**BEFORE THE PUBLIC SERVICE COMMISSION**
**OF THE STATE OF MISSOURI**

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| In the Matter of the 2018 Resource Plan of<br>Kansas City Power & Light Company<br>Pursuant to 4 CSR 240-22 | )<br>)<br>) | File No. EO-2018-0268 |
| In the Matter of the 2018 Resource Plan of<br>KCP&L Greater Missouri Operations Company<br>Pursuant to 4 CSR 240-22 | )<br>)<br>) | File No. EO-2018-0269 |

## JOINT FILING

Pursuant to 4 CSR 240-22.080(9), Kansas City Power & Light Company ("KCP&L") and KCP&L Greater Missouri Operations Company ("GMO")(collectively "Company"), the Staff of the Missouri Public Service Commission ("Staff"), the Office of the Public Counsel ("OPC"), the Missouri Department of Economic Development—Division of Energy ("DE"), and National Association for the Advancement of Colored People ("NAACP")(collectively, the "Signatories") hereby submit to the Missouri Public Service Commission ("Commission") this Joint Filing that includes a remedy to many alleged deficiencies and concerns expressed by the Signatories of this Joint Filing regarding the compliance filing KCP&L and GMO submitted in this proceeding on April 2, 2018. Additionally, this document also identifies those alleged deficiencies that could not be resolved by the Signatories. The Natural Resources Defense Council ("NRDC"), Renew Missouri Advocates d/b/a Renew Missouri ("Renew Missouri"), the Sierra Club, Dogwood Energy, LLC ("Dogwood"), Missouri Energy Consumers Group ("MECG") and the Missouri Joint Municipal Electric Utility Commission ("MJMEUC") intervened in this case, but they are not Signatories to this Joint Filing.

In support hereof, the Signatories offer as follows related to both the KCP&L and GMO triennial IRP filings:

## BACKGROUND

1. On April 2, 2018, KCP&L and GMO submitted their triennial compliance filings related to Chapter 22 of the Commission's regulations concerning the Company's Electric Utility Resource Planning. Absent any extensions approved by the Commission, KCP&L and GMO would submit an annual update report no less than twenty (20) days prior to the annual update workshop to be held on or about April 1, 2019, and will complete its next Chapter 22 triennial compliance filing on April 1, 2021.

2. On August 2, 2018, Staff, OPC, DE and NAACP submitted reports identifying concerns and in some cases alleging certain deficiencies regarding KCP&L's and GMO's 2018 Integrated Resource Plans ("IRP"). Although MECG, Dogwood, MIEC, Renew Missouri, and MJMEUC intervened in the cases, they did not submit reports.

3. The Commission's Electric Utility Resource Planning regulations provide that if the Staff, Public Counsel or any intervenor finds deficiencies in or concerns with a triennial compliance filing, they shall work with the electric utility and the other parties in an attempt to reach a joint agreement on a plan to remedy identified deficiencies and concerns and to describe any deficiencies and concerns for which no remedy was reached. The Signatories have worked together to develop such a Joint Filing. This Joint Filing represents the fruits of those efforts. With regard to the unresolved deficiencies and concerns, the Signatories agree that no hearing is required to resolve the issues, and it is unnecessary for the Commission to resolve the alleged deficiencies and concerns at this time.

## AGREED UPON REMEDIES TO ALLEGED DEFICIENCIES AND CONCERNS IN FILING NO. EO-2018-0268

4. Staff's Deficiency 1: KCPL's base-case load forecast is based on a cutoff date of June 2017 for all implemented MEEIA Cycle 2 programs and does not include the load impacts of implemented MEEIA Cycle 2 demand-side programs ("DSM") through March 2019, the end of MEEIA Cycle 2. This is a violation of 4 CSR 22.030(7).

**Resolution:** KCP&L will comply with 4 CSR 22.030(7) in all future IRP compliance filings by including the expected load impacts of Commission-approved and implemented demand-side programs and rates in the base-case load forecast..

5. Staff Deficiency 2: KCPL's use of $116 per kW year (2015 dollars) drastically overstates KCPL's avoided capacity cost of generation, transmission, and distribution facilities, adjusted to reflect reliability reserve margins and capacity losses on the transmission and distribution systems, because Plan KAAHA (No DSM) includes no new non-renewable supply-side resources during the entire 20-years of the planning horizon. KCPL's use of $116 per kW year (2015 dollars) to value avoided capacity cost benefits is in violation of rule 4 CSR 240-20.092(1)(C).

**Resolution:** This deficiency is unresolved.

6. Staff's Deficiency 3: Because KCPL considered and analyzed alternative resource plans with demand-side resources when it is not in need of any new non-renewable supply-side resources for the entire 20-year planning horizon and did not consider and analyze alternative resource plans with new low cost supply-side resources to compete with the new demand-side resources on an equivalent basis, KCPL did not comply with 4 CSR 240-22.060(1) and 4 CSR 240-22.010(2) (A).

**Resolution:** KCP&L will complete integrated resource analysis for a new alternative resource plan with low-cost supply-side resource(s) and no demand-side resources to compete with the alternative resources plans in this case which vary only the demand-side resources before its next Chapter 22 annual update compliance filing and before the MEEIA 3 filing.[1]

7. Staff's Concern A: Because KCPL has used drastically overstated avoided capacity cost benefits when calculating the total resource cost test (TRC) results for its demand-side programs and portfolio, the programs may not comply with 393.1075.3., RSMo.

**Resolution:** This concern is unresolved at this time, but the Signatories agree to work toward resolution of this concern as a part of KCP&L's MEEIA 3 application, which is expected to be filed before the end of 2018.

8. Staff Concern B: Because KCP&L's demand-side programs do not defer any non-renewable supply-side resources during the 20-year planning horizon, it is expected that there will be little, if any, benefits for customers who do not participate in the programs, resulting in programs which may be in violation of Section 393.1075.3 and .4, RSMo.

**Resolution:** This concern is unresolved. KCP&L disagreed with this concern as reflected in the Surrebuttal Testimony of Charles Caisley filed in Ameren Missouri's MEEIA 3, Case No. EO-2018-0211. The remaining procedural schedule in Case No. EO-2018-0211 was suspended due to ongoing efforts to present a complete settlement to the Commission; thus, Mr. Caisley's Surrebuttal Testimony was not further explored at hearing.

Staff's Concern C: Because KCPL did not include any analysis required by 4 CSR 240 20.094(4)(C)4 in its 2018 IRP, Staff is concerned that the earning opportunity component of a DSIM included in the IRP and in the anticipated KCPL MEEIA Cycle 3 application may not be as well informed as it should be.

**Resolution:** The Company will complete this analysis as part of its next Chapter 22 update compliance filing and as part of its MEEIA 3 application, which is expected to be filed

[1] DE is not in agreement with the Resolution of Staff Deficiency 3 between Staff and the Company.

before the end of 2018.

9. Staff's Concern D: KCPL's decision makers may have selected an adopted preferred resource plan which includes a MEEIA RAP portfolio of demand side programs which does not comply with the legal mandate in 393.1075. 4., because the RAP programs may not provide benefits to all customers, including those customers who do not participate in the programs.

**Resolution:** The Company will complete this analysis as part of its 2019 IRP annual update filing and as part of its MEEIA 3 application, which is expected to be filed before the end of 2018.

10. DE Deficiency 1: Preferred plan includes less-than-RAP-level DSM programs, along with demand-side rates. The failure to include true-RAP-level DSM programs in multiple alternative resource plans does not result in the equivalent valuation of demand-side and supply-side resources since KCP&L cannot present a comparative analysis to justify a reduced level of DSM programs as an alternative to at least RAP-level DSM investments. This falls short of the MEEIA statute policy of achieving all cost-effective demand-side savings (p. 4).

**Resolution:** This issue is unresolved for purposes of this IRP filing. However, KCP&L will include other scenarios with full RAP in its 2019 IRP Update filing and will work to address this issue with DE in its MEEIA 3.

11. DE Deficiency 2: Income-eligible DSM programs are screened for cost-effectiveness in IRP which is not required by statute. DE recommends that the Commission order the Company to provide more information on how it performed this analysis and to modify its DSM portfolio appropriately (p.5).

**Resolution:** This issue is unresolved for purposes of this IRP filing. However, this item may be considered as a part of the Missouri Energy Efficiency Advisory Collaborative (MEEAC) Working Group for Cost-Effectiveness.

12. DE's Deficiency 3: As part of the IRP, the Company was ordered by the Commission to, "describe and document the benefits and detriments for integrated resource planning to require achievement of targets under MEEIA." In its IRP, the Company responded by stating that the targets were "unachievable and unrealistic." The order from the Commission did not specify which targets the Company was meant to evaluate. Therefore, DE recommends that an evaluation be performed by KCP&L with the goal of determining targets that are both achievable and realistic. The Company should perform this analysis as part of the current IRP (p.7).

**Resolution:** This issue is unresolved for purposes of this IRP filing. However, KCP&L agrees to address the issue in its next DSM potential study.

13. DE's Deficiency 4: Demand-side technologies, storage technologies, and DERS are all at the level of commercialization where they are being implemented in the state of Missouri and across the country. Asserting that these technologies are not to a point where they could have a material impact on the selection of alternative resource plans is not supported. DE requests the Commission order the Company to evaluate these technologies in greater detail (p. 7-8).

**Resolution:** This concern is related to DE Deficiency 1 and is unresolved for purposes of this IRP filing, but may be potentially resolved as part of the IRP DER rulemaking process.

14. DE's Concern 1: DE believes that the values of the variables in the analyses performed were not differentiated enough to demonstrate the variety of the alternative resource plans available (p. 1).

**Resolution:** This concern is related to DE Deficiency 1, and is unresolved for the purposes of this IRP filing. The Company will review this concern, but at this point, the Company disagrees.

15. DE's Concern 2: There appears to be a heavy reliance on combustion turbines should capacity be needed in most of the alternative resource plans. DE provides some recommendations on evaluating additional DSM savings, PPAs and renewable resources (p.2-3).

**Resolution:** This concern is related to DE Deficiency 1, and is unresolved for the purposes of this IRP filing.

16. DE's Concern 3: DE encourages the analysis of greater variability in demand-side program levels and types when paired with varying levels and types of supply-side resources (p. 3).

**Resolution:** This concern is related to DE Deficiency 1 and remains unresolved for the purposes of this IRP filing. KCP&L will consider this concern, but notes that its IRP included more variability in DSM programs than required by the IRP Rules.

17. DE's Concern 4: Analysis is incomplete without a full evaluation of DSM in the context of how such payouts correlate to helping customers use energy more efficiently under MEEIA. The Company should conduct a complete analysis of the impacts of DSM on its customers' ability to save energy, including varying levels of participation rates and total savings to participants (p. 3).

**Resolution:** This concern is related to DE Deficiency 1, and remains unresolved for the purposes of this IRP filing. The Company asserts that this analysis was completed in the DSM potential study.

18. DE's Concern 5: DE does not support including DSR in the Company's plan. AMI and a new CIS system have already been deployed by the Company. Customers are already paying for these technologies in their rates, so they should be able to utilize the full extent of these technologies and their capabilities and reap the benefits without paying duplicative costs covered under MEEIA (p. 5)

**Resolution:** This concern has been addressed as a part of the recent KCP&L rate case. With the deployment of AMI and a new CIS, DE anticipates further DSR considerations and actions in the future in appropriate settings.

19. DE Concern 6: DE encourages the Company to strive for full utilization of AMI and CIS capabilities for DSM programs (p. 5).

**Resolution:** This concern has been addressed as a part of the recent KCP&L rate case. With the deployment of AMI and a new CIS, DE anticipates further DSR considerations and actions in the future in appropriate settings.

20. DE Concern 7: During EM&V process, DE recommends that the Company consider three points that are currently not listed in its procedure. First, certain DSM programs may require more than a 3-year lifespan to reach their full benefits; consequently, these programs should be allowed to develop without premature termination due to initial EM&V results. Secondly, DE notes that the statewide TRM is available to aid in the EM&V process (p. 5-6).

**Resolution:** This issue is resolved for purposes of this IRP filing. The Signatories agree to address this issue as a part of KCP&L's MEEIA 3 filing which is expected before the end of 2018.

21. DE Concern 8: While conducting this EM&V process, DE advises the Company to incorporate NEBs. Without the inclusion of all participants' avoided costs in the cost effectiveness tests, the test results are inaccurate (p. 6).

**Resolution:** This issue remains unresolved, but may be further explored through a Missouri Energy Efficiency Advisory Collaborative working group.

22. DE Concern 9: When ordered to analyze integrated distribution planning within the context of grid-modernization, the Company provided very little detail. Company also included a statement that it could not include DSM, EE, DERS, AMI, DSR, EVs and energy

storage in the analysis and would instead need to invest in its GIS system in order to do so. The Company should provide the Commission and other interested parties with information on the GIS upgrade process (p. 8).

**Resolution:** This concern is resolved for the purposes of this IRP filing.

23. DE's Concern 10: Company has not explained how the CCN will be implemented as part of a DR program with late-night, off-peak charging. Company should be ordered to provide both an outline of the proposed program and a thorough analysis of how it plans on implementing this program (p. 8).

**Resolution:** This issue is resolved for purposes of this IRP filing. The Signatories agree to address this issue as a part of KCP&L's MEEIA 3 filing which is expected before the end of 2018.

24. DE's Concern 11: Since the Company didn't provide a detailed explanation of how it plans to encourage off-peak charging, it should model some EV charging during system peak (p. 9).

**Resolution:** This issue is resolved for purposes of this IRP filing. The Signatories agree KCP&L will continue to refine its model related to EV charging as part of its 2019 Chapter 22 update compliance filing.

25. DE's Concern 12: As part of the IRP's Executive Summary, the Company lists a number of studies that it is working on. DE requests that copies of the AMI studies, EV study, and DSM/DER studies be made available to DE when finished. The Company should also provide an update on its progress, along with a timeline for completion of the studies, in its next IRP annual update (p. 9).

**Resolution:** The Company will work with DE to provide such documentation. This matter is has been resolved for the purposes of this IRP filing.

26. DE's Concern 13: DE requests that the Company review and update its analysis of EVs taking the Court of Appeals ruling into account and provide this information in its next IRP annual update (p.10).

**Resolution:** This concern has been addressed as a part of the recent KCP&L rate case.

27. DE's Concern 14: The Company should include information on how SB 564 affects its preferred plan as part of its next IRP update (p. 10).

**Resolution:** This issue is resolved. The Company will include such information in its 2019 Chapter 22 compliance filing.

28. DE's Concern 15: The Company should be ordered to evaluate the implications of its recent merger with Westar on KCP&L systems and include these results in its next IRP annual update (p. 10).

**Resolution:** This issue has been resolved. The Company will include such information in its 2019 Chapter 22 compliance filing.

29. NAACP Concern 1: The IRP is deficient because it is contrary to the requirement to provide the public with energy services which are safe and in a manner which serves the public interest. It does not in any manner prioritize or otherwise consider access to affordable, renewable energy for persons who reside in low income or minority communities; consider air quality benefits in low-income or minority communities; and, consider minimizing localized air pollutants and greenhouse gas emissions in low-income or minority communities. Over-reliance on coal-fired power is an assault on the health and wellbeing of people of color in this state.

**Resolution:** KCP&L and NAACP agree to work together to identify opportunities to provide affordable, renewable energy to persons who reside in low income or minority communities within KCP&L's Missouri service territory.

## AGREED UPON REMEDIES AND RESPONSES TO ALLEGED DEFICIENCIES AND CONCERNS IN FILING NO. EO-2018-0269

Staff raised two deficiencies and OPC raised concerns related to GMO's IRP filing (EO-2018-0269), all of which are addressed below. Otherwise DE and NAACP raised the same alleged deficiencies and/or concerns in the GMO filing as in the KCP&L filing. The same resolutions of the KCP&L alleged deficiencies and concerns, as discussed above, apply equally to GMO, and will not be repeated herein. The following addresses the deficiencies and concerns raised related to the GMO filing:

1. Staff Deficiency 1: GMO's base-case load forecast is based on a cutoff date of June 2017 for all implemented MEEIA Cycle 2 programs and does not include the load impacts of the implemented demand-side programs through March 2019, the end of MEEIA Cycle 2. This is a violation of 4 CSR 240-22.030(7).

**Resolution:** GMO will comply with 4 CSR 22.030(7) in all future IRP compliance filings by including the expected load impacts of Commission-approved and implemented demand-side programs and rates in the base-case load forecast.

2. Staff Concern A: Because GMO did not include any analysis required by 4 CSR 240-20.094(4)(C)4 in its 2018 IRP, the earning opportunity component of a DSIM included in the IRP and in the anticipated GMO MEEIA Cycle 3 application may not be as well informed as it should be.

**Resolution:** The Company will complete this analysis as part of its next Chapter 22 update compliance filing and as part of its MEEIA 3 application, which is expected to be filed before the end of 2018.

3. OPC Concerns: OPC is concerned that GMO's resource planning may not fully account for the high uncertainty in both future energy policies and energy markets—policies and

markets that are highly interdependent—and, therefore, the planned premature plant retirements in GMO's preferred plan, especially of the Sibley 3 generating unit, raises prudency issues related to stranded costs, increased risk exposure to market volatility and less reliable energy supply. OPC states that with GMO's preferred plan, GMO will increasingly rely on the capacity and energy of others.

**Resolution:** These concerns are unresolved.

**WHEREFORE**, the Signatories submit this Joint Filing for consideration by the Commission.

Respectfully submitted,

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**ATTORNEYS FOR NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE**

## CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, transmitted by e-mail, or mailed, First Class, postage prepaid, this 26th day of October, 2018, to counsel for all parties on the Commission's service list in this case.

/s/ James M. Fischer

James M. Fischer