

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

In the Matter of the Fourth Prudence)
Review of Costs Subject to the)
Commission-Approved Fuel Adjustment) **File No. EO-2022-0064**
Clause for Evergy Metro, Inc. d/b/a Evergy)
Missouri Metro)

In the Matter of the Tenth Prudence)
Review of Costs Subject to the)
Commission-Approved Fuel Adjustment) **File No. EO-2022-0065**
Clause of Evergy Missouri West, Inc. d/b/a)
Evergy Missouri West)

RESPONSE TO COMMISSION ORDER

COMES NOW Staff of the Missouri Public Service Commission and for its
Response to Commission Order states as follows:

1. On July 21, 2022, the Commission issued its *Order Directing Staff to File Discovery Response*, ordering Staff to file Evergy Missouri West’s response to DR 56.
2. While the same document was submitted in response to data requests in both EO-2022-0064 and EO-2022-0065, DR 56 corresponds with Evergy Missouri Metro (EO-2022-0064) and DR 57 corresponds with Evergy Missouri West (EO-2022-0065).
3. The data request response is attached to this pleading.

WHEREFORE, Staff submits this *Response to Commission Order* for the Commission’s information and consideration.

Respectfully submitted,

s/ Casi Aslin

Casi Aslin

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Missouri Public Service Commission

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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 counsel of record this 22nd day of July, 2022.

Casi Aslin /s/

Evergy Missouri Metro
Case Name: 2021 MO Metro FAC Fourth Prudence Review
Case Number: EO-2022-0064

Response to Tandy Cynthia Interrogatories - MPSC_20210916
Date of Response: October 05, 2021

Question:0056

For the period January 1, 2020 through June 30, 2021, did the Company have a policy or written plan on how to handle RECs? If yes, please provide the Company's REC policy/plan in electronic format. Requested by Cynthia Tandy (Cynthia.Tandy@psc.mo.gov)

Response:

During the period of January 1, 2020 through June 30, 2021 Evergy was required under the Renewable Energy Standard (RES) to provide no less than 10% of its electricity sales from renewable energy resources, with at least 0.2% of each portfolio requirement derived from solar energy through 2020. The Standard increased beginning in 2021 to no less than 15% of its electricity sales from renewable energy resources, with at least 0.3% of each portfolio requirement derived from solar energy. A REC constitutes evidence that a unit of energy has been generated by a renewable resource, can be used or retired only once to comply with the RES and, if unused, a REC is available for use for up to three years after the date of its creation. The retirement of RECs for RES compliance is documented in {Evergy's annual RES report}.

In addition to use for compliance, a REC is a financial instrument that can be purchased or sold within markets established for the trade of RECs. As part of ER-2018-0145, the Company implemented a Renewable Energy Rider and a Solar Subscription Pilot Rider which provide bundled energy and RECs to customers as opposed to implementing a tariff to sell standalone RECs to customers. Other than those RECs which are provided through these programs, RECs which are not expired for RES compliance have historically remained unused and are not sold to ensure our customers receive as much renewable energy as possible and because, historically, the potential value of REC sales has been immaterial. However, the procedure in place during the stated period is attached that details the steps to value RECs expiring for Missouri compliance, to seek executive approval on the sale, and to execute a sale if needed.

Information Provided By:

Randy Erickson, Energy Resource Management

Attachments:

Q0057_Annual REC Valuation Procedure.pdf
Q0057_Verification.pdf

ANNUAL REC VALUATION/SALE PROCEDURE

1. A Resource Planning Analyst (Energy Resource Management) obtains the market price for wind and solar Renewable Energy Credits (RECs) at or near calendar year-end from Evergy Energy Partners¹ (Director—Lloyd Jackson).
2. Using the annual Missouri and Kansas Renewable Energy Standard (RES) Reports, the Resource Planning Analyst will apply the market price to the wind and solar RECs that expire at year-end from Missouri RES compliance and Kansas RESA report to quantify the value of expiring RECs.
3. The Resource Planning Analyst provides that value to Jeff Martin and Darrin Ives along with the date by which when the RECs must be sold before expiring.
4. Jeff Martin and Darrin Ives will decide whether the value of soon-to-expire RECs is sufficiently material to warrant the sale of the RECs. This will be documented in an email to the Resource Planning Analyst and the Evergy Energy Partners.
5. Evergy Energy Partners will obtain bids from multiple marketers, make the sale to the highest bidder, and communicate the sale to the Resource Planning Analyst, Regulatory, and Energy Accounting.
6. Evergy Financial Risk (Manager—Ronnie Hall) will issue the Confirmation Agreement to the counterparty.
7. Regulatory will include the sale proceeds in the FAC/ECA.

¹ Evergy Energy Partners has a person in the wholesale market that transacts REC purchases and sales.

Verification of Response

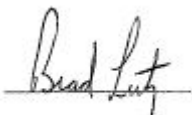
Evergy Missouri Metro

AND

Evergy Missouri West

Docket No. EO-2022-0064

The response to Data Request # 0056 is true and accurate to the best of my knowledge and belief.

Signed: _____  _____

Title: Director Regulatory Affairs

Date: September 28, 2021