

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

In the Matter of a Determination of Special)	
Contemporary Resource Planning Issues to be)	
Addressed by The Empire District Electric)	File No. EO-2013-0105
Company in its Next Triennial Compliance Filing)	
or Next Annual Update Report)	

**STAFF’S SUGGESTED SPECIAL CONTEMPORARY RESOURCE PLANNING
ISSUES FOR THE EMPIRE DISTRICT ELECTRIC COMPANY**

Comes Now the Staff of the Missouri Public Service Commission (“Staff”), by and through the Staff Counsel’s Office, and, pursuant to 4 CSR 240-22.080(4), suggests the Missouri Public Service Commission (“Commission”) include the issues indicated below in the list of special contemporary resource planning issues the Commission orders The Empire District Electric Company (“Empire” or “Company”) to analyze and document in Empire’s April 1, 2013 triennial electric utility resource planning compliance filing, pursuant to 4 CSR 240-22.080(1)(B) and (4).

The Staff’s list of contemporary resource planning issues for Empire is basically the same as the special contemporary resource planning issues ordered by the Commission in October 2011 for the then-upcoming April 1, 2012 triennial compliance filings of Kansas City Power & Light Company (“KCPL”) and KCP&L Greater Missouri Operations Company (“GMO”). The Staff’s proposed list follows, which it is also recommending this date for KCPL, GMO, and Union Electric Company, d/b/a Ameren Missouri (“Ameren Missouri”):

- a. Investigate and document the impacts on the Company’s preferred resource plan and contingency plans of aggressive regulations by the FERC, regional transmission organizations (“RTOs”) or Missouri statutes or regulations to allow aggregators of retail customers (“ARCs”) to operate and market demand response services in Missouri;
- b. Investigate and document the impacts on the Company’s preferred resource plan and contingency plans of a new much more aggressive renewable energy standard (e.g., at least double the current standard for Missouri) with no rate cap;

- c. Investigate and document the impacts on the Company's preferred resource plan and contingency plans of a very aggressive energy efficiency resource standard (e.g., annual energy savings of 1.5% each year for 20 years and annual demand savings of 1.0% each year for 20 years from electric utility demand-side programs) with no rate cap in Missouri;
- d. Investigate and document the impacts on the Company's preferred resource plan and contingency plans of a loss of significant load for the short term and potentially for the long term that may be the result of: 1) a prolonged double-dip recession, and/or 2) the largest customer or a group of customers no longer taking service from Company;
- e. Investigate and document the impacts of aggressive environmental regulations on Company's preferred resource plan and contingency plans;
- f. Analyze, rank, and document existing coal plant fleet as retirement candidates that includes documentation indicating the date the plant was put in service, the original design life in years and the results of any subsequent life extension studies or modifications to extend the design life, the cost in \$/kw to produce energy, and any analysis, studies, inspections, calculations used to justify the continued operation of the plant beyond its original design life;
- g. Analyze and document aggressive DSM portfolios - including demand-side programs and demand-side rates - without constraints. Include analysis and documentation of demand-side investment mechanisms necessary to implement each aggressive DSM portfolio;
- h. Analyze and document the impacts of opportunities to implement distributed generation, DSM programs, and combined heat and power (CHP) projects in collaboration with municipal water treatment plants and other local waste or agricultural/industrial processes with on-site electrical and thermal load requirements, especially in targeted areas where there may be transmission or distribution line constraints. In particular, develop a model or business case to identify the most cost effective CHP projects and a strategy to increase the deployment of identified cost effective CHP projects;
- i. Analyze and document analysis of DSM programs targeted to achieve energy efficiency savings in the agricultural sector;
- j. Analyze and document alternative customer information/behavior modification program options utilizing either in-house or outside industry experts or a combination of both to increase customer awareness and encourage more efficient use of energy;
- k. Analyze potential or proposed changes in state and/or federal environmental and/or renewable energy standards and report how those changes would affect Company's plans for compliance with those standards;

- l. Analyze the levelized cost of energy needed to comply with the current Renewable Energy Standards law compared to the cost of energy resulting from a portfolio comprised solely of existing resources with no additional renewable resources; and
- m. Disclose and discuss the amount and impact of every state or federal subsidy the Company expects to receive with regard to any or all fuel sources it intends to use during the IRP study period.

In October 2011, the Commission ordered a less comprehensive list of special contemporary resource planning issues for Empire, which was not scheduled to file its next triennial compliance filing on April 1, 2012, but was required to file an annual update report that date.

Staff further recommends the following two additional special contemporary issues be addressed by Empire, which it is also recommending be addressed by KCPL, GMO, and Ameren Missouri:

- n. Analyze and document nuclear powered small modular reactor (SMR) as a potential supply-side resource option; and
- o. Analyze and document the potential impact of Smart Grid technology on the Company's supply-side resources and demand-side resources.

Wherefore Staff recommends the Commission adopt the above listed special contemporary resource planning issues in its Order that contains the list of special contemporary resource planning issues for Empire to analyze and document in its April 1, 2013 triennial electric utility resource planning compliance filing.

Respectfully submitted,

/s/ Steven Dottheim
Steven Dottheim
Chief Deputy Staff Counsel
Missouri Bar No. 29149
(573) 751-7489 (Telephone)
(573) 751-9285 (Fax)
steve.dottheim@psc.mo.gov (e-mail)

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing *Staff's Suggested Special Contemporary Resource Planning Issues For The Empire District Electric Company* have been transmitted electronically to all counsel of record this 17th day of September, 2012.

/s/ Steven Dottheim