

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

In the Matter of The Empire District	)	
Electric Company's Application for	)	<b><u>File No. ET-2020-0259</u></b>
Approval of a Community Solar	)	Tariff No. YE-2022-0004
Missouri Service Area	)	

**STAFF RECOMMENDATION**

**COMES NOW** the Staff of the Missouri Public Service Commission ("Staff") and for its *Staff Recommendation* respectfully states as follows:

1. The Commission approved The Empire District Electric Company d/b/a Liberty ("Liberty") Community Solar Pilot Program ("CSPP") on September 30, 2020.
2. Liberty filed its *Notice of Tariff Submission and Tariff Revision* and three tariff sheets (Tariff No. YE-2022-0004) on July 2, 2021, with an effective date of August 1, 2021. On July 6, 2021, the Commission ordered Staff to file a recommendation on this matter no later than July 13, 2021.
3. To facilitate further discussion with Liberty and other parties, Staff requested and was granted an extension to file its recommendation no later than the morning of July 19, 2021.
4. Following discussions with Staff, Liberty filed two substitute tariffs sheets on July 16, 2021, addressing concerns raised by Staff.
5. As further explained in Staff's Memorandum, attached hereto as Appendix A, Staff has reviewed the three tariff sheets submitted by Liberty under Tariff Tracking No. YE-2022-0004 on July 2, 2021, as well as the two substitute tariff sheets filed on July 16, 2021. Staff recommends that the Commission allow the following tariff sheets to take effect by operation of law on the proposed effective date of August 1, 2021:

P.S.C. MO. No. 6:

Sec. 4, 1st Revised Sheet No. 25c (as filed on July 2, 2021)

Sec. 4, 2nd Revised Sheet No. 25i (as substituted on July 16, 2021)

Sec. 4, 2nd Revised Sheet No. 25j (as substituted on July 16, 2021)

6. Staff would like to note that Liberty has not applied for a Certificate of Convenience and Necessity (“CCN”) for this initial solar facility because Liberty intends to size the facility to meet the \$3.5 million spending requirement pursuant to RSMo. 393.1665.2.

7. Staff agreed to remove the program participation fee of \$25 from Liberty’s initial facility in this most recent tariff filing to incentivize customer participation. Staff will review the in-service criteria of the initial solar facility over the course of Liberty’s general rate case in File No. ER-2021-0312, and will recommend disallowances, if any, in that proceeding.

**WHEREFORE**, Staff respectfully submits this *Staff Recommendation* for the Commission’s information and consideration, and recommends that the Commission allow Liberty’s tariff sheets, described herein, to take effect by operation of law on August 1, 2021.

Respectfully submitted,

**/s/ Travis J. Pringle**

Travis J. Pringle

Associate Counsel

Missouri Bar No. 71128

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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, transmitted by facsimile, or electronically mailed to all parties and/or counsel of record on this 19th day of July 2021.

**/s/ Travis J. Pringle**

**MEMORANDUM**

TO: Missouri Public Service Commission Official Case File Case No. ET-2020-0259 and  
Tariff Tracking No. YE-2022-0004

FROM: Cedric Cunigan, Associate Engineer, Engineering Analysis Department

/s/ Claire M. Eubanks P.E. / July 19, 2021      /s/ Travis Pringle / July 19, 2021  
Manager, Engineering Analysis/ Date      Staff Counsel's Office / Date

SUBJECT: Staff Recommendation

Date: July 19, 2021

**OVERVIEW**

The Empire District Electric Company's d/b/a Liberty ("Liberty" or "Company") Community Solar Pilot Program ("CSPP") was approved by the Commission on September 30, 2020, through its Order Approving Tariff for Tariff No. YE-2021-0062. On July 2, 2021, the Company filed a Notice of Tariff Submission and Tariff Revision (Tariff No. YE-2022-0004). The Commission issued its Order Directing Filing on July 6, 2021, which ordered staff to file a recommendation no later than July 13, 2021, and that any response to the recommendation be filed no later than July 15, 2021. On July 13, 2021, Staff filed a motion for extension to submit its report until July 19, 2021 to allow for time for its review and provide time for the filing of substitute tariff sheets. On July 14, 2021, the Commission issued its Order Granting Motion for Extension, which ordered Staff to file a recommendation on Tariff No. YE-2022-0004 no later than noon, July 19, 2021, and that any responses to the Staff recommendation be filed no later than noon, July 20, 2021. On July 16, 2021, the Company filed substitute tariff sheets after discussions with Staff.

The CSPP seeks to meet a need for customers wanting to purchase renewable energy and meet environmental goals they are not currently able to meet through currently available programs. The Company has stated that the program has been advertised and that there have been more than 100 inquires about the program; however, subscriptions have only been made for 3.4% of the available blocks. The Company asserts that a major reason for lack of subscriptions is that the \$25 per block program participation fee significantly increases the payback period for customers. The proposed revisions to the tariff include removal of the program participation fee for the initial facility, finalizing the final solar facility charge, and correcting typographical errors.

**DISCUSSION**

Liberty constructed Prosperity Solar, an approximately 2.25 MW solar facility (4,500 solar blocks of 500 kW each), for the program. Liberty did not apply for a CCN for this facility as it intends to size the facility to meet the \$3.5 million spending requirement pursuant to RSMo. 393.1665.2. Liberty believes the initial facility does not require CCN approval pursuant to RSMo. 393.1665.3, but will apply for CCN approval for future solar builds.

The CSPP is designed to allow customers to subscribe to solar blocks (500 kW) which are expected to generate up to 50% of the customer's average annual energy usage. The output from the solar facility will offset portions of the otherwise applicable energy charges on the subscriber's bill. Additionally, Liberty will transfer to the subscribers, or retire on their behalf, all renewable energy credits generated by the solar facility.

The CSPP originally included a \$25 per solar block participation fee to enroll in the program, which would have been treated as Contributions in Aid of Construction (CIAC). The CIAC amount would offset some of the effect on ratepayers should the program be undersubscribed.<sup>1</sup> The program participation fee has been removed for the initial facility in this most recent tariff filing in an attempt to further incentivize customer participation. Staff recommends that the Commission allow the tariff sheets to go into effect by operation of law on August 1, 2021.

#### **STAFF RECOMMENDATION**

Staff has reviewed tariff sheets submitted by Liberty under Tariff Tracking No. YE-2022-0004 on July 2, 2021 and the substitute tariff sheets submitted on July 16, 2021. Staff recommends that the Commission allow the following sheets to take effect by operation of law on the proposed effective date of August 1, 2021:

P.S.C. MO. No. 6

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Sec. 4, 1st Revised Sheet No. 25c (as filed on July 2, 2021)  
Sec. 4, 2nd Revised Sheet No. 25i (as substituted on July 16, 2021)  
Sec. 4, 2nd Revised Sheet No. 25j (as substituted on July 16, 2021)

Staff has verified that Liberty is not delinquent on any assessment and has filed its 2020 Annual Report. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

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<sup>1</sup> A mechanism apportioning risk between non-participating customers and shareholders has not been incorporated into the program design at this time. However, incorporation of such feature may be appropriate if solar facility costs exceed mandated spend under RSMo.393.1665.2 as program is expanded.

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

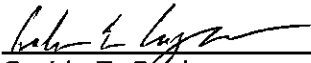
In the Matter of The Empire District Electric            )  
Company's Application for Approval of a                )  
Community Solar Program for Electric                )  
Customers in the Missouri Service Area                )        **CASE NO. ET-2020-0259**

**AFFIDAVIT OF CEDRIC E. CUNIGAN**

State of Missouri        )  
                                  ) ss.  
County of Cole         )

**COMES NOW** Cedric E. Cunigan, and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Staff Recommendation to Approve Tariff Sheets; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

  
\_\_\_\_\_  
Cedric E. Cunigan

**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 19<sup>th</sup> day of July, 2021.

  
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NOTARY PUBLIC

D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: April 04, 2025 Commission Number: 12412070
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