

KCPL GMO
Case Name: 2017 FAC (8th)
Case Number: EO-2019-0067

KCPL Exhibit No. 9
Date 8-27-19 Reporter Bit
File No. EO-2019-0067
EO-2019-0068
ER-2019-0199

Response to Mantle Lena Interrogatories - OPC_20190806
Date of Response:

Question:8022

FILED
September 4, 2019
Data Center
Missouri Public
Service Commission

Please provide any and all documentation related to GMO's analysis of the impact of the proposed federal Clean Power Plan on the company's operation related to GMO's decision to enter into the Rock Creek and Osborn purchase power agreements excluding the Rock Creek and Osborn Wind Selection Reports.

RESPONSE: (do not edit or delete this line or anything above this)

On July 2nd, 2014, the MPSC under File No. EW-2012-0065 an order in response to Commission's Staff filed motion asking the Commission "to schedule a workshop meeting to address the cost of compliance with the EPA's recently published proposed state-specific rate-based goals for carbon dioxide emissions for existing fossil fuel-fired electric generating units". KCP&L and GMO, along with other Missouri energy providers also participated in the workshop on August 18, 2014. See attached "Q8022_KCPL and GMO Clean Power Plan Workshop Presentation 8-20-2014.pdf" presented to the parties at the workshop. Specifically, slide 29 states the concern that KCP&L and GMO had regarding meeting Clean Power Plan "CPP" reduction requirements if renewable resources had to be sourced within Missouri. Empire also presented to the parties at the workshop. See attached "Q8022_Empire Clean Power Plan Workshop Presentation 8-20-2014.pdf" Specifically, slide 6 questioned whether Kansas wind assets would count for Missouri compliance.

Additionally, pursuant to the Missouri Public Service Commission (MPSC) July 30, 2014 Order Directing Response to Certain Questions regarding the EPA-proposed CPP, KCP&L and GMO filed responses to the questions on August 25, 2014. See attached "Q8022_KCPL and GMO Response to Certain Questions Ordered July 30 2014.pdf". Specifically, on Page 8, the second paragraph of item b., it is stated that there was concern that if state implementation plans would not allow current and future wind resources located in Kansas to be utilized to meet Missouri goals, "**KCP&L and GMO would likely need to add significant wind resources in Missouri, resulting in higher costs for Missouri retail customers.**" (emphasis added)

Empire filed responses to the questions on August 25, 2014 also expressing concern for state sourcing of renewable resources. See attached "Q8022_Empire Response to Certain Questions Ordered July 30 2014.pdf". On page 3, Empire questions how "renewable resources produced in a state such as KS will be treated when sold to utilities such as Empire and consumed in other states. "**This issue greatly affects how, when and if Empire complies with the rule in each state.**" (emphasis added)

Also, the Association of Missouri Electric Cooperatives (AMEC) filed responses to the questions on August 25, 2014 also expressing concern for state sourcing of renewable

resources. See attached “Q8022_AMEC Response to Certain Questions Ordered July 30 2014.pdf”. On page 10, second paragraph, AMEC states “**The EPA has provided confusing guidance on the ability to use renewable energy and renewable energy credits generated in one state for compliance in another.** During EPA outreach meetings and calls staffers have presented material that prohibits renewable energy from being used in other states, allows renewable energy from being used, and allows existing but prohibits new generation from being used in other states. The EPA should clarify this point in the final rule.” (emphasis added)

On June 18, 2014 the Environmental Protection Agency (EPA) published its proposed Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units (Proposed Rule, Clean Power Plan (CPP), or Proposed Section 111(d) Guidelines) On December 1, 2014, KCP&L submitted comments to the EPA in response to the proposed CPP rule, see attached “Q8022_KCPL Response to EPA Request for Comments December 1 2014.pdf”. In the Summary of Comments on Page 7, it states “KCP&L is very concerned that the Company’s renewable energy resources in Kansas be allowed to follow customer demand and be used for compliance in both Kansas and Missouri.”. Further discussion regarding KCP&L’s concern regarding sourcing of renewable energy to meet proposed CPP targets in Missouri is found on Page 28, beginning with the 2nd paragraph, “Renewable generation should be credited for compliance to the utility in the state where the load it was built to serve is located.”

Based upon the current information and analysis available during the timeframe referred to above by not only KCP&L and GMO, but other Missouri electric utilities, KCP&L and GMO made the decision to procure Missouri-based wind assets to ensure that the utilities could meet CPP targets.

Also see response to MPSC Staff DR0080. Those responses in addition to items presented herein are the documented items available at this time.

Information Provided By:

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Attachments:

Q8022_KCPL and GMO Clean Power Plan Workshop Presentation 8-20-2014.pdf
Q8022_Empire Clean Power Plan Workshop Presentation 8-20-2014.pdf
Q8022_KCPL and GMO Response to Certain Questions Ordered July 30 2014.pdf
Q8022_Empire Response to Certain Questions Ordered July 30 2014.pdf
Q8022_AMEC Response to Certain Questions Ordered July 30 2014.pdf
Q8022_KCPL Response to EPA Request for Comments December 1 2014.pdf
Q8022_Verification.pdf