

KCPL GMO
Case Name: 2018 GMO Rate Case
Case Number: ER-2018-0146

Response to Robinett John Interrogatories - OPC_20180703
Date of Response: 7/23/2018

Question:8535

Related to the SPP Resource Adequacy Report, it is OPC's understanding that KCPL and GMO provided to SPP in 2017 separate resource adequacy submissions. Please provide a detailed description of why the 2018 submissions to SPP for resource adequacy were combined for KCPL and GMO.

Response:

To ensure Southwest Power Pool ("SPP") transmission service is available between KCP&L and GMO, on 5/31/13 the Companies submitted a service request to SPP for joint Network Integration Transmission Service (NITS). This transmission service would allow any combination of KCP&L and GMO's generating resources (i.e., "Designated Resources") to serve the KCP&L and GMO native load needs without requesting additional SPP transmission service. After review/study of the request by SPP, joint NITS was granted and service started 8/1/15. There are no additional transmission service charges required for this service.

SPP is currently in the process of modifying their resource adequacy requirements. These requirements help ensure there is sufficient generating capacity to reliably meet the SPP Balancing Authority area's peak demand. These requirements are detailed in the proposed Attachment AA to the SPP Open Access Transmission Tariff ("OATT"). SPP requested FERC approval of these changes to the OATT on March 30, 2018 (FERC Docket No. ER18-1268) and requested a July 1, 2018 effective date. FERC approval is currently pending.

Section 3.2 (6) of Attachment AA to the SPP OATT (included as an attachment, "Q8535_Attachment AA.pdf") allows Market Participants to aggregate the forecasted peak demands of Load Responsible Entities ("LREs") whose loads are served by a common set of Designated Resources for purposes of compliance with the SPP resource adequacy requirements. Since the start of the joint NITS, KCP&L and GMO loads are served by a common set of Designated Resources, KCP&L has an option to aggregate the forecasted KCP&L and GMO peak demands for resource adequacy purposes. This combined view reduces the chances that GMO or KCP&L on an individual basis would fail to meet the SPP resource adequacy requirement. For example, if GMO did not have sufficient capacity to meet the 12% reserve margin requirement and KCP&L had sufficient capacity to cover the shortfall, no penalties would be incurred by GMO for a failure to meet the resource adequacy requirement as compliance would be determined on a combined basis. While the Companies fully expect and plan for GMO and KCP&L on an

individual basis to meet their share of the SPP resource adequacy requirement, the 2018 resource adequacy filing to SPP was made on a combined basis.

Information Provided By:

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Attachment:

Q8535_Attachment AA.pdf

Q8535_Verification.pdf