

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 23rd day
of October, 2013.

In The Matter of a Determination of Special)
Contemporary Resource Planning Issues to be)
Addressed by Kansas City Power & Light)
Company in its Next Triennial Compliance)
Filing or Next Annual Update Report)

File No. EO-2014-0064

**ORDER ESTABLISHING SPECIAL CONTEMPORARY RESOURCE
PLANNING ISSUES**

Issue Date: October 23, 2013

Effective Date: November 1, 2013

A provision in the Missouri Public Services Commission's revised electric utility resource planning rule, 4 CSR 240-22.080(4), requires Missouri's electric utilities to consider and analyze special contemporary issues in their triennial compliance filings and in their annual update reports. The regulation provides that by September 15 of each year, Staff, Public Counsel, and other interested parties may file suggested issues for consideration. The regulation allows the utilities and other parties until October 1 to file comments regarding the suggested issues. The regulation requires the Commission to issue an order by November 1 of each year specifying the list of special contemporary issues that each electric utility must address.

The Commission's Staff, the Missouri Department of Economic Development – Division of Energy, and the Sierra Club filed suggested special contemporary issues for Kansas City Power & Light Company (KCP&L) to analyze and respond to in its next

integrated resource plan (IRP) filing. KCP&L filed responses to those suggestions. The Commission must now determine what special contemporary issues KCP&L should address.

This is not a contested case. The Commission does not need to hear evidence before reaching a decision and does not need to make findings of fact and conclusions of law in announcing that decision.¹ The Commission's rule gives the Commission broad discretion in determining what issues a utility should be required to address, indicating:

[t]he purpose of the contemporary issues lists is to ensure that evolving regulatory, economic, financial, environmental, energy, technical, or customer issues are adequately addressed by each utility in its electric resource planning. Each special contemporary issues list will identify new and evolving issues but may also include other issues such as unresolved deficiencies or concerns from the preceding triennial compliance filing.²

After considering these factors, the Commission will adopt the list of special contemporary issues set forth in this order. However, if the utility can demonstrate that the cost to comply with any special contemporary issue set forth in this order greatly outweighs the benefits of compliance, then the Commission may upon such showing, relieve the utility of the obligation to comply with the relevant provisions of this order.

THE COMMISSION ORDERS THAT:

1. Kansas City Power & Light Company shall analyze and document the following special contemporary issues in its 2014 integrated Resource Plan (IRP) annual update filing:

a. Describe and document the process KCP&L used to quantify all cost-effective demand-side savings in its most recent annual update filing;

¹ *State ex rel. Public Counsel v. Public Service Com'n*, 259 S.W.3d 23, 29 (Mo App. W.D. 2008)

² 4 CSR 240-22.080(4).

- b. Describe and document the quantification of all cost-effective demand-side savings for KCP&L in its most recent annual update filing;
- c. Describe and document how KCP&L's portfolio of demand-side resources in its adopted preferred resource plan in its most recent annual update filing is – or is not – designed to achieve a goal of all cost-effective demand-side savings during the 3-year implementation plan period and during the 20-year planning horizon, to the extent reasonable and possible.
- d. Describe and document generally KCP&L's plans and timing to replace the Ventyx Midas® model currently used to perform its integrated resource plan and risk analysis required in 4 CSR 240-22.060;
- e. Describe and document generally KCP&L's plan to work collaboratively with Staff, the Office of Public Counsel, and other parties to consider the possible transition – over time – to a common software platform to perform the analysis required by 4 CSR 240-22.060;
- f. Analyze and document the impacts of opportunities for KCP&L to implement distributed generation, DSM programs, combined heat and power (CHP), and micro-grid projects in collaboration with municipal, agricultural and/or industrial processes with on-site electrical and thermal load requirements, especially in targeted areas where there may be transmission or distribution line constraints.
- g. Document for use in economic modeling and resource planning low, base, and high projections for natural gas prices, CO² prices, and coal prices, to the extent it is not already included in the 2014 IRP filing.

h. Analyze and document the future capital and operating costs faced by each KCP&L coal-fired generating unit in order to comply with the following environmental standards:

- (1) Clean Air Act New Source Review provisions;
- (2) 1-hour Sulfur Dioxide National Ambient Air Quality Standard;
- (3) National Ambient Air Quality Standards for ozone and fine particulate matter;
- (4) Cross-State Air Pollution Rule, in the event that the rule is reinstated;
- (5) Clean Air Interstate Rule;
- (6) Mercury and Air Toxics Standards;
- (7) Clean Water Act Section 316(b) Cooling Water Intake Standards;
- (8) Clean Water Act Steam Electric Effluent Limitation Guidelines;
- (9) Coal Combustion Waste rules;
- (10) Clean Air Act Section 111(d) Greenhouse Gas standards for existing sources; and
- (11) Clean Air Act Regional Haze requirements.

i. Analyze and document the cost of any transmission grid upgrades or additions needed to address transmission grid reliability, stability, or voltage support impacts that could result from the retirement of any existing KCP&L coal-fired generating unit in the time period established in the IRP process, to the extent not already included in the 2014 IRP filing.

j. Analyze the impact of foreseeable emerging energy efficiency technologies throughout the planning period.

2. This order shall become effective on November 1, 2013.



BY THE COMMISSION

A handwritten signature in blue ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

R. Kenney, Stoll, W. Kenney,
and Hall, CC., concur.

Woodruff, Chief Regulatory Law Judge