

## MEMORANDUM

**TO:** Missouri Public Service Commission Case File  
File No. EO-2023-0363, Evergy Missouri Metro's  
Submission of Its 2023 Renewable Energy Standard Compliance Plan

**FROM:** Brodrick Niemeier, Associate Engineer, Engineering Analysis Department

/s/ Brodrick Niemeier / 06-30-2023                      /s/ J. Scott Stacey / 06-30-2023  
Industry Analysis Division / Date                      Staff Counsel's Office / Date

**SUBJECT:** Staff Report on Evergy Missouri Metro's 2023 Annual Renewable Energy  
Standard Compliance Plan

**DATE:** June 30, 2023

### SUMMARY

Staff has reviewed Evergy Metro, Inc., d/b/a Evergy Missouri Metro's ("EMM" or "Company") *2023 Annual Renewable Energy Standard Compliance Plan* ("Plan"), filed April 17, 2023. Based on the information supplied, EMM appears to have met the minimum requirements of 20 CSR 4240-20.100(8)(B).

### OVERVIEW

On April 17, 2023<sup>1</sup>, EMM filed its Plan for calendar years 2023 through 2025. The Plan was filed in accordance with Rule 20 CSR 4240-20.100(8), Electric Utility Renewable Energy Standard (RES) Requirements, Annual RES Compliance Report and RES Compliance Plan. This rule states, in part, "Each electric utility shall file an annual RES compliance plan with the commission. The plan shall be filed no later than April 15 of each year." Subparagraphs 20 CSR 4240-20.100(8)(B)1.A. through G. provide the minimum requirements for the plan. Subsection 20 CSR 4240-20.100(8)(D) requires that Staff examine the plan and file a report of its review within 45 days of the filing.

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<sup>1</sup> The Plan was filed two days after the rule specifies. However, April 15 was a Saturday and the document was filed the following Monday.

On April 24, 2023, the Commission ordered Staff to file its report no later than June 1, 2023. In order to give EMM time to respond to additional data requests from Staff and allow Staff the necessary time to analyze and incorporate EMM’s responses in its report, on June 1, 2023, Staff requested an extension until July 18, 2023, to file its report. The Commission granted an extension to June 30, 2023.

### **DISCUSSION**

Staff reviewed EMM’s Plan in accordance with the established requirements to verify that EMM provided all the information required by the rule. The results of the review are below, with appropriate rule subparagraphs A. through G. identified and quoted.

**A. “A specific description of the electric utility’s planned actions to comply with the RES;”**

EMM generates renewable energy at its wholly-owned Spearville 1 and 2 wind facilities and will continue to do so during the 2023-2025 RES Compliance Plan period. Additionally, EMM has Power Purchase Agreements (PPAs) from eight wind facilities. EMM’s non-solar renewable resources<sup>2</sup> are in the table below. EMM expects to have banked unexpired Renewable Energy Credits (RECs) at the end of 2022 plus the addition of RECs generated by the wind facilities’ actual generation.

| <b>Renewable Resource</b> | <b>Commercial Operation Date</b> | <b>Term (Years)</b> | <b>Capacity (MW)</b> | <b>Expected Annual Generation (Mwh)</b> | <b>Cumulative Total of Left Column</b> |
|---------------------------|----------------------------------|---------------------|----------------------|---|--|
| Spearville 1-2            | 2006 & 2010                      | n/a                 | 148.5                | 210,551                                 | 210,551                                |
| Cimarron II               | 6/1/2012                         | 20                  | 131.1                | 494,390                                 | 704,941                                |

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<sup>2</sup> All non-solar renewable resources with expected annual generation.

| <b>Renewable Resource</b>  | <b>Commercial Operation Date</b> | <b>Term (Years)</b> | <b>Capacity (MW)</b> | <b>Expected Annual Generation (Mwh)</b> | <b>Cumulative Total of Left Column</b> |
|----------------------------|----------------------------------|---------------------|----------------------|---|--|
| Spearville 3               | 10/1/2012                        | 20                  | 100.8                | 399,745                                 | 1,104,686                              |
| Slate Creek                | 12/30/2015                       | 20                  | 150                  | 607,030                                 | 1,711,716                              |
| Waverly                    | 1/4/2016                         | 20                  | 200                  | 744,348                                 | 2,456,064                              |
| Osborn <sup>3</sup>        | 12/15/2016                       | 20                  | 120                  | 497,874                                 | 2,953,938                              |
| Rock Creek <sup>4</sup>    | 11/8/2017                        | 20                  | 180                  | 665,925                                 | 3,619,863                              |
| Pratt <sup>5</sup>         | 12/13/2018                       | 20                  | 110                  | 473,382                                 | 4,093,245                              |
| Prairie Queen <sup>6</sup> | 8/12/2019                        | 20                  | 90                   | 270,432                                 | 4,363,677                              |

EMM projects the non-solar RES requirement in 2025 (end of planning period) to be 1,235,311 MWhs. As shown in the table above, EMM’s Missouri jurisdictional expected annual generation is well in excess of the projected 2023 RES requirements.<sup>7</sup>

For solar compliance, EMM expects to utilize solar renewable energy credits (“S-RECs”) obtained from customer-generators for the 2023 to 2025 plan period.

EMM also generates S-RECs from the solar generation facilities installed as a part

<sup>3</sup> EMM’s Osborn PPA is for 120 MW of the 200 MW.

<sup>4</sup> EMM’s Rock Creek PPA is 180 of the 200 MW.

<sup>5</sup> EMM’s Pratt PPA is 110 of the 244 MW.

<sup>6</sup> EMM’s Prairie Queen PPA is 90 of the 200 MW.

<sup>7</sup> Staff’s table above is illustrative and assumes the oldest wind PPAs are used for RES compliance which is not necessarily based on least-cost resources.

of the SmartGrid<sup>8</sup> project. These facilities are listed in Table 2 of the Plan and the table below.

| Solar Resource                  | Size (kW) |
|---------------------------------|-----------|
| Paseo High School               | 99.18     |
| Innovation Park- Evergy Midtown | 5.0       |
| Midwest Research Institute      | 10.56     |
| Blue Hills Solar                | 10.08     |
| UMKC Flarsheim Hall             | 4.32      |
| UMKC Student Union              | 5.28      |
| Evergy Crossroad Substation     | 29.33     |
| Total:                          | 163.8     |

Additionally, EMM receives S-RECs from an unsubscribed portion of Hawthorn Solar. EMM is expected to be able to meet RES compliance for the planning period.

**B. “A list of executed contracts to purchase RECs (whether or not bundled with energy), including type of renewable energy resource, expected amount of energy to be delivered, and contract duration and terms;”**

EMM provided a list of executed contracts for the wind PPAs in Table 1 of the Plan. EMM has provided the following executed agreements in response to Staff Data Requests: \*\* [REDACTED]<sup>9</sup>, [REDACTED]<sup>10</sup>, [REDACTED]<sup>11</sup>, [REDACTED]

<sup>8</sup> These solar installations were part of the plan to install approximately 180 kW of utility owned and operated solar in and around the SmartGrid demonstration project area to integrate renewables and new technologies to modernize and automate the electric grid. The final installation of SmartGrid solar was completed in the second quarter of 2014.

<sup>9</sup> Staff Data Request No. 0064 in ER-2018-0145.

<sup>10</sup> Staff Data Request No. 0064 in ER-2018-0145.

<sup>11</sup> Staff Data Request No. 0002.2 in EO-2014-0287.



**E. “A detailed analysis providing information necessary to verify that the RES compliance plan is the least cost, prudent methodology to achieve compliance with the RES;”**

The Plan notes the installation of Spearville 1 prior to the RES rules. The costs associated with Spearville 1 and Spearville 2 are already included in revenue requirements.<sup>18</sup>

EMM currently has the following wind PPAs: Spearville 3, Cimarron 2, Slate Creek, Waverly, Osborn, Prairie Queen, Pratt, and Rock Creek. EMM notes in the *Plan* that it does not consider these wind contracts as directly attributable to RES compliance. As described in Section A of this report, EMM is well in excess of its expected REC, as the Company anticipates to generate 3,128,366 more than its estimated 1,235,311 requirement.

For compliance with the solar portion of the RES, EMM plans to use S-RECs from customer-generators and future EMM owned solar installations.

Staff wants to be clear that it has not made a ratemaking determination whether the Plan is the least cost, prudent method for complying with the RES. Staff reserves the right to address this when rate recovery is requested, and suggests the Commission be clear in any Order it issues in this case that it is not making any ratemaking determination.

**F. “A calculation of the RES retail impact limit calculated in accordance with section (5) of this rule. This calculation should be accompanied by workpapers including all the relevant inputs used to calculate the retail impact limits for the planning interval which is included in the RES compliance plan. The electric utility may designate all or part of those calculations as highly**

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<sup>18</sup> In-service requirements for Spearville 1 met in Case No. ER-2006-0314; In-service requirements for Spearville 2 met in Case No. ER-2010-0355.

**confidential, proprietary, or public as appropriate under the commission's rules; and”**

The Plan includes an explanation of the calculation of the RES Retail Rate Impact (“RRI”). Work papers supporting the calculation were provided with its filing. EMM’s calculation results in a rate impact of less than 1% on average over the planning period.

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**\_\_\_\_\_** \*\* As noted on page 8 of the Plan, EMM does not consider the wind PPAs as directly attributable to RES compliance.

**G. “Verification that the utility has met the requirements for not causing undue adverse air, water, or land use impacts pursuant to subsection 393.1030.4., RSMo, and the regulations of the division.”**

EMM states that, to its knowledge, all facilities utilized by EMM to meet the requirements of the RES have received all necessary environmental and operational permits and are in compliance with any necessary federal, state, and/or local requirements related to air, water and land use.<sup>19</sup>

**CONCLUSION**

Staff concludes that EMM has met the minimum requirements of 20 CSR 4240-20.100(8)(B).

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<sup>19</sup> Rule 10 CSR 140-8.010(4) requires that the Company submit a copy of the RES compliance report to Department of Natural Resources as well as requires an assessment of a facility’s environmental impacts during certification.

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

In the Matter of Evergy Metro, Inc. d/b/a )  
 Evergy Missouri Metro's Submission of Its )  
 2023 Renewable Energy Standard )  
 Compliance Plan )

**File No. EO-2023-0363**

**AFFIDAVIT OF BRODRICK NIEMEIER**

STATE OF MISSOURI )  
 ) ss.  
 COUNTY OF COLE )

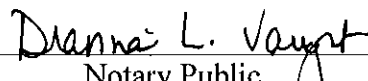
**COMES NOW BRODRICK NIEMEIER**, and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

  
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**BRODRICK NIEMEIER**

**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 30<sup>th</sup> day of June, 2023.

  
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 Notary Public

