

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

In the Matter of Evergy Metro, Inc. d/b/a	)	
Evergy Missouri Metro's Submission of Its	)	<b><u>File No. EO-2020-0331</u></b>
2020 Renewable Energy Standard Compliance	)	
Plan	)	

**STAFF REPORT ON EMM'S  
2020 ANNUAL RENEWABLE ENERGY STANDARD COMPLIANCE PLAN**

**COMES NOW** the Staff of the Missouri Public Service Commission ("Staff") and for its *Staff Report on EMM's 2020 Annual Renewable Energy Standard Compliance Plan* respectfully states as follows:

1. On April 15, 2020, Evergy Metro, Inc. d/b/a Evergy Missouri Metro ("EMM" or "Company") filed its 2020 Annual Renewable Energy Standard ("RES") Compliance Plan ("Plan") as required by Commission Rule 20 CSR 4240-20.100(8).

2. Following discussions with Staff, EMM filed a Revised 2020 RES Compliance Plan ("Revised Plan") on May 26, 2020.<sup>1</sup> Staff was granted additional time by the Commission in order to analyze the Revised Plan, and the due date for the Report was moved from June 1, 2020 to June 12, 2020.

3. Rule 20 CSR 4240-20.100(8)(B) specifies the minimum required information the utility must provide in its annual RES Compliance Plan.

6. Staff has conducted its review of EMM's Revised Plan as discussed in detail in the attached Memorandum, heretofore known as Appendix A,

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<sup>1</sup> Based on a July 11, 2020 conference call between the Company, OPC, and Staff it appears  
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and states that the Company has met the minimum requirements of 20 CSR 4240-20.100(8)(B).

**WHEREFORE**, Staff submits its report for the Commission's information and consideration.

Respectfully submitted,

**/s/ Travis J. Pringle**

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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all parties and/or counsel of record this 12th day of June, 2020.

**/s/ Travis J. Pringle**

## **MEMORANDUM**

**TO:** Missouri Public Service Commission Case File  
Case No. EO-2020-0331, Evergy Missouri Metro's  
2020 Renewable Energy Standard Compliance Plan

**FROM:** Amanda Coffey, Utility Engineering Specialist III, Engineering Analysis

/s/ Claire M. Eubanks, PE / 6-12-2020      /s/ Travis Pringle / 6-12-2020  
Engineering Analysis / Date      Staff Counsel's Office / Date

**SUBJECT:** Staff Report on Evergy Missouri Metro's 2020 Annual Renewable Energy  
Standard Compliance Plan

**DATE:** June 12, 2020

### **SUMMARY**

Staff has reviewed Evergy Missouri Metro's ("EMM" or "Company") 2020 Annual Renewable Energy Standard Compliance Plan ("*Plan*"), filed April 15, 2020, and its Revised 2020 RES Compliance plan ("*Revised Plan*"), filed May 26, 2020. Based on the information supplied EMM appears to have met the minimum requirements of 20 CSR 4240-20.100(8)(B).

Staff notes the Company's 2020 Annual Integrated Resource Plan ("IRP") filing includes 532 MW of wind additions over the planning period to be divided between Evergy Missouri West and Evergy Missouri Metro.<sup>1</sup> These wind PPAs are not included in either Company's RRI calculation nor are any existing wind PPAs. As noted on page 7 of the *Plan*, the Company does not consider the wind PPAs as directly attributable to RES compliance due to their favorable economics. Staff recently filed comments on the Company's 2020 Annual IRP filing concluding its 2020 Annual IRP is not compliant with certain aspects of Chapter 22 related to its acquisition of 532 MW of wind PPAs.

### **OVERVIEW**

On April 15, 2020, EMM filed its *Plan* for calendar years 2020 through 2022. The *Plan* was filed in accordance with Rule 20 CSR 4240-20.100(8), Electric Utility Renewable Energy Standard Requirements, Annual RES Compliance Report and RES Compliance Plan. This rule

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<sup>1</sup> File No. EO-2020-0280.

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 forty-five (45) days of the filing. During its review Staff found multiple deficiencies. EMM filed the *Revised Plan* on May 26, 2020 to address the deficiencies found by Staff. In order to review the *Revised Plan*, Staff filed a Motion for extension of time on May 29, 2020 requesting that the Commission grant Staff an additional 10 business days to file its report. The Commission approved Staff’s request and ordered that Staff file its report by June 12, 2020.

### **DISCUSSION**

Staff has reviewed EMM’s *Plan* and *Revised Plan* in accordance with the established requirements to verify that the EMM has 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;”**

EMM generates renewable energy at its wholly-owned Spearville 1 and 2 wind facilities and will continue to do so during the 2020-2022 RES Compliance Plan period. Additionally, EMM has Power Purchase Agreements (“PPAs”) from nine operational wind facilities. EMM’s non-solar renewable resources<sup>2</sup> are listed in the table below. EMM expects to have banked RECs unexpired at the end of 2019 plus the addition of RECs generated by the wind facilities’ actual generation.

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<sup>2</sup> All non-solar renewable resources with expected annual generation.

Renewable Resource	Commercial Operation Date	Term (Years)	Capacity (MW)	Expected Annual Generation (Mwh)	Cumulative Expected Annual Generation (MWh)
Spearville 1-2	2006 & 2010	n/a	148.5	351,022	351,022
Cimarron II	6/1/2012	20	131.1	549,446	900,468
Spearville 3	10/1/2012	20	100.8	465,308	1,365,776
Slate Creek	12/30/2015	20	150	590,167	1,955,943
Waverly	1/4/2016	20	200	782,594	2,738,537
Osborn <sup>3</sup>	12/15/2016	20	120	428,466	3,167,003
Rock Creek <sup>4</sup>	11/8/2017	20	180	644,750	3,811,753
Pratt <sup>5</sup>	12/13/2018	20	110	438,246	4,249,999
Prairie Queen <sup>6</sup>	8/12/2019	20	90	350,031	4,600,030
** _____ 7**	** _____ **	**__** —	**__**	** _____ **	** _____ **
** _____ 8 **	** _____ **	**__** —	**__**	** _____ **	** _____ **
** _____ 9 **	** _____ **	**__** —	**__**	** _____ **	** _____ **

<sup>3</sup> EMM's Osborn PPA is for 120 MW of the 200 MW.

<sup>4</sup> EMM's Rock Creek PPA is 180 of the 200 MW.

<sup>5</sup> EMM's Pratt PPA is 110 of the 244 MW.

<sup>6</sup> EMM's Prairie Queen PPA is 90 of the 200 MW.

7 \*\* \_\_\_\_\_ \*\*

8 \*\* \_\_\_\_\_ \*\*

9 \*\* \_\_\_\_\_ \*\*

EMM projects the non-solar RES requirement in 2022 (end of planning period) to be 1,228,933 MWhs. As shown in the table above, EMM's Missouri jurisdictional expected annual generation is well in excess of the projected 2022 RES requirements. The values listed in the table above are the Missouri-jurisdictional total expected generation in 2022; the total expected annual generation is \*\* \_\_\_\_\_. \*\* Therefore, Osborn, Rock Creek, Pratt, Prairie Queen, \*\* \_\_\_\_\_ \*\* are in excess of the Missouri RES Requirements.<sup>10</sup>

For solar compliance, EMM expects to utilize solar renewable energy credits ("S-RECs") obtained from customer-generators for the 2020 to 2022 plan period. EMM also generates S-RECs from the solar generation facilities installed as a part of the SmartGrid<sup>11</sup> project (refer to Table 2 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 in Table 1 of the *Revised Plan*.

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

EMM 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**

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<sup>10</sup>Staff's assessment assumes the oldest wind PPAs are used for RES compliance which is not necessarily based on least-cost resources.

<sup>11</sup>These solar installations were part of the plan to install approximately 180 kW of utility owned and operated solar in and around the SmartGrid demonstration project area to integrate renewables and new technologies to modernize and automate the electric grid. The final installation of SmartGrid solar was completed in the second quarter of 2014.

**filed with the commission in accordance with 4 CSR 240-22<sup>12</sup>, Electric Utility Resource Planning;”**

The Company submitted its most recent annual IRP in case No. EO-2020-0280 on March 10, 2020. The Company’s 2020 Annual IRP filing includes 532 MW of wind additions to be divided between Evergy Missouri West and Evergy Missouri Metro. These wind PPAs are not included in either Company’s RRI calculation nor are any existing wind PPAs. As noted on page 7 of the *Plan*, the Company does not consider the wind PPAs as directly attributable to RES compliance due to favorable economics as projected by the Company. However, Staff recently filed comments on the Company’s 2020 Annual IRP filing concluding its 2020 Annual IRP is not compliant with certain aspects of Chapter 22 related to its acquisition of 532 MW of wind PPAs.

**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 EMM’s Comprehensive Energy Plan. The costs associated with Spearville 1 and Spearville 2 are already included in revenue requirements.<sup>13</sup>

EMM 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.<sup>14</sup>

EMM also executed the following wind PPAs: Slate Creek, Waverly, Osborn, Rock Creek, Pratt, and Prairie Queen. Cimarron, Spearville 3, Slate Creek, Waverly, Osborn, Rock Creek, Pratt, Prairie Queen, \*\*. \_\_\_\_\_ .\*\*

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<sup>12</sup> Staff notes that 4 CSR 240-22 is now found at 20 CSR 4240-22 following the Commission’s move from the Department of Economic Development to the Department of Commerce and Insurance.

<sup>13</sup> 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.

<sup>14</sup> EMM provided documentation in response to Staff Data Request No. 0003 in EO-2013-0504.

EMM notes in the *Plan* that it does not consider these wind contracts as directly attributable to RES compliance. As described in Section A of this report, the following wind farms are in excess of the Missouri RES requirements: Osborn, Rock Creek, Pratt, Prairie Queen, \*\* \_\_\_\_\_ . \*\* 15

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

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, reserves the right to address this when rate recovery is requested, and suggests the Commission be clear in any Order it may issue 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 *Revised Plan* includes an explanation of the calculation of the RES RRI. Work papers supporting the calculation were provided with its filing. EMM’s calculation results in a rate impact of less than 1 percent on average over the planning period.

Section (5)(B) of the rule requires that assumptions related to the renewable energy resource additions will utilize the most recent electric utility resource planning analysis. The Company’s 2020 Annual IRP filing includes 532 MW of wind additions over the planning period to be divided between Evergy Missouri West and Evergy Missouri

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<sup>15</sup> Staff’s assessment assumes the oldest wind PPAs are used for RES compliance which is not necessarily based on least-cost resources.



Metro.<sup>16</sup> These wind PPAs are not included in either Company's RRI calculation nor are any existing wind PPAs. As noted on page 8 of the *Plan*, the Company does not consider the wind PPAs as directly attributable to RES compliance due to their favorable economics. However, Staff recently filed comments on the Company's 2020 Annual IRP filing concluding its 2020 Annual IRP is not compliant with certain aspects of Chapter 22 related to its acquisition of 532 MW of wind PPAs.

In regards to the RRI calculation, the Company calculated the cumulative carry-forward amount; however, the Company did not originally include the resulting value in its final RES RRI calculation as required by Commission rule.<sup>17</sup> The Company provided the corrected RRI work paper in response to Staff Data Request No. 0007 and its Revised Plan filed on May 26, 2020. The cumulative carry-forward amount, which can be positive or negative, \*\* \_\_\_\_\_ . \*\*

**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."**

EMM states that, to its knowledge, all facilities utilized by EMM 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.<sup>18</sup>

**CONCLUSION**

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

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<sup>16</sup> File No. EO-2020-0280.

<sup>17</sup> 20 CSR 4240-20.100(5)(B)3.

<sup>18</sup> Rule 10 CSR 140-8.010(4).

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**OF THE STATE OF MISSOURI**

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Evergy Missouri Metro's Submission of its	)	Case No. EO-2020-0331
2020 Renewable Energy Standard	)	
Compliance Plan	)	

**AFFIDAVIT OF AMANDA COFFER**

STATE OF MISSOURI	)	
	)	ss.
COUNTY OF COLE	)	

**COME NOW AMANDA COFFER** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Report* in memorandum form; and that the same is true and correct according to her best knowledge and belief, under penalty of perjury.

Further the Affiants sayeth not.

/s/ Amanda Coffe  
**AMANDA COFFER**