

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Evergy Metro Inc., d/b/a)
Evergy Missouri Metro’s 2021 Triennial) Case No. EO-2021-0035
Compliance Filing Pursuant to 20 CSR)
4240-22)

In the Matter of Evergy Missouri West,)
Inc., d/b/a Evergy Missouri West’s 2021) Case No. EO-2021-0036
Triennial Compliance Filing Pursuant to)
20 CSR 4240-22)

COMMENTS OF THE COUNCIL FOR THE NEW ENERGY ECONOMICS

COMES NOW, The Council for New Energy Economics (“NEE”) and respectfully submits Comments, pursuant to 20 CSR 4240-22.080(10), addressing unresolved deficiencies with the triennial integrated resource planning filing (“Triennial Filing”) of Evergy Metro Inc., d/b/a Evergy Missouri Metro and Evergy Missouri West, Inc., d/b/a Evergy Missouri West (together, “Evergy”). In support of its Comments, NEE states as follows:

1. NEE is a non-profit organization committed to helping utilities and energy decision-makers navigate rapidly evolving utility industry economics using neutral data and analysis. NEE’s mission is to present policy, utility and stakeholder energy decision-makers with complex utility system modeling analysis to help determine the most cost-effective path forward for the deployment of energy resources. The Missouri Public Service Commission (“Commission”) granted NEE’s application to intervene in the above captioned matters on April 26, 2021. NEE filed a Report pursuant to 20 CSR 4240.22-080(8) on September 27, 2021 that identified several deficiencies and concerns regarding Evergy’s Triennial Filing.

2. NEE is a signatory to the Joint Filing that is being submitted simultaneously with these Comments. NEE writes separately to address NEE Deficiency 3 and the related aspects of Sierra Club Deficiency 7, which are both unresolved.

3. As explained in NEE’s Report, NEE identified a deficiency in the Triennial Filing due to Evergy’s treatment of the Investment Tax Credit (“ITC”) for solar and battery storage paired with solar (“paired solar”).¹ Evergy has claimed that it cannot “monetize” the ITC for utility-owned solar and paired solar projects—that is Evergy has claimed that it cannot use the ITC to reduce the upfront capital cost of these resources. Instead, Evergy “normalizes” the ITC, *i.e.* spreads the tax benefits across the book life of the asset. This results in an increase in the cost of solar and paired solar by 20% or more.² Clearly, overpricing an available resource by 20% or more significantly skews the results of Evergy’s integrated resource planning and prevents Evergy from minimizing of costs, as required by 20 CSR 4240-22.010(2)(B).

4. Evergy does not appear to dispute the ability to monetize the ITC for solar owned by third parties, which would result in lower prices through Power Purchase Agreements (“PPAs”). However, as indicated in response to Sierra Club Deficiency 7, the parties disagree on whether PPAs should be modeled as discrete resource options.³

5. NEE views monetization of the ITC as an entirely solvable issue. Numerous utilities have found a pathway to monetize the ITC and fully capture its benefits for customers, even when the solar and paired solar assets are owned by the utility.

¹ NEE’s Evaluation of Triennial Resource Planning Filing of Evergy Metro and Evergy Missouri West, pp. 12, 38

² *Id.* at p. 12.

³ Joint Filing, ¶ 22.

Accordingly, NEE believes that additional evidence and procedure related to unresolved NEE Deficiency 3 and Sierra Club Deficiency 7 are in the public interest, and that the Commission should order a scheduling conference to determine the form of such additional evidence and procedure.

6. NEE recognizes that the issues are fairly narrow, and it may be possible for the Commission to resolve the issues without holding a formal hearing. Whether that be the case or not, the Commission should order the parties to confer on a process that appropriately presents the issues to the Commission for resolution.

WHEREFORE, NEE respectfully requests that the Commission order a scheduling conference to establish a procedure for presenting the unresolved deficiencies to the Commission for resolution, which may or may not include a formal hearing. NEE also requests all other relief to which it is entitled.

Respectfully submitted,

By: /s/Andrew O. Schulte
Andrew O. Schulte MBN 62194
900 West 48th Place, Suite 900
Kansas City, Missouri 64112
(816) 691-3731
Fax No. (816) 751-1536
aschulte@polsinelli.com

ATTORNEY FOR THE COUNCIL FOR
THE NEW ENERGY ECONOMICS

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the above and foregoing pleading has been emailed this December 10, 2021, to all counsel of record:

/s/Andrew O. Schulte
Andrew O. Schulte