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

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| In the Matter of KCP&L Greater Missouri Operations | ) | |
| Company's Application for Authorization to Suspend | ) | **File No. ET-2014-0277** |
| Payment of Certain Solar Rebates | ) | Tariff No. JE-2014-0403 |

## APPLICATION FOR REHEARING

COMES NOW Earth Island Institute d/b/a Renew Missouri ("Renew Missouri"), pursuant to Section 386.500, RSMo. and 4 CSR 240-2.160 and herein apply for rehearing on the Commission's "Order Approving Tariff" issued on May 28, 2014 in the above-styled case.

In submitting the Application for Rehearing, Renew Missouri does not object to Kansas City Power & Light-Greater Missouri Operations Company's ("KCP&L-GMO") application designed to cease payment beyond the "specified level" agreed to in the Non-Unanimous Stipulation and Agreement approved in Case No. ET-2014-0071. Rather, Renew Missouri wishes to: 1) clarify that the Commission does not have the legal capability to grant the authority to suspend solar rebate payments without first making a determination that the utility will reach its maximum average retail rate impact, which can only be accomplished following a thorough review of the utility's mathematical calculation done in accordance with the requirements of 4 CSR 240-20.100(5) and Section 393.1030, RSMo; and 2) determine whether KCP&L-GMO has in fact reached the "specified level" if solar-related projects initiated, owned or operated by the electric utility are ignored for purposes of calculating the retail rate increase, pursuant to Section 393.1030.2(1), RSMo.

Renew Missouri asks that the Commission rehear the case and modify its Order on the following grounds:

### KCP&L-GMO did not submit a calculation upon which the Commission could make its required determination

1. On. Pg. 5 of its Order, the Commission stated: "the maximum average retail rate increase will be reached. GMO has correctly calculated the maximum average retail rate increase…" However, the Commission did not possess the necessary information upon which to make its required determination because Kansas City Power & Light-Greater Missouri Operations Company (KCP&L-GMO) did not submit the required information regarding its calculation of the maximum average retail rate increase.

2. Section 393.1030.3, RSMo requires a utility to submit particular information along with its application to suspend: (emphasis added)

> The filing with the commission to suspend the electrical corporation's rebate tariff *shall include the calculation reflecting that the maximum average retail rate increase will be reached and supporting documentation reflecting that the maximum average retail rate increase will be reached*. The commission shall rule on the suspension filing within sixty days of the date it is filed. If the commission determines that the maximum average retail rate increase will be reached, the commission shall approve the tariff suspension.

3. Along with its "Application for Authority to Suspend Payment of Solar Rebates," KCP&L-GMO submitted the following documents on April 9, 2014: (a) Tariff sheets, including redline versions, detailing the proposed changes for which the Company was seeking approval; and (b) the Direct Testimony of Tim R. Rush, which gave background on the Stipulation in ET-2014-0071 that established the "stipulated amount" of $50 million and gave further detail on the amount of solar rebates paid and anticipated to be paid by the Company. However, KCP&L-GMO did not include any attempt at a calculation of the maximum average retail rate impact as prescribed by 4 CSR 240-20.100(5) of the Commission's rule implementing Missouri's Renewable Energy Standard (RES).

4. Without reviewing the Company's required calculation – done in accordance with the RES statute and the Commission's rules at 4 CSR 240-20.100(5) – the Commission cannot

make the required determination of whether KCP&L-GMO will reach its maximum average retail rate increase, and thus cannot legally grant KCP&L-GMO the authority to suspend solar rebate payments. While these steps may not be required by the Stipulation in Case No. ET-2014-0071, they are nevertheless required by existing law.

5. The absence of a calculation submitted in this case reflects an ongoing problem with the implementation and enforcement of Missouri's RES. Nearly five years after the law's passage, not one utility has filed a calculation that attempts to meet all the requirements of 4 CSR 240-20.100(5). The Commission has yet to provide clarity regarding how solar rebate costs are to be treated in utilities' calculations. For example, if solar rebate costs were amortized over a period of years (i.e. treated as investments in traditional generation) and if the costs of RES compliance were compared to the hypothetical costs of an equal amount of fossil-fuel generation, it is possible that KCP&L may be well under its 1% retail rate impact limit.

6. The Commission's Order purports to grant KCP&L-GMO the authority to cease paying solar rebates without the Company ever submitting its required calculation and without the Commission ever reviewing the calculation in order to make its required determination. In granting Renew Missouri's application for rehearing, the Commission should order that KCP&L-GMO submit its calculation done in accordance with 4 CSR 240.20.100(5), and the Commission should conduct a thorough review of such calculation before determining whether the Company will reach its maximum average retail rate impact.

**Rebates paid to KCP&L Solar should not count toward KCP&L-GMO's maximum average retail rate increase**

7. On pg. 5 of its Order, the Commission found that "GMO has correctly calculated the maximum average retail rate increase because, as GMO explained, KCP&L Solar, KCP&L and GMO's solar projects do not fit within the definition of Section 393.1030.2." Renew

Missouri urges the Commission to reconsider this issue by closely examining Section 393.1030.2(1) as well as the arguments presented by the Missouri Solar Energy Industries (MOSEIA) and by Brightergy, LLC in this case.

8. Section 393.1030.2(1) states: (emphasis added)

> "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.

9. Counting rebate payments made in connection with systems installed by KCP&L GMO or KCP&L toward the cap ignores both the letter and the spirit of Section 393.1030(2), RSMo. Such an interpretation could allow utilities themselves to consume all available space under the one percent limit, and may provoke allegations of corruption, conflict-of-interest, and improper disclosure. In granting Renew Missouri's application for rehearing, the Commission should invite briefing on this issue from the Staff, the Office of Public Counsel, and any other interested parties.

WHEREFORE Renew Missouri prays that the Commission rehear the case and amend or modify its order in accordance with this Application.

Respectfully Submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing has been served by electronic mail to all parties of record on this 9th day of June, 2014.

*/s/ Andrew J. Linhares*
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