

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

In the Matter of a Determination of Special)
Contemporary Resource Planning Issues to be)
Addressed by Evergy Missouri West) File No. EO-2022-0055
in its Next Triennial Compliance)
Filing or Next Annual Update Report)

In the Matter of a Determination of Special)
Contemporary Resource Planning Issues to be)
Addressed by Evergy Missouri Metro) File No. EO-2022-0056
in its Next Triennial Compliance)
Filing or Next Annual Update Report)

**EVERGY MISSOURI WEST AND EVERGY MISSOURI METRO’S
RESPONSE TO SUGGESTED SPECIAL CONTEMPORARY ISSUES**

Pursuant to Missouri Public Service Commission (“Commission”) Rule 20 CSR 4240-22.080(4)(B), 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, “Evergy” or the “Company”)¹ hereby respectfully submits its Response to the lists of special contemporary issues suggested by the Missouri Public Service Commission (“Staff”), the Office of Public Counsel (“OPC”), the American Association of Retired Persons (“AARP”), Renew Missouri (“Renew MO”), and Sierra Club (“SC”). The suggestions by the parties for special contemporary issues are identical for both Evergy Missouri Metro and Evergy Missouri West with the exception of one issue offered for Evergy Missouri Metro by OPC; therefore, the Company hereby submits one response for both special contemporary issue dockets.

¹ Effective October 7, 2019, Evergy Metro Inc. d/b/a Evergy Missouri Metro adopted the service territory and tariffs of Kansas City Power & Light Company (“KCP&L”) and Evergy Missouri West, Inc. d/b/a Evergy Missouri West adopted the service territory and tariffs of KCP&L Greater Missouri Operations Company (“GMO”).

I. Introduction

In Rule 20 CSR 4240-22.080(4)(A) parties to the Integrated Resource Plan (“IRP”) process may file a list of suggested special contemporary issues.

The definition of “special contemporary issue” is found at 20 CSR 4240-22.020(55):

(55) Special contemporary issues means a written list of issues contained in a commission order with input from staff, public counsel, and intervenors that are evolving new issues, which may not otherwise have been addressed by the utility or are continuations of unresolved issues from the preceding triennial compliance filing or annual update filing. Each utility shall evaluate and incorporate special contemporary issues in its next triennial compliance filing or annual update filing.

20 CSR 4240-22.080(4) characterizes special contemporary issues generally as, “evolving regulatory, economic, financial, environmental, energy, technical, or customer issues,” that utilities must adequately address in their resource planning. The Commission has provided additional guidance on the assessment of proposed special contemporary issues in its order in File No. EO-2012-0039.

On August 26, 2021 the Commission issued, *Order Opening a File Regarding Special Contemporary Resource Planning Issues and Offering an Opportunity To File Suggestions*, directing interested parties wishing to suggest a special contemporary issue that Evergy should consider in its next annual update report to file written suggestion no later than September 15, 2021. The Company has an opportunity to respond to the lists provided in accordance with Rule 20 CSR 4240-22.080(4)(A). Per the rule, Evergy’s response to the suggested special contemporary issues shall be filed by October 1, 2021.

II. Staff List of Contemporary Issues

On September 15, 2021, Staff filed three suggestions for special contemporary issues.

1. *The Company shall provide details of its plans to utilize securitization. Details shall include but are not limited to: 1) type of items to be securitized; 2) explanation for need of securitization for each item; 3) how it plans to utilize securitization for each item; 4) estimated costs of securitized items; 5) comparison of ratepayer costs and benefits.*

RESPONSE: The Company does not support this request. This suggestion does not meet the definition of “special contemporary issue.” It is not an evolving new issue, which may not otherwise have been addressed by the Company. This type of detailed information is most appropriately addressed when the Company seeks a securitization financing Order. The Company can complete a more general analysis of securitization as outlined in Sierra Club #3.

2. *In its next annual update filing, the Company shall provide detailed analysis comparing ratepayer risks and shareholder risks for additional generation resources which are not required to meet federal, state, or RTO requirements.*

RESPONSE: The Company can comply.

3. *Given the recent COVID pandemic and the Winter Storm Uri weather event, the Company shall provide details of its plan for handling future emergency events such as these. The details provided shall give a clear plan for maintaining supply-side resource generation and public welfare during emergency events.*

RESPONSE: The Company does not support this request. This suggestion does not meet the definition of “special contemporary issue.” It is not an evolving new issue, which may not otherwise have been addressed by the Company. This issue is focused on “maintaining supply-side resources and public welfare *during* emergency events” (emphasis added) and this largely refers to emergency operations plans which are not appropriate to the long-term resource planning of the IRP.

III. OPC List of Contemporary Issues

On September 15, 2021, OPC filed suggestions for special contemporary issues. OPC requests the Company address the following topics for Evergy Missouri Metro and Evergy Missouri West: (1) Generation added due to projected favorable “Economics” and (2) Additive Manufacturing (“AM” or “3D Printing”). For Evergy Missouri Metro, OPC also requests the Company address topic (3) Urban Heat Island.

Topic 1: Generation added due to projected favorable “Economics”

1. *Evergy should, using actual information from its experiences over the past five years as a basis for estimates in the resource planning period, provide a detailed analysis comparing future ratepayer risks and shareholder risks for the generation resources Evergy has acquired (or been assigned), which were not required to meet federal, state, or Southwest Power Pool requirements, but were acquired based on projections that they would provide positive revenue streams for Evergy’s customers. The analysis should show, for each resource, the estimated annual costs and revenues estimated for Evergy’s customers so the Commission and ratepayers can understand when Evergy estimates these PPAs will start providing a benefit to its customers.*

RESPONSE: The Company does not support this request. This suggestion does not meet the definition of “special contemporary issue.” It is not an evolving new issue, which may not otherwise have been addressed by the Company. The assessment of resources which have been acquired in the past is the subject of FAC prudence reviews and rate cases and not IRPs. In addition, the analysis suggested by OPC is not appropriate because it uses hindsight to evaluate decisions which have already been made.

2. *Evergy should provide the detailed analysis required of Ameren Missouri by Commission order in EO-2021-0021, comparing ratepayer risks and shareholder risks for additional planned generation resources, which are not required to meet federal, state, or Southwest Power Pool requirements. The analysis should include annual estimates of costs and revenues of each resource.*

RESPONSE: The Company can comply.

Topic 2: Additive Manufacturing (“AM” or “3D Printing”)

1. *Evergy should explore this technology within Distribution, Transmission and Supply Side Generation Chapters as an approved Special Contemporary Topic for its IRP modeling.*

RESPONSE: The Company does not support this request. The Company does not believe at this point that 3D printing would have a significant impact on resource planning in the near future. A similar request by OPC was rejected by the Commission for inclusion in the Company’s 2021 Triennial IRP.

Topic 3: Urban Heat Island

1. *Evergy Missouri Metro should explore the feasibility, impacts and potential mitigation (e.g., distribution, transmission, supply/demand-side generation) of a potentially more pronounced urban heat island over the greater Kansas City urban area over a twenty-year IRP cycle.*

RESPONSE: The Company can comply.

IV. AARP List of Contemporary Issues

On September 15, 2021 AARP filed one suggestion for special contemporary issues.

1. *AARP urges the Commission to insist that Evergy rethink the level of its planned STP spending, massively increased spending on the power grid, for new high voltage transmission lines, for electric car subsidies, for subsidies to promote electric heat over cheaper energy sources, for the early replacement of meters, etc.*

RESPONSE: The Company does not support this request. This suggestion does not meet the definition of “special contemporary issue.” It is not an evolving new issue, which may not otherwise have been addressed by the Company. There are other dockets where the Company has addressed issues raised by AARP.

V. **Renew Missouri List of Contemporary Issues**

On September 15, 2021, Renew MO filed three suggestions for special contemporary issues.

1. *Analyze and document planning scenarios that include robust storage uptake consistent with FERC Order 841 including identifying current Battery Energy Storage System cost assumptions used to develop the scenario.*

RESPONSE: The Company does not support this request. The Company evaluated battery storage options during its Triennial filing and found that, based on currently available cost and performance assumptions, they were not economic and were thus not included in the Preferred Plan. Given the 2022 IRP is an annual update, the analysis of resource plans will be much more limited than in a triennial filing and thus evaluating battery storage again is unnecessary.

2. *Analyze and document the projected interconnection costs when evaluating additional supply side options.*

RESPONSE: The Company does not support this request. This suggestion does not meet the definition of “special contemporary issue.” It is not an evolving new issue, which may not otherwise have been addressed by the Company.

3. *Analyze and document the reliability benefits associated with additional transmission investments identified.*

RESPONSE: The Company does not support this request. This suggestion does not meet the definition of “special contemporary issue.” It is not an evolving new issue, which may not otherwise have been addressed by the Company. There are other dockets where the Company has addressed this issue raised by Renew MO.

VI. Sierra Club List of Contemporary Issues

On September 15, 2021 Sierra Club filed six suggestions for special contemporary issues.

1. *Analyze the comparative public health impacts of each of the alternative resource plans considered by the Company. At minimum the Company should quantify the public health impacts of each generating unit by evaluating the cost that each generating unit's emissions have on public health, including consideration of, but not limited to, sulfur dioxide (SO₂), nitrogen oxides (NO_x), particulate matter (PM), and mercury, using publicly available resources and data.*

RESPONSE: The Company does not support this request as it is not a special contemporary issue. In addition to not being a special contemporary issue, public health impacts are assessed when environmental regulations are established. Each alternative resource plan considered by the Company is based on resources that comply with environmental regulations. As such, no additional public health assessment is needed to evaluate alternative plans. A similar request by Sierra Club was rejected by the Commission for inclusion in the Company's 2021 Triennial IRP.

2. *Analyze and document whether inclusion of an all-source procurement (e.g., an all- source request for proposals or request for information) into Evergy's IRP process could have benefits for customers by providing robust market data on available supply- and demand-side resources and by allowing the Company to efficiently contract with advantageous offers received.*

RESPONSE: The Company does not support this request as it is not a special contemporary issue. In addition, as part of the 2021 IRP process the Company has already issued an all-source request for proposals ("RFP") and utilized these responses in developing its triennial filing.

3. *Given the recent passage of House Bill 734, analyze and document the prospects for using securitization to support cost-effective accelerated retirement of coal generation assets and to channel the savings into cost-effective investments such as demand-side management, wind and solar generation, and storage.*

RESPONSE: The Company can comply with this suggestion. This issue was ordered for the 2021 Triennial filing and the Company can perform an updated version of the same analysis included in that filing.

4. *Analyze and document the criteria by which units are assigned “must run” for use status in the SPP energy market.*

RESPONSE: The Company does not support this request as it is not a special contemporary issue. However, if the Company were to designate a resource as “must run” in its modeling, it would document the reasons for such designation. It is expected that no such designations will be made.

5. *Analyze and develop as candidate resource options the satisfaction of municipal and corporate renewable energy goals...Eversource should develop some candidate ARPs that would achieve 100% clean energy by 2030 and 2035.*

RESPONSE: The Company does not support this request. This suggestion does not meet the definition of “special contemporary issue.” It is not an evolving new issue, which may not otherwise have been addressed by the Company, and Municipal and corporate renewable energy goals are not candidate resource options. However, Eversource does support the goals of the communities that it serves and has tariffs available to accomplish this. While customer goals are a consideration in the Company’s procurement of additional renewables, Eversource cannot solely base its portfolio on a subset of customers wanting to be 100% renewable. It is not cost effective for all customers and by rule, minimizing the expected value of NPVRR across many scenarios is the primary objective function. It is not appropriate to include this suggestion as a special contemporary issue and the Commission should exclude this proposed issue from the final list of such issues.

The suggestion to develop ARPs that would achieve 100% clean energy by 2030 and 2035 is not appropriate for an annual update. The resource plans evaluated in this annual update will be much more limited than what would be evaluated for a Triennial filing. In addition, the Company's 2021 Triennial filing demonstrated that, because battery storage options and small modular reactors were not economic, any resource plan which required *all* fossil generation to be retired and replaced with accredited clean capacity over the next 10-15 years would also not be economic as it would require reliance on these uneconomic, but firm and dispatchable, clean resources.

6. Generate, analyze, and evaluate plans using a capacity model that prioritizes economic optimization.

RESPONSE: The Company does not support this request. This suggestion does not meet the definition of "special contemporary issue." It is not an evolving new issue, which may not otherwise have been addressed by the Company. In addition, while Evergy does plan to have a capacity expansion model available for use in this upcoming IRP, requiring the procurement, implementation and upkeep of a new modeling tool solely for the purpose of complying with a special contemporary issue is not appropriate.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand delivered, transmitted by facsimile or by electronic mail to all counsel of record on this 1st day of October 2021.

/s/ Roger W. Steiner

Roger W. Steiner