BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Kansas City Power & Light Company's Submission of its 2013 Renewable Energy Standard Compliance Plan	)))	File No. EO-2014-0287
In the Matter of Kansas City Power & Light Company's Submission of its 2013 Renewable Energy Standard Compliance Report	)))	File No. EO-2014-0289

COMMENTS OF RENEW MISSOURI

COMES NOW Earth Island Institute d/b/a Renew Missouri ("Renew Missouri"), pursuant to 4 CSR 240-20.100(7)(E), and offers the below comments regarding Kansas City Power & Light Company's ("KCP&L") 2013 RES Compliance Report and 2014-2016 RES Compliance Plan.

INTRODUCTION

1. These comments are intended to bring compliance issues to the Commission's attention. Some of these comments involve violations of both Missouri law and the Commission's regulations. However, the Commission's August 15, 2012 Notice in File No. EO-2012-0348 indicated that the Commission did not intend to take any further action on comments alleging violations of the RES law or the Commission's regulations unless they were formally brought as complaints, pursuant to 4 CSR 240-20.100)(8)(A) and the statutes and regulations governing complaints before the Commission.

2. Renew Missouri recognizes that the Commission is not required by law to take action on comments. However, the Commission is nonetheless tasked with enforcement of Missouri's Renewable Energy Standard (§ 393.1025-1030, RSMo) and implementing its regulations at 4 CSR 240-20.100. Renew Missouri asks that the Commission consider issuing orders to correct the issues identified in these comments if it determines that it is prudent to do

so. Such action may avoid time-consuming complaint cases and provide greater foreseeability for all stakeholders involved.

COMMENTS ON KCP&L'S 2013 RES COMPLIANCE REPORT

A. Unclear how solar rebate payments to "KCPL Solar" are accounted for.

3. On pg. 7 of its Report, KCP&L states that it paid $7,822,002 in solar rebates in 2013. However, it is unclear how much rebate money was paid out to KCP&L Solar or any other solar companies owned or operated by or affiliated with KCP&L.

4. Language in Section 393.1030.2(1), RSMo indicates that a utility's investment in solar-related projects initiated, owned or operated by the utility must be excluded from the Section (5) calculation if they would cause the utility to reach or exceed its 1% limit:

> Notwithstanding the foregoing, until June 30, 2020, if the maximum average retail rate increase would be less than or equal to one percent if an electric utility's investment in solar-related projects initiated, owned or operated by the electric utility is ignored for purposes of calculating the increase, then additional solar rebates shall be paid and included in rates in an amount up to the amount that would produce a retail rate increase equal to the difference between a one percent retail rate increase and the retail rate increase calculated when ignoring an electric utility's investment in solar-related projects initiated, owned, or operated by the electric utility.

5. Due to the above provision, there is concern that payments made to KCP&L Solar (including solar rebate costs) may be required to be excluded from KCP&L's Section (5) calculation of its 1% retail rate impact limit. Such concerns have been raised by multiple parties in File No. ET-2014-0277 with respect to KCP&L-GMO's application for authorization to suspend payment of solar rebates. These concerns have not yet been resolved by the Commission.

6. Accordingly, the Commission should order KCP&L to disclose the amount of solar investments paid to KCP&L Solar or any other solar company owned or operated by or affiliated with KCP&L in 2013. Furthermore, the Commission should investigate and resolve the

question of whether such payments should be excluded from KCP&L and KCP&L-GMO's Section (5) calculations.

B. KCP&L fails to explain how compliance for 2013 was under the 1% cap.

7. On pg. 8 of its Report, KCP&L states that "Compliance for 2013 was under the 1% cap." The Report contains no further explanation in support of this assertion. Furthermore, as mentioned below, KCP&L has apparently made no attempt to perform its 1% retail rate impact calculation pursuant to Section (5) of the Commission's rule at 4 CSR 240-20.100, either for 2014-2016 or for 2013.

8. The Commission should order KCPL to clarify the RES cost impact calculation that the Company used to determine that compliance for 2013 was under the 1% cap.

C. KCP&L attempts to retire RECs unassociated with energy sold to Missouri customers.

9. Finally, on pg. 7 of its Report, KCP&L states: "S-RECs were acquired from a third party, 3Degrees Group. KCP&L retired 3,425 vintage 2012 and 2013 S-RECs in order to meet its 2013 solar compliance obligation." Attachment A of the Report reveals that these SRECs originate from California, and thus have no connection to energy sold or delivered to Missouri customers.

10. Renew Missouri considers the attempted retirement of these SRECs to be in violation of the RES statute at Section 393.1030.1, RSMo.: "The portfolio requirements shall apply to *all power sold to Missouri consumers* whether such power is self-generated or purchased from another source in or outside of this state. A utility may comply with the standard in whole or in part by purchasing RECs." (emphasis added).

11. Renew Missouri has raised this issue in multiple cases, including File No. EC-2013-0377, et al and previous RES Compliance comments. We raise the issue in this case to reiterate that we consider KCP&L to be in continual non-compliance with Missouri's RES. Renew Missouri urges the Commission to use its authority to enforce Section 393.1030.1, RSMo to require that all renewable energy used for compliance must be actually sold to Missouri customers.

COMMENTS ON KCP&L'S 2014-2016 RES COMPLIANCE PLAN

A. KCP&L fails to include a calculation of its 1% Retail Rate Impact pursuant to 4 CSR 240-20.100(5).

12. As noted in the Comments of Karl R. Ràbago on Behalf of MOSEIA in this case, KCP&L has not attempted to perform a calculation according to the requirements of 4 CSR 240-20.100(5). Furthermore, the Company has not included such a calculation in its 2014-2016 RES Compliance Plan ("Plan"), as required by 4 CSR 240-20.100(7)(B)1.F.

13. Instead, the Company appears to have used 1% of its expected revenue requirement over the next 10 years as a calculation of its RES Retail Rate Impact. KCP&L's calculation has little connection with Section (5) of the Commission's rule at 4 CSR 240-20.100, which sets forth how the retail rate impact is to be calculated.

14. The Commission should find KCP&L in violation of 4 CSR 240-20.100(7)(B)1.F as well as the Stipulation and Agreement approved in File No. ET-2014-0071, both of which require the Company to perform and disclose its Section (5) calculation. The Commission should then order KCP&L to file a detailed 1% retail rate impact calculation for 2014-2016 that complies with the requirements of 4 CSR-240.20.100(5).

B. KCP&L's anticipated annual retail rate impacts for 2014-2016 are far below 1%, in contradiction to previous claims.

15. On pg. 12 of KCP&L's Plan, the Company anticipates that it will have the following annual retail rate impacts: 0.249% for 2014; 0.189% for 2015; and 0.241% for 2016.[1] These estimates follow the year 2013, in which KCP&L claims it was under the 1% as well, without explanation (see above).

16. These anticipated rate impacts seem to be at odds with what KCP&L claimed last year in its 2013-2015 RES Compliance Plan, in which it anticipated exceeding the 1% in each of the next three years (see File No. EE-2013-0452). In addition, this year's anticipated rate impacts are at odds with what KCP&L claimed when it filed its application for authority to suspend payment of solar rebates in September of 2013 (see File No. ET-2014-0071). Both of those previous filings ultimately led to stakeholders negotiating the details of the Non-Unanimous Stipulation and Agreement approved in File No. ET-2014-0071, including the $36.5 million "stipulated amount."

17. This radical change in anticipated rate impacts seems to be without explanation. KCP&L may attempt to claim that large solar rebate investments in 2013 require minimal RES expenses in the following years in order to achieve an average 1% impact. However, KCP&L itself claims not to have reached 1% in 2013. Stakeholders are now forced to assume that the entire impetus for agreeing to the Stipulation was either false or is no longer the case. Such confusion requires immediate clarification from KCP&L.

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[1] These values are estimated using KCP&L's simple "1% of the anticipated revenue requirement" methodology and not using the methodology spelled out it 4 CSR 240-20.100(5). But for purposes of this section, we will treat them as accurate.

18. Renew Missouri requests that the Commission order KCP&L to provide further explanation of its retail rate impact calculation.

WHEREFORE, Renew Missouri offers the above comments for the Commission's consideration in this case.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been served electronically on all counsel of record this 30th day of June, 2014.

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