

## MEMORANDUM

**TO:** Missouri Public Service Commission Official Case File  
File No. EO-2023-0361, Evergy Metro Missouri's  
Submission of Its 2022 Renewable Energy Standard Compliance Report

**FROM:** Amanda Coffey, Associate Engineer, Engineering Analysis Department

/s/ Amanda Coffey / 06-30-2023  
Industry Analysis Division / Date

/s/ J. Scott Stacey / 06-30-2023  
Staff Counsel's Office / Date

**SUBJECT:** Staff Report and Conclusion on Evergy Metro Missouri's 2022 Renewable Energy Standard Compliance Report

**DATE:** June 30, 2023

### SUMMARY

Staff has reviewed Evergy Metro, Inc., d/b/a Evergy Metro Missouri's ("EMM") filed *2022 Annual Renewable Energy Standard Compliance Report* ("Report"), dated April 15, 2023, but filed on April 17, 2023. In its review Staff noted several deficiencies.

Regarding EMM's request for waiver, Staff recommends the Commission grant EMM a limited waiver from the requirements of Rule 20 CSR 4240-20.100(8)(A)1.I.(V) to substitute invoices or another reasonable substitute when meter readings are not available for energy purchases from Spearville 3, Cimarron, Slate Creek, Osborn, Waverly, Prairie Queen, Ponderosa, Rock Creek, and Pratt wind farms.

Staff utilized the North American Renewables Registry (NAR) to independently verify the retirement of the Renewable Energy Credits ("RECs") and Solar Renewable Energy Credits ("S-RECs") by EMM for its 2022 RES compliance.<sup>1</sup> Although EMM has achieved compliance with the RES requirements for the 2022 compliance year, Staff noted several errors in its Report and recommends that EMM file a corrected Report.

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<sup>1</sup> <http://narecs.com/>.

## **OVERVIEW**

On April 17, 2023, EMM filed its Report for calendar year 2022. The Report was filed in accordance with 20 CSR 4240-20.100(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 a RES compliance report no later than April 15 to report on the status of both its compliance with the RES and its compliance plan as described in this section for the most recently completed calendar year.

Subparagraphs 20 CSR 4240-20.100(8)(A)1. A. through P. provide the minimum requirements for the Report. Subsection 20 CSR 4240-20.100(8)(D) requires that Staff examine EMM's Report and file a report 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 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 to file its report on July 18, 2023. On June 6, 2023, the Commission ordered Staff to file its report on June 30, 2023.

## **DISCUSSION**

Staff has reviewed EMM's Report in accordance with the established requirements to verify that Evergy has provided the information required by rule. The results of this review are detailed below, with appropriate rule subparagraphs A. through P. identified and quoted.

**A. "Total retail electric sales for the utility, as defined by this rule;"**

EMM provided the total retail electric sales for 2022 expressed as total megawatt-hours (MWh) sold to EMM consumers as 8,480,173 MWh.

**B. "Total jurisdictional revenue from the total retail electric sales to Missouri customers as measured at the customers' meters;"**

EMM provided the total retail electric sales for 2022 expressed as annual operating revenues (dollars) from EMM consumers (\$854,684,935). This amount is consistent

with the amount listed on the Missouri Jurisdictional 2022 FERC Form 1 (FF1)<sup>2</sup> filed with the Commission on May 15, 2023.

**C. “Total retail electric sales supplied by renewable energy resources, as defined by section 393.1025(5), RSMo, including the source of the energy;”**

EMM provided the 2022 total retail electric sales by renewable resource based on its energy allocation presumption. EMM’s report had several errors in its reported retail sales supplied by renewable energy resources. Staff provides the corrected values in the table below.

EMM utilized three company-owned renewable energy generating facilities during 2022; Spearville 1, Spearville 2, and Solar Aggregate 1.<sup>3</sup> EMM also has eight operational purchase power agreements (“PPA”), with Cimarron Windpower II (“Cimarron”), Spearville 3, LLC (“Spearville 3”), Slate Creek Wind (“Slate Creek”), Waverly Wind Farm (“Waverly”), Osborn Wind Energy (“Osborn”), Rock Creek Wind (“Rock Creek”), Pratt Wind, LLC (“Pratt”), and Prairie Queen Windfarm, LLC (“Prairie Queen”). Additionally, EMM provided the total estimated generation (MWh) supplied by its all interconnected customer-generators.

	2022 (MWh) reported	NAR Project Account Holder
Spearville 1	85,695	Kansas City Power & Light
Spearville 2	43,292	Kansas City Power & Light
Solar Aggregate 1	60	Kansas City Power & Light
Spearville 3	215,862	Kansas City Power & Light
Cimarron II	260,090	Duke Energy Generations Services, Inc.
Slate Creek Wind	320,102	Kansas City Power & Light
Waverly	427,678	Waverly Wind Farm, LLC
Osborn	266,043	Kansas City Power & Light

<sup>2</sup> The sum of Line 10 – Total Sales to Ultimate Customers and Line 13 – Provision for Rate Refunds from FF1 Page 300. \$870,046,317.00 - \$29,856,123.00 = \$849,190,194.

<sup>3</sup> Solar Aggregate 1 represents EMM’s small owned solar generation located in Missouri, which qualifies for the 1.25 credit multiplier per RSMo 393.1030.1; 20 CSR 4240-20.100(3)(G).

	2022 (MWh) reported	NAR Project Account Holder
Prairie Queen	159,705	Prairie Queen Wind Farm, LLC
Pratt	272,577	NextEra Energy Resources
Rock Creek <sup>4</sup>	396,201	Rock Creek Wind Project, LLC
Customer Generators <sup>5</sup>	** [REDACTED] **	Kansas City Power & Light
<b>TOTAL</b>	<b>2,475,997</b>	

**D. “The number of RECs and S-RECs created by electrical energy produced by renewable energy resources owned by the electric utility. For the electrical energy produced by these utility-owned renewable energy resources, the value of the energy created. For the RECs and S-RECs, a calculated REC or S-REC value for each source and each category of REC;”**

EMM reported the number of RECs and S-RECs produced in 2022 and the value of energy created for each company-owned facility.

Facility	Number of RECs	Compliance Equivalency for In-State <sup>6</sup>	Value of Energy (\$)	Value of RECs (\$/REC)
Spearville 1	86,695	n/a	5,269,466	0
Spearville 2	43,292	n/a	2,516,760	0
Solar Aggregate 1	60	90	3,173 <sup>7</sup>	0

EMM reports no value to its owned resources. However, Staff believes there is a value to the RECs and S-RECs created by EMM’s owned generation though that value is not

<sup>4</sup> 377,869 RECs (2022 vintage) were reported, however there are \*\* [REDACTED] \*\* RECS (2022 vintage) in NAR. EMM confirmed that NAR is correct in its 2022 REC reconciliation spreadsheet.

<sup>5</sup> EMM reported 47,024 S-RECS (2022 vintage) in its report, however EMM’s workpapers indicates 47,025 S-RECs, and it registered \*\* [REDACTED] \*\* S-RECs in NAR. EMM stated in its 2022 REC reconciliation spreadsheet that the difference is due to rounding.

<sup>6</sup> Renewable resources located in Missouri, qualifies for the one and twenty-five hundredths (1.25) credit multiplier allowed by statute and regulation; 393.1030.1., RSMo; 20 CSR 4240-20.100(3)(G).

<sup>7</sup> This value was not provided in EMM’s Report, however they provided it in response to Data Request No. 0005.

transparent. Additionally, Evergy did report REC sales for 2022. The sale prices range from \*\* [REDACTED] \*\*. \*\*

**E. “The number of RECs acquired, sold, transferred, or retired by the utility during the calendar year;”**

EMM provided the information regarding the number of RECs acquired, sold, and retired during the calendar year. The following table represents the number of RECs acquired and retired during the calendar year, as corrected by Staff:

	<b>Number of RECs (Compliance Equivalency)</b>	<b>Number of S-RECs (Compliance Equivalency)</b>
Acquired	2,299,926 (2,460,904)	47,024 (58,780)
Sold	2,870,569	-
Retired	1,090,297 (1,246,587)	20,353 (25,441)

EMM retired 2019 vintage wind RECs from Spearville 1, Spearville 2, Spearville 3, Cimarron 2, Slate Creek, Waverly, Osborn, Pratt, and Rock Creek. Staff verified that EMM retired 1,246,587 (includes in-state factor for RECs generated in Missouri) non-solar RECs to meet the non-solar requirement of 1,246,585.<sup>8</sup> EMM also retired 25,441 S-RECs (includes in-state factor for customer-generated S-RECs) to meet the solar requirement of 25,441.<sup>9</sup>

These RECs were registered and retired in the North American Renewables Registry (NAR) utilized for compliance purposes. In accordance with statute and regulation,

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<sup>8</sup> Pursuant to 20 CSR 4240-20.100(2)(C)1, the amount of RECs necessary is determined by calculating ten percent (14.7%) of EMM’s total retail sales, less the solar requirement.

<sup>9</sup> Pursuant to 20 CSR 4240-20.100(2)(D)1, the amount of S-RECs necessary is determined by calculating two-tenths percent (0.3%) of EMM’s total retail sales.

these RECs were produced by a qualified facility and were banked and utilized appropriately.<sup>10</sup>

**F. “The source of all RECs acquired during the calendar year;”**

EMM provided a resource list as Table 4 of the Report.

**G. “The identification, by source and serial number, or some other identifier sufficient to establish the vintage and source of the REC, of any RECs that have been carried forward to a future calendar year;”**

EMM provided a listing, by source and serial number, of RECs that are being carried forward for future year(s) as Appendix B of the Report.

**H. “An explanation of how any gains or losses from sale or purchase of RECs for the calendar year have been accounted for in any rate adjustment mechanism that was in effect for the utility;”**

EMM reported REC sales for 2022. EMM stated in its Report that revenues from the sale of RECs were reflected in FERC account 509000 and gains or losses would be recorded in FERC accounts 411800 and 411900. Staff reviews the prudence of REC sales when rate recovery is requested through a general rate case or during a prudency review of a rate adjustment mechanism (FAC or RESRAM).

**I. “For acquisition of electrical energy and/or RECs from a renewable energy resource that is not owned by the electric utility, except for systems owned by customer-generators, the following information for each resource that has a rated capacity of ten (10) kW or greater: ”**

**“(I) Facility name, location (city, state), and owner;”**

EMM provided a resource list as Table 4 of the Report, which includes the name, location and owner of the facilities.

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<sup>10</sup> Qualified facility per 393.1025(5), RSMo and 20 CSR 4240-20.100(1)(K); Banked RECs per 393.1030.2, RSMo and 20 CSR 4240-20.100(1)(J).

**“(II) That the energy was derived from an eligible renewable energy technology and that the renewable attributes of the energy have not been used to meet the requirements of any other local or state mandate;”**

EMM notes that the Generator Owners for Osborn, Spearville 3 and Slate Creek have designated EMM as the Responsible Party in NAR, this represents that the generator owner has not granted similar authority to another person or entity in NAR or any other similar registry. Additionally, EMM previously provided the Responsible Party designation forms in response to Staff Data Request No. 0003 in EO-2016-0280.

Staff also verified that Spearville 1, Spearville 2, Spearville 3, Cimarron 2, Slate Creek, Waverly, Osborn, Pratt, Prairie Queen and Rock Creek are listed on the Missouri Department of Natural Resources list of Renewable Energy Standard Certified facilities.<sup>11</sup>

**“(III) The renewable energy technology utilized at the facility;”**

The renewable energy technology was included in Table 4.

**“(IV) The dates and amounts of all payments from the electric utility to the owner of the facility; and”**

The payments to the facility owners are provided in Appendix C of the Report.

**“(V) All meter readings used for the calculation of the payments referenced in part (IV) of the paragraph;”**

The required meter readings were not provided in the Report. EMM requested a limited waiver from this rule requirement (20 CSR 4240-20.100(8)(A)1.I.(V)) for purchased

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<sup>11</sup> [Renewable Energy Standard \(RES\) Certification | Missouri Department of Natural Resources \(mo.gov\)](#).

RECs, stating the meter reading information is not provided by the vendors from which EMM purchases RECs.

The purpose of this subparagraph is to demonstrate the validity of RECs and/or S-RECs obtained from sources that are not owned by the electric utility. Generation of renewable energy at company-owned resources is typically monitored by revenue quality meters and/or reported through an independent system operator. Resources in which this subparagraph applies to are not necessarily monitored by the utility that seeks to retire the associated RECs for compliance purposes. This subparagraph compensates for the lack of utility ownership/control of the renewable energy resource.

The RECs associated with energy purchased from Spearville 3, Cimarron, Slate Creek, Osborn, Rock Creek, Waverly, Prairie Queen, Pratt are registered in NAR. A Qualified Reporting Entity (QRE) is defined in NAR's Operating Procedures as "an entity reporting meter reading and other generation data to the NAR Administrator."

\*\* [REDACTED] \*\*

Since EMM is subject to a renewable energy standard, to qualify as a QRE in NAR it must be able to demonstrate that there is an independent group responsible for reporting separate from the group which is engaged in marketing functions or REC retirement under the principles defined by the FERC's Independent Functioning and No Conduit Rules.<sup>12</sup> \*\* [REDACTED]

[REDACTED]<sup>13</sup> \*\*

Based on its review of the information provided by EMM and other sources, Staff recommends the Commission grant EMM a limited waiver from the requirements of Rule 20 CSR 4240-20.100(8)(A)1. I.(V) to substitute invoices or another reasonable substitute when meter readings are not available for energy purchases

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<sup>12</sup> NAR Requirements for Qualified Reporting Entities.

<sup>13</sup> Response to Staff Data Request No. 0004 in EO-2014-0289.



from Spearville 3, Cimarron, Slate Creek, Osborn, Rock Creek, Waverly, Prairie Queen, and Pratt.

**J. “For acquisition of electrical energy and/or RECs from a customer-generator”**

**“(I) Location (zip code);”**

**“(II) Name of aggregated subaccount in which RECs are being tracked in;”**

**“(III) Interconnection date;”**

**“(IV) Annual estimated or measured generation; and”**

**“(V) The start and end date of any estimated or measured RECs being acquired;”**

The required information was provided in Appendix A of the Report.

**K. “The total number of customers that applied and received a solar rebate in accordance with section (4) of this rule;”**

EMM reported it paid 484 solar rebates during calendar year 2022.

**L. “The total number of customers that were denied a solar rebate and the reason(s) for each denial;”**

EMM reported 6 customers were denied a solar rebate in 2022 due to lack of available funds.

**M. “The amount expended by the electric utility for solar rebates, including the price and terms of future S-REC contracts associated with the facilities that qualified for the solar rebates;”**

EMM reported that it paid \$1,511,119 in solar rebates for calendar year 2022. Staff reserves the right to comment on the prudence of solar rebate expenditures when rate recovery is requested.

**N. “An affidavit documenting the electric utility’s compliance with the RES compliance plan as described in this section during the calendar year;”**

EMM filed a signed Affidavit with the Report.

**O. “If compliance was not achieved, an explanation why the electric utility failed to meet the RES; and”**

EMM provided a statement that it believes it has achieved compliance with the RES. Additionally, EMM retired the appropriate number of RECs to meet the RES solar and non-solar requirements.

**P. “A calculation of its actual calendar year retail rate impact.”**

EMM included its actual calendar year retail rate impact, 0.044%<sup>14</sup>. EMM calculated its retail rate impact by dividing its 2022 RES Compliance Cost by its 2022 Retail Revenues, \*\* [REDACTED] \*\*.

## CONCLUSION

EMM has achieved compliance with the RES requirements for the 2022 compliance year. During its review Staff noted multiple errors in EMM’s report listed below:

- For Rock Creek, 377,869 RECs (2022 vintage) were reported, however there are 396,201 RECS (2022 vintage) in NAR. EMM confirmed that NAR is correct in its 2022 REC reconciliation spreadsheet.
- The Solar Rebates EMM reported 47,024 S-RECS (2022 vintage) in its report, however EMM’s workpapers indicates \*\* [REDACTED] \*\* S-RECs, and it registered \*\* [REDACTED] \*\* S-RECs in NAR. EMM stated in its 2022 REC reconciliation spreadsheet that the difference is due to rounding.

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<sup>14</sup> This number has been corrected by Staff to match EMM’s workpapers. EMM reported this number as 0.033% in its report, however this does not match the calculations in its workpapers.

- The value of solar energy was not provided in the table in section D of the Report.
- EMM reported its actual calendar year RRI as 0.033% in its report, however this does not match the calculations in its workpapers.

The rule requires electronic copies of the RES compliance report be posted on both the utility's website and on the Commission's website for public access.<sup>15</sup> Staff recommends the Commission order EMM to file a corrected report and update its website so the public has access to accurate information. Additionally, Staff recommends EMM include any tables needed to reconcile their report with NAR as part of its future filings.

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<sup>15</sup> 20 CSR 4240-20.100(7)(A)2. and 3.

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

In the Matter of Every Metro, Inc. d/b/a            )  
Every Missouri Metro's Submission of Its        )  
2022 Renewable Energy Standard                )  
Compliance Report                                    )  
**File No. EO-2023-0361**

**AFFIDAVIT OF AMANDA COFFER**

STATE OF MISSOURI    )  
                                  ) ss.  
COUNTY OF COLE     )

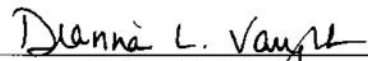
**COMES NOW AMANDA COFFER** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

  
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**AMANDA COFFER**

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

  
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Notary Public

