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Witness: Amanda Coffe
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Case Nos.: ER-2022-0129 and
ER-2022-0130
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MISSOURI PUBLIC SERVICE COMMISSION
INDUSTRY ANALYSIS DIVISION
ENGINEERING ANALYSIS DEPARTMENT

REBUTTAL TESTIMONY
OF
AMANDA COFFER

Evergy Metro, Inc., d/b/a Evergy Missouri Metro
Case No. ER-2022-0129

Evergy Missouri West, Inc., d/b/a Evergy Missouri West
Case No. ER-2022-0130

Jefferson City, Missouri
July 2022

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AMANDA COFFER**

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1 **REBUTTAL TESTIMONY**

2 **OF**

3 **AMANDA COFFER**

4 **Evergy Metro, Inc., d/b/a Evergy Missouri Metro**
5 **Case No. ER-2022-0129**

6 **Evergy Missouri West, Inc., d/b/a Evergy Missouri West**
7 **Case No. ER-2022-0130**

8 Q. Please state your name and business address.

9 A. My name is Amanda Coffey, and my business address is Missouri Public Service
10 Commission, P.O. Box 360, Jefferson City, Missouri, 65102.

11 Q. By whom are you employed and in what capacity?

12 A. I am employed by the Missouri Public Service Commission (“Commission”) as
13 an Associate Engineer in the Engineering Analysis Department of the Industry Analysis
14 Division.

15 Q. Please describe your educational background and relevant work experience.

16 A. I received my Bachelor of Science degree in Chemical Engineering from the
17 University of Missouri in 2012. I was employed by the Missouri Department of Natural
18 Resources as an Environmental Engineer from 2015 through 2018. I have been employed by
19 the Commission since 2018 as an Associate Engineer. My credentials and case participation are
20 included in Schedule AC-r1.

21 **EXECUTIVE SUMMARY**

22 Q. What is the purpose of your rebuttal testimony?

23 A. I will be responding to the Direct Testimony of Evergy witness,
24 Kimberly H. Winslow, regarding Evergy’s Green Pricing Program.

1 Q. What is Staff's recommendation in regard to the Green Pricing Program?

2 A. Staff recommends rejection of the proposed Green Pricing Program as Evergy
3 has not demonstrated a need for this type of program. Additionally, Staff questions the
4 appropriateness of Evergy's proposed REC pricing given Evergy has not valued the RECs it
5 intends to sell through the program. It continues to be Staff's position that Evergy should sell
6 its excess RECs in lieu of letting them expire, however, this program is a poor attempt at
7 addressing Staff's on-going prudence concern.

8 Q. What is Staff's on-going prudence concern?

9 A. In Case Numbers EO-2022-0065 and EO-2022-0064, Commission Staff has
10 recommended a disallowance due to Evergy having allowed excess RECs to expire rather than
11 selling them.

12 Q. If Staff wants Evergy to sell its excess RECs, why is Staff recommending this
13 program be rejected?

14 A. This program creates more problems than it solves. It is true that Evergy
15 would be selling RECs with this program, however Evergy has not valued its RECs, has not
16 specified which RECs it intends to use for the program, and its only plan to keep up with the
17 program if demand for the program exceeds its REC supply is to purchase additional RECs at
18 an unknown price.

19 **PROGRAM DETAILS**

20 Q. What is a Green Pricing Program?

1 A. A Green Pricing Program, as defined in 20 CSR 4240-20.100, is a voluntary
2 program that provides an electric utility's retail customers an opportunity to purchase renewable
3 energy or renewable energy credits (RECs).

4 Q. What is a REC?

5 A. A REC is a tradable certificate that represents that 1 MWh of electricity has been
6 generated from renewable energy resources.¹

7 Q. What is Evergy proposing in regards to its Green Pricing Program?

8 A. Evergy is proposing to sell existing RECs, unbundled from energy, to residential
9 and business customers. The proposed program would allow customers to purchase fractional
10 RECs (i.e. RECs represent 1 MWh whereas participants would be buying RECs per kWh)
11 equivalent to some or all of their energy consumption. The proposed program is voluntary, has
12 no program fee, and no cancellation fee. The customer bill will include a Renewable Energy
13 Charge that will consist of \$0.0046 per kWh with a program administrative fee of \$0.0001 per
14 kWh. Evergy proposes to review and update the Renewable Energy Charge on an annual basis
15 according to current and expected market prices for the following year.

16 Q. Will customers actually be purchasing and using renewable energy?

17 A. No. Customers will be purchasing RECs unbundled from energy that was
18 previously generated and used to serve its customers. Once sold to the customer, Evergy will

¹ As defined in Commission rule 20 CSR 4240- 20.100(1)(M):

REC, Renewable Energy Credit, or Renewable Energy Certificate means a tradable certificate, that is either certified by an entity approved as an acceptable authority by the commission or as validated through the commission's approved REC tracking system or a generator's attestation. RECs validated through an attestation must be signed by an authorized individual of the company that owns the renewable energy resource. Such attestation shall contain the name and address of the generator, the type of renewable energy resource technology, and the time and date of the generation. A REC represents that one (1) megawatt-hour of electricity has been generated from renewable energy resources. RECs include, but are not limited to, solar renewable energy credits. A REC expires three (3) years from the date the electricity associated with that REC was generated;

1 retire the RECs on behalf of the customer. The Commission approved REC tracking system,
2 the North American Renewables Registry (“NAR”) defines retirement as, “An action taken to
3 remove a Certificate from circulation within the NAR system. Retirement may be initiated only
4 by the Account Holder for Certificates in his/her own Accounts. Retirement is effectuated by
5 transferring Certificates into a Retirement Sub-account or a Retirement Group Sub- account.”²

6 The purpose of retiring RECs is to ensure that they cannot be double-counted for other purposes.

7 Q. Will renewable energy be generated specifically for this program?

8 A. No. The RECs that Evergy is proposing to sell are primarily RECs from its
9 existing renewable resources or acquired through current PPAs.

10 Q. Are there any comparable programs in effect?

11 A. Evergy offers a similar program in Kansas at a price of \$0.25 per 100 kWh block,
12 which Evergy decreased from \$1.00 per 100 kWh block to encourage participation.³

13 Evergy also provided a list of other similar programs in response to OPC Data
14 Request 2015.

15 Q. Where will the revenues from this program go?

16 A. The Company plans to isolate the Green Pricing REC program revenues related
17 to the program and flow those back through the FAC.⁴

18 **RENEWABLE ENERGY STANDARD**

19 Q. What is the Renewable Energy Standard (“RES”)?

² NAR Operating Procedures, page viii, [NAR-Operating-Procedures-November-2018.pdf \(apx.com\)](#).

³ Response to Staff Data Request No. 0400, ER-2022-0129.

⁴ Response to Staff Data Request No. 0257.1, ER-2022-0129.

1 A. The Renewable Energy Standard is a set of regulations requiring electric utilities
2 to obtain a portion of its energy portfolio from renewable resources.

3 Q. What are the requirements of the Renewable Energy Standard?

4 A. Electric utilities are required to generate or purchase no less than 15% of its
5 energy from renewable resources, 0.03% of which must be from solar resources. A full list of
6 the RES requirements are listed in 20 CSR 4240-20.100.

7 Q. Are you concerned with Evergy's ability to meet RES requirements along with
8 the demands of the Green Pricing Program?

9 A. Not currently. Evergy Metro has ** [REDACTED] ** banked RECs and
10 anticipates it will need ** [REDACTED] ** to meet the RES requirements for 2022. Evergy West
11 has ** [REDACTED] ** and anticipates it will need ** [REDACTED] ** for 2022.

12 Q. How does Evergy plan to supply RECs for the program if interest exceeds
13 Evergy's supply of RECs?

14 A. The tariff states, "the Company agrees to generate or purchase energy from
15 renewable sources and/or purchase RECs in an amount at least equal to the level of service
16 purchased by Participants in the Program."⁵

17 Q. Is it reasonable for Evergy to plan to purchase additional RECs for this program?

18 A. No. If approved, Staff recommends Evergy set a cap for the number of RECs
19 available under the program as a method for managing Evergy's supply of RECs for both the
20 program demand and RES compliance. Staff has additional concerns with Evergy's plan to
21 purchase RECs for this program, which I will discuss below.

⁵ Case ER-2022-0129, Proposed Green Pricing REC Program Rider, Sheet No. 56.

1 **PRICING**

2 Q. How did Evergy decide on its pricing for this program?

3 A. Evergy based its REC pricing for the program on the price forecast for 2023
4 from AMEREX Brokers.⁶

5 Q. Does Staff have any concerns with the REC price that Evergy is proposing; if so
6 please explain?

7 A. Yes. Evergy should first consistently determine the value of its RECs before
8 setting a price. Evergy has produced conflicting statements on the value of RECs. For instance,
9 Evergy stated that it has not valued the renewable attributes associated with its wind PPAs.⁷
10 It has also consistently been Evergy's position in its RES filings that its RECs from its Company
11 owned wind resources have no value.⁸ However, Evergy recently sold 2021 vintage RECs in
12 early 2022 for \$3.30 per REC on average,⁹ recently stated current estimated prices of 2019
13 Vintage RECs as \$0.95 per REC,¹⁰ and now wants to sell RECs to customers for \$4.60 based
14 solely on the AMEREX brokers forecasted pricing.

15 Q. What factors should Evergy consider when determining a value for RECs?

16 A. Evergy discussed the value of RECs in cases EO-2022-0065 and EO-2022-0064
17 in the direct testimony of Evergy witness, Kayla Messamore. In her testimony, she states
18 several factors that determine the value of a REC on page 6 line 13 – page 7 line 21. These
19 factors are listed below with a brief explanation of each.

⁶ Amerex Brokers, LLC is an energy brokerage offering services in electricity, natural gas, emission credits and allowances, renewable energy credits, retail energy procurement, energy consulting and energy data services.

⁷ Response to Staff Data Request No. 0439, ER-2022-0129.

⁸ EO-2022-0285, EO-2022-0286, EO-2021-0345, EO-2021-0346, EO-2020-0329, EO-2020-0330 Compliance Reports, Section 2.4.

⁹ Case No. EO-2022-0065, Surrebuttal of Kayla Messamore, page 10, lines 14–16.

¹⁰ Case No. EO-2022-0065, Direct testimony of Kayla Messamore, page 11, lines 18-19.

- 1 • Vintage – the older a REC, the less value it has.
- 2 • Certification – RECs can be eligible for Green-e certification through the Center
3 for Resource Solutions (“CRS”).¹¹ For a REC to be certified, the facility it was
4 generated by must have been built in the last 15 years, have an approved tracking
5 attestation on file with CRS, and only RECs generated in the calendar year in
6 which they are sold, plus the prior six months and the following three months
7 can be sold as green-e certified product.
- 8 • Market liquidity, supply, and demand – Ms. Messamore states, “Finally, while
9 not a determinant of the value of a particular REC or resource, the value of all
10 RECs is influenced by overall market liquidity, supply, and demand. The REC
11 market is made up of bilateral transactions facilitated by brokers and is relatively
12 illiquid. This dynamic can create fluctuations in the value realized through REC
13 sales.”¹²

14 Q. Did Evergy value RECs for its Green Pricing Program as described by
15 Ms. Messamore?

16 A. No. Evergy’s proposed \$4.60 per REC is based solely on a REC price forecast,
17 AMEREX Brokers 2023, Green E-Voluntary, National GE Wind table.¹³

18 Q. Are the RECs Evergy intends to sell Green-e certified?

19 A. That is not clear. The tariff defines renewable energy as “electricity that is
20 generated using renewable energy sources as defined in the Missouri Renewable Energy
21 Standard 20 CSR 4240-20.100.”¹⁴ While Evergy notes that the proposed pricing is from

¹¹ Per CRS, Green-e® Energy is a consumer protection program designed to provide purchasers of renewable energy good product information, assurance of product quality and verification of product ownership.

¹² Case EO-2022-0065, direct testimony of Kayla Messamore, page 7, lines 17-21.

¹³ Response to Staff Data Request No. 0305, ER-2022-0129.

¹⁴ Case ER-2022-029, Proposed Green Pricing REC Program Rider, Sheet No. 56A.

1 AMEREX Brokers 2023, Green E-Voluntary, National GE Wind table, nothing in its proposed
2 tariff indicates that RECs under the program will be Green-E certified.

3 Q. Are the RECs Evergy intends to sell eligible for Green-e certification?

4 A. Evergy has not identified which existing renewable resources will support this
5 program. However, none of Evergy's owned wind resources are certified and only three of its
6 wind PPAs are certified: Pratt, Prairie Queen, and Cimarron Bend 3.¹⁵

7 Q. If the RECs sold under the program are not certified by Green-e is the proposed
8 pricing appropriate?

9 A. No. In order for the RECs that Evergy would be selling via the proposed Green
10 Pricing Program to be Green-E certified, Evergy would only be able to sell RECs that were
11 generated within the last 21 months. As previously noted, these RECs would be worth more
12 and the older vintage RECs would be worth less. In her testimony in this case, Ms. Winslow
13 stated, "It is the Company's intent to use company-owned RECs that are in excess to meet the
14 Company needs for compliance first before purchasing on the market."¹⁶ Evergy has excess
15 RECs from 2019, 2020, and 2021. If Evergy were to sell its 2019 and 2020 RECs to its
16 customers at this price, it would be selling its oldest and least valuable RECs to its customers
17 at premium prices.

18 Further, Evergy plans to purchase RECs on the market if need be to meet RES
19 compliance standards and provide for this program. If Evergy had to purchase RECs at \$7 per
20 REC, it would be taking a loss. If Evergy was able to purchase RECs at \$2 per REC, the

¹⁵ <https://www.green-e.org/sfdc/reports-data.php>.

¹⁶ Case ER-2022-0129, Direct testimony of Kimberly Winslow, Page 50, lines 17-18.

1 participating customer would be overpaying. It is also unclear if this path for selling RECs is
2 the most beneficial overall for Evergy and its customers, as Evergy has not valued its RECs.

3 Q. Previously you recommended capping the number of RECs available under the
4 program, would this alleviate Staff's pricing concern?

5 A. No. However, it would ensure Evergy does not purchase additional RECs for
6 this program.

7 **PROGRAM INTEREST**

8 Q. Do you think there is enough interest in the program?

9 A. Evergy has not provided any evidence that there is. In response to Staff Data
10 Request No. 0302, Evergy stated that it conducted a survey in late 2021 on the Solar
11 Subscription Pilot program, which it claims contains a similar REC component to the proposed
12 Green Pricing program and provided a PowerPoint of the results of the survey. While the survey
13 is geared toward gauging interest in a similar type of program, i.e. offsetting energy usage with
14 renewable energy, it is unclear if the survey actually explained to participants what that means.
15 Additionally, the Solar Subscription program contemplates building resources specifically
16 for the program, whereas the Green Pricing Program will be utilizing resources that are
17 already in existence. Once fully explained to customers, some may find it difficult to discern
18 the actual benefits of such a program since no new renewable resources are being built
19 specifically for the program.

20 **RECOMMENDATION**

21 Q. What is Staff's position on the proposed Green Pricing Program?

1 A. Staff recommends rejection of the proposed Green Pricing Program as Evergy
2 has not demonstrated a need or that the RECs are valued appropriately.

3 Q. What recommendations would you make if this program were to be approved?

4 A. Evergy should first value its RECs before setting a price. Evergy should do this
5 by deciding which specific RECs it intends to sell, by facility and vintage. It should then set
6 the price based on the weighted average of the current value of those RECs, taking into
7 consideration facility and vintage. As REC prices are currently volatile,¹⁷ Evergy should
8 reevaluate and update prices quarterly.

9 Additionally, Evergy should have a plan to ensure that RECs are not going to expire, it
10 will continue to meet its RES requirements, and that it will not have to purchase RECs in order
11 to comply with RES and maintain this program. As a requirement of its RES filings, Evergy
12 plans ahead three years to ensure compliance. Evergy has the ability to determine how many
13 RECs it can feasibly sell in in order to meet RES compliance and maintain this program. Evergy
14 should do this and set a cap on the amount of RECs that it will sell. The cap can be adjusted
15 on an annual basis.

16 Evergy should also conduct a survey to find out how much interest there is for this
17 specific type of program. This would help them to determine an appropriate cap for the program
18 and give them some insight as to whether they would still need to sell additional RECs to avoid
19 expiration.

20 Q. Does this conclude your rebuttal testimony?

21 A. Yes, it does.

¹⁷ Direct Testimony of Kimberly Winslow, page 50, line 1.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Evergy Metro, Inc. d/b/a Evergy)
 Missouri Metro's Request for Authority to) Case No. ER-2022-0129
 Implement a General Rate Increase for Electric)
 Service)

In the Matter of Evergy Missouri West, Inc.)
 d/b/a Evergy Missouri West's Request for) Case No. ER-2022-0130
 Authority to Implement a General Rate)
 Increase for Electric Service)

AFFIDAVIT OF AMANDA COFFER

STATE OF MISSOURI)
) ss.
 COUNTY OF COLE)

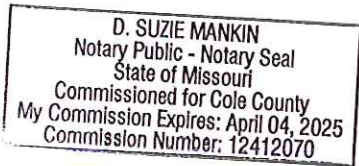
COMES NOW AMANDA COFFER and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Rebuttal Testimony of Amanda Coffe*r; and that the same is true and correct according to her best knowledge and belief.


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 8th day of July, 2022.




 Notary Public

Amanda Coffey

Present Position:

I am an Associate Engineer in the Engineering Analysis Department, of the Industry Analysis Division of the Missouri Public Service Commission.

Educational Background and Work Experience:

I received my Bachelor of Science in Chemical Engineering from the University of Missouri in 2012. I was employed by the Missouri Department of Natural Resources as an Environmental Engineer from 2015 through 2018. I have been employed by the Commission since 2018.

Case History:

Case Number	Utility	Type	Issue
EC-2020-0252	Evergy West	Electric	Formal Complaint
EO-2019-0315	KCPL	Electric	RES Compliance Report
EO-2019-0317	KCPL	Electric	RES Compliance Plan
EO-2019-0396	City of Gallatin	Electric	Addendum to Territorial Agreement
EO-2020-0060	Farmers' Electric	Electric	Territorial Agreement
EO-2020-0329	Evergy Metro	Electric	RES Compliance
EO-2020-0331	Evergy Metro	Electric	RES Compliance
EO-2020-0341	Evergy Metro	Electric	Vegetation Management Report
EO-2020-0342	Evergy West	Electric	Vegetation Management Report
EO-2021-0001	Empire	Electric	Reliability Compliance Report
ET-2021-0082	Ameren	Electric	Surge Protection Program
SA-2019-0161	United Services	Sewer	Depreciation
SR-2019-0157	S.K.&M.	Sewer	Depreciation
EA-2020-0371	Ameren	Electric	CCN Application Requirements
EO-2021-0163	SEMO	Electric	Change of Supplier
EO-2021-0345	Evergy Metro	Electric	RES Compliance
EO-2021-0346	Evergy West	Electric	RES Compliance
EO-2021-0347	Evergy Metro	Electric	RES Compliance
EO-2021-0348	Evergy West	Electric	RES Compliance
SA-2022-0014	Elm Hills	Sewer	Depreciation

**cont'd Amanda Coffey
Case Participation**

Case Number	Utility	Type	Issue
SA-2022-0029	Mid Mo Sanitation	Sewer	Depreciation
EE-2022-0074	Ameren	Electric	Variance Request
WA-2021-0391/SA-2021-0392	Missouri American Water	Water/Sewer	Depreciation
WA-2022-0049	Missouri American Water	Water/Sewer	Depreciation
ER-2021-0240	Ameren	Electric	Rate Case
ER-2021-0312	Empire	Electric	Rate Case