

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

In the Matter of Kansas City Power & Light)
Company's Submission of its 2014 Renewable) File No. EO-2015-0263
Energy Standard Compliance Report)

In the Matter of Kansas City Power & Light)
Company's Submission of its 2014 Renewable) File No. EO-2015-0265
Energy Standard Compliance Plan)

COMMENTS OF RENEW MISSOURI

Renew Missouri offers these comments on Kansas City Power & Light Company's ("KCP&L") RES Compliance Report for 2014 ("Report"), required by 4 CSR 240-20.100(7)(A), and RES Compliance Plan for 2015-2017 ("plan"), required by 4 CSR 240-20.100(7)(B).

Note on the Commission's Power to Enforce the RES

The Missouri Public Service Commission ("Commission") has previously stated that it will not take action on comments and that the proper procedure for addressing deficiencies in an RES Compliance Report and RES Compliance Plan is through the formal complaint process. Notice Regarding Kansas City Power & Light Company's 2012 RES Compliance Report and 2012-2014 RES Compliance Plan, File No. 0348. While acknowledging the existence of that Order, Renew Missouri brings the below deficiencies to the Commission's attention in order to give the Commission the opportunity to correct these deficiencies through an Order, pursuant to its power under the statute: "The commission, except where the department is specified, shall make whatever rules are necessary to enforce the Renewable Energy Standard..." including rules to enforce the 1% RRI calculation, assess penalties, and require the filing of annual reports. §393.1030.2, RSMo. The responsibility to prescribe rules carries with it a corresponding power to enforce them. Accordingly, Renew Missouri respectfully requests that the Commission use its

power to enforce compliance with the RES statute and rules in this case and other similar compliance cases.

Deficiencies with KCP&L's 2014 RES Compliance Report

A. Use of Unbundled Solar RECs

In its 2014 RES Compliance Report, KCP&L states that it retired 8,554 SRECs from Costco Wholesale, a 3rd party broker, for compliance with the solar requirements of the RES. Report, pg. 7. The RES statute clearly states that the law's portfolio requirements apply to "all power sold to Missouri consumers whether such power is self-generated or purchased from another source in or outside of this state." §393.1030.1, RSMo. Furthermore, the statute clarifies that the electricity retired for compliance must "constitute... [a] portion of each electric utility's sales..." Because KCP&L has made no showing that the 8,554 SRECs are associated with power sold to Missouri customers or constitute any portion of the utility's actual sales, retirement of these SRECs is in direct contravention of the RES statute.

While the original so-called "geographic sourcing" paragraphs of the Commission's rule at 4 CSR 240-20.100 were disallowed by the action of the Joint Committee on Administrative Rules (JCAR), the RES statute is still clear and unambiguous in its letter and intent: RECs retired for compliance must be associated with "power sold to Missouri consumers" and must "constitute... [a] portion of each electric utilities' sales..." Accordingly, Renew Missouri asks that the Commission use its authority to enforce the RES and rectify this deficiency.

B. Miscellaneous Deficiencies

In addition to the above, Renew Missouri identified the following deficiencies in KCP&L's 2014 RES Compliance Report:

1. Does not include the actual total electric sales supplied by renewable energy resources
2. Total projected electric sales are marked as HC, and there is no justification provided for why this information should be considered HC;
3. Number of customers who applied for & received rebate payments is listed as the same number, 499; the number of customers who applied and received rebate payments are two distinctly different numbers.

Deficiencies with KCP&L'S Plan

A. Lack of 1% RRI Calculation According to 4 CSR 240.20.100(5)

KCP&L's 2015-2017 RES Compliance Plan ("Plan") fails to include a calculation of its 1% Retail Rate Impact calculation pursuant to Section (5) of the Commission's rule. Inclusion of the 1% RRI calculation is required as part of utilities' annual RES compliance plans by 4 CSR 240-20.100(7)(B)1.F.

KCP&L's Plan addresses the requirements of Section (5) on pg. 15. KCP&L fails to include a calculation that bears any resemblance to the language of Section (5)(B) of the Commission's rule.

Section (5)(B) requires utilities to perform a cost comparison between an RES-compliant portfolio and a hypothetical portfolio representing what they otherwise would have spent to achieve the same amount generation without investments in renewables:

(B) The RES retail rate impact shall be determined by subtracting the total retail revenue requirement incorporating an incremental non-renewable generation and purchased power portfolio from the total retail revenue requirement including an incremental RES-compliant generation and purchased power portfolio.

Furthermore, the RES statute itself requires that the 1% RRI be: "determined by

estimating and comparing the electric utility's cost of compliance with least-cost renewable generation and the cost of continuing to generate or purchase electricity from entirely nonrenewable sources..." §393.1030.2(1), RSMo. Thus the RRI calculation is an attempt to estimate what the utility would have otherwise spent as compared to what it spent on renewables.

Rather than performing the required calculation, KCP&L states that it does not propose to add any incremental renewable energy sources, referring to 4 CSR 240-20.100(5)(A). KCP&L's stated reason for not performing the required 1% RRI calculation does nothing to remove its obligation under the terms of an agreement in File No. ET-2014-0071. The Non-Unanimous Stipulation and Agreement, agreed to by both KCP&L and KCP&L-GMO, included the following statements at ¶7h:

In addition, GMO and KCP&L agree to perform the retail rate impact limit calculation annually, as provided in 4 CSR 240-20.100(5) in future annual RES compliance plans. GMO and KCP&L agree to include a detailed explanation of such calculation in their annual RES compliance plans, as provided in 4 CSR 240-20.100(7)(B)1f. GMO and KCP&L agree not to seek an exemption of this requirement under 4 CSR 240.20.100(5)(B).

For this reason alone, the Commission must issue an Order compelling KCP&L to file its 1% RRI calculation pursuant to Section (5)(B) and the terms of the Non-Unanimous Stipulation and Agreement in File No. ET-2014-0071.

KCP&L's failure to properly calculate the 1% RRI will have a drastic effect on the amount of renewable energy that is installed in Missouri. By artificially limiting its investment in renewables over the coming years, KCP&L will fall short of reaching the portfolio targets laid out in the RES statute. In the Commission's Order enforcing the above-quoted terms of the Non-Unanimous Stipulation and Agreement in File No. ET-2014-0071, the Commission order KCP&L to file its 1% RRI calculation according to the exact language of Section (5)(B) of the Commission's rule.

CONCLUSION

The Commission possesses clear authority under the RES statute to enforce utility compliance with the law. To that end, Renew Missouri respectfully requests that the Commission issue an Order finding Kansas City Power & Light Company in non-compliance with the RES by virtue of its use RECs unassociated with electricity sold to Missouri. In addition, Renew Missouri respectfully requests that the Commission issue an Order requiring KCP&L to file its 1% RRI calculation in accordance with the requirements of Section (5)(B) of the Commission's rule.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been served electronically on all counsel of record this 29th day of May, 2015.

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