

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 12th day of May, 2022.

In the Matter of the Application of Evergy Metro,)
Inc. d/b/a Evergy Missouri Metro and Evergy)
Missouri West, Inc. d/b/a Evergy Missouri West for)
Permission and Approval of a Certificate of Public)
Convenience and Necessity Authorizing It to)
Construct, Install, Own, Operate, Maintain and)
Otherwise Control and Manage Solar Generation)
Facilities in Kansas City, Missouri)

File No. EA-2022-0043

ORDER APPROVING STIPULATION AND AGREEMENT

Issue Date: May 12, 2022

Effective Date: June 1, 2022

On December 14, 2021, Evergy Metro, Inc. d/b/a Evergy Missouri Metro and Evergy Missouri West, Inc. d/b/a Evergy Missouri West (collectively “Evergy”) filed an application with the Missouri Public Service Commission requesting that the Commission grant them a Certificate of Convenience and Necessity (CCN) to construct, install, own, operate, maintain, and otherwise control and manage electrical solar production and related facilities in Kansas City, Missouri. The CCN would allow Evergy to build a new solar electrical production facility at the Hawthorn Generating Station in Evergy Missouri Metro’s service area.

The Commission directed notice and established an intervention deadline. The Commission granted intervention to Renew Missouri Advocates d/b/a Renew Missouri. The Staff of the Missouri Public Service Commission (Staff) filed a recommendation on March 10, 2022, that the Commission grant Evergy a CCN to construct a solar generation facility subject to 15 conditions.

On March 18, 2022, Evergy filed a motion for an extension of time to respond to Staff's recommendation. The Office of the Public Counsel (OPC) and Renew Missouri also filed motions for additional time to respond to Staff's recommendation. The deadline to respond to Staff's recommendation was extended several times to allow the parties to engage in settlement discussions.

On May 4, 2022, the parties filed a *Unanimous Stipulation and Agreement* (Agreement) resolving the issues between the parties. Under the terms of the Agreement Evergy would be granted a CCN for its proposed solar generation facility subject to the conditions contained in the Agreement. That Agreement is attached to this order and is incorporated by reference.

After reviewing the Agreement, the Commission finds that it is a reasonable resolution of the issues contained therein and should be approved. The signatories have requested that any order granting the CCN be effective on or before June 1, 2022. The Commission finds this request reasonable and will make this order effective in less than 30 days. The Commission will direct Evergy to file tariff sheets to implement the terms of the Agreement.

THE COMMISSION ORDERS THAT:

1. Evergy is granted a CCN to construct, install, own, operate, maintain, control and manage an electrical solar production facility in Kansas City, Missouri, under the terms and conditions contained in the *Unanimous Stipulation and Agreement* filed on May 4, 2022.

2. The *Unanimous Stipulation and Agreement* filed by the signatories on May 4, 2022, is approved, and the signatories are ordered to comply with its terms. A copy of the Agreement is attached to this order and incorporated by reference.

3. Everygy shall file tariff sheets to implement the terms of the Agreement.

4. This order shall be effective on June 1, 2022.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Silvey, Chm., Rupp, Coleman, Holsman, and
Kolkmeier CC., concur.

Clark, Senior Regulatory Law Judge

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

In the Matter of the Application of Evergy)
Metro, Inc. d/b/a Evergy Missouri Metro and)
Evergy Missouri West, Inc. d/b/a Evergy)
Missouri West for Permission and Approval of) Case No. EA-2022-0043
a Certificate of Public Convenience and)
Necessity Authorizing It to Construct, Install,)
Own, Operate, Maintain and Otherwise Control)
and Manage Solar Generation Facilities in)
Kansas City, Missouri.)

UNANIMOUS STIPULATION AND AGREEMENT

COME NOW, Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy Missouri Metro”) and Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri West”) (collectively, “Evergy” or the “Company”)¹, the Missouri Public Service Commission (“Commission”) Staff (“Staff”), Renew Missouri Advocates d/b/a Renew Missouri (“Renew Missouri”) and the Office of the Public Counsel (“OPC”) (collectively the “Signatories”), and present this *Stipulation and Agreement* (“Stipulation”) to the Commission for its approval.

BACKGROUND

1. On December 14, 2021, Evergy filed an *Application*² and direct testimony³ with the Commission requesting that the Commission grant the Company a Certificate of Convenience and Necessity (“CCN”) to construct, install, own, operate, maintain and otherwise control and manage electrical solar production and related facilities in Kansas City, Missouri. The requested CCN would

¹ Effective October 7, 2019, Evergy Metro Inc. d/b/a Evergy Missouri Metro adopted the service territory and tariffs of Kansas City Power & Light Company (“KCP&L”) and Evergy Missouri West, Inc. d/b/a Evergy Missouri West adopted the service territory and tariffs of KCP&L Greater Missouri Operations Company (“GMO”).

² See, *EVERGY MISSOURI METRO AND EVERGY MISSOURI WEST APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY*, filed December 14, 2021; Docket No. EA-2022-0043 (“Application”).

³ See, *DIRECT TESTIMONY OF KEVIN BRANNAN and DIRECT TESTIMONY OF DAMON REA* filed December 14, 2021; Docket No. EA-2022-0043.

allow Evergy to build a new solar electrical production facility (“Project”) located at the Hawthorn Generating Station, which is in Evergy Missouri Metro’s service area.

2. On January 11, 2022, the Commission issued, *Order Directing Staff To File A Recommendation And Setting A Time For Responses*, directing Staff to file a recommendation regarding Evergy’s CCN application no later than March 10, 2022, and directing any responses to Staff’s recommendation be filed by March 21, 2022.

3. On March 10, 2022, Staff filed its recommendation that the Commission issue an Order approving the *Application*, and also order (15) conditions. Staff also indicated that if the Commission grants a CCN, all portions of the facility that exceed the minimum spending requirements of 393.1665 RSMo. should be included.

4. On March 18, 2022, the Company filed a request for extension of response deadline, to seek clarification of the recommendation and conditions from Staff before responding. On March 18, 2022, the Commission issued an Order granting Evergy’s motion for an extension of time and directing Evergy shall file its response to Staff’s recommendation no later than April 7, 2022.

5. On March 21, 2022, OPC requested that the Commission enlarge the period of time to respond to Staff’s Recommendation and Evergy’s Application by an additional fourteen (14) days. In the alternative, the OPC requested that the Commission set a hearing in this matter pursuant to RSMo § 393.170(3). On March 21, 2022, the Commission issued an Order granting OPC’s motion, directing OPC to file its response to Staff’s recommendation and Evergy’s application no later than April 7, 2022.

6. On March 21, 2022, Renew Missouri also requested a two-week extension to file its comments. On March 22, 2022, the Commission issued an Order granting Renew Missouri’s request, and directing Renew Missouri to also file its response to Staff’s recommendation and Evergy’s application no later than April 7, 2022.

7. On April 7, 2022, the Company requested a two-week extension to respond to Staff's recommendation in order to conduct settlement discussions. On April 12, 2022, the Commission issued an Order granting the Company's request, and directing all parties to file their response to Staff's recommendation and Evergy's application no later than April 21, 2022.

8. On April 21, 2022, the Company requested a one-week extension to respond to Staff's recommendation in order to continue settlement discussions. On April 22, 2022, the Commission issued an Order granting the Company's request, and directing the parties to file a settlement agreement or their respective response to Staff's recommendation and Evergy's application no later than April 28, 2022. Similarly, on April 28, 2022, the Company request an additional one-week extension which was, in turn, granted by the Commission issued Order dated April 29, 2022 and directing the parties to file a settlement agreement or their respective response to Staff's recommendation and Evergy's application no later than May 5, 2022.

SPECIFIC TERMS AND CONDITIONS

9. The Signatories agree Evergy should be granted a CCN for the portions of the Project not built to comply with 393.1665 RSMo. subject to certain conditions. This agreement only applies to the Project, and not any future projects.

10. The Signatories agree that Staff's proposed conditions 1, 2, 5, 6, 9, 11, 12 and 13 should be imposed without modifications.

Staff Proposed Condition 1. All drawings in the applications indicate that they are "Preliminary – Not for Construction" or "For Permitting Purposes Only". Staff respectfully asks the Commission to condition the CCN on providing all as built drawings for the project.

Staff Proposed Condition 2. Staff recommends that the Commission order Evergy to file its overview of plans for restoration of safe and adequate service in this case with consideration of the existing Hawthorn site facilities prior to Evergy exercising the authority sought.

Staff Proposed Condition 5. Staff recommends the Commission require Evergy to include the marketing and administrative costs incurred prior to in-

service and all future marketing and administrative costs be included in a FERC expense sub-account for the solar subscription facility.

Staff Proposed Condition 6. Staff recommends the Commission require Evergy to obtain all permits, regulatory approvals, and reviews required for this project and provide copies of the permits, approvals, and results of any regulatory reviews (i.e., documentation stating no permit or approval required) in this case docket in the EFIS, including but not limited to those required for: wetland/surface water, floodplain disturbance/proximity to levee, stormwater, environmental, cultural, wildlife (e.g., migratory birds, threatened or endangered species, northern long-eared bats, etc.), State of Missouri (e.g., MODOT glare study), Federal (e.g., FAA), City of Kansas City, Missouri or Jackson County.

Staff Proposed Condition 9. Staff recommends the Commission require the Company to comply with the “Pilot Evaluation” criteria that are identified in the SSP tariff.

Staff Proposed Condition 11. Staff recommends the Commission require the Company, upon completion of the facility, to file the final plans, costs and project specifications, a final Hawthorn solar facility revenue requirement model with actual costs and a proposed operating and maintenance manual in this case docket in EFIS.

Staff Proposed Condition 12. Staff recommends the Commission require the Company to include the market priced energy of the shareholder unsubscribed portion in their FAR filing and to file a separate tab in their FAC monthly reports showing the solar subscription monthly operating data, costs, and revenues as outlined in a stipulation and agreement from Case No. ER-2018-0145.

Staff Proposed Condition 13. Staff recommends that the Commission require the Company to submit reports in this case docket in EFIS detailing an evaluation of the program and lesson learned, filed quarterly until this facility is fully constructed and annually thereafter for the following four years and then thereafter every three years until this pilot facility is retired as outlined in a Stipulation and Agreement from Case No. ER-2018-0145.

11. The Signatories agree that modifications to Staff’s proposed conditions 3, 7, 8, 14 and 15 should be imposed as follows.

Staff Proposed Condition 3 as modified: Staff recommends the Commission require Evergy to delineate all revenues, investments, and expenses associated with the Hawthorn solar subscription facility, and any future solar subscription facilities and record them into separate accounts or sub-accounts, to the extent practical, separately by facility starting with the in-service date for the facility. Evergy shall prepare, in support of future general rate cases, an analysis using

reasonable allocation methods for those categories of expenses where it is not practical to specifically track the transactions in the general ledger.

Staff Proposed Condition 7 as modified: Staff recommends the Commission require Evergy to determine the allocation split for the project and on a monthly basis calculate any unsubscribed amounts as identified in the SSP tariff.

Staff Proposed Condition 8 as modified: Staff recommends the Commission require the Company to calculate the costs of alternative generation or purchased power costs required if Hawthorn Unit #8 will need to be taken offline to complete the interconnection and that any liquidated damages will be awarded as a reduction to the total cost of the EPC⁴ contract and allocated proportionally between the solar subscription and 393.1665 RSMo. portions of the Hawthorn solar facility.

Staff Proposed Condition 14 as modified: Staff recommends that if the interconnect shunt reactor will be required, that the costs for the shunt reactor and any related costs be assigned to and included in the total cost of the solar facility, so those costs will be recovered from solar subscriber participants and customers of the 393.1665 RSMo. portion of the solar facility.

Staff Proposed Condition 15 as modified: Staff recommends the Commission require that the final solar block cost should not exceed the maximum rate of \$0.13880 per kWh as stated in the SSP tariff and that the Company immediately file a notice in this case docket in EFIS if they become aware of any significant cost increases or any cost increases that would result in a final facility total cost variance of 5% or more from the proposed facility total cost estimate of ** [REDACTED] ** as procurement and construction progresses. In addition, if the Project Commercial Operation Date is projected to be delayed by >90 days, the Company will file the revised Project Schedule in this case docket in EFIS.

12. The Signatories agree, solely for the settlement of this case, a portion of the Project, not to exceed \$ 4 million per utility or \$ 8 million in the aggregate, is built to comply with 393.1665 RSMo. The Signatories agree that the Company shall not be required to obtain the permission of the Commission to construct this portion of the Project. All prudently incurred costs for this portion of the Project will be divided and paid for equally by Evergy Missouri West and Evergy Missouri Metro customers. The Signatories agree that over time this portion of the Project will transition to serve

⁴ EPC contract references the Engineering, Procurement, and Construction agreement between the Company and Burns & McDonnell, which was executed in December 2021.

the future needs for Evergy Missouri West and Evergy Missouri Metro Solar Subscription Pilot Rider participants as described herein.⁵ As the waiting list of Evergy Missouri West or Evergy Missouri Metro customers reaches 1,000 shares (0.5 MWac), Evergy will include each additional 0.5 MWac portion in the total portions of the Project designated as solar subscription assets and will apply the same fuel adjustment clause impacts to this new total as was applicable to the original allocation.⁶⁷ Any remaining portion of the Project not covered by this paragraph shall be covered by the CCN referenced in paragraph 9.

13. The Signatories agree that with this Project Evergy has fulfilled its requirements under subsection 2 of 393.1665 RSMo. and should it build additional solar projects, the Company will not utilize subsection 3 of 393.1665 RSMo. and will seek a CCN from the Commission⁸ for the additional solar projects.

14. The Signatories agree that nothing in this Stipulation precludes the Commission's authority to review and any parties' authority to argue for or against "the specific costs incurred to construct and own the facilities to ensure that rates are based only on prudently incurred costs." 393.1665(3) RSMo. This includes, without limitation, any costs related to the procurement and use of any of the Project's specific material components.

⁵ 1 MWac (0.5 MWac or 1,000 shares each for Evergy Missouri West and Evergy Missouri Metro) of the Project is proposed to meet the needs of a low income solar program in the Company's ER-2022-0129 and ER-2022-0130 pending rate cases. In the event that a low income solar program utilizing this portion of the Project is not ultimately approved by the Commission as part of these rate cases, the Signatories agree that this remaining 1 MWac (or 0.5 MWac each for Evergy Missouri West and Evergy Missouri Metro) will also be available to meet the demand for future Solar Subscription Pilot Rider participants. All Evergy Missouri Metro and Evergy Missouri West customers (split evenly) are responsible to pay for prudently incurred costs related to this 1 MW portion until such time either 1) the proposed low income solar program is approved in some form as part of the rate case or, if not approved 2) following the rate case completion, the demand for the Solar Subscription program increases to the point where these associated shares are transferred from all Evergy Missouri Metro and Evergy Missouri West customers paying for the 1 MW portion to SSP customers per the process outlined in Paragraph 12.

⁶ This Stipulation does not modify any provision of the Stipulation and Agreement in ER-2018-0145 and ER-2018-0146 related to the solar subscription pilot rider.

⁷ The total number of customers signing up on the wait list and any related portions of the Project designated as solar subscription assets will be calculated on a monthly basis.

⁸ This Company commitment only applies to the existing 393.1665 RSMo. as of the date of this signed stipulation and does not bind the Company in the event of changes to this statute or any new statute.

15. The Signatories agree that no other conditions should be imposed on the requested CCN.⁹ However, Evergy has proposed a permanent, non-pilot Solar Subscription Rider Program in the Company's pending electric general rate cases, File No. ER-2022-0129 and ER-2022-0130, and the Signatories will not be bound to support the approval of, or any parameters or terms of, the proposed permanent program.¹⁰

16. The Signatories request that the Commission issue any order approving this Stipulation and granting the requested CCN subject to the foregoing specified conditions with an effective date on or before June 1, 2022.

GENERAL PROVISIONS

17. This Stipulation is being entered into for the purpose of disposing of the issues that are specifically addressed herein. In presenting this Stipulation, none of the Signatories shall be deemed to have approved, accepted, agreed, consented or acquiesced to any ratemaking principle or procedural principle, including, without limitation, any method of cost or revenue determination or cost allocation or revenue related methodology, and none of the Signatories shall be prejudiced or bound in any manner by the terms of this Stipulation (whether it is approved or not) in this or any other proceeding, other than a proceeding limited to enforce the terms of this Stipulation, except as otherwise expressly specified herein.

18. This Stipulation has resulted from extensive negotiations, and the terms hereof are interdependent. If the Commission does not unconditionally approve this Stipulation, or approves it with modifications or conditions to which a party objects, then this Stipulation is considered to be void and no Signatory will be bound by any of its provisions.

⁹ Staff proposed Condition 4 is a statement, not a condition, and thus not addressed by this Stipulation.

¹⁰ Staff proposed Condition 10 is in effect under Evergy's existing Solar Subscription Pilot Rider tariff.

19. If the Commission does not unconditionally approve this Stipulation without modification, or approves it with modifications or conditions to which a party objects, and notwithstanding its provision that it shall become void, neither this Stipulation, nor any matters associated with its consideration by the Commission, shall be considered or argued to be a waiver of the rights any Signatory has for a decision in accordance with Section 536.080, RSMo. 2000, or Article V, Section 18, of the Missouri Constitution, and the Signatories retain all procedural and due process rights as fully as though this Stipulation had not been presented for approval, and any suggestions or memoranda, testimony or exhibits that have been offered or received in support of this Stipulation shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any further purpose whatsoever.

20. This Stipulation contains the entire agreement of the Signatories concerning the issues addressed herein and resolves all issues in this case.

21. This Stipulation does not constitute a contract with the Commission. Acceptance of this Stipulation by the Commission shall not be deemed as constituting an agreement on the part of the Commission to forego the use of any discovery, investigative or other power which the Commission presently has. Thus, nothing in this Stipulation is intended to impinge or restrict in any manner the exercise by the Commission of any statutory right, including the right to access information, or any statutory obligation.

WHEREFORE, the Signatories respectfully request that the Commission approve this *Stipulation*, grant the requested CCN subject to the conditions set forth above, and grant any other and further relief as it deems just and equitable.

Respectfully submitted,

/s/ Roger W. Steiner

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CERTIFICATE OF SERVICE

The undersigned certifies that true and correct copies of the foregoing have been e-mailed or mailed, via first class United States Mail, postage pre-paid, to the counsel of record for all parties this 4th day of May 2022.

/s/ Roger W. Steiner

Roger W. Steiner


STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 12th day of May, 2022.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

May 12, 2022

File/Case No. EA-2022-0043

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



Morris L. Woodruff
Secretary

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.