

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, Inc. d/b/a) File No. EO-2024-0043
Evergy Missouri Metro 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) File No. EO-2024-0044
Addressed by Evergy Missouri West, Inc.)
d/b/a Evergy Missouri West in its Next)
Annual Update Report)

SIERRA CLUB’S LIST OF SUGGESTED SPECIAL CONTEMPORARY ISSUES

Pursuant to 20 CSR 4240-22.080(4), Sierra Club hereby recommends the following as special contemporary issues for consideration, analysis, and documentation by Evergy Missouri Metro, Inc. and Evergy Missouri West, Inc. (together “Evergy” or the “Company”) in its next IRP filing:

1. Work with Missouri Stakeholders to Implement Solar for All. Evergy should be ordered to address in its IRP how it intends to work with Missouri stakeholders to assure that low-income community members can reap the intended benefits of Solar for All. Solar for All is a \$7 billion federal grant program administered by U.S. EPA to build rooftop solar, community solar, battery storage, and home upgrades for low-income and disadvantaged communities.¹ The State of Missouri, through the State Environmental Improvement and Energy Resources Authority, submitted a notice of intent to participate at the end of July 2023. Similarly, the Kansas Housing Resources Corporation has also submitted a notice

¹ U.S. EPA, Solar for All, (Sept. 8, 2023), available at: <https://www.epa.gov/greenhouse-gas-reduction-fund/solar-all>.

of intent to participate in the Solar for All program, which Evergy’s Kansas subsidiary should similarly assess in its IRP. EPA will make final awards to states, including Kansas and Missouri, in summer 2024.² The state, local governments, and other stakeholders will then have a year or so to design the Solar for All programs for Missouri. Installation is expected to begin in summer 2025 and must be completed by 2029. In its IRP, Evergy should explain how it intends to work with stakeholders to assure that the maximum number of rooftop and community solar projects can be installed in its service territory to assure economic and resilience benefits for its low-income customers.

2. Consider Application to U.S. DOE Energy Infrastructure Reinvestment Loan Program. Evergy should be ordered to consider in its IRP an application to the U.S. DOE Energy Infrastructure Reinvestment Loan Program to lower the cost of replacing its retired or retiring coal units. To incentivize replacement of fossil fuel infrastructure with clean energy investments, U.S. DOE’s Loan Programs Office (“LPO”) has been allocated \$250 billion in loan guarantee authority to fund “projects that retool, repower, repurpose, or replace energy infrastructure that has ceased operations”³ for conditional project commitments through September 30, 2026. LPO’s guidance on EIR eligibility illustrates several hypothetically-qualifying projects such as the replacement of retired coal and gas-fired power plants with renewable energy sources and storage, including environmental remediation efforts for on-site coal ash ponds as eligible activities.⁴ Under the EIR, utilities such as Evergy receive loan guarantees at much lower interest rates than the

² U.S. EPA, Solar for All Notices of Intent from States and Territories, (Sept. 8, 2023), *available at*: <https://www.epa.gov/greenhouse-gas-reduction-fund/solar-all-notices-intent-states-and-territories#ks>.

³ Inflation Reduction Act, Section 1706(a)1-2.

⁴ Department of Energy, Loan Programs Office, “Program Guidance for Title 17 Clean Energy Financing Program” at 28-30, (May 19, 2023), *available at*: <https://www.energy.gov/lpo/articles/program-guidance-title-17-clean-energy-program#page=1>.

utility's rate of return on the coal plant,⁵ which can cover up to 80% of projects costs, with many applicants receiving loans to cover 50-70% of project costs.⁶ Given that Energy is already planning to retire Lawrence unit 4 and Jeffrey units 2 and 3, and is evaluating whether to convert Lawrence unit 5 to gas in 2028, the Company should take advantage of this opportunity for low-interest and relatively low-risk refinancing on coal plants' remaining balances, which lower the costs of retiring and replacing the units with clean energy sources. It would be a missed opportunity for Energy to forgo applying to the EIR program to reduce costs and would also significantly hurt customers and rate-payers in the process.

3. Regulatory Risk Assessment and Going-Forward Value of Energy's Coal Units. Energy should analyze and document the net present value of continuing to operate each of the Company's coal-burning units, including consideration of known and potential compliance costs. This issue is especially significant for the units that are currently slated to operate until the late 2030s, such as Jeffrey 1, LaCygne 2, and Iatan 1, despite indicators that the units have been struggling mechanically, economically, or both. Additionally, Energy's coal units face risks from proposed and final regulations, such as the Good Neighbor Plan, proposed GHG performance standard, Regional Haze regulation, and updated proposed Mercury Air Toxics Standard. Energy should be ordered to study whether retaining each unit in operation benefits customers in

⁵ Christian Fong et al., "The Most Important Clean Energy Policy You've Never Heard About," Rocky Mountain Institute, (Sept. 13, 2023), available at: <https://rmi.org/important-clean-energy-policy-youve-never-heard-about/>.

⁶ Department of Energy, Loan Programs Office, "Program Guidance for Title 17 Clean Energy Financing Program" at 9, (May 19, 2023), available at: <https://www.energy.gov/lpo/articles/program-guidance-title-17-clean-energy-program#page=1>.

comparison with an alternative suite of resources, including consideration of compliance with all of these environmental regulations.

4. Capacity Expansion Modeling. Evergy should conduct capacity expansion modeling that does not rely on pre-determined retirement dates for coal units to identify the most economic resource portfolio outcomes. Although Evergy conducted capacity expansion modeling in its most recent IRP Update, the Company continues to model pre-selected portfolios where unit retirements and replacement resources are fixed, limiting consideration for clean energy and earlier retirement for several coal units until 2030 at the earliest. While Evergy has agreed to perform modeling in its IRPs that allows for economic retirement and replacement of resources according to the key factors it has identified, the baked-in model assumptions for retirement dates and replacement resources undermine the exercise of capacity expansion modeling and do not produce an objective, optimized portfolio comprised of resources that have been economically justified.
5. Kansas City Climate Goals. Evergy should analyze and develop as candidate resource options the satisfaction of Kansas City municipal climate goals.
6. Public Health. Evergy should analyze the comparative public health impacts of each of the alternative resource plans considered by the Company. At a minimum, Evergy 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 (such as EPA's BenMAP-CE, EPA's EJSCREEN, and Missouri Department of Natural Resources Air Quality Reports).

Compliance with Missouri IRP Rules requires consideration of pollutants, including air emissions,⁷ and the “fundamental objective” of the IRP process is “to provide the public with energy services that are safe . . . and in a manner that serves the public interest.”⁸ Thus, Energy should document the quantified health impacts of each portfolio in its IRP as public health is an aspect of the general public interest.

Respectfully submitted,

/s/ Ethan Thompson

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⁷ 20 CSR 4240-22.060(4)(B)(7).

⁸ 20 CSR 4240-22.010(2).

CERTIFICATE OF SERVICE

I hereby certify that a true and correct PDF version of the foregoing was filed on EFIS and sent by email to all counsel of record on this 15th day of September, 2023.

/s/ *Ethan Thompson*
Ethan Thompson