

MEMORANDUM

TO: Missouri Public Service Commission Case File
Case No. EO-2016-0281, KCP&L Greater Missouri Operations Company's Submission
of Its 2015 Renewable Energy Standard Compliance Report

FROM: Claire M. Eubanks, P.E., Engineering Analysis

/s/ Dan Beck / May 27, 2016 /s/ Bob Berlin / May 27, 2016
Engineering Analysis / Date Staff Counsel's Office / Date

SUBJECT: Staff Report and Conclusion on KCP&L Greater Missouri Operations' 2015 Renewable
Energy Standard Compliance Report

DATE: May 27, 2016

CONCLUSION

The Staff has reviewed the KCP&L Greater Missouri Operations' ("GMO" or "Company") filed *2015 Annual Renewable Energy Standard Compliance Report* (Compliance Report), dated April 15, 2016. Based on its review, Staff has not identified any deficiencies.

OVERVIEW

On April 15, 2016, the Company filed its RES Compliance Report for calendar year 2015 (Case No. EO-2016-0281). The Compliance Report was filed in accordance with 4 CSR 240-20.100(8), Electric Utility Renewable Energy Standard Requirements, Annual RES Compliance Report and RES Compliance Plan. This rule states, in part, "Each electric utility shall file an RES compliance report no later than April 15 to report on the status of both its compliance with the RES and its compliance plan as described in this section for the most recently completed calendar year." Subparagraphs 4 CSR 240-20.100(8)(A)1. A. through P. provide the minimum requirements for the Compliance Report. Subsection 4 CSR 240-20.100(8)(D) requires that Staff examine the Company's Compliance Report and file a report within forty-five (45) days of the filing.

Staff has utilized the North American Renewables Registry (NAR) to independently verify the retirement of the RECs and S-RECs by the Company.

DISCUSSION

Staff has reviewed the Company's Compliance Report in accordance with the established requirements to verify the Compliance Report contains the information required by rule. The results of the review are detailed below, with appropriate rule subparagraphs A. through P. identified and quoted.

A. "Total retail electric sales for the utility, as defined by this rule:"

The Company provided the total retail electric sales for 2015 expressed as total megawatt-hours (MWh) sold to Missouri customers (7,970,618 MWh), consistent with the 2015 FERC Form 1 filed with the Commission on May 13, 2016.

B. "Total jurisdictional revenue from the total retail electric sales to Missouri customers as measured at the customers' meters;"

The Company provided the total retail electric sales for 2015 expressed as annual operating revenues (dollars) from Missouri customers. The amount listed on the 2015 FERC Form 1 filed with the Commission on May 13, 2016 was \$745,003,484.¹

C. "Total retail electric sales supplied by renewable energy resources, as defined by section 393.1025(5), RSMo, including the source of the energy;"

The Company utilized three (3) primary renewable energy generating facilities during 2014; Gray County Wind Energy ("Gray County"), Ensign Wind ("Ensign"), and St. Joseph Landfill Generating Station. The total amount of energy generated at the facilities was 576,591 MWh.

D. "The number of RECs and S-RECs created by electrical energy produced by renewable energy resources owned by the electric utility. For the electrical energy produced by these utility-owned renewable energy resources, the value of the energy created. For the RECs and S-RECs, a calculated REC or S-REC value for each source and each category of REC;"

¹ Line 10 – Total Sales to Ultimate Customers from FERC Form 1, Page 300

The Company reported the following information on Pages 3 and 4 of its Compliance Report:

Facility	Number of RECs	Compliance Equivalency for In-State²	Value of Energy (\$)	Value of RECs (\$/REC)
St. Joseph Landfill Generating Station	12,447	15,558	250,807	0

The Company reported that the St. Joseph Landfill Generating Station generated 12,447 MWh in 2015 and the value of the energy was \$250,807. The Company reports no value to its owned resources, however, Staff believes there is a value to the RECs created by the Company’s owned generation though that value is not transparent.

E. “The number of RECs acquired, sold, transferred, or retired by the utility during the calendar year;”

The Company provided the following information regarding the number of RECs acquired and retired during the calendar year:

	Number of RECs (Compliance Equivalency)	Number of S-RECs (Compliance Equivalency)
Acquired	561,144 (n/a)	25,616 (32,020)
Retired	390,560 (n/a)	6,569 (7,983)

The Company acquired RECs through PPAs with Gray County and Ensign and S-RECs through its customer-generators during 2015. The Company has not sold or transferred RECs during the calendar year.

² Renewable resources located in Missouri, qualifies for the one and twenty-five hundredths (1.25) credit multiplier allowed by statute and regulation; 393.1030.1., RSMo; 4 CSR 240-20.100(3)(G)

Staff verified that the Company retired Gray County, Ensign, and St. Joseph RECs (2013-2014 Vintage) to meet the non-solar requirement³ of at least 390,560 RECs. The Company also retired 7,983 S-RECs from customer-generators⁴ and third-party brokers (2012-2014 Vintage) to meet the solar requirement of 7,971.⁵ These RECs were registered and retired in the North American Renewables Registry⁶ utilized for compliance purposes. In accordance with statute and regulation, these RECs were produced by a qualified facility and were banked appropriately.⁷

F. “The source of all RECs acquired during the calendar year;”

The Company provided a resource list as Attachment A and B of the Compliance Report, which reflects the source of RECs acquired in 2015.

G. “The identification, by source and serial number, or some other identifier sufficient to establish the vintage and source of the REC, of any RECs that have been carried forward to a future calendar year;”

The Company provided a listing, by source and serial number, of RECs that are being carried forward for future year(s) as Attachment C of the Compliance Report.

H. “An explanation of how any gains or losses from sale or purchase of RECs for the calendar year have been accounted for in any rate adjustment mechanism that was in effect for the electric utility;”

There were no sales or purchases of RECs except RECs bundled with purchased power.

³ Pursuant to 4 CSR 240-20.100(1)(R)2, the amount of RECs necessary is determined by calculating five percent (5%) of the Company’s total retail sales, less the solar requirement.

⁴ Renewable resources located in Missouri, qualifies for the one and twenty-five hundredths (1.25) credit multiplier allowed by statute and regulation; 393.1030.1., RSMo; 4 CSR 240-20.100(3)(G)

⁵ Pursuant to 4 CSR 240-20.100(1)(R)5.B., the amount of S-RECs necessary is determined by calculating one-tenth percent (0.1%) of the Company’s total retail sales.

⁶ <http://narecs.com/>.

⁷ Qualified facility per 393.1025(5), RSMo and 4 CSR 240-20.100(1)(N); Banked RECs per 393.1030.2, RSMo and 4 CSR 240-20.100(1)(M).

I. “For acquisition of electrical energy and/or RECs from a renewable energy resource that is not owned by the electric utility, the following information for each resource that has a rated capacity of ten (10) kW or greater:

(I) Facility name, location (city, state), and owner;

The Company provided a resource list as Attachment A of the Compliance Report, which includes the name, location and owner of the facility.

“(II) That the energy was derived from an eligible renewable energy technology and that the renewable attributes of the energy have not been used to meet the requirements of any other local or state mandate;”

The Company notes that the Generator Owners for Ensign and Gray County have designated KCP&L as the Responsible Party in NARR which means the generator owner has not granted similar authority to another person or entity in NAR or another any similar registry. Additionally, the Company provided the Responsible Party designation forms in response to Staff Data Request 3.

“(III) The renewable energy technology utilized at the facility;”

The renewable energy technology was provided as part of the resource list in Attachment A of the Compliance Report.

“(IV) The dates and amounts of all payments from the electric utility to the owner of the facility;”

The dates and amounts for the payments to Gray County and Ensign were provided in Attachment D of the Compliance Report.

“(V) All meter readings used for the calculation of the payments referenced in part (IV) of the paragraph;”

The required meter readings for Gray County and Ensign were not provided in the Compliance Report. The Company has requested a limited waiver from reporting meter readings for all energy/REC purchases from outside vendors.

The purpose of this subparagraph is to demonstrate the validity of RECs and/or S-RECs obtained from sources that are not owned by the electric utility. Generation of renewable energy at Company owned resources is typically monitored by revenue quality meters and/or reported through an independent system operator. Resources in which this subparagraph applies to are not necessarily monitored by the utility that seeks to retire the associated RECs for compliance purposes. This subparagraph compensates for the lack of utility ownership/control of the renewable energy resource.

The RECs associated with energy purchased from Gray County and Ensign are registered in NAR. A Qualified Reporting Entity (QRE) is defined in NAR’s Operating Procedures as “an entity reporting meter reading and other generation data to the NAR Administrator.” ** ___

_____ ⁹ ** The Company has provided the invoices supporting the dates and payments listed in Attachment C which includes the monthly generation.

⁸ NAR Requirements for Qualified Reporting Entities
⁹ Staff Data Request 4 in Case No. EO-2014-0290



Based on its review of the information provided by the Company and other sources, Staff recommends the Commission grant the Company a limited waiver from the requirements of Rule 4 CSR 240-20.100(8)(A)1.(I)(V). Staff believes good cause exists because the meter readings are not available to the Company. In lieu of meter readings, Staff recommends the Company provide invoices or another reasonable substitute for energy purchases from Gray County and Ensign because meter readings are not available.

J. “For acquisition of electrical energy and/or RECs from a customer-generator:”

“(I) Location (zip code);”

“(II) Name of aggregated subaccount in which RECs are being tracked in;”

“(III) Interconnection date”

“(IV) Annual estimated or measured generation; and”

“(V) The start and end date of any estimated or measured RECs being acquired;”

The required information was provided in Attachment B of the Compliance report.

K. “The total number of customers that applied and received a solar rebate in accordance with section (4) of this rule;”

The Company states 0 solar rebates were both applied for and received during calendar year 2015.

L. “The total number of customers that were denied a solar rebate and the reason(s) for denial;”

122 customers were denied a rebate during calendar year 2015 because funding commitments reached the stipulated \$50 million cap.

M. “The amount of funds expended by the electric utility for solar rebates, including the price and terms of future S-REC contracts associated with the facilities that qualified for the solar rebates;”

The Company has paid \$164,280 in solar rebates for calendar year 2015.

N. “An affidavit documenting the electric utility’s compliance with the RES compliance plan as described in this section during the calendar year;”

The Company filed a signed Affidavit with the Compliance Report.

O. “If compliance was not achieved, an explanation why the electric utility failed to meet the RES.”

The Company provided a statement that it believes it has achieved compliance with the RES. Additionally, the Company retired the appropriate number of RECs to meet the RES requirement.

P. “A calculation of its actual calendar year retail rate impact.”

The Company included its actual calendar year retail rate impact in its amended Report filed on May 23, 2016.

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

In the Matter of KCP&L Greater Missouri)
Operations Company's Submission of Its) **File No. EO-2016-0281**
2015 Renewable Energy Standard)
Compliance Report)

AFFIDAVIT

State of Missouri)
County of Cole) ss.
County of Cole)

COMES NOW Claire M. Eubanks and on her oath declares that she is of sound mind and lawful age; that she contributed to the attached *Staff Report*; and that the same is true and correct according to her best knowledge and belief.

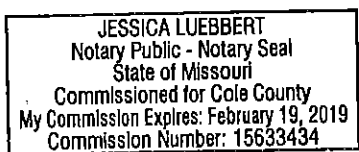
Further the Affiant sayeth not.



Claire M. Eubanks, P.E

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 27th day of May, 2016.





NOTARY PUBLIC