

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

In The Matter of a Determination of Special)
Contemporary Resource Planning Issues to be)
Addressed by The Empire District Electric)
Company in Its Next Triennial Compliance)
Filing or Next Annual Update Report)

File No. EO-2019-0066

**MISSOURI DIVISION OF ENERGY'S SUGGESTED SPECIAL CONTEMPORARY
RESOURCE PLANNING ISSUES FOR THE EMPIRE DISTRICT ELECTRIC
COMPANY**

COMES NOW the Missouri Department of Economic Development – Division of Energy (“DE”)¹ pursuant to 4 CSR 240-22.080(4) and, in response to the Missouri Public Service Commission’s (“Commission”) September 7, 2018 *Order Opening a File Regarding Special Contemporary Resource Planning Issues and Offering an Opportunity to File Suggestions* in the above-captioned matter, suggests the following special contemporary resource planning issues:

1. Evaluate the need to upgrade and enhance the utility’s delivery infrastructure in order to ensure and advance system resiliency, reliability, and sustainability. In this evaluation, describe and document the potential job growth that utility investments in delivery infrastructure could create.

2. Describe and document how the utility investments in grid modernization, DSM, and distributed energy resources can improve customer energy service options and substitute for supply-side investments under the utility’s contingency plan.

¹ On August 29, 2013, Executive Order 13-03 transferred, “... all authority, powers, duties, functions, records, personnel, property, contracts, budgets, matters pending, and other pertinent vestiges of the Division of Energy from the Missouri Department of Natural Resources to the Missouri Department of Economic Development”

3. Describe and document how the utility's standby service rates, cogeneration tariffs, and interconnection standards facilitate or impede the development of customer-owned distributed generation resources and microgrids. If the utility's standby service rates impede the development of customer-owned generation and microgrids, address plans the utility has for the review of standby service rates and their revision. Document customer and potential customer inquiries and complaints received by the Company through all forms of customer communication, including but not limited to, call center communications, e-mail, social media and others.

4. Describe and document how the utility's investments in grid modernization, DSM, and renewable energy will ensure that the public interest is adequately served and that other policy objectives of the state are met (see 4 CSR 240-22.010). For example, please describe and document the potential for job creation and economic development.

5. Describe and document the benefits and detriments for integrated resource planning to requiring achievement of targets under MEEIA, either based on those targets found in the MEEIA rules or other targets determined feasible by the utility. If the utility chooses to use targets other than those found in the MEEIA rule, state why the utility chose such targets and why those found in the rule are infeasible.

6. Identify and evaluate the quantifiable non-energy benefits ("NEBs") which could be included in the utility's demand-side management ("DSM") portfolio planning process. This should be done for the purposes of IRP planning under the Commission's recently revised Missouri Energy Efficiency Investment Act ("MEEIA") rules and with reference to either primary or secondary research conducted by the utility. Additionally, evaluate the impact of a NEBs percentage "add-on" on the utility's DSM portfolio planning

process for the purposes of IRP planning. Discuss the utility's preference for either a study to determine NEBs or the use of a NEBs percentage adder.

7. Describe and document the roles that energy storage, conservation voltage reduction, and customer generation could play in the utility's system planning, particularly with regards to extreme weather situations, DSM, and distributed energy resources.

8. Describe, document, and evaluate potential DSM programs which could address the needs of customers that have or might otherwise "opt out" of participation in MEEIA. In this evaluation, describe and document potential participation and savings (both energy and demand), as well as program costs and cost-effectiveness. Additionally, please describe and document the impacts of additional customer "opt-outs" on the MEEIA charges to customer classes and the ability to achieve estimated savings targets.

9. Evaluate, describe, and document the feasibility, cost-reduction potential, and potential benefits of joint DSM programs, marketing, and outreach with water utilities.

10. Evaluate the potential demand and energy load associated with electric vehicles within the utility's service territory, discuss how the preferred plan addresses the additional demand and energy load requirements, and evaluate potential means for shifting the additional demand and energy load to off-peak periods. Describe all current and planned electric vehicle initiatives undertaken by the utility, including how such initiatives have been affected by the Western District Court of Appeals' ruling in WD80911.

11. Describe and document the utility's current distribution system planning process. Additionally, evaluate the benefits of requiring distribution system planning that facilitates customer usage of distributed energy resources.

12. Describe and document the utility's coordination with the State Emergency Management Agency to ensure readiness for physical and cyber security threats.

13. Describe and document the extent to which federal investment, production, and other tax credits reduce the costs for utility plant.

14. Describe and document the extent to which each of the utility's generating assets is or is not competitive within the utility's applicable Regional Transmission Organization or Independent System Operator.

15. Describe and document the utility's plans regarding the authorities and requirements contained in Senate Bill 564 (2018), including, but not limited to, the following sections of the legislation:

- a. Section 386.266, RSMo. (Rate Adjustments Outside of General Rate Proceedings, Surveillance Monitoring Report);
- b. Section 393.170, RSMo. (Certificate of Convenience and Necessity);
- c. Sections 393.1400 and 393.1655, RSMo. (Plant-in-Service Accounting, Capital Investment Plan, Rate Base Increase Regulatory Liability and Limitations);
- d. Section 393.1610, RSMo. (Investments in Small Scale and Pilot Projects);
- e. Section 393.1640, RSMo. (Discounted Electric Rates); and,
- f. Section 393.1665, RSMo. (Utility-Owned Solar Facilities).

16. Describe and document the utility's efforts to address the corporate social responsibility and/or renewable energy purchasing goals of commercial, industrial,

institutional, and public sector customers for increased access to renewable energy and distributed generation resources.

17. Describe and document the potential impacts of the U.S. District Court of Appeals for the District of Columbia Circuit's decision in *Utility Solid Waste Activities Group, et al., v. Environmental Protection Agency* ("EPA") regarding rules pertaining to coal combustion residuals. Additionally, include the utility's assessment of the potential impacts of this ruling when considered in conjunction with the federal Water Infrastructure Improvements for the Nation Act and state Senate Bill 659 (2018). In so doing, identify all landfills and ponds currently or previously used by the utility or its predecessors for the disposal of coal combustion residuals and include information such as, but not limited to, disposal site age, usage status, liner type, hazard assessments, and ground and surface water monitoring results.

18. Describe and document the potential impacts on the utility of the EPA's proposed federal Affordable Clean Energy rule, including, but not limited to, the following aspects of the rule:

- a. The use of on-site efficiency upgrades as the best system of emission reduction for reducing carbon dioxide emissions;
- b. Changes to the New Source Review permitting program; and,
- c. Changes to the implementation of Section 111(d) of the Clean Air Act regarding EPA's emission guideline issuance and state plan development and submission.

Wherefore, the Missouri Division of Energy respectfully submits it list of suggested special contemporary resource planning issues.

Respectfully submitted,

/s/ Marc Poston

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been served electronically on all counsel of record this 14th day of September, 2018.

/s/ Marc Poston

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