

**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)	<u>File No. EO-2020-0332</u>
2020 Renewable Energy Standard Compliance)	
Plan)	

**STAFF REPORT ON EVERGY WEST'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 Evergy West's 2020 Annual Renewable Energy Standard Compliance Plan* respectfully states as follows:

1. On April 15, 2020, Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("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, the Company filed a Revised 2020 RES Compliance Plan ("Revised Plan") on May 26, 2020.¹ Staff was granted additional time by the Commission in order to analyze the Revised Plan, and the due date for its 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 the Company's Revised Plan as discussed in detail in the attached Memorandum, heretofore known as Appendix A,

¹ 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-2020-0332, Evergy Missouri West's 2020 Annual Renewable
Energy Standard Compliance Plan

FROM: Claire M. Eubanks, PE, Manager, Engineering Analysis

/s/ Natelle Dietrich / 6-12-20

Industry Analysis / Date

/s/ Travis Pringle / 6-12-20

Staff Counsel's Office / Date

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

DATE: June 12, 2020

SUMMARY

Staff has reviewed the Evergy Missouri West's ("Company") *2020 Annual Renewable Energy Standard Compliance Plan* ("Plan") originally filed on April 15, 2020 and revised on May 26, 2020. Staff concludes that the Company has 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.¹ These wind PPAs are not included in either Company's Retail Rate Impact ("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

¹ File No. EO-2020-0281

aspects of Chapter 22 related to its acquisition of 532 MW of wind PPAs **

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OVERVIEW

On April 15, 2019, the Company 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 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. On May 26, 2020, Evergy Missouri West filed a Revised *Plan* correcting several inadvertent errors. Staff requested additional time to file its recommendation which the Commission granted on May 29, 2020.

DISCUSSION

Staff has reviewed the Company’s *Plan* in accordance with the established requirements to verify that the *Plan* contains 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;”**

The Company explained its planned actions for compliance with the RES for 2020 through 2022. For non-solar compliance, the Company will utilize its banked renewable energy certificates (“RECs”) in addition to RECs generated from the following renewable resources:

Renewable Resource	Fuel Type	Ownership Type	Missouri West Share of Capacity (MW)	Expected² Annual Energy (MWh)	Cumulative Expected Annual Generation
St. Joseph Landfill Generating Facility ³	Landfill Gas	Owned	1.6	11,000	11,000
Gray County	Wind	PPA ⁴	109.6	285,457	296,457
Ensign	Wind	PPA	98.9	322,530	618,987
Osborn	Wind	PPA	80	285,644	904,631
Rock Creek	Wind	PPA	120	429,833	1,324,464
Pratt	Wind	PPA	134	535,634	1,870,098
Prairie Queen ⁵	Wind	PPA	110	427,815	2,297,913
** _____ **	Wind	PPA	** _____ **	** _____ **	** _____ **
** _____ ** _____ **	Wind	PPA	** _____ **	** _____ **	** _____ **

² The Company updated the wind PPAs’ expected annual generation from the previous Plan.

³ Capacity and expected generation for St. Joseph Landfill Generating Facility from GMO’s 2018 RES Compliance Plan filed in File No. EO-2018-0291

⁴ Purchase Power Agreement (PPA).

⁵ Expected to be operational May 2019

The Company projects the non-solar RES requirement in 2022 (end of planning period) to be 1,197,982. As shown in the table above, the Company's cumulative expected annual generation is an estimated ** _____ ** MWh, well in excess of the 2022 RES requirements. It is unclear from the Company's data request responses whether any portion of ** _____ ** wind PPAs will be allocated to Evergy Missouri West.

Staff concludes that the Pratt, Prairie Queen, ** _____ ** wind PPAs are in excess of the RES requirements during the planning period. Additionally, to the extent any portion of ** _____ ** wind PPAs will be allocated to Evergy Missouri West, those wind PPAs would be in excess of the RES requirements during the planning period.

For solar compliance, the Company will utilize solar renewable energy credits ("S-RECs") obtained from customer-generators and the 3 MW Greenwood solar facility as needed.

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 *Plan*.

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

The Company provided its projected retail electric sales in Table 2 located on Page 6 of its *Plan*. The values appear to be reasonable estimates. Staff will note that the Company includes the load reduction of DSM in its projections.

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 240-22⁶, Electric Utility Resource Planning;”

The Company submitted its most recent annual IRP in Case No. EO-2020-0281 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

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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 Company 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.

⁶ 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.

Fuel costs related to St. Joseph Landfill Gas facility are being recovered through the Company's Renewable Energy Standard Rate Adjustment Mechanism (RESRAM).⁷ The Company 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, the Pratt, Prairie Queen, Jayhawk, ** _____
_____ ** wind PPAs are in excess of what is needed for the Company's RES compliance during the planning period.

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

- F. "A calculation of the RES retail impact limit calculated in accordance with section (5) of this rule. The 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"**

⁷ 20 CSR 4240-20.100(6)(A)16 does not allow for consideration of recovery of RES compliance costs through a FAC, however, GMO requested and was granted a waiver from this portion of the rule "for landfill gas costs for its St. Joseph Landfill Gas Facility" in Case No. ER-2012-0175. Because the FAC cannot be changed outside of a general rate case, when GMO requested its RESRAM in Case No. EO-2015-0151, the parties in the non-unanimous stipulation and agreement agreed to preserve issues for a future general rate case. These issues included moving St. Joseph Landfill costs and benefits to the RESRAM. On Page 28, lines 3-4 of Staff's *Eighth Prudence Review of Costs Related to the Fuel Adjustment Clause For the Electric Operations of Kansas City Power & Light Greater Missouri Operations*, Staff noted "the total net costs were reversed in the general ledger removing all related expenses to be recovered from the FAC and appropriately through the RESRAM." Additionally, Staff's Second Prudence review of GMO's RESRAM (Staff's Cost of Service report in ER-2018-0145) noted costs related to St. Joseph Landfill Gas facility are being recovered through the RESRAM.

The *Plan* includes an explanation of the calculation of the RES RRI. Work papers supporting the calculation were included in the filing. The Company's calculation results in a rate impact of less than 1 percent over the three-year 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 Metro.⁸ 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. 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 reviewing this RES Compliance Plan, Staff sought clarification on how the new wind PPAs would be split amongst the Evergy companies. ** _____

_____. **⁹

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.¹⁰ The Company provided the corrected RRI work paper in response to Staff Data Request 7 and its Revised Plan filed on May 26, 2020. The cumulative carry-forward amount, which can be positive or negative, ** _____ . **

⁸ File No. EO-2020-0281

⁹ Response to Staff Data Request 2.1

¹⁰ 20 CSR 4240-20.100(5)(B)3.

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.”

The Company states that, to its knowledge, all facilities utilized 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.¹¹

CONCLUSION

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

¹¹ Rule 10 CSR 140-8.010(4).

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OF THE STATE OF MISSOURI

In the Matter of Evergy Missouri West, Inc.)	
d/b/a Evergy Missouri West's Submission of)	Case No. EO-2020-0332
Its 2020 Renewable Energy Standard)	
Compliance Plan)	
)	
)	

AFFIDAVIT OF CLAIRE M. EUBANKS, PE

STATE OF MISSOURI)	
)	ss.
COUNTY OF COLE)	

COMES NOW Claire M. Eubanks, PE 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/ Claire M. Eubanks, PE
Claire Eubanks