

MEMORANDUM

TO: Missouri Public Service Commission Case File
Case No. EO-2021-0348, Evergy Missouri West's
2021 Renewable Energy Standard Compliance Plan

FROM: Amanda Coffey, Industry Analysis Division – Engineering Analysis Dept.

<u>/s/ Claire M. Eubanks, P.E. 6/22/2021</u>	<u>/s/Travis Pringle 6/22/2021</u>
Engineering Analysis / Date	Staff Counsel's Office / Date

SUBJECT: Staff Report on Evergy Missouri West's 2021 Annual Renewable Energy
Standard Compliance Plan

DATE: June 22, 2021

SUMMARY

Staff has reviewed Evergy Missouri West's ("EMW") *2021 Annual Renewable Energy Standard Compliance Plan* ("Plan"). Based on the information supplied EMW appears to have met the minimum requirements of 20 CSR 4240-20.100(8)(B). Although EMW has met the minimum requirements, Staff noted multiple errors in the Plan and recommends that EMW file a corrected Plan.

OVERVIEW

On April 15, 2021, EMW filed its Plan for calendar years 2021 through 2023. 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 April 16, 2021, the Commission ordered Staff to file its report no later than June 1, 2021. In order to give EMW time to respond to

additional data requests from Staff and allow Staff the necessary time to analyze and incorporate EMW’s responses in its report, on June 1, 2021, Staff requested an extension to file its report on June 22, 2021, which was approved by the Commission.

DISCUSSION

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

EMW owns St. Joseph Landfill Generating Station and has Power Purchase Agreements (PPAs) from seven wind facilities. EMW’s non-solar renewable resources¹ are listed in the table below. EMW expects to have banked RECs unexpired at the end of 2020 plus the addition of RECs generated by the wind facilities’ actual generation.

Renewable Resource	Commercial Operation Date	Term (Years)	Capacity (MW)	Expected Annual Generation (Mwh)	Missouri Cumulative Expected Annual Generation (MWh)²
St. Joseph Landfill	n/a	n/a	1.6	137,898	** [REDACTED] **
Gray County	3/13/2001	15	110	496,816	** [REDACTED] **
Ensign	11/22/2012	20	99	512,776	** [REDACTED] **

¹ All non-solar renewable resources with expected annual generation

² Values represent the expected generation in year 2023 from EMW’s RRI calculation provided in its Attachment A included with the Plan.

Osborn	12/15/2016	20	80 ³	359,879	** [REDACTED] **
Rock Creek	11/8/2017	20	120 ⁴	366,950	** [REDACTED] **
Pratt	12/13/2018	20	134 ⁵	492,226	** [REDACTED] **
Prairie Queen	8/12/2019	20	110 ⁶	422,965	** [REDACTED] **

EMW projects the non-solar RES requirement in 2023 (end of planning period) to be 1,227,116 MWhs. As shown in the table above, EMW’s Missouri jurisdictional expected annual generation is well in excess of the projected 2023 RES requirements. Staff concludes that Rock Creek, Pratt, and Prairie Queen are in excess of the Missouri RES Requirements.⁷

For solar compliance, EMW expects to utilize solar renewable energy credits (“S-RECs”) obtained from customer-generators for the 2021 to 2023 plan period. Additionally, EMW also generates S-RECs from its 3 MW solar facility located in Greenwood, Missouri.

³ EMW’s Osborn PPA is for 80 MW of the 200 MW

⁴ EMW’s Rock Creek PPA is for 80 MW out of the 200 MW

⁵ EMW’s Pratt PPA is for 134 MW of the 243 MW

⁶ EMW’s Prairie Queen PPA is 110 of the 200 MW

⁷ Staff’s assessment assumes the oldest wind PPAs are used for RES compliance, which is not necessarily based on least-cost resources.

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. EMW included Cimarron Bend III in its Plan in error⁸. Although RECs generated at Cimarron Bend III in 2020 were included in EMW’s Compliance Report⁹, starting January 1, 2021, Cimarron Bend III is being using for the Renewable Energy Rider (RER)¹⁰ program.

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.

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 240-22,¹¹ Electric Utility Resource Planning;”

Pursuant to 20 CSR 4240-22.080(1), EMW’s IRP was due to be filed April 1, 2021. On March 2, 2021 EMW requested an extension to file its IRP by April 30, 2021, and received Commission approval on March 11, 2021. EMW submitted its most recent Integrated Resource Plan (IRP) April 30, 2021 (Case No. EO-2021-0035). In its Plan, EMW referred to its previous IRP, filed March 10, 2020 (Case No. EO-2020-0280). With the exception of the termination of the Jayhawk Wind Farm PPA, the Plan is

⁸ Staff DR 0009.

⁹ OPC DR 8005, File No. EO-2021-0346

¹⁰ The RER program provides non-residential customers with an opportunity to purchase renewable energy from Evergy’s contracted Renewable Energy sources.

¹¹ Since the Commission’s reorganization under the Department of Commerce and Insurance, the rule can now be found at 20 CSR 4240-22.

consistent with the 2020 Integrated Resource Plan.¹² This is consistent with EMW's 2021 IRP.

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.

Fuel costs related to St. Joseph Landfill Gas facility are being recovered through the Company's Renewable Energy Standard Rate Adjustment Mechanism (“RESRAM”). 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 Rock Creek, Pratt, and Prairie Queen 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. 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

¹² EO-2020-0281, March 10, 2020

utility may designate all or part of those calculations as highly confidential, proprietary, or public as appropriate under the commission's rules; and”

The Plan includes an explanation of the calculation of the RES RRI. Workpapers supporting the calculation were provided with its filing. EMW’s calculation results in a rate impact of less than 1 percent on average over the planning period.

Section 3.3 of the Plan includes wind and solar resource additions based on the assumptions used in the 2020 IRP with the exception of the exclusion of the Jayhawk Wind Farm PPA, terminated on February 18, 2021. ** [REDACTED]

[REDACTED] **

As noted on page 8 of the Plan, EMW does not consider the wind PPAs as directly attributable to RES compliance due to their favorable economics.

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.”

EMW states that, to its knowledge, all facilities utilized by EMW 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.¹³

CONCLUSION

Staff concludes that EMW has met the base requirements of 20 CSR 4240-20.100(8)(B). However, Staff noted the following error in the Plan:

- Cimarron Bend III was included in the Plan in error and should be removed from the Plan and the workpapers.

Staff recommends that EMW filed a revised Plan to correct the above error.

¹³ Rule 10 CSR 140-8.010(4).

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 2021 Renewable)
Energy Standard Compliance Plan) Case No. EO-2021-0348

AFFIDAVIT OF AMANDA COFFER

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

COMES 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.

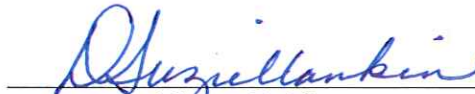
Further the Affiant sayeth not.


AMANDA COFFER

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 22nd day of June 2021.

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


Notary Public