

Exhibit No.:
Issue: Renewable Energy Program Tariff
Witness: Amanda Coffey
Sponsoring Party: MoPSC Staff
Type of Exhibit: Rebuttal Testimony
Case No.: ER-2021-0312
Date Testimony Prepared: December 20, 2021

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

ENGINEERING ANALYSIS DEPARTMENT

REBUTTAL TESTIMONY

OF

AMANDA COFFER

**THE EMPIRE DISTRICT ELECTRIC COMPANY,
d/b/a Liberty**

CASE NO. ER-2021-0312

Jefferson City, Missouri
December 2021

1 proposing a new schedule, Renewable Energy Purchase (REP), in order to comply with the
2 Commission order.

3 Q. What are Renewable Energy Credits (“RECs”)?

4 A. A REC is a tradable certificate that represents that one (1) megawatt-hour of
5 electricity has been generated from renewable energy resources.

6 Q. How many RECs will customers be allowed to purchase?

7 A. The REP schedule will allow non-residential customers to purchase RECs to
8 offset the carbon emissions of up to 100% of their total monthly billed electricity consumption
9 in increments of 25% (limited by the availability of RECs). RECs will be sold on a first come,
10 first serve basis.

11 Q. What is the term length for customers who wish to participate in the REP?

12 A. The Company is proposing a minimum term of one year, which will
13 automatically renew at the end of each term unless cancellation is specifically requested with
14 at least 30 days’ notice.

15 Q. How will customers be billed for their purchased RECs?

16 A. Customers will be purchasing RECs monthly based on current billing month
17 usage, in kWh increments. Customers will be billed for their purchased RECs on their monthly
18 electric billing statement. RECs will be retired in whole REC increments by the Company on
19 behalf of the customer. Once a REC is retired, it can no longer be used. Any partial RECs
20 purchased by the customer and not covered in the annual REC retirement will be credited to the
21 customer’s account at the prevailing REC price for the most recent billing month.¹

¹ Staff Data Request No. 0372, Case No. ER-2021-0312.

1 Q. How will the cost of the RECs be determined?

2 A. Customers will be purchasing these RECs at the average weighted price for the
3 Company's REC sales for the previous calendar year. In his testimony, Mr. Tillman states that
4 the initial price of RECs will reflect the sale of RECs for the 12-months ending December 31,
5 2021. On a quarterly basis, the Company will perform a review of the previous three months'
6 average weighted price ("Quarterly Review") for the Company's REC sales to the schedule's
7 REC Rate. If the REC Rate is outside a five percent threshold as compared to the Quarterly
8 Review, the REC Rate will be recalculated as the average weighted price for the most recent
9 12-month ending period. The proposed tariff states "This updated REC Rate shall become
10 effective with the first billing cycle of the following month." This rate does not include costs
11 associated with the North American Renewables Registry ("NAR") tracking system.

12 Q. Is it feasible to have the REC Rate effective with the first billing cycle of the
13 following month?

14 A. No. Changing the REC Rate would require the Company to file the revised tariff
15 sheet with the Commission with a 30-day effective date. This process would take longer than
16 Empire's proposed effective date of the next billing cycle.

17 Q. What would Staff recommend regarding the proposal to have REC rates go into
18 effect with the first billing cycle of the following month?

19 A. Staff would recommend that this portion of the proposed program be re-written
20 to allow for at least a 60-day effective date after the filing to change the rate. This would allow
21 the Commission enough time to review the proposed change to ensure that the change was
22 calculated correctly.

1 Q. How will the REP effect non-participating customers?

2 A. The tariff states, "Proceeds from the sale of RECs, net of any transaction costs,
3 will be credited to customers through the Company's fuel adjustment clause rider." This means
4 that non-participating customers will see benefits from the sale of the RECs net of any
5 transaction costs.

6 Q. What are the transaction costs related to this program?

7 A. NAR charges users fees for issuing, transferring, and retiring RECs on a per
8 REC basis. For this program, Empire will retire RECs on behalf participating customers.

9 Q. Does Staff have any other concerns about the proposed REP?

10 A. Yes. The REP references a service agreement that has not yet been developed,
11 and as written, the REP has not detailed exactly how it will determine the amount of available
12 RECs for the REP while still maintaining enough RECs to comply with RES requirements.

13 Q. What are Staff's recommendations?

14 A. Staff recommends that any REP schedule approved in this case incorporate the
15 provisions intended for the service agreement. Further, Staff recommends that the proposed
16 program be re-written to allow for at least a 60-day effective date after filing to change the rate
17 in order to allow the Commission enough time to review the proposed change. Additionally,
18 Staff recommends a percentage cap on the number of RECs available to the program to ensure
19 REC availability for the statutory RES standard is prioritized. In response to Staff Data Request
20 No. 0266, the Company stated, "One possible approach to eliminate the ambiguity in REC
21 availability is to place a limit on RECs available to customers for purchase under Schedule
22 REP. This limit could be adjusted annually based on demand and expected availability of
23 RECs" Empire further recommended that the initial cap be set at 15% of the expected RECs

1 produced from the three wind projects, North Fork Ridge, Neosho Ridge, and Kings Point Wind
2 Farms. Staff agrees that this would ensure REC availability for RES requirements. Staff also
3 recommends that Empire include this in the tariff and provide staff with the cap and all
4 supporting calculations on an annual basis. This would be an initial cap of 370,000 RECs
5 for the first year. In Table 1 of its 2021 RES Compliance Plan, Case No. EO-2021-0344,
6 filed April 15, 2021, Empire had estimated a total anticipated non-solar RES requirement of
7 629,673 RECs and plans to use RECs from Elk River, Meridian Way, and Ozark Beach to meet
8 this requirement.

9 Q. On page 7 of his testimony, Mr. Chriss proposed the REP specify the wind
10 resources from which the RECs would be sourced, and that the Company be required to provide
11 an attestation to each participating customer specifically delineating the RECs retired on behalf
12 of that customer. Would Staff be opposed to these modifications?

13 A. No. Staff would not be opposed to those modifications as they would add more
14 transparency to the program. NAR also allows users to designate RECs as public. This would
15 be another option to add more transparency to the program.

16 Q. Does this conclude your rebuttal testimony?

17 A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Request of The Empire)
District Electric Company d/b/a Liberty for) Case No. ER-2021-0312
Authority to File Tariffs Increasing Rates for)
Electric Service Provided to Customers in its)
Missouri Service Area)

AFFIDAVIT OF AMANDA COFFER

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW AMANDA COFFER, and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Rebuttal Testimony of Amanda Coffe*; and that the same is true and correct according to her best knowledge and belief.

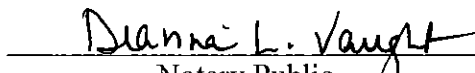
Further the Affiant sayeth not.


AMANDA COFFER

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 15th day of December, 2021.

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2023
Commission Number: 15207377


Notary Public