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

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In the matter of the Establishment of a Working Case Regarding the Commission's Rule Governing Cogeneration.

File No. EW-2021-0077

#### JOINT COMMENTS

COMES NOW Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri"), Evergy Metro, Inc. d/b/a Evergy Missouri Metro ("Evergy Missouri Metro"), Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("Evergy Missouri West"), and The Empire District Electric Company ("Empire") (collectively, "Commenters") and for their *Joint Comments*, state as follows:

1. On September 23, 2020, the Missouri Public Service Commission ("Commission") opened this working case to consider changes to the Commission's cogeneration rule, 20 CSR 4240-20.060. On October 14, 2020, the Commission's Staff ("Staff") submitted its *Staff Draft Rule Version 1 and Request for Comments* ("*Draft Rule and Request*"), which included a draft rule amendment as Attachment A, questions for investor-owned electric utilities as Attachment B, questions for non-electric utility stakeholders in Attachment C, and a list of non-electric utility stakeholders in Attachment D in the proceeding. Staff requested the Commission require the electric utilities to respond to certain questions, and offer the opportunity for other stakeholders to respond. On October 14, 2020, the Commission issued its order requesting comments on the draft rule and setting a deadline for responses to the questions.

2. In this pleading, the Commenters will provide suggestions and corrections regarding the proposed rule contained in Attachment A, and will respond to the questions posed in Attachment B. Accordingly, the remainder of this pleading is organized as follows:

I. 20 CSR 4240-20.060 – Cogeneration and Small Power Production<sup>1</sup>

II. Responses to Questions in Attachment B.

### I. 20 CSR 4240-20.060 – Cogeneration and Small Power Production

3. The Commenters are appreciative that, in light of the recent FERC<sup>2</sup> Order issued in Docket Nos. RM19-15-000 and AD16-16-000 on July 16, 2020 ("FERC Order"), this draft rule has been returned to the workshop process for additional consideration.<sup>3</sup>

4. The FERC Order has been subject to requests for rehearing,<sup>4</sup> but those requests were denied by operation of law, a notice of which was entered in the docket on September 17, 2020. The FERC order is also subject to a request for review before the United States Court of Appeals for the Ninth Circuit, the FERC Order remains in effect and has not been stayed. The revised PURPA rules were published in the Federal Register on September 2, 2020,<sup>5</sup> with a December 31, 2020 effective date.

5. The FERC Order made numerous substantive revisions to the federal PURPA<sup>6</sup> rules that could not be given consideration by the Commission or the participants during the original workshops, such as the following:<sup>7</sup>

• The Revised PURPA rules provide more guidance in how a legally enforceable obligation ("LEO") can be formed, including that the qualifying facility ("QF") must

<sup>&</sup>lt;sup>1</sup> Since the proposed revision to 20 CSR 4240-3.155 only involves a rescission, the Commenters are not commenting on this particular rule.

<sup>&</sup>lt;sup>2</sup> Federal Energy Regulatory Commission.

<sup>&</sup>lt;sup>3</sup> https://www.ferc.gov/sites/default/files/2020-07/07-2020-E-1.pdf

<sup>&</sup>lt;sup>4</sup> See the requests filed in the FERC docket at <u>www.ferc.gov/elibrary</u>

<sup>&</sup>lt;sup>5</sup> 85 FR 54638, <u>https://www.federalregister.gov/documents/2020/09/02/2020-15902/qualifying-facility-rates-and-requirements-implementation-issues-under-the-public-utility-regulatory</u>

<sup>&</sup>lt;sup>6</sup> Public Utility Regulatory Policies Act of 1978.

<sup>&</sup>lt;sup>7</sup> The FERC order also addresses issues such as the "One-Mile Rule," which would be taken up at the federal rather than state level, and will not be addressed here.

demonstrate commercial viability and financial commitment before an LEO can be created.

- For "as available" energy, the rule explicitly allows commissions to take market pricing into consideration as a likely more accurate gage for avoided costs at the time of delivery.
- For LEOs, the rule contains additional language allowing state commissions the flexibility to:
  - Require energy rates (but not capacity rates) to vary in accordance with changes in a utility's avoided costs at the time energy is delivered;
  - Allow QFs to retain rights to fixed energy rates based on forward price curves over the PPA term; and
  - Set energy and capacity rates based on competitive solicitations.
- FERC reduced the threshold for a rebuttable presumption of the lack of a nondiscriminatory market to 5 MW when the utility is in an ISO/RTO.

6. In the interim, FERC has also issued Order 2222, which enables small distributed energy resources such as QFs and storage to aggregate for the purposes of market access. This means that sales of energy to utilities under PURPA are not the only options for QFs.

7. The Commenters will address the FERC PURPA issues throughout its discussion of the Commission's proposed rule, although given the sweeping nature of the revisions to the PURPA rules, the Commenters believe additional time and workshopping would provide a clearer picture of beneficial revisions that could be made to this MPSC proposed rule based on the federal changes. In addition, the Commenters will address matters for consideration that it would have regardless of the recent FERC order.

8. 20 CSR 4240-20.060 - General. It appears that some of the internal references in the draft rule have not been updated. For example, the new (5)(E)(1) and (5)(E)(2) reference (4)(F)2 and (4)(F)1, respectively. The Commenters do not contend that this list is all-inclusive. All references should be reviewed and updated, as necessary.

9. <u>20 CSR 4240-20.060(1)</u>. The Commenters suggest that the Commission could consider revising the definition section generally to point to the FERC PURPA rules generally, as amended, for a definitional guide. It appears the Commission has already done this to some extent by deleting numerous definitions from this section. Two of the three remaining definitions are used only once in the remainder of the rule. The other remaining definition – avoided costs – has recently been clarified and enhanced by the FERC Order. If the Commission decides to adopt the definitions in the proposed rule, the following adjustments or clarifications that would benefit the implementation of this provision.

(B) While "fuel costs or energy costs" is a defined term in this section, each term only appears once in the rule itself. The terms "fuel" and "energy" are used multiple times, and sometimes in conjunction with the word "costs." Perhaps the term "costs" is the one that merits definition. For example, the term could be defined as follows: "Costs" mean either the variable costs associated with the production of electric energy and represent the cost of fuel and operating and maintenance expense or the costs associated with providing the capability to delivery energy.

(C) This provision contains a definition of "capacity costs," and raises the same general issues as the definition of "fuel costs," which the Commenters will not repeat here.

10. <u>20 CSR 4240-20.060(2).</u> The Commenters note that the provisions of (C) 1-6, (D), and portions of (E) have been deleted. Many of these provisions include standards for safety, reliability, and cost recovery of these measures. For example:

(C)(4) removes the sentence, "The customer shall notify the utility prior to the initial testing of the customer's generating system and the utility shall have the right to have a representative present during the testing." This sentence is not covered by any other rules and the Commenters believe that this protection needs to be retained in the rule in order to properly identify and accommodate testing activity within their respective operations and ensure the customer generating systems are prepared to become part of utility systems.

(C)6 requires a manual disconnection switch and measures that would allow a problematic QF to be islanded, and (E) addresses cost recovery related harmonics and voltage fluctuations caused by a QF.

With FERC's PUPRA provisions, specifically 18 CFR 292.308 which enables state commissions to oversee just such issues, the Commenters question why the Commission would delete these provisions. It appears that the Commission shifted these requirements to discussions in the contracting process, but without these standards specifically enumerated, this could become more difficult.

11. <u>20 CSR 4240-20.060(3).</u> This provision almost completely mirrors the existing 18 CFR 292.303. If the Commission is deleting other provisions and instead citing to FERC's PURPA rules, this would be another appropriate place to do so.

12. <u>20 CSR 4240-20.060(4)</u>. The Commenters have several comments on this proposed rule:

(A) This proposed revision could be greater clarified in a manner that would conform more closely to FERC's revised PURPA rules. The new PURPA rule (18 CFR 292.304(d)(2)) specifically states that, "a state regulatory authority ... may require that rates for purchases of energy from a QF pursuant to a legally enforceable obligation vary through the life of the obligation..." The rule, as written, does not necessarily prohibit this type of rate, but at the same time, does not make it clear that this is an acceptable option for QFs in this size range.

Further, the Commenters cannot discern what the basis is for differentiating the rate for these two groups. The Commenters suggest that there is not a need for a separate rate for QFs with a design capacity of 100 kilowatts or less.

(B) As they stated in their comments on the prior draft of this rule, the Commenters are not certain they understand the intent of this provision. It is not put forward as a requirement as it was for smaller QFs in (A). The Commission would seem to have this discretionary ability regardless of the regulation, so it appears to be superfluous. This provision could be deleted.

(C) The proposed rule clarifies some of the concerns raised by the Commenters in their comments on the prior draft rule. However, the primary concern remains: A standard contract template takes away the flexibility to deal with certain situations on a case-by-case basis. For example, a utility interconnection study may determine that the installation of a QF in a rural area creates a unique system load issue that would be harder to negotiate if a standard form contract was in place. Even if a utility is allowed to state that the template need not be firm and may be negotiated, it still puts utilities in a more vulnerable negotiating position. Since the utilities must balance not only the purchase of needed power but also the costs of that power (and investments necessary to transmit that power) to its customers, it is logical that it should retain a stronger negotiating position than a standard template would allow.

The Commenters are also concerned that the creation of standard contract templates could result in the presumption of a legally enforceable obligation on the part of developers. While the Commenters would argue that the financial viability and substantial commitment standards contained in the FERC rule would still apply, many developers may assume that a standard form contract coupled with a published rate is sufficient to move forward since no additional contract terms (barring the concerns raised above) would be necessary. This will undoubtedly lead to litigation before the Commission. Unless combined with a definition of LEO in this proposed rule and a provision that standard contracts can still be negotiated to

recognize the peculiarities of a given project, the Commenters strongly urge the Commission to reject any requirement for the creation of a standard form contract. (C) 1 and (2) should also, once again, be addressed. The Commenters question whether it may cause undue confusion to include net metering and renewable energy standard ("RES") provisions in a cogeneration and small power production rule. Perhaps these provisions are better located in the net metering rule, with a cross-reference included here to point those researching in the right direction. Additionally, it may be appropriate to replace these provisions instead with a statement that "a utility shall not be required to purchase RECs that are not needed for RES compliance."

(D) Should the standard form contract requirements be removed from the rule as suggested above, the Commenters suggest that the nine month time period be added to this section, as this is an effort that could take some time to accomplish.

13. <u>20 CSR 4240-20.060(5).</u> The Commenters raise the same concerns with this section that they raised in their comments on the prior rule since no major revisions from that draft have been made. This proposed provision represents another area where the FERC Order revising the PURPA regulations have not been clearly acknowledged and incorporated. Sections (A) and (B) of this provision, for example, do not contain proposed revisions, but they do reference the use of avoided costs as an appropriate price for purchases. With the recent FERC Order, methods for calculating and implementing avoided costs are changing. Section (D) discusses many factors that may impact rates for purchases, but does not include factors identified in the FERC Order such as variable pricing over time, market comparisons, etc. Without this acknowledgment in the rule itself, it is more likely this will be another issue<sup>8</sup> that will be brought to the Commission for

<sup>&</sup>lt;sup>8</sup> Like the question of when a legally enforceable obligation is created, as discussed above.

litigation. For addition suggestions, please see the language provided in response to Staff's questions in Section II.

14. <u>20 CSR 4240-20.060(6)(B)1.</u> The Commenters suggest that the words, "or as required by the utility" be added after the phrase "Upon request of a qualifying facility" that begins this rule sentence. In this way, the utility has a way to apply its stand-by rate should a customer not request a stand-by rate even though the customer is taking stand-by services from the utility systems.

#### **II.** Responses to Questions in Attachment B

15. Staff posed numerous questions to Missouri Investor-owned utilities in Attachment

B. Those responses are provided below.

### **General Questions**

<u>Please provide any comments or suggestions to the attached proposed amendment</u> to 20 CSR 4240-20.060 Cogeneration and Small Power Production (Staff Version 1).

16. In response to this question, please see Section I of this response.

<u>Please identify any issues or concerns from implementation of PURPA in other</u> <u>states that the Commission should consider when reviewing the current draft of the</u> <u>rule.</u>

17. PURPA, when not carefully implemented, has caused issues in other states that

typically result in higher energy prices for utility customers. Because some states allow PURPA contracts to lock in for long terms, many states' utility customers are paying avoided cost rates for energy that does not match market pricing. In November 2019, Concentric Energy Advisors ("CEA") conducted a study on this exact trend, called "An Empirical Analysis of Avoided Cost Rates for Solar and Wind QFs Under PURPA."<sup>9</sup> CEA examined a sample of 708 QF contracts

<sup>&</sup>lt;sup>9</sup> <u>https://ceadvisors.com/wp-content/uploads/2019/11/An-Empirical-Analysis-of-Avoided-Cost-Rates-for-Solar-and-Wind-QFs-Under-PURPA.pdf</u>

representing approximately 8,000 MW of energy, and determined that the QF contract rates consistently exceeded market-based contract rates for solar and wind energy. With many contract terms in the study set at 15 to 20 years, CEA consistently found that as technology changed and the cost to install renewable facilities decreased over time, the levelized price of energy in those QF PPAs remained stagnant.

18. This is not the only issue presented to states because of PURPA. North Carolina has had great success in encouraging QF development, but at a cost. North Carolina Utilities Commission ("NCUC") order issued on October 11, 2017 in Docket No. E-100, Sub 148<sup>10</sup> provides insight into both the success and the problems experienced. While North Carolina has 60% of all installed PURPA solar projects in the United States, it also created a distorted solar marketplace resulting in artificially high costs for utility consumers. This also created concerns related to North American Electric Reliability Corporation ("NERC") compliance when it comes to balancing area authority responsibilities. For at least one North Carolina utility, the solar output was positioned to exceed peak load requirements. In a five-year period, QF development in North Carolina totaled approximately 2,000 MW installed and approximately 7,000 MW of additional QFs<sup>11</sup> proposed for interconnection, with QF solar development outstripping utility load growth. Many of these QFs are sized at or below North Carolina's 5 MW threshold for standard offer contract eligibility. Also in 2017, in order to lessen the impacts of this growth, North Carolina passed legislation limiting fixed-priced PURPA contracts to 1 MW and smaller, and shortening contract terms from 15 to 10 years. Larger projects were moved to a competitive procurement model.

<sup>&</sup>lt;sup>10</sup> http://starw1.ncuc.net/NCUC/ViewFile.aspx?Id=9b202168-0968-4338-9c64-70b5366ab109

<sup>&</sup>lt;sup>11</sup> With fewer MW in place, the overpayment risk for utility customers is smaller; with this level of growth, that overpayment risk is significantly higher.

19. Further, in Iowa in 2005, a developer submitted pleadings in four dockets before the Iowa Utilities Board in order to determine an avoided cost rate to be paid by Interstate Power and Light Company ("IPL") for four separate 80 MW wind farms.<sup>12</sup> After nearly five years of litigation, the developer ultimately sold the output and/or the wind farms themselves wholly to others; in other words, after expending significant resources in litigation to ensure its customers would not be detrimentally impacted by an overstated avoided cost rate, IPL was not ultimately required to purchase the energy produced by any of the four wind farms.<sup>13</sup>

The proposed amendment, Staff Version 1, includes two tiers for establishment of the Standard Rates for Purchase and Standard Contracts. For purchases from qualifying facilities (QF) with a design capacity of: (1) 100 kW or less; and (2) over 100 kW to 1,000 kW. a. Should the second tier be modified to extend to 5,000 kW? Please explain your response.

20. From the utility perspective, there is no real benefit in creating a distinction between these tiers. For example, Ameren Missouri bases its avoided cost rates on MISO settlement costs, which are not assessed at this granularity. Further, customers in this range are likely to be residential or smaller business customers who are simply wanting to know they have a return on their home or small business renewable installation; expending the resources to calculate separate tiers of costs is not the best use of resources.

21. Renewable installations over 1 MW (i.e., 1,000 kW) are another matter. At 1 MW, these installations understandably must now file for QF certification from FERC in order to enjoy the benefits of QF status.<sup>14</sup> However, customers installing this size of facility will typically have more business advantages and access to resources than customers below that threshold. For

<sup>&</sup>lt;sup>12</sup> See Iowa Utilities Board Case Nos. AEP-05-1, AEP-05-2, AEP-05-3, and AEP-05-4. In Iowa, an LEO is created with the filing of such cases regardless of whether any contract terms have been discussed.

<sup>&</sup>lt;sup>13</sup> It is worth noting that the Office of the Consumer Advocate in these cases argued against the costs sought by the wind farm because of the rate impacts those costs would have on IPL's customers.

<sup>&</sup>lt;sup>14</sup> 18 CSR 292.203(d) does not require this self-certification for installations under this threshold.

example, a 1 MW solar system could produce 3,500 to 4,300 kWh per day, which is a usage level three to four times that used by the average Missouri residential customer in a month. Extending the threshold all the way to 5,000 kW is therefore unwarranted for these customers. Finally, if a QF does not like the rates available from the utility within this range, not only do they have more potential for energy market access, they are also free to explore aggregation for the markets under

FERC Order 2222.

Describe your utility's existing application and review process for qualifying facility (QF) interconnections. Include in your description how the applicable interconnection costs are determined and how/if the process differs if the QF is interconnecting to distribution or transmission. Provide any available supporting documentation such as process flow-charts.

22. Each of the Commenters has prepared a response to this question in the attachments to these Joint Comments. Please see Attachment A for Ameren Missouri, Attachment B for Evergy Missouri Metro and Evergy Missouri West, and Attachment C for Empire.

# Questions on FERC revised rule implementing the Public Utility Regulatory Policies Act of 1978

Rates for Purchase. Should the Commission require that energy rates in QF contracts vary with changes in the purchasing utility's avoided costs at the time the energy is delivered? If so, provide suggested rule language.

23. The Commenters believe that allowing the utility's avoided cost to vary at the time the energy is delivered would be appropriate. The following language could be incorporated into the draft rule by including a new 20 CSR 4240-20.060(5)(C)3, reading, "Notwithstanding paragraph (C)2, rates for purchases of energy from a qualifying facility pursuant to a legally enforceable obligation may vary through the life of the obligation, and be set at the electric utility's avoided cost for energy calculated at the time of delivery."

Rates for Purchase. Should the Commission allow QFs to retain their rights to fixed energy rates, and to allow such rates to be based on projected energy prices during the term of a QF's contract? If so, provide suggested rule language.

24. As shown by the experience in North Carolina and in the CEA study, fixed rates, particularly when coupled with longer-term purchase contracts, can cause a mismatch between the contracted rates and the actual cost of energy. Ultimately it is the utility's customers who are responsible for paying these costs. As such, the Commenters cannot recommend that the provision allowing this option be retained. The energy costs contained in these contracts should fairly represent the cost of energy so that utility customers are not overpaying.

# Rates for Purchase. Should the Commission set "as available" rates at the locational marginal price (LMP) when the utility is located in an organized wholesale market? If so, provide suggested rule language.

25. The Commenters believe that the LMP fairly represents the market price for energy, and as such, it would be appropriate to include this provision in the rule. 20 CSR 4240-20.060(5)(C)1 could be revised to read, "To provide energy as the qualifying facility determines this energy to be available for the purchases, in which case the rates for the purchases shall be based on the purchasing utility's avoided costs calculated at the time of delivery, which may be based upon the locational marginal price for utilities located in wholesale energy markets; or..."

# Rates for Purchase. Should the Commission set rates for energy rates or capacity rates based on competitive solicitations? If so, what transparent and non-discriminatory procedures are needed to be included in Commission rules?

26. Utility-run RFP processes already provide an open and transparent means to determine market-based avoided cost for energy and capacity. Each utility already has processes in place that encourage non-discriminatory procedures because it is in their customers' best interest to maintain low energy pricing. We do not see the need for the Commission to include rule-based procedures. That said, it would be disingenuous to conduct an RFP *only* for the purpose of establishing this rate. Utilities will reduce their credibility, and artificially suppress respondents, if they issue RFP with no intention of executing on the results.

"One-Mile Rule." Is it sufficient to reference 292.204 Criteria for qualifying small power production facilities in the Commission's rule to incorporate FERC's changes to the "one-mile rule"?

27. Because it is within FERC's jurisdiction to clarify the meaning of the 80 MW size limit for QFs, and the one-mile rule is one mechanism by which it does so, the Commenters do not believe it is necessary or appropriate for the Commission to include a provision in its rule

addressing it.

Termination of the obligation to purchase. What modifications, if any, are needed to address the rebuttable presumption that small power producers located within an RTO/ISO with a net capacity of 5 MW (previously 20 MW) or less do not have nondiscriminatory access to those markets?

28. Because it is within FERC's jurisdiction to clarify the meaning of the 80 MW size limit for QFs, and the rebuttable presumption is one mechanism by which it does so, the Commenters do not believe it is necessary or appropriate for the Commission to include a provision in its rule addressing it. Once FERC has granted this exemption, utilities are not obligated to purchase from QFs above the size threshold.

## Legally Enforceable Obligation (LEO). What objective and reasonable criteria should be used to determine a QF's commercial viability and financial commitment to construction for establishment of a LEO?

29. As noted in the FERC Order, taking meaningful steps to obtain site control for construction, applying for all relevant approvals and permits, filing an interconnection application, and the payment of a deposit to a state commission could be means by which a developer could show commercial viability and a financial commitment.<sup>15</sup> It is difficult to establish a comprehensive list of what would qualify. However, it would be inappropriate to determine that a developer is commercially viable if the project could not go forward but for a contract with the

<sup>&</sup>lt;sup>15</sup> FERC Order, pp. 374 and 381.

utility. If the project is wholly dependent upon a fixed avoided cost rate over an extended fixed

term, then likely the project is not sufficiently viable.

## Self-Certification. Are any modifications needed to the Commission rule to address FERC changes regarding QF self-certification or protests of self-certification?

30. Because self-certification is a congressional matter and FERC retains jurisdiction

to clarify its meaning, the Commenters do not believe it is necessary or appropriate for the

Commission to include a provision in its rule addressing it.

## Questions related to Costs and/or Benefits of the Rule

Costs to Utility - Development of Technical Standards

Does your utility have existing technical standards for the interconnection of cogeneration and small power producers or net-metered systems?

If not, provide a cost estimate for the development of interconnection standards. Separately, provide an estimate to request approval of those technical standards with the Commission.

If so, provide an estimate to request approval of those technical standards with the Commission.

Provide the cost of periodic revisions to the technical standards.

31. Each of the Commenters has prepared a response to this question in the attachments

to these Joint Comments. Please see Attachment A for Ameren Missouri, Attachment B for Evergy

Missouri Metro and Evergy Missouri West, and Attachment C for Empire.

Costs to Utility – Development of a Standard Contract template

Does your utility have an existing contract used for cogeneration and small power production requests?

If so, please provide an example.

Provide a cost estimate for the development of a Standard Contract.

Provide a cost estimate for the filing and approval of those Standard Contracts with the Commission.

Provide a cost estimate for periodic revisions to the Standard Contract.

32. Each of the Commenters has prepared a response to this question in the attachments

to these Joint Comments. Please see Attachment A for Ameren Missouri, Attachment B for Evergy

Missouri Metro and Evergy Missouri West, and Attachment C for Empire.

Costs to Utility - Interconnection Studies

Provide a 5-year historical summary of the cost to your utility of completing system interconnection studies. Separately identify the cost of interconnections studies completed on behalf of your own utility, other utilities, cogeneration and small power producers, and others. Separately identify the cost of distribution and transmission system studies.

Based on the past 5-years, separately provide the average cost of system upgrades identified through interconnection studies completed for your utility, other utilities, cogeneration and small power producers, and others. Separately identify the cost of distribution and transmission system upgrades identified through interconnection studies.

Does your utility expect the standard contracts and implementing a standard rate for purchases from cogeneration and small power producers above 100 kW will result in additional interconnection requests? If so, please provide an incremental cost estimate based on projected interconnection requests over the next 5-years. Does your utility expect to see a difference in interconnection study costs if the standard rate for purchase is offered up to 1 MW or if it is offered up to 5 MW? If so, please provide an incremental cost estimate for each proposed tier.

How does the utility pay for interconnection studies?

Does the purpose of the interconnection study determine how the costs are recovered (i.e., through rates or directly from a small power producer)? Please explain.

33. Each of the Commenters has prepared a response to this question in the attachments

to these Joint Comments. Please see Attachment A for Ameren Missouri, Attachment B for Evergy

Missouri Metro and Evergy Missouri West, and Attachment C for Empire.

Costs to Utility – Energy and/or capacity payments

Provide a 5-year historical summary of energy and/or capacity payments related to the existing cogeneration rule and net-metering rule.

Does your utility expect the standard contracts and implementing a standard rate for purchases from cogeneration and small power producers above 100 kW will result in additional energy and/or capacity payments? If so, provide an estimate of the incremental cost.

Does your utility expect to see a difference in energy and/or capacity payments if the standard rate for purchase is offered up to 1 MW or I it is offered up to 5 MW? IF so, please provide an incremental cost estimate for each proposed tier.

34. Each of the Commenters has prepared a response to this question in the attachments

to these Joint Comments. Please see Attachment A for Ameren Missouri, Attachment B for Evergy

Missouri Metro and Evergy Missouri West, and Attachment C for Empire.

Costs to Utility - Tracking of data related to interconnections

<u>Provide a description of how your utility currently tracks interconnections, for</u> <u>example, to comply with net-metering reporting requirements or for its own</u> <u>distribution system planning efforts.</u>

Provide an incremental cost estimate to expand that tracking as proposed in the draft rule.

35. Each of the Commenters has prepared a response to this question in the attachments

to these Joint Comments. Please see Attachment A for Ameren Missouri, Attachment B for Evergy

Missouri Metro and Evergy Missouri West, and Attachment C for Empire.

#### Costs and benefits to ratepayers

# Provide an estimate of the costs and benefits to Missouri ratepayers of the proposed rule.

36. It is difficult to estimate the costs and benefits to Missouri ratepayers of the proposed rule. The benefits of a rule with revisions as proposed by the Commenters, however, should help ensure any cost changes remain minimal, since these revisions would mitigate the risks of overpaying for energy.

# Is there a cost to ratepayers, small power producers or other stakeholders not covered by these questions? If so, please describe and provide an estimate.

37. The Commenters believe relevant costs to utilities and customers have been addressed above. The Commenters further state that if their proposed revisions are accepted, small power producers should not be adversely impacted as compared to the currently effective rule since something near the status quo will presumably be maintained.

WHEREFORE, for the foregoing reasons, the undersigned respectfully request that the

Commission accept these comments for consideration in determining the next steps regarding the

proposed rule revisions.

Respectfully submitted,

Is/Paula N. Johnson

**Paula N. Johnson**, # 68963 Senior Corporate Counsel P.O. Box 66149, MC 1310 St. Louis, MO 63166-6149 (314) 554-3533 (phone) (314) 554-4014 (fax) AmerenMOService@ameren.com

Attorney for Union Electric Company d/b/a Ameren Missouri

[s] Robert 9. Hack

Robert J. Hack, MBN 36496 Roger W. Steiner, MBN 39586 Evergy, Inc. 1200 Main Street, 16<sup>th</sup> Floor Kansas City, MO 64105 Telephone: (816) 556-2791 Telephone: (816) 556-2314 Facsimile: (816) 556-2110 E-Mail: <u>Rob.Hack@evergy.com</u> E-Mail: <u>Roger.Steiner@evergy.com</u>

Attorneys for Evergy Missouri Metro and Evergy Missouri West

<u>|s| Diana C. Carter</u>

Diana C. Carter, #50527 428 E. Capitol Ave., Suite 303 Jefferson City, MO 65101 Joplin Office Phone: (417) 626-5976 Cell Phone: (573) 289-1961 E-Mail: Diana.Carter@LibertyUtilities.com

Attorney for The Empire District Electric Company

# **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been emailed to the parties of record on this 9th day of November, 2020:

Isl Paula N. Johnson\_

Paula N. Johnson