

Compromise Proposal

The solar renewable energy industry, in reliance on applicable statutes, regulations, and orders of the state of Missouri, has expended extensive capital and time in meeting the Renewable Energy Standard (“RES”) in the state of Missouri. Due to the pace of deployment of solar renewable energy to meet the RES, various possible interpretations of applicable Missouri law may require either the suspension or delay in the payment of incentives duly authorized by the Missouri voters for solar generation. In order to comply with the RES and pay those incentives reasonably authorized by Missouri voters, the following is submitted as an alternative to the immediate suspension of KCP&L solar rebates.

This Compromise Proposal is based upon KCP&L’s calculation of its RES Retail Rate Impact. Businesses engaged in the installation of solar renewable energy generation systems and their customers have made decisions and substantial investments in reliance on certain assumptions made according to applicable Missouri law. The proposed compromise is an attempt to mitigate the overall damage to solar industry and their customers, continue economic development and investment in clean energy as authorized by Missouri voters, allow for an orderly reduction in solar rebates consistent with H.B. 142 (2013), protect KCP&L ratepayers, and allow KCP&L a reasonable recovery.

For purposes of resolving the issues regarding the suspension or payment of solar rebates in File No. ET-2014-0071, Brightergy respectfully requests the Commission issue an Order requiring that:

1. KCP&L not suspend payment of solar rebates.
2. KCP&L shall utilize its methodology included in KCP&L’s “KCPL RES Model Company Alternative Workpapers HC” spreadsheet (“Calculation Spreadsheet”) provided to the parties to File No. ET-2014-007 on September 10, 2013 as a means to calculate the 1% Retail Rate Impact.
3. All solar rebate applications will be paid according to applicable statutes and rules equal to the total amount calculated in accordance with the methodology set forth in ¶ 2 for the period 2013-2024.
4. Each year for the period 2013-2024, KCP&L shall annually recover in their electric rates up to the annual amount listed in the “Prop-C Solar Rebates” row of the Calculation Spreadsheet.
5. To the extent that solar rebate amounts paid by KCP&L in a calendar year exceed the annual amount set forth in the Calculation Spreadsheet for that calendar year, such amount shall be included as a regulatory asset of KCP&L to be recovered in rates in successive periods subsequent to December 31, 2013.
6. KCP&L shall be granted a carrying cost for unrecovered solar rebates paid pursuant to ¶ 4 included as a KCP&L regulatory asset, from the period of payment to the period of recovery.