

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

In the Matter of KCP&L Greater Missouri            )  
Operations Company’s Submission of its 2014        )  
Renewable Energy Standard Compliance Report    )        File No. EO-2015-0264

In the Matter of KCP&L Greater Missouri            )  
Operations Company’s Submission of its 2014        )  
Renewable Energy Standard Compliance Plan        )        File No. EO-2015-0266

**COMMENTS OF RENEW MISSOURI**

Renew Missouri offers these comments on KCP&L Greater Missouri Operation’s (“KP&L-GMO”) RES Compliance Report for 2014 (“Report”), required by 4 CSR 240-20.100(7)(A), 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 KCP&L Greater Missouri Operations’ Company’s 2012 RES Compliance Report and 2012-2014 RES Compliance Plan, File No. 0349. 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 in KCP&L-GMO's 2014 RES Compliance Report

#### **A. Use of Unbundled Solar RECs**

In its 2014 RES Compliance Report, KCP&L-GMO states that it retired 8,195 SRECs from Costco Wholesale, a 3<sup>rd</sup> 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-GMO has made no showing that the 8,195 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-GMO'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, 598; the number of customers who applied and received rebate payments are two distinctly different numbers.

#### Deficiencies with KCPL&GMO's 2015-2017 RES Compliance Plan

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

KCP&L-GMO'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-GMO's Plan addresses the requirements of Section (5) on pg. 8-9. KCP&L-GMO fails to include a calculation that bears any resemblance to the language of Section (5)(B) of the Commission's rule. Instead, KCP&L-GMO limits its investment in renewables to 1% of the Company's 10-year estimated revenue requirement.

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 not a simple 1% of the utility’s revenue requirement, but rather an attempt to estimate what the utility would have otherwise spent as compared to what it spent on renewables.

KCP&L-GMO’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-GMO will fall short of reaching the portfolio targets laid out in the RES statute. The Commission should issue an Order requiring KCP&L-GMO to refile 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 KCP&L-GMO in non-compliance with the RES by virtue of its use of RECs unassociated with electricity sold to Missouri. In addition, Renew Missouri respectfully requests that the Commission issue an Order requiring KCP&L-GMO 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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