

**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 2020 ) File No. EO-2021-0345  
Renewable Energy Standard Compliance Report )

In the Matter of Evergy Missouri West, Inc. d/b/a )  
Evergy Missouri West’s Submission of Its 2020 ) File No. EO-2021-0346  
Renewable Energy Standard Compliance Report )

In the Matter of Evergy Metro, Inc. d/b/a Evergy )  
Missouri Metro's Submission of its 2021 ) File No. EO-2021-0347  
Renewable Energy Standard Compliance Plan )

In the Matter of Evergy Missouri West, Inc. d/b/a )  
Evergy Missouri West's Submission of its 2021 ) File No. EO-2021-0348  
Renewable Energy Standard Compliance Plan )

**EVERGY MISSOURI METRO AND EVERGY MISSOURI WEST  
REPLY TO OPC RESPONSE TO ORDER DIRECTING RESPONSES**

COME NOW Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy Missouri Metro”) and Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri West”) (collectively the “Company”) and, for their *Reply* (“Reply”) to the Office of the Public Counsel’s (“OPC”) *Response to Order Directing Responses* filed in the above-captioned dockets on July 7, 2021, states as follows:

1. The Company has complied with Rules 20 CSR 4240-20.100(8)(A)1.P and 20 CSR 4240-20.100 (5), despite OPC’s contention to the contrary.<sup>1</sup> These rules require the calculation of the renewable energy standard (“RES”) retail rate impact. The Company has accurately provided the retail rate impact in its RES Reports and Plans already filed and did not include wind purchase power agreement (“PPA”) costs in its calculations as these costs are not directly attributable to RES compliance.

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<sup>1</sup> See p. 7 of OPC’s July 7, 2021 response.

2. The RES Reports and Plans are not required to include all costs associated with the Company's renewable generation because RES compliance costs, as defined in pertinent part by 20 CSR 4240-20.100(1)(Q) "means prudently incurred costs, both capital and expense, directly related to compliance with the Renewable Energy Standard." To the extent that the Company has entered into a wind PPA based on other factors, including economics – that is, the addition of the wind PPA to the Company's generation portfolio serves to reduce the expected net present value of long-run revenue requirements – such wind PPAs are not "directly related to compliance with the Renewable Energy Standard" and do not constitute RES compliance costs. Therefore, because the Company did not enter these PPAs in order to achieve RES compliance, the cost of wind PPAs entered into for economic reasons ("favorable economics wind PPAs") has been excluded from its RES Compliance Reports and Plans. Said another way, RES compliance costs are costs which would not exist but for the need to meet RES requirements. Other renewable energy-related costs, such as those associated with favorable economics wind PPAs, having been executed to reduce the expected net present value of long-run revenue requirements and not to achieve RES compliance, therefore do not constitute RES compliance costs. These are PPAs that would have been executed regardless of the RES requirements.

3. The RES retail rate impact limit calculation requires that it, "...may not exceed one percent (1%) for prudent costs of renewable energy resources directly attributable to RES compliance."<sup>2</sup> As the Company stated in its RES Plan ( found on p. 4 of OPC's filing) :

Note that these wind contracts were entered because of favorable economics to take advantage of low-cost energy prices and not directly attributable to RES compliance. These PPAs will also be used to meet future EMM [Every Missouri Metro] non-solar RES requirements.

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<sup>2</sup> 20 CSR 4240-20.100(5)(A).

A similar statement was made in the Evergy Missouri West RES Plan (located on p. 5 of OPC's filing).

4. The Company has stated the same (or similar) in plan years 2020, 2019, 2018, 2017, and 2016.

5. The retail rate impact information presented is accurate, complies with the Commission rules and does not need to be updated. Moreover, the Commission has previously rejected OPC's similar request to direct Evergy to designate non-solar renewable resources for RES compliance purposes.<sup>3</sup> The Commission should take the same approach here and close the dockets.

6. Regarding OPC's "other concerns" raised in paragraphs 16 and 17 of its Response, the Company submitted revised RES Reports and Plans on July 7, 2021 that address OPC's concerns. The Company removed references to the Ponderosa and Expedition PPAs from the Evergy Metro RES Plan, reference to the Ponderosa PPA in the Evergy Metro RES Report, and Cimarron Bend III from the Evergy Missouri West RES Report and Plan. The revised Evergy Missouri West RES Plan also provides corrected energy estimates for the Gray County and Rock Creek PPAs.

**WHEREFORE**, the Company respectfully submits its Reply for the Commission's consideration.

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<sup>3</sup> See, EO-2019-0315, 0316(October 4, 2019) *Order Regarding 2018 RES Compliance Report and Granting Waiver*, where the Commission stated at p. 2: "After considering the submitted comments, the Commission concludes that no further order from the Commission is appropriate at this time regarding the RES Report."

Respectfully submitted,

*/s/ Roger W. Steiner*

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Missouri West**

**CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing document has been hand delivered, emailed or mailed, postage prepaid, this 2<sup>nd</sup> day of August 2021, to all parties of record.

*/s/ Roger W. Steiner*

Roger W. Steiner