cover our fourth quarter and full-year results, retail sales trends, and our financial outlook. Other members of management are with us and will be available during the Q&A portion of the call.

I will now turn the call over to David.

David Campbell - *Evergy Inc - Chairman of the Board, President, Chief Executive Officer*

Thanks, Pete, and good morning, everyone. I'll begin on slide 5 by first thanking our employees who worked tirelessly throughout the year, to advance our strategic objectives of affordability, reliability, and sustainability. I'm proud and honored to lead the Evergy team. And with respect to 2024 results, I'm pleased to report that we had a solid year. Overcoming weather headwinds in the fourth quarter and throughout the year, we reported adjusted earnings of $3.81 per share compared to $3.54 per share a year ago.

Strong cost management helped to offset the impact of the mild weather. Bryan will discuss earnings drivers in more detail as part of his remarks. In 2024, we also executed on our capital investment plan to improve reliability and resiliency, investing $2.3 billion in infrastructure to modernize our grid and replace aging equipment.

As we look ahead, executing on our five-year $17.5 billion capital plan is a great challenge and a great opportunity to support and enable the economic prosperity of our region. Our success will come from the tremendous teamwork we have within Evergy. 2024 also proved to be a strong year in regulatory execution and advancing initiatives that allow us to invest for growth in Kansas and Missouri to the benefit of the customers and communities we serve.

In Kansas, the passage of House Bill 2527 demonstrated the support of Kansas legislators, regulators, and stakeholders for infrastructure investment to power economic development. It also underscores the importance of a competitive and constructive regulatory framework, helping to mitigate regulatory lag, and supporting our credit profile. In Missouri, we are pleased to reach unanimous settlement with stakeholders in our Missouri West rate case, which included the addition of a joint ownership interest in the Dogwood Energy Center, a low-cost energy solution for our customers.

The settlement provided a balanced outcome for customers and communities we serve and reflects the broad-based alignment around our infrastructure investments while ensuring we continue to provide reliable and affordable electric service. We also requested to go ahead to construct three new natural gas facilities and three solar farms. If approved by our Kansas and Missouri regulators, these will represent the first new dispatchable resources we've built in over 10 years, and our first utility-scale solar farms. In aggregate, these plants totaled just over 2,100 megawatts.

As we outlined in our 2024 integrated resource plans, our overarching goal is to identify the most cost-effective and resilient plan that reliably serves our customers. We expect to file our annual updates to our IRPs in March and April in Missouri and Kansas, respectively.

In targeting top-tier performance in operations, 2024 was another solid year. After achieving significant improvements in reliability in 2023, we matched and maintained that strong performance during the year with unusually severe weather. Through the summer, we experienced 10 severe storm events with wind gust in excess of 50 miles per hour, downing trees and causing extensive damage to equipment and structures across our territories.

Our line crews who are the bedrock of safely delivering affordable and reliable power to our customers, worked tirelessly through the extreme weather to restore power to our customers and we thank them for their contributions. In November, we raised our dividend 4% to an annualized $2.67 consistent with our 60% to 70% target payout ratio and gradually lowering the payout ratio within that range, which is a trend that we expect to continue.

As noted on slide 5, we are reaffirming our 2025 adjusted EPS guidance range of $3.92 per share to $4.12 per share with a midpoint of $4.02 per share. We're also reaffirming our long-term growth target of 4% to 6% through 2029 based on the 2025 midpoint of $4.02 per share. From 2026 to 2029, we anticipate being in the top half of this guidance range relative to the 2025 baseline.

Moving to slide 6, we highlight our three major economic development wins, Google, Panasonic, Meta, and two traditional data centers in Missouri. In total, their demand represents 800 megawatts of load. Based on these announcements, we are reaffirming our weather-normalized demand growth forecast of 2% to 3% through 2029. Additional large customers will be additive to this forecast.

Slide 7 describes our economic development pipeline in greater detail. Reflecting the economic vitality and geographic advantages of our region, the overall pipeline remains robust in both Kansas and Missouri and has grown from roughly 6 gigawatts to over 11 gigawatts, including the customers announced to date.

As a point of reference, our projected peak summer demand for 2025 is approximately 10.6 gigawatts, so relative to our size, this makes our backlog of growth opportunities, one of the most robust in the country, reflecting the competitiveness of our region. Of course, the environment for new economic development projects is competitive, and we do not expect to win all projects in the queue.

As we discussed in our third quarter earnings call, we remain in advanced stages of negotiation with two large customers. We have identified generation and transmission solutions for both. We previously shared with you that the load from these projects could total 500 megawatts to 1,000 megawatts in aggregate, which we now anticipate will be 1.6 gigawatts. One of these customers is evaluating our Kansas service territory and the other, an existing data center customer is evaluating an expansion in Missouri.

Subject to final agreements and project announcements, we expect to begin to see an impact on our demand growth from these customers in 2027 or in 2028 and into the next decade. We'll be very excited to add these new projects and further establish our region as a leading player in the US digital and advanced manufacturing e-com. Both customers are tracking to share announcements regarding their plans later this year.

In addition, we are actively working with customers whose loads would represent approximately 3 gigawatts. These are customers that have acquired land or land rights, presented a site plan and, in some cases, signed letters of agreement to advance the evaluation process. The remaining 6 gigawatts in our pipeline are associated with preliminary conversations had with potential customers. While all of this load may not be addressable, the dialogue nonetheless demonstrates the significant activity and interest in Kansas and Missouri and customers who stand ready if others drop out of the queue.

We're very excited about the economic impact and prosperity that these large customers will bring, including construction jobs, permanent jobs and expanded tax base and many other benefits such as helping us to advance our affordability and reliability goals. It is truly a transformative time for our company, reflecting and further advancing the vitality of Kansas and Missouri.

As a reminder, our capital investment and load growth forecast only reflect the projects announced today that are shown on slide 6. Many of you will ask about the timing of revising our plans to reflect new large customers. As a general rule, we will announce specifics on these projects in tandem with customer announcements regarding their plans.

Our focus on affordability and regional rate competitiveness is an important contributor to this pipeline and provides the foundation for supporting the tremendous growth in our region. As part of the exercise alongside the economic development rates that are in place in both Kansas and Missouri, we have filed large load power service tariffs in both states to ensure that there is appropriate and adequate recovery associated with large new loans. While the procedural schedules have not yet been finalized, we anticipate resolution in both states in the third quarter.

Slide 8 lays out our updated capital expenditure forecast. Our latest rolling five-year investment plan totals approximately $17.5 billion from 2025 to 2029, which represents a $1.3 billion increase relative to the revised five-year forecast we provided on our third quarter earnings call. This quarter's update primarily reflects the assignment of one half of a combined cycle natural gas plant to Missouri West, which was previously unallocated across our operating companies and excluded from our capital forecast. It also incorporates an updated cost estimate for the natural gas combustion turbine facility we announced last year, along with some minor shifts across divisions.

To summarize, our revised capital forecast includes a significant portion of the 2024 integrated resource plans, and we'll continue to evaluate incremental projects, pending our 2025 IRP updates, including a third combined cycle unit at Kansas Central, and a combustion turbine unit at our metro jurisdiction.

Our five-year investment program is expected to result in 8.5% annualized rate base growth through 2029, which compares to our prior forecast of approximately 8%. We'll take a prudent approach to financing the tremendous growth opportunity this investment plan represents, utilizing a balanced mix of debt, equity and equity-like securities as well as internally generated cash flow to support our balance sheet and strong investment-grade credit rating.

We'll take a flexible approach to equity financing with optionality around timing and execution of. Bryan will provide more details on our financing strategy in his remarks. Alongside these new generation investments, the majority of our five-year capital plan is focused on transmission and distribution projects and other investments that advance our strategic objectives of affordability, reliability and sustainability and enable us to support economic prosperity and growth in our state.

Turning to slide 9. We highlight our adjusted EPS growth outlook, which projects 4% to 6% growth off the 2025 adjusted EPS guidance midpoint of $4.02 with an expectation to grow in the top half of the 4% to 6% range through 2029. The midpoint of 2025 guidance represents a 5% increase over the 2024 guidance midpoint, consistent with our prior target.

Our growth outlook is driven by our $17.5 billion five-year capital plan, which includes the investments to serve the 2% to 3% load growth that we expect through 2029. We anticipate a regular cadence of rate case filings across our jurisdictions, approximately every 18 months, though that won't be true every cycle or in every jurisdiction. Importantly, our growth outlook only reflects the new customers announced today and any new announcements will be additive to this forecast.

Moving to slide 10. I'll provide a brief update on our regulatory and legislative priorities in both Kansas and Missouri. In a nutshell, it's been a busy and productive start to the year. On January 31, we filed our Evergy Kansas Central rate review, requesting a $196 million revenue increase, premised on a 10.5% return on equity, an approximate 52% equity ratio and a projected $6.7 billion rate base as of the proposed March 31, 2025, through a period. We believe this rate request is straightforward and reflects the capital plan and infrastructure investment priorities that we've communicated to Kansas regulators and stakeholders in workshops in other settings over the past few years.

The principal items include recovery of and return on our grid modernization and infrastructure investment since our last rate review in 2023. The procedural schedule calls for staff and intervenor testimony by June 6, rebuttal testimony on July 3, settlement conferences on July 8 to 9 and hearings beginning on July 21. As a reminder, Kansas rate case is run on an 8-month block. We look forward to working with our regulators and stakeholders over the coming months to achieve a constructive outcome for our Kansas customers.

We also have pending request for predetermination on partial ownership of two combined cycle gas plants and a solar farm in Kansas. Next up in the predetermination procedural schedule is staff testimony, which is due March 14 followed by rebuttal testimony on April 4, a settlement conference on April 9 and hearings beginning on April 21. We anticipate an order from the KCC by July 7.

And as I mentioned earlier, we have filed a request to approve a large load power service tariffs that would apply to prospective data center customers. We are currently awaiting a procedural schedule and anticipate resolution in the third quarter. We believe the tariff allows for adequate cost recovery associated with large new loads while being competitive with rates in neighboring states. The filing presents a strong framework that will advance the prosperity of our region, and we look forward to working with KCC staff and all of our stakeholders to the approval process.

Now switching to the legislative front, we introduced House Bill 2107 in Kansas this year. If past, this bill would codify and statute the legal framework around wildfire damages and call for a workshop before the KCC to assess wildfire mitigation strategies and cost recovery. We view wildfire mitigation to the lens of safety and reliability, which are driving principles behind our transmission and distribution capital plan.

Along with the limit on punitive damages, the legislation requires potential lawsuits, to prove that a wildfire was caused by utility negligence and calls for a wildfire focused workshop at the KCC, providing an opportunity for constructive dialogue with Kansas stakeholders to explore additional risk mitigation and cost recovery options.

The bill passed unanimously out of committee and was recommended favorably for passage in the house yesterday afternoon. Later today, in fact, we expect the house to bring HB 2107 up for final action in the house. The bill would then be sent to the Senate. We appreciate the engagement from legislative committee members, the Kansas Farm Bureau, Kansas Livestock Association and many others in advancing this legislation.

Pivoting to Missouri. Earlier this week, Senate Bill 4 cleared a major hurdle and was passed out of the Senate. It has now been sent to the house where to wait for further action. Key provisions include amending the PISA statute to include new natural gas units an extension of the PISA sunset to the end of 2035 as well as allowing for recovery of construction work in progress, or CWIP from new natural gas plant investment and base rates, similar to that in Kansas.

There are also provisions that would streamline the generation resource planning process and ensure we have sufficient capacity to serve our customers. In addition, SB4 expands CWIP to all forms of generation as part of a new integrated resource planning process, replacing a nearly 50-year-old prohibition on CWIP put in place by a statewide boat way back in 1976.

If pass this legislation will be transformative for the Missouri regulatory framework. We are grateful for the collaboration with the Missouri Public Service Commission, legislative leadership, the Governor's Office, Commission staff, the Office of Public Counsel, our utility partners and our key stakeholders in making the significant progress that we've achieved thus far. This bill positions Missouri to support infrastructure investment, resource adequacy, reliability and growth.

As a reminder, the legislative session of Missouri is scheduled to wrap up in May. On the Missouri regulatory front, we have pending requests for certificates of convenience and necessity, or CCN, related to two solar farms, partial ownership and two combined cycle natural gas units and full ownership of a simple cycle natural gas plant, all of Missouri West. Staff recommendation in the solar case is due on March 7 -- March 17 and staff report and rebuttal in the natural gas case is due April 25.

Similar to Kansas, we filed a request in Missouri to approve a large load power service tariff on February 14, and we are currently awaiting a procedural schedule. We anticipate resolution in the third quarter.

I'll conclude my remarks with slide 11, which highlights the core tenets of our strategy. Our efforts to enhance affordability have yielded significant progress in improving regional rate competitiveness over the past few years. Our strategic plan is designed to sustain this momentum by keeping our long-term rate trajectory in line with the rate of inflation while investing in infrastructure to support growth across our region.

By prioritizing affordability, we contribute to the robust economic development pipeline ahead of us and support the substantial economic potential within our state. As outlined in our capital plan, we will continue to invest in good modernization to ensure reliability, strong customer service and strong performance in safety, safety, public safety and grid resiliency. This includes a focus on metrics related to personnel safety, customer service, generation availability and infrastructure investment.

Our primary sustainability goal is to lead a cost-effective energy transition, as reflected by our investments in new natural gas plants and solar farms in support of our Kansas and Missouri customers. We look forward to continuing to demand a balanced mix of resource additions over the coming years to support growth and prosperity in our states.

With that, I will now turn the call over to Bryan.

Bryan Buckler - *Evergy - Executive Vice President, Chief Financial Officer*

Thank you, David. Thank you, Pete, and good morning, everyone. I'll start on slide 13 with a review of 2024 financial results. For the full year 2024, Evergy delivered adjusted earnings of $878 million or $3.81 per share compared to $816 million or $3.54 per share for the same period last year.

As shown on the slide from left to right, the year-over-year increase in adjusted EPS was driven by a few factors. First, a cooler summer and mild winter weather drove a 5% decrease in cooling degree days and a 4% decrease in heating degree days, leading to a $0.13 decline in EPS versus 2023. When compared to normal, weather drove an estimated $0.11 unfavorable impact.

Next, load growth was strong increasing 1.1%, driven by higher residential and commercial sales volumes, which added $0.14 per share. Recovery of and return on regulated investments, driven by new retail rates and FERC regulated investments contributed $0.48 of EPS for the year. Unfavorable variances for the year included operations and maintenance expense, which drove a $0.05 negative variance for the year. As expected, O&M costs were approximately 1.8% higher than the prior year, demonstrating continued excellence and cost management, and higher depreciation and interest expense due to increased infrastructure investment drove a $0.17 decrease in EPS.

Turning to slide 14. I'll provide a brief update on sales trends. As I mentioned, 2024 weather-normalized retail sales increased 1.1%. This trend has been primarily driven by solid growth in both residential and commercial usage, including load results that are beginning to benefit from the start-up of Meta's data center operations. At a macro level, the continued robust customer demand in our service areas is supported by a strong labor market as the Missouri, Kansas, and Kansas City metro area unemployment rates remain below the national average.

As referenced on the slide, our 2025 load demand growth forecast contemplates a 2.4% growth relative to 2024. This includes solid contributions from all customer classes and reflects the resilient growth of our local economies. We expect Meta and Panasonic operations to contribute a little less than half of this 2025 total load growth with Panasonic expecting substantial operations to begin by midyear.

As David noted in his earlier remarks, we expect weather-normalized demand growth through 2029 of 2% to 3% when factoring in the impact of the announced new large customers with upside potential as additional customer wins come to fruition.

Let's move to slide 15 to lay out how we expect to deliver on our previously announced 2025 EPS guidance midpoint of $4.02. Starting on the left-hand side, and beginning with 2024 adjusted EPS of $3.81, we've modeled a reversion to normal weather in 2024, which would add $0.11 per share. Next, we expect a $0.19 increase from weather-normalized load growth in 2025, reflecting the 2.4% increase in kilowatt hour sales. Of the $0.19, we expect a contribution of about $0.04 from the new commercial and industrial large load customers as Meta and Panasonic begin to come online.

Recovery of and return on our regulated investments from new rates is expected to contribute $0.41 of EPS for the year, primarily related to new rates that came into effect January 1 related to last year's Missouri US rate case, as well as the recovery of FERC regulated infrastructure investments. Offsetting these improvements in earnings is an expected increase in O&M as well as the combined impact of higher depreciation and interest expense, net of AFUDC which is expected to drive a $0.31 unfavorable impact.

Lastly, we assume $0.04 a drag related to our $1.4 billion of convertible debt that matures in December 2027. This reflects our assumption around a share price higher than the threshold price in the convertible note option, which would increase diluted shares outstanding for accounting purposes. The impact of this dilution is reflected in our long-term forecast. As a reminder, we continue to assume no common stock capital market issuances in our 2025 guidance.

In relation to the entirety of this 2025 EPS forecast, we believe this financial plan is highly achievable. Our teammates across the company are hard at work on its effective implementation including the deployment of the 2025 infrastructure investments to the benefit of our customers and communities.

Let's now turn to our updated financing plan on slide 16. As David mentioned, our projected capital investments over the five years through 2029 now stand at $17.5 billion, which is $1.3 billion higher than the plan we discussed in our last quarter call. This plan now reflects the addition of 355 megawatts of our new combined cycle, which is being a sand Missouri West, along with updated cost estimates for Mullen Creek CT unit.

We plan to fund our investments prudently, targeting an FFO to debt ratio of approximately 15% throughout the forecast period. Our strong cash flows from operations will be supplemented by the issuance of debt, equity and equity content instruments. As a result of the $1.3 billion increase in capital investments, our forecasted equity issuances across 2026 to 2029 is now forecasted to be $2.8 billion. This represents a $600 million increase over our previous forecast, equal to approximately 50% of the capital investment increase, which is consistent with the approach we described on our third quarter call.

As stated earlier, the EPS and financing plan we are sharing with you today only includes load growth expectations from the first set of large customer additions. We are optimistic that our equity needs will be lower for this $17.5 billion capital plan if additional large customers begin to come online by 2028, which as previously discussed, is becoming increasingly likely.

In short, our customer pipeline has the potential to not only increase Evergy's earnings power, but would also have to provide a substantial benefit to operating cash flow, allowing us to moderate equity issuances in the future.

As I stated earlier, our 2025 guidance does not contemplate new equity issuances this year. That being said, you may soon see us set up the structure to begin to address our future equity needs. This could include an ATM program and equity distribution agreement of up to $1.2 billion, representing a little less than half of our five-year need, and is roughly equivalent to our expected issuances in '26 and 2027 combined.

We would expect any activity in 2025 under such a program to settle no earlier than 2026. These steps will allow us to be nimble in our approach to accessing the capital markets. And one last reminder on equity. While we have conservatively forecasted common stock as the form of equity to be issued, we will continue to evaluate other forms of equity content instruments as we execute on the plan in the years ahead.

I will close on slide 17 with a recap of our financial expectations. We are reaffirming our 2025 adjusted EPS guidance range at $3.92 to $4.12 per share. From the baseline midpoint of $4.02 in 2025, we expect to grow in the top half of our 4% to 6% adjusted EPS target range through 2029 with tailwinds to the plan, including potential additional wins from our large customer pipeline.

Our updated five-year capital plan for 2025 through 2029 totaled $17.5 billion, allowing us to build the infrastructure for a resilient and reliable grid with capacity for strong economic development in Kansas and Missouri. Our rate base growth trends upward throughout the five-year period with average rate base growth of approximately 8.5% from 2024 to 2029. This is a plan in which we have high confidence.

Our employees are focused on consistent execution of our customer, operational and financial goals as we advance our strategic objectives of ensuring affordability and reliability and driving a sustainable business model for the long-term prosperity of our customers and communities.

Thank you for joining us today. We will now open the line for your questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Shar Pourreza, Guggenheim Partners.

Shahriar Pourreza - *Guggenheim Securities - Analyst*

Obviously, really good update. What's the time line for these 1.6 gigs of finalizing agreements? And then just more broadly, what is the podium for revisiting the growth rate? Is it the quarterly update later this year, wait until the next 4Q? Just any more color on how all this is interacting with your thoughts on updating the Street? Just maybe elaborate a little bit on the prepared.

David Campbell - *Evergy Inc - Chairman of the Board, President, Chief Executive Officer*

Sure. And thank you, Shar. So with respect to the pipeline, we wanted to provide a bit of detail around how it breaks down, which you obviously like on slide 7. These discussions are advancing well. We filed our large power tariff earlier this month in both states. With large customers over time, we have seen with many customers there as is the case with those who are actively building, many of them are advancing and work advancing our plans while the tariffs are being final as in parallel. It's actually pretty common. We saw it certainly with Panasonic. If you've ever flown over that facility, it's an amazing incredible facility and much of that was built for the tariff. .

So we expect announcements later this year. We're tracking for that. We're working with the counterparties on that. And what -- the way we've approached things in terms of when we're incorporating into our guidance are I know there's a range of approaches of our peer utilities. But we've done have made the most sense to include it once our customers have made their announcements.

So we're not specifying when exactly which quarterly call that will be because it will depend a little bit on the customer activity. We do expect these agreements to be finalized over the course of the year. Typically, we give updates on our plan in the third quarter call and then there's often refreshers of the year-end call. So it could be that time line. But obviously, we'll be nimble based on when we finalize the agreements with the customers. Hopefully, that makes sense.

Shahriar Pourreza - *Guggenheim Securities - Analyst*

No, it totally does. And I appreciate the conservative stance. Just on the GRC in Kansas, we just saw the commission reject the cap structure, legal analysis request. I guess what is the next for the -- what's the next step for the cap structure? Is it going to go through the normal testimony process? And kind of more importantly, is this something you want to get finality on? Or could we see it wrapped up in another settlement like last time?

David Campbell - *Evergy Inc - Chairman of the Board, President, Chief Executive Officer*

Good question, Shar. Thanks for raising it. So I would characterize the proceeding. It was really -- it was a procedural step that we took asking whether the capital structure issue could be considered on purely legal grounds, the commission ultimately decided that from a procedural basis, is posing us substantive issues they want to address it in the body of the rate case, which we think is fine and is a typical place where it is addressed. And we were glad to be able to advanced legal arguments because a lot of the issues here are more legal in nature. But it's -- there are substantive issues. So we look forward to addressing them with staff and the parties in the rate case.

With respect to resolution, we're -- we typically, like most parties really drive towards trying to seek a constructive settlement. We were able to reach that last time around. So I would expect that, that will be our focus is whether we can get a constructive settlement this time around. And that will be one of the important issues that we address as part of the settlement, but we will be seeking a settlement here.

Shahriar Pourreza - *Guggenheim Securities - Analyst*

Got it. That's perfect. Congrats to you and Mr. Buckler. Appreciate it.

Operator

Julien Dumoulin-Smith.

Julien Dumoulin-Smith - *Jefferies - Analyst*

Congratulations. Really nice lead on guys seriously. With that said, obviously, you gave some sense of time line here, but how do you think about the time line to develop that associated generation? You specifically called in the slides here, 26 to 29. As you think about serving that need, is some of this potentially going to be co-located and they'll be self-served by the potential client? Or is this something potentially thinking along the lines of short-term PPAs? Just thinking through how this could filter into the CapEx from a timing perspective as you think about that generation build. And correspondingly, how do you think about that tariff filing too, just given how compressed the potential demand is here?

David Campbell - *Evergy Inc - Chairman of the Board, President, Chief Executive Officer*

So Julien, I think we really have -- I've been talking on how we've advanced our RRPs relative to loads that have been announced. So we -- for the customers who are in the actively building and finalizing regimens categories, we think we've got a good plan to serve them from both the transmission and generation perspective.

As we advance additional customers, we'll need to make sure we've got -- we're working in tandem what the generation plans are for those. As we discussed on our call in the third quarter, the forward capital plan at that time did not include about 1,000 megawatts of generation in our 2024 IRP of gas generation. Those are the CCGT coming online in 2031 and CT in 2032.

So as we advance when we need to be factoring those in our plans, we did add though, in this update 50% of the CCGT that's coming online in 2030. So that is part of the forward capital plan. So we do think that we've got the game plan on the transmission generation capacity to serve the customers in this category, but it's a set of dynamic discussions. And you're absolutely right and how you laid it out. Some of the customers have, in particular, renewable generation options they're bringing the table.

To the extent those are solar or involve storage, they bring more capacity than if it's only wind. So that's part of the dynamic and the discussions you have with the various counterparties. And some have that, some don't. But we are developing a transmission and generation plan to be able to serve that load, and we're excited about it, and it's obviously an integrated set of discussions that has to consider all those factors.

On the tariff, I think we're on a good schedule. So while the procedural schedule has been finalized, we do expect those to be resolved in the third quarter. We've had good discussions with our counterparties in advance of and in tandem with those filings and done some previewing of it as well. So of course, those will be involved process. But we think we've got a good framework for approaching those. And from what I've read other states, I think it's pretty similar. It's got the right set of protections you'd want to look for our existing customers because I think there's a real win-win here for both existing and the new customers and for the company.

Julien Dumoulin-Smith - *Jefferies - Analyst*

Excellent. Just a quick clarification there. In terms of IRP, would you be going back and amending that and then subsequently going out with some sort of new procurement effort here? Just in terms of process on that front.

David Campbell - *Evergy Inc - Chairman of the Board, President, Chief Executive Officer*

Yes. So as I think you've probably seen with a number of our peers as well. IRPs are a little more dynamic than they might have been back in the day when you could do triennial filings with modest annual updates. We have a regularly scheduled update to IRP, we filed in March and April. So you can expect that to incorporate the changes that we think make sense. And there's mechanisms to updates on an interim basis. But our next IRP filings are in March and April in our two states, so you can expect that those are going to reflect the latest few of our expectations. And to the extent there's additional generation capacity and a time line that requires actions sooner rather than later, you'll see association with that.

We were happy with -- as you may recall, Julien, when we initially had CCGTs in our integrated resource plans, for example, it was at a time when many companies were still more focused on CT. I think we -- I'm proud of how our team has advanced the IRP and thoughtful about staying lockstep with what we expect from a brand perspective. So it's a very dynamic environment, but we have that integrated long-term planning view as we have these discussions.

Julien Dumoulin-Smith - *Jefferies - Analyst*

Awesome, guys. Congrats again.

Operator

Durgesh Chopra, Evercore ISI.

Durgesh Chopra - *Evercore ISI Institutional Equities - Analyst*

David, I wanted to continue the discussion on the large load tariff. Can you share some additional color you mentioned, protections for existing customers? Maybe just compare in contrast to that tariff to what is in place today, what protections are you seeking? Just a little more color would be helpful there.

David Campbell - *Evergy Inc - Chairman of the Board, President, Chief Executive Officer*

Sure. So great question. So we're really trying to get a well-balanced tariff that is designed to cover the incremental cost to serve the customers, and in consideration of the fixed cost of the system. So it's -- that set up as a win-win for the existing customers as well. Now the various protections that we've teed up and these will be subject to discussion, of course, but they're pretty consistent, and we've obviously been looking at to see what has been happening in the jurisdiction. So the kind of protection that we're talking about are minimum bill requirements, contract period, our filing reference is 15 years. A lot of those you see typically in the 10- to 20-year time frame, but -- so our contract period and exit fees and protections like that.

In general, in speaking with our big customers, they're interested in knowing that we have the capacity to serve them. They want to move quickly, and they want to have a clear framework as well. So we think we've got a set up that presents a well-balanced framework for existing and for the new customers.

Durgesh Chopra - *Evercore ISI Institutional Equities - Analyst*

That's very helpful. And seems consistent with some of the other filings you've seen in other states. Okay. And then just a quick follow-up. Would you need sort of the green light from the commission on these tariffs before you announce something as it relates to the 1.6 gigawatt opportunity? Are those two independent?

David Campbell - *Evergy Inc - Chairman of the Board, President, Chief Executive Officer*

It's a great question. So for example, we've had some large customers in the past, including -- one example would be Panasonic or others who have announced and started building down the path when the tariffs are negotiated in parallel. Some of their customers want to wait and have more clarity. It's actually not uncommon to have a lot of activity underway while the tariffs are advancing because there's a lot of -- there's a pretty clear framework for how it goes. So we haven't -- we'll see when the time line is for making the announcements, but it's not dependent in many cases, on actually having the tariff finalized and we've certainly seen that in our history, including our recent history. .

Operator

Michael Sullivan, Wolfe.

Michael Sullivan - *Wolfe Research - Analyst*

Wanted to start with the SB4 in Missouri, I think you referred to as potentially transformative. Can you maybe just give a sense of time line for that to get passed and likelihood there? And then also if it does, what it actually means for your plan? .

David Campbell - *Evergy Inc - Chairman of the Board, President, Chief Executive Officer*

So I think the -- look, this would -- this was a tremendous week for the legislation this week and reflected a kind of hard work. So really appreciate the leadership of the commission and a lot of players in advancing it the legislative leaders involved. So often in Missouri, as you know, Michael, you're soon in the state getting through the Senate is a very involved exercise because there's a significant fill of bust rules or otherwise. So it's clearing the Senate is often the most significant step to get through in Missouri.

Now it has to get approved in the house. But it was passed in full out of the Senate and now it's moving over to the house for action. The Governor's office, we believe, is fully supportive. So obviously, there are key players in the dialogue in the legislature and ultimately in signing. So the legislative session wraps up by May. So we'll know pretty soon. But the -- to get through the Senate, the way it did reflects widespread support, widespread alignment around the provisions.

We think it's transformative really in the elements of how it approaches, how new generation is treated, the inclusion in natural gas in PISA, the provision for the commission being able to grant CWIP for new natural gas plant investment, the creation of a new -- the enablement of a new integrated resource planning process that would allow CWIP for all forms of generation as part of that process. In Missouri, for 50 years, you haven't been able to get CWIP.

So I think the -- how it's transformative -- and there's some other provisions as well, of course, including funding for commission and OPC, but it's transformative in the sense that it's really signaling and putting in place provisions that are supportive of new generation investments, helping to make sure that those are -- can be done in a way that's protected with the credit of the utility with CWIP, but also better enabling planning with a better IRP a little more certainty.

So it really positions Missouri to support infrastructure investment and help support growth. So we think it's a very important bill, and we're confident that it will get passed. And we'll know in the coming months because it's a pretty tight legislative calendar.

Michael Sullivan - *Wolfe Research - Analyst*

Okay. I appreciate all the thoughts there. And just back to the kind of load and supply side? I know you made a lot of comments there and apologies if I'm just not following along, right. But if we just look at the new builds that you're planning, I think you gave a list on slide 28. How do we think about that matching up with the economic development pipeline you show on slide 7. Like how much of the load is covered by the generation projects you currently have out there and what -- be to come if you're following.

David Campbell - *Evergy Inc - Chairman of the Board, President, Chief Executive Officer*

Yes. No, and I appreciate the feedback. I think it's -- I think it's very important we try to lay this out. So let me talk through this in a couple of different lenses and see if it covers your question. So as noted on slide 7, Michael, we've included approximately 500 megawatts of demand through 2029, from customers who we've categorized in the actively building category.

Now if you add in the finalizing agreements category to that amount, it's a total of about 2.4 gigawatts of the pipeline. We've received estimates from these customers in total that expect the load to ramp up to about 1.1 gigawatts by the end of 2029. So that's 500 megawatts from the activity building and 600 megawatts from the finalizing the agreements category. So it's about 1.1 gigawatts by the end of '29. We've only included the 500 megawatts in that 2% to 3% load forecast. So obviously, it would be additive, if we got up to 1.1 gigawatts by the end of 2029.

We believe that we've got -- we've done a lot of analysis. So I should say we expect to have a transmission and generation capacity to serve that load by that time line. And of course, the remainder of the load ramp would be in the 2030 and the early 2030s. And both with our existing IRP and the IRP that we're going to file in March and April will lay out the solutions we have to serve those customers. Again, we think we've got good line of sight for how we're going to serve them.

As I mentioned, our capital plan does not yet include as the CCGT in 2031 and the CT in 2032. As we add an additional customers, I think you would expect to see those plants be add to the mix. And of course, we'll have an IRP update in March and April, they may have some further refinements. But that's how I describe it in terms of the timing of the ramp rate, and the incremental generation requirements because the '21 and 2032 plants that I mentioned about 1,000 megawatts of gas helping that the ramp rate in the early 2030s.

Operator

Travis Miller, Morningstar.

Travis Miller - *Morningstar Inc. - Analyst*

Just another clarification here, marrying kind of slide 6 and 7. So that 800 megawatts of actively building, does that correspond to the 800 megawatts on slide 6? Or is there some mixing and matching there, right? Trying to understand exactly what's in that 800 megawatts of actively building.

David Campbell - *Evergy Inc - Chairman of the Board, President, Chief Executive Officer*

Yes. So active -- 800 megawatts of actively building is the 800 megawatts that are described on slide 6. So it's the three Google Panasonic and Meta as well as two additional data centers that are comprised of that category. So that's -- that sort of top bar the actively building category shown on slide 7. And I know there's using timing element of that too. It's about 500 megawatts out of the 800, we expect to be -- that's their full load in 2029, they haven't ramped up fully up to the 800 megawatts and that 500 megawatts are included in the demand forecast through 2029.

Travis Miller - *Morningstar Inc. - Analyst*

Okay. Great. So the 300 delta would be beyond 2029?

David Campbell - *Evergy Inc - Chairman of the Board, President, Chief Executive Officer*

Exactly right. Yes, they're ramping up over time, and we just have to load forecast that we've only done a five-year forecast. So you got it exactly right.

Travis Miller - *Morningstar Inc. - Analyst*

Okay. Very good. And then higher level, there's one of your peers really to the east of you let's say, areas, thinking about a Genco type of structure where they, again, like you've been talking about doing very specific large load contracts, put some of the generation into a separate entity, all regulated. What's your thought in terms of maybe a different or additional corporate type structure all regulated or maybe not regulated to handle some of this large investment?

David Campbell - *Evergy Inc - Chairman of the Board, President, Chief Executive Officer*

At some level, I think I should respond by emphasizing the size of the pipeline that we have and the large load opportunities for all of the companies in the US are leading to more creativity certainly, and I think a lot of that makes sense. You'll see in our large power tariff, for example, we have provisions that could accommodate folks bring their own renewable generation because that is a relatively common that some of the larger companies that have direct relationships with renewable developers, they even own some on their own, bring some generation there.

Now it's been less common historically to bring dispatchable generation, but we've certainly seen different approaches in different places to how you would bring dispatchable generation like gas. So particularly as you go deeper into the pipeline, that's certainly something we could consider and whether it be a Genco type structure. I mean who knows a comment or speculate on what the structure might be, but the size of the growth opportunities will likely result in some creativity.

And I think still unexplored or still untapped potential, maybe some kind of the demand response or load flexibility elements or leveraging backup generation that some of these players have. So the various elements that from a more traditional approach of leveraging ruble generation they may bring I think those elements could be part, particularly part of the solution, particularly as you go deeper and deeper in the pipeline. But on the specific question, we have not announced nor are we currently advancing -- we said anything about plans around a Genco type, that's for sure.

Operator

Nicholas Campanella, Barclays.

Nicholas Campanella - *Barclays Bank - Analyst*

So just the comments for equity, Bryan, just that it doesn't include CFO from finalizing some of these agreements that we've been talking about, just what's the magnitude or ratio there? If you were just to bring 1 500-megawatt customer online, how does that impact the equity needs? Is that like hundreds of millions off that figure? Or how would you kind of frame that?

David Campbell - *Evergy Inc - Chairman of the Board, President, Chief Executive Officer*

Yes. Nick. David, to talk about the ramp rate, if you will, for this, I'll call it, next set of customers with on slide 7, let me make sure I used the exact wording right, but we're calling it in the finalizing agreements stage. That obviously is some really robust gigawatts of peak load that will come on over time. There is a ramp rate for that second category, what we described is that could be another 600 megawatts that could come online by 2029. So we talked about 500 megawatts for the first set and then another 600 megawatts that could come on online from this second set by 2029. So that's pretty substantial.

You think about our load growth today that we're projecting through 2029 is 2% to 3%. If we were able to bring in that portion of the next set of customers that could take that load growth upwards to 4%, 4%, 4.5%. And -- so it's pretty substantial load growth with that comes margins from serving that load of course. We're probably not going to give you exact numbers yet because we want to let this play out a bit, but it's it would be hundreds of millions of dollars of less equity need over that five-year period if these loads play out the way we hope and expect them to.

Nicholas Campanella - *Barclays Bank - Analyst*

UThat's very helpful. And then I guess just to tie it all together, you were already bias higher in the range in the communication, I think, last quarter. And now you're delivering a CapEx increase net of some equity. And obviously, you have more upside to these large load customers. So what are we missing in the math or like the offset that we should kind of be contemplating on why you wouldn't be kind of above the 6% growth rate here, if everything kind of comes to fruition?

David Campbell - *Evergy Inc - Chairman of the Board, President, Chief Executive Officer*

Nick, I guess I'll take that one. So as we described, we're going to layer in the impact of incremental customer announcements once those are made. So we have not included those. Those will be added into the plan. We have increased CapEx. That's primarily in the out years of the plan, but that will, over time, the higher capital, and most of it is related to adding the 50% share of the CCGT, which comes online in 2030.

Over time, you'll see those impacts flowing through. So I think it's really just a matter of when we try to be very clear that as we get the incremental customer announcements and as we advance through time, we'll provide updates on what that growth is. So we're very confident in the current plan. We see some really nice tailwinds behind them. But we're trying to take a systematic approach as we see those customer announcements will layer in what the impact is in the plan.

Operator

This concludes the question-and-answer session. I would now like to turn it back to David Campbell for closing remarks.

David Campbell - *Evergy Inc - Chairman of the Board, President, Chief Executive Officer*

Thank you, Jill, and thank you, everyone, for your time and interest in Evergy. Have a great day. That concludes the call.

Operator

Thank you for your participation in today's conference. This does conclude the program, and you may now disconnect.
