

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

In the Matter of Evergy Metro, Inc. d/b/a)
Evergy Missouri Metro’s 2023 Integrated) **File No. EO-2023-0212**
Resource Plan Annual Update Filing)

In the Matter of Evergy Missouri West, Inc.)
d/b/a Evergy Missouri West’s 2023 Integrated) **File No. EO-2023-0213**
Resource Plan Annual Update Filing)

STAFF REPORT AND RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”), by and through counsel states the following:

1. Staff reviewed the filings submitted by Evergy Metro, Inc. d/b/a Evergy Missouri Metro and Evergy Missouri West, Inc. d/b/a Evergy Missouri West (collectively "Evergy" or the "Companies"). Additionally, Staff participated in the workshop discussions that took place on July 6, 2023, as well as additional discussions with the Companies.

2. On January 4, 2023, the Companies filed a *Motion for Variance* to extend filing time for resource plans with the Missouri Public Service Commission, requesting a variance from 20 CSR 4240- 22.080(13).¹ Evergy requested to postpone their Integrated Resource Plan Annual Resource Plan Update Filing (IRP or Annual Update Filing) from March 2023 to June 15, 2023. The Commission granted Evergy's request.

¹ The Commission may grant a variance from 20 CSR 240-22.080 for good cause if written application is made at least twelve months before a triennial compliance filing.

3. On July 26, 2023, The Council for New Energy Economics filed a *Motion for Extension of Time and Expedited Treatment*, which was granted by the Commission on August 1, 2023.²

4. According to 20 CSR 4240-22.080(3)(B), an annual update report, consisting of both a public and highly-confidential version, must document information from the annual update workshop. Following the workshop, the utility must file the annual update reports with the Commission at least 20 days before the workshop. Additionally, as per 20 CSR 4240-22.080(3)(C), a summary report outlining the action items from the workshop is required, and it is to be submitted within 10 days after the workshop. Stakeholders have a 30-day window, as stated in 20 CSR 4240-22.080(3)(D), to submit comments on the annual update report and summary report to the Commission subsequent to the Company's summary report filing.

5. Evergy complied with 20 CSR 4240-22.080. However, Evergy's annual update filings, including the 2023 Annual Update, closely resemble triennial compliance filings due to the Company's dynamic resource plan and acquisition strategy adjustments. As outlined in 20 CSR 4240-22.080(7),³ each triennial compliance filing undergoes a review, with a report due not later than 150 days after the utility's scheduled filing date.

6. Staff notes the Company's annual update filings are similar in scope to triennial compliance filings, with review time of the 2023 Annual Update Filing being roughly half that of triennial compliance filings, and three months less if no extension is

² 20 CSR 4240-22.080(15) permits the Commission to extend any of the time periods in the IRP rules for good cause shown.

³ Staff must review each triennial compliance filing and provide a report within 150 days of the filing date. The report should identify deficiencies in compliance, major deficiencies in methodologies, and other issues, and provide a suggested remedy. Staff may also address concerns related to the preferred resource plan or acquisition strategy. If no deficiencies or concerns are found, staff must state in the report. Staff's report stating compliance is not acceptance or agreement with the substantive findings.

requested and granted. Further, as previously mentioned, the Commission's rule regarding annual updates does not contemplate any action by the Commission, therefore since no further action by the Commission is required, they often close the files.

7. Furthermore, the Company frequently uses triennial compliance filings and annual update filings as justification for convenience and necessity certificates. Evergy's annual update filings are comprehensive and comparable to triennial updates. However, Staff's 77-day review period for the Company's 2023 Annual Update Filing is insufficient due to significant changes in Evergy's annual updates. Therefore, neither Staff's comments nor their absence should be interpreted as endorsement of the Companies 2023 Annual Update.

WHEREFORE, Staff respectfully submits its Staff Report and Recommendation regarding the Annual Updates of Evergy Metro, Inc. d/b/a Evergy Missouri Metro and Evergy Missouri West, Inc., d/b/a Evergy Missouri West.

Respectfully submitted,

/s/ Eric Vandergriff

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Attorney for the Staff of the
Missouri Public Service Commission

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or electronically mailed to all parties and/or counsel of record on this 31st day of August, 2023.

/s/ Eric Vandergriff

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File Nos. EO-2023-0212 and EO-2023-0213
Evergy Metro, Inc., d/b/a Evergy Missouri Metro
Evergy Missouri West, Inc., d/b/a Evergy Missouri West

FROM: Brad J. Fortson, Regulatory Compliance Manager

DATE: /s/ Brad J. Fortson 08-31-2023
Energy Resources Department / Date

SUBJECT: Staff Comments On the 2023 IRP Annual Updates For Evergy Metro, Inc.,
d/b/a Evergy Missouri Metro and Evergy Missouri West, Inc., d/b/a Evergy
Missouri West

DATE: August 31, 2023

EXECUTIVE SUMMARY

On June 15, 2023, Evergy Metro, Inc., d/b/a Evergy Missouri Metro (“EMM”) and Evergy Missouri West, Inc., d/b/a Evergy Missouri West (“EMW”) (collectively “Company”) filed its *2023 IRP¹ Annual Update* (“2023 Annual Update”) in Case Nos. EO-2023-0212 and EO-2023-0213, respectively. On July 6, 2023, the Company held an annual update workshop with stakeholders as required by 20 CSR 4240-22.080(3). The Company then filed its *Evergy IRP Annual Update Summary Report* (“Summary Report”) on July 14, 2023, as required by 20 CSR 4240-22.080(3)(C). 20 CSR 4240-22.080(3)(D) allows stakeholders to file comments concerning the Company’s annual update report and summary report within thirty (30) days of the Company’s filing of the summary report. On July 26, 2023, the Council for the New Energy Economics filed its *Motion for Extension of Time and Motion for Expedited Treatment* requesting that the Commission grant an extension of time to file comments to August 31, 2023. On August 1, 2023, the Commission issued its *Order Granting Extension of Time and Request for Expedited Treatment* granting the extension of time to file comments to August 31, 2023.

2022 IRP ANNUAL UPDATE

On June 10, 2022, the Companies filed its *2022 IRP Annual Update* (“2022 Annual Update”) in Case Nos. EO-2022-0201 (EMM) and EO-2022-0202 (EMW). On August 12, 2022, the Missouri Public Service Commission Staff (“Staff”) filed its *Staff Report and Recommendation* recommending: 1) the Company allow the capacity expansion model to develop an optimized resource plan by selecting from an inventory of resource options, including both supply-side and

¹ Integrated Resource Plan.

demand-side resources, 2) the Company provide further clarification of how the Plexos capacity expansion model is being used to both develop and test alternative resource plans (“ARPs”), 3) if the Company is pre-determining demand-side management (“DSM”) levels, retirements, and renewable additions it should identify which ARPs use pre-determined inputs and which ARPs were derived either wholly, or in part, through the Plexos capacity expansion optimization process, and 4) the Company should also provide this information if future Triennial IRPs and IRP annual updates.

On September 15, 2022, the Company filed its *Response to Intervenor Comments* (“Response”). In response to Staff’s recommendations, the Company stated, “In future IRPs, the Company will work to better describe which resource options were selected through discrete testing versus allowing capacity expansion to choose.” On September 22, 2022, the Commission issued its *Order Closing Files* stating that,

The Commission’s rule regarding annual updates to a utility’s IRP requires the utility to make a filing and provides stakeholders an opportunity to file comments. It does not contemplate any action by the Commission to either approve or reject any of those filings. Consequently, since no further action by the Commission is required, the Commission will close these files.

2023 IRP ANNUAL UPDATE

In its 2023 Annual Update, the Company stated that,

[The Companies] goal in this Annual Update was to use Capacity Expansion to the fullest extent practical in selecting the lowest-cost resource additions. To that end, no supply-side resource additions were “hard-coded” into pre-made resource plans for the purpose of arriving at [the Companies] Preferred Plan. The only portion of the Alternative Resource Plans used in this filing which were manually tested were plant retirements and demand-side management portfolio additions. This is so that it is easier to compare different options side-by-side to see what trade-offs may exist between decisions. Even in testing these decisions, however, Capacity Expansion was still used to develop the lowest-cost portfolio of supply-side resources (e.g., if a higher level of DSM was assumed, then Capacity Expansion would build less resources as part of the optimized resource plan). This approach makes comparison somewhat more complicated than the past approach where plans could be compared on a truly apples-to-apples basis (i.e., because only one item in the whole plan changed and thus the difference in cost between the two plans is driven specifically by that one item), but it also more accurately depicts the

integrated nature of resource planning, where every decision has an impact on future decisions and a portfolio should be viewed holistically as opposed to looking at an individual decision in a vacuum.

STAFF COMMENTS

20 CSR 4240-22.080(3)(B) states, “The utility shall prepare an annual update report with both a public version and a highly-confidential version to document the information presented at the annual update workshop and shall file the annual update reports with the commission no less than twenty (20) days prior to the annual update workshop...” 20 CSR 4240-22.080(3)(C) states, “The utility shall prepare a summary report that shall list and describe any action items resulting from the workshop to be undertaken by the utility prior to next triennial compliance filing or annual update filing. The summary shall be filed within ten (10) days following the workshop...” 20 CSR 4240-22.080(3)(D) states, “Stakeholders may file comments with the commission concerning the utility’s annual update report and summary report within thirty (30) days of the utility’s filing of the summary report.”

The time between the date the Company filed its 2023 Annual Update, June 15, 2023, to the date stakeholder comments were due, August 31, 2023, which includes the Commission approved extension of time to file comments, is 77 days. Absent the extension of time to file comments, the time between the date the Company filed its 2023 Annual Update to the date stakeholder comments would have been due would have been 60 days.

The Company historically changes its preferred resource plan and acquisition strategy annually in each of its annual update filings and triennial compliance filings. Therefore, the Company’s annual update filings, including its 2023 Annual Update, is more like a triennial compliance filing. 20 CSR 4240-22.080(7) states, “The staff shall conduct a limited review of each triennial compliance filing required by this rule and shall file a report not later than one hundred fifty (150) days after each utility’s scheduled triennial compliance filing date.”

Staff notes this timing because the magnitude of the Company’s annual update filings are similar to its triennial compliance filings. The amount of time to review the Company’s 2023 Annual Update was roughly half the review time allowed for a triennial compliance filing, and roughly three months less for annual update filings when no extension is requested. Further, as previously mentioned, the Commission’s rule regarding annual updates does not contemplate any action by the Commission, therefore since no further action by the Commission is required, they often close the files.

Staff appreciates the Company's approach in its 2023 Annual Update in regards to using capacity expansion modeling to a further extent in its attempt at selecting the lowest-cost resource additions. However, Staff will continue to evaluate the 2023 Annual Update including, but not limited to, the manual testing of plant retirements and DSM portfolio additions, carbon price assumptions, etc. Certain assumptions, and changes to assumptions from previous filings, can have substantial impacts on the preferred resource plan selection.

Because of the limited time to review and due to the Company's increased reliance on its long-term planning through the IRP process for justification of adding resources in the near term in its Certificate of Convenience and Necessity ("CCN") filings, concerns not expressed in Staff's comments should not be viewed as an endorsement of any part of the Company's 2023 Annual Update. Staff will fully investigate any proposed acquisitions or new generation facility CCNs in the appropriate case that the Company will have to file in the future seeking approval from the Commission.

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OF THE STATE OF MISSOURI

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Evergy Missouri Metro's 2023 Integrated) File No. EO-2023-0212
Resource Plan Annual Update Filing)

In the Matter of Evergy Missouri West, Inc.)
d/b/a Evergy Missouri West's 2023) File No. EO-2023-0213
Integrated Resource Plan Annual Update)
Filing)

AFFIDAVIT OF BRAD J. FORTSON

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW BRAD J. FORTSON and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Comments, in Memorandum form*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.



BRAD J. FORTSON

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 31st day of August, 2023.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070



Notary Public