

MEMORANDUM

TO: Missouri Public Service Commission Case File
File No. EO-2022-0288, Evergy Missouri West's
2022 Renewable Energy Standard Compliance Plan

FROM: Amanda Coffey, Associate Engineer, Engineering Analysis

/s/ Amanda Coffey 08-05-22 /s/ Carolyn Kerr 08-05-22
Industry Analysis Division / Date Staff Counsel's Office / Date

SUBJECT: Staff Report on Evergy Missouri West's 2022 Annual Renewable Energy
Standard Compliance Plan

DATE: August 5, 2022

SUMMARY

Staff has reviewed Evergy Missouri West, Inc., d/b/a Evergy Missouri West's ("EMW") *2022 Annual Renewable Energy Standard Compliance Plan* ("Plan"), dated April 15, 2022, and its *2022 Annual Renewable Energy Standard Compliance Plan* ("Revised Plan"), dated July 25, 2022. Based on the information supplied EMW, appears to have met the minimum requirements of 20 CSR 4240-20.100(8)(B).

OVERVIEW

On April 15, 2022, EMW filed its Plan for calendar years 2022 through 2024. The Plan was filed in accordance with Rule 20 CSR 4240-20.100(8), Electric Utility Renewable Energy Standard (RES) 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 18, 2022, the Commission

ordered Staff to file its report no later than May 31, 2022. 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 May 23, 2022, Staff requested an extension to file its report on July 15, 2022, which was approved by the Commission. After several rounds of electronic communication and discussion to obtain necessary information, EMW provided a Revised Plan to Staff on July 1, 2022. On July 14, 2022, Staff requested an extension until August 5, 2022 to prepare its recommendation once the Revised Plan has been filed by EMW. This extension was approved by the Commission on July 15, 2022. EMW filed its Revised Plan July 25, 2022.

DISCUSSION

Staff has reviewed EMW's Plan and Revised 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 REC's unexpired at the end of 2021 plus the addition of REC's generated by the wind facilities' actual generation.

¹ All non-solar renewable resources with expected annual 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	13798	** [REDACTED] **
Gray County	3/13/2001	15	110	449,104	** [REDACTED] **
Ensign	11/22/2012	20	99	418,492	** [REDACTED] **
Osborn	12/15/2016	20	80 ³	308,408	** [REDACTED] **
Rock Creek	11/8/2017	20	120 ⁴	462,613	** [REDACTED] **
Pratt	12/13/2018	20	134 ⁵	602,672	** [REDACTED] **
Prairie Queen	8/12/2019	20	110 ⁶	469,866	** [REDACTED] **

EMW projects the non-solar RES requirement in 2024 (end of planning period) to be 1,238,506 MWhs. As shown in the table above, EMW's Missouri jurisdictional expected annual generation is well in excess of the projected 2024 RES requirements. Staff concludes that Rock Creek, Pratt, and Prairie Queen are in excess of the Missouri RES Requirements.⁷

² Values represent the expected generation in year 2023 from EMW's Retail Rate Impact (RRI) calculation provided in its Attachment A included with the Plan.

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.

For solar compliance, EMW expects to utilize solar renewable energy credits (“S-RECs”) obtained from customer-generators for the 2022 to 2024 plan period. Additionally, EMW also generates S-RECs from its 3 MW solar facility located in Greenwood, Missouri.

Although it is clear that EMW will be able to meet RES compliance for the planning period, EMW should be including which RECs by vintage and facility it intends to use for compliance in the coming years.

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;”

EMW provided a list of executed contracts for the wind PPAs in Table 1 of the Plan. Although RECs generated at Cimarron Bend III in 2021 were included in EMW’s Compliance Report⁸, starting January 1, 2021, Cimarron Bend III is being used for the Renewable Energy Rider (RER)⁹ program and was not included in its Plan.

C. “The projected total retail electric sales for each year;”

EMW 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 240-22,¹⁰ Electric Utility Resource Planning;”

EMW submitted its most recent Integrated Resource Plan (IRP) on April 30, 2021 (Case No. EO-2021-0035). During the three year RES planning period, EMW’s

⁸ Office of the Public Counsel Data Request 8005, File No. EO-2021-0346.

⁹ The RER program provides non-residential customers with an opportunity to purchase renewable energy from EMW’s contracted Renewable Energy sources.

¹⁰ Since the Commission’s reorganization under the Department of Commerce and Insurance, the rule can now be found at 20 CSR 4240-22.

Revised Plan does not include any new wind or solar additions for RES compliance. However, the IRP states that EMW plans to add 3,200 MW of renewable energy through 2030. This total includes a mix of wind and solar, with 700 MW of solar planned by 2024.

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;”

EMW 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.

EMW states that utilizing Gray County for non-solar compliance was in effect prior to passage of the RES rules and was justified at the time of execution. EMW states that since this facility was already in place, it represents the least cost approach for achieving non-solar compliance for the planning period.

Fuel costs related to St. Joseph Landfill Gas facility are being recovered through EMW’s Renewable Energy Standard Rate Adjustment Mechanism (“RESRAM”). EMW 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 EMW’s RES compliance during the planning period.

For compliance with the solar portion of the RES during the planning period, EMW intends to use S-RECs from its customer-generators and the Greenwood solar facility. The S-RECs EMW obtains from its customer-generators are a condition of receiving a solar rebate. Solar rebates are being recovered through EMW’s RESRAM.

Staff wants to be clear that it has not made a ratemaking determination whether the Plan is the least cost, prudent method for complying with the RES. Staff reserves the

right to address this when rate recovery is requested, and suggests the Commission be clear in any Order it issues in this case that it is not making any ratemaking determination.

- 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 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 (1%) on average over the planning period.

- 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.¹¹

CONCLUSION

Staff concludes that EMW has met the base requirements of 20 CSR 4240-20.100(8)(B).

¹¹ 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 Submission of its) **File No. EO-2022-0288**
2022 Renewable Energy Standard)
Compliance Plan)

AFFIDAVIT OF AMANDA COFFER

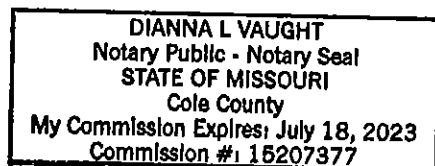
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

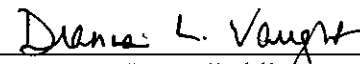
COMES NOW, Amanda Coffe, and on her oath declares that she is of sound mind and lawful age; that she contributed to the attached *Staff Report, in Memorandum form*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.


Amanda Coffe

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 5th day of August, 2022.




Notary Public