

MEMORANDUM

TO: Missouri Public Service Commission Case File
Case No. EO-2018-0290, Kansas City Power & Light Company's
2018 Renewable Energy Standard Compliance Plan

FROM: Claire M. Eubanks, P.E., Energy Unit – Engineering Analysis

/s/ Daniel I. Beck, PE 5/25/18 /s/ Robert S. Berlin 5/25/18
Engineering Analysis / Date Staff Counsel's Office / Date

SUBJECT: Staff Report on Kansas City Power & Light Company's 2018 Annual Renewable
Energy Standard Compliance Plan

DATE: May 25, 2018

SUMMARY

The Staff has reviewed Kansas City Power & Light Company's ("KCPL" or "Company") 2018 Annual Renewable Energy Standard Compliance Plan ("Plan"). Based on the information supplied the Company appears to have met the minimum requirements of 4 CSR 240-20.100(8)(B).

OVERVIEW

On April 13, 2018, the Company filed its *Plan* for calendar years 2018 through 2020. The *Plan* was filed in accordance with Rule 4 CSR 240-20.100(8), Electric Utility Renewable Energy Standard 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 4 CSR 240-20.100(8)(B)1.A. through G. provide the minimum requirements for the plan. Subsection 4 CSR 240-20.100(8)(D) requires that Staff examine the plan and file a report of its review within forty-five (45) days of the filing.

DISCUSSION

Staff has reviewed the Company's *Plan* in accordance with the established requirements to verify that the *Plan* contains the information required by the rule. The results of the review are detailed 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;"

As noted on Page 4 of the *Plan*, KCPL expects to have banked REC's unexpired at the end of 2018 plus the addition of REC's generated by the wind facilities' actual generation. KCPL has not provided a specific listing of which of the above listed facilities will be utilized for RES compliance in the 2018 to 2020 plan period.

For non-solar compliance, the Company has the following resources which it may utilize renewable energy certificates ("REC's") from:

Renewable Resource	Fuel Type	Ownership Type	Capacity (MW)	Expected Annual Generation¹ (Mwh)	Cumulative Expected Annual Generation
Spearville I	Wind	Owned	100.5	183,000	183,000
Spearville II	Wind	Owned	48		
Cimarron II	Wind	PPA	131.1	310,000	493,000
Spearville 3	Wind	PPA	100.8	243,000	736,000
Slate Creek	Wind	PPA	150	368,000	1,104,000
Waverly	Wind	PPA	200	424,000	1,528,000
Osborn	Wind	PPA	120 ²	259,000	1,787,000
Rock Creek ³	Wind	PPA	180 ⁴	461,000	2,248,000

¹ KCPL's share of Missouri jurisdictional generation, See page 4 of *Plan* and response to Staff Data Request No. 0005. The expected annual generation has changed since previous years due in part to the change in allocation factor per response to Staff Data Request No. 0007. The values provided do not include the in-state factor for Missouri resources.

² KCPL's Osborn PPA is for 120 MW of the 200 MW.

KCPL projects the non-solar RES requirement in 2020 (end of planning period) to be 820,719 MWhs. As shown in the table above, KCPL's cumulative expected annual generation is well in excess of the projected 2020 RES requirements. Therefore, Waverly, Osborn, and Rock Creek are in excess of the RES requirements during the planning period.

In response to Staff Data Request No. 0004, KCPL notes that it has made a corporate decision to not sell excess wind RECs.

For solar compliance, the Company expects to utilize solar renewable energy credits ("S-RECs") obtained from customer-generators for the 2018 to 2020 plan period. KCPL also generates S-RECs from the solar generation facilities installed as a part of the SmartGrid project (refer to Table 1 of the *Plan* for a listing of specific projects).

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;"

The Company provided a list of executed contracts for the wind PPAs. The Company has provided the following executed agreements in response to Staff Data Requests:

** _____ 5; _____ 6; _____ 7;
_____ 8; _____ 9; _____ 10, and
_____ 11 **

³ As of May 18, 2018 Rock Creek has been certified by Division of Energy, however, notification has not yet been posted on its website.

⁴ KCPL's Rock Creek PPA is 180 of the 200 MW.

⁵ Staff Data Request No. 0001 in EO-2014-0287.

⁶ Staff Data Request No. 0002.2 in EO-2014-0287.

⁷ Staff Data Request No. 0001 in EO-2013-0504.

⁸ Staff Data Request No. 0002 in EO-2015-0265.

⁹ Staff Data Request No. 0004 in EO-2016-0282.

¹⁰ Staff Data Request No. 0002 in EO-2018-0290.

¹¹ Staff Data Request No. 0002 in EO-2018-0290.

C. “The projected total retail electric sales for each year;”

The Company has provided its values for projected retail electric sales. The values appear to be reasonable estimates.

D. “Any differences, as a result of RES compliance, from the utility’s preferred resource plan as described in the most recent electric utility resource plan filed with the commission in accordance with 4 CSR 240-22, Electric Utility Resource Planning;”

The Company submitted its most recent Integrated Resource Plan on April 2, 2018 (EO-2018-0268). During the three year RES planning period, the Company’s preferred plan includes two wind additions (2018 and 2019). The preferred plan wind additions are in excess of the RES requirements over the three year planning period.

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 that Spearville 1 was installed prior to the RES rules, as part of KCPL’s Comprehensive Energy Plan. The costs associated with Spearville 1 and Spearville 2 are already included in revenue requirements.¹²

The Company selected wind resources Spearville 3 and Cimarron II PPAs in response to the August 2011 Request For Proposals (RFP) to satisfy the non-solar RES requirements and provided the reports regarding the selection process.¹³

The Company also executed the Slate Creek and Waverly wind PPAs. Spearville 3

¹² 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.

¹³ The Company provided documentation in response to Staff Data Request No. 0003 in EO-2013-0504.

and Cimarron II are currently included in purchased power expense.¹⁴ The Company notes that they do not consider these wind contracts as directly attributable to RES compliance.

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

Staff reserves the right to comment on whether the *Plan* is the least cost, prudent method to comply with the RES when rate recovery is requested.

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

The *Plan* includes an explanation of the calculation of the RES RRI. Work papers supporting the calculation were provided with its filing. The Company’s calculation results in a rate impact of less than 1 percent on average over the planning period.

Section (5)(B) indicates that the renewable energy resource additions will utilize the most recent electric utility resource planning analysis. The Company’s Integrated Resource Plan filing submitted in April 2018 includes 98 MW of wind in 2018, 80 MW of wind in 2019, and 13 MW of solar in 2028. **

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As noted on page 9 of the *Plan*, the Company does not consider the wind PPAs as directly attributable to RES compliance due to their favorable economics.

¹⁴ Case No. ER-2012-0174.

The Company asserts that the calculation outlined Section (5)(B) does not present an accurate picture of the Company's spending on renewables and notes that the Company's portfolio far exceeds the RES requirements (see Tables 3 & 4 in the *Plan*). Staff agrees that the Company's portfolio far exceeds the non-solar RES requirements. However, it is the Company who has chosen not to reflect
** _____ . ** As noted on page 9 of the *Plan*, the Company does not consider the wind PPAs as directly attributable to RES compliance due to their favorable economics.

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."

The Company states that, to its knowledge, all facilities utilized by KCPL 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.¹⁵

¹⁵ Rule 10 CSR 140-8.010(4).

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Kansas City Power & Light)
Company's Submission of Its 2018 Renewable) Case No. EO-2018-0290
Energy Standard Compliance Plan)

AFFIDAVIT OF CLAIRE M. EUBANKS, PE

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

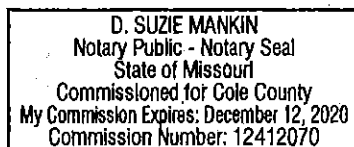
COMES NOW CLAIRE M. EUBANKS, PE and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Staff Report (2018 RES Compliance Plan) in Memorandum form; and that the same is true and correct according to her best knowledge and belief.

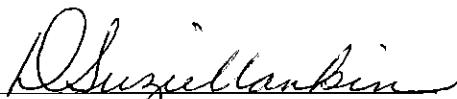
Further the Affiant sayeth not.


CLAIRE M. EUBANKS, PE

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 25th day of May 2018.




Notary Public