

MEMORANDUM

TO: Missouri Public Service Commission Case File
Case No. EO-2023-0364, Evergy Missouri West's
Submission of Its 2023 Renewable Energy Standard Compliance Plan

FROM: Brodrick Niemeier, Assistant Engineer

/s/ Brodrick Niemeier 6/30/2023 /s/ Carolyn Kerr 6/30/2023
Engineering Analysis Dept. / Date Staff Counsel's Office / Date

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

DATE: June 30, 2023

SUMMARY

Staff has reviewed Evergy Missouri West's ("EMW") *2023 Annual Renewable Energy Standard Compliance Plan* ("Plan"), dated April 17, 2023. Based on the information supplied, EMW appears to have met the minimum requirements of 20 CSR 4240-20.100(8)(B).

OVERVIEW

On April 17, 2023¹, EMW 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.

On April 24, 2023, the Commission ordered Staff to file its report no later than June 1, 2023. In order to give EMW time to respond to additional data requests from Staff and allow Staff the necessary time to analyze and incorporate EMW'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.

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

DISCUSSION

Staff reviewed EMW’s Plan in accordance with the established requirements to verify that EMW provided all 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;”

EMW owns St. Joseph Landfill Generating Station and has Power Purchase Agreements (PPAs) from six wind facilities. EMW’s renewable wind resources² are listed in the table below. EMW expects to have banked renewable energy credits (RECs) unexpired at the end of 2022 plus the addition of RECs generated by the wind facilities’ actual generation.

Renewable Resource	Commercial Operation Date	Term (Years)	Capacity (MW)	Expected Annual Generation (Mwh)	Cumulative Total of Left Column
Gray County	3/13/2001	15	110	250,934	250,934
St. Joseph landfill	2012	n/a	1.6	11,084	262,018
Ensign	11/22/2012	20	99	435,098	697,116
Osborn	12/15/2016	20	80 ³	331,916	1,029,032
Rock Creek	11/8/2017	20	120 ⁴	443,950	1,472,982
Pratt	12/13/2018	20	134 ⁵	576,711	2,049,693
Prairie Queen	8/12/2019	20	110 ⁶	330,528	2,380,221

² All non-solar renewable resources with expected annual generation.

³ EMW’s Osborn PPA is for 80 MW of the 200 MW

⁴ EMW’s Rock Creek PPA is for 80 MW out of the 200 MW

⁵ EMW’s Pratt PPA is for 134 MW of the 243 MW

⁶ EMW’s Prairie Queen PPA is 110 of the 200 MW

EMW projects the non-solar RES requirement in 2025 (end of planning period) to be 1,240,414 MWhs. As shown in the table above, EMW's Missouri jurisdictional expected annual generation is well in excess of the projected 2025 RES requirements.⁷

For solar compliance, EMW expects to utilize solar renewable energy credits ("S-RECs") obtained from customer-generators for the 2023 to 2025 plan period. Additionally, EMW also generates S-RECs from its three MW solar facility located in Greenwood, Missouri and the unsubscribed portion of Hawthorn Solar. EMW 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;"

EMW provided a list of executed contracts for the wind PPAs in Table 1 of the Plan. Starting January 1, 2021, Cimarron Bend III is being used for the Renewable Energy Rider (RER)⁸ program, meaning it was not included in the Plan.

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

EMW provided its projected retail electric sales in Table 2 located on Page 6 of its Plan. 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 240-22,⁹ Electric Utility Resource Planning;"

EMW submitted its most recent Integrated Resource Plan (IRP) on June 10, 2022 (Case No. EO-2022-0202). During the three year RES planning period, EMW's Plan

⁷ 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.

⁸ The RER program provides non-residential customers with an opportunity to purchase renewable energy from EMW's contracted Renewable Energy sources.

⁹ Since the Commission's reorganization under the Department of Commerce and Insurance, the rule can now be found at 20 CSR 4240-22.

does not include any new wind or solar additions for RES compliance, as it expects to meet the requirements during this time. However, the IRP states that EMW plans to add 150 MW of wind energy in 2024.

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;”

EMW provided information regarding the cost of the RES compliance plan. 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.

EMW states that utilizing Gray County for non-solar compliance was in effect prior to passage of the RES rules and was justified at the time of execution. EMW states that since this facility was already in place, it represents the least cost approach for achieving non-solar compliance for the planning period.

Fuel costs related to the St. Joseph Landfill Gas facility are being recovered through EMW’s Renewable Energy Standard Rate Adjustment Mechanism (“RESRAM”). EMW notes that the wind contracts were entered into because of favorable economics and are not directly attributed to RES Compliance. As described in Section A of this memorandum, EMW is well in excess of its expected RECs, as the Company anticipates it will generate an excess of 1,139,807 RECs.

For compliance with the solar portion of the RES during the planning period, EMW intends to use S-RECs from its customer-generators and the Greenwood solar facility. The S-RECs EMW obtains from its customer-generators are a condition of receiving a solar rebate. Solar rebates are being recovered through EMW’s RESRAM.

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 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). Workpapers supporting the calculation were provided with its filing. EMW’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 7 of the Plan, EMW 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.”**

EMW states that, to its knowledge, all facilities utilized by EMW 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.¹⁰

CONCLUSION

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

¹⁰ Rule 10 CSR 140-8.010(4) requires that the Company submit a copy of the RES compliance report to DNR 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 Missouri West, Inc.)
d/b/a Evergy Missouri West's Submission)
of Its 2023 Renewable Energy Standard)
Compliance Plan)

File No. EO-2023-0364

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.

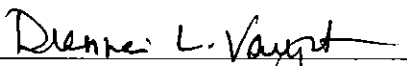
Further the Affiant sayeth not.



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 day of June, 2023.



Notary Public

DIANNA L VAUGHT Notary Public - Notary Seal STATE OF MISSOURI Cole County My Commission Expires: July 18, 2023 Commission #: 15207377
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