

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its Office in Jefferson City, Missouri on the 25th day of October, 2023.

In the Matter of a Determination of Special Contemporary Resource Planning Issues to be Addressed by The Empire District Electric Company d/b/a Liberty in its Next Triennial Compliance Filing or Next Annual Update Report)
)
) **File No. EO-2024-0045**
)
)

ORDER ESTABLISHING SPECIAL CONTEMPORARY RESOURCE PLANNING ISSUES

Issue Date: October 25, 2023

Effective Date: November 4, 2023

A provision in the Commission's electric utility resource planning rule, 20 CSR 4240-22.080(4), requires Missouri's electric utilities to consider and analyze special contemporary issues in their integrated resource plan (IRP) triennial compliance filings or in their annual IRP update reports. The regulation provides that by September 15 of each year, the Commission's Staff (Staff), the Office of the Public Counsel (OPC), and other interested stakeholders may file suggested issues for consideration. The regulation allows the utilities and other stakeholders until October 1 to file comments regarding the suggested issues. The Commission is then to issue an order by November 1 of each year specifying the list of special contemporary issues that each electric utility must address.

OPC filed suggested special contemporary issues for The Empire District Electric Company d/b/a Liberty (Liberty) to analyze and respond to in its annual update IRP Filing.

Liberty filed responses to those suggestions. The Commission must now determine what special contemporary issues Liberty should address.

This is not a contested case. The Commission does not need to hear evidence before reaching a decision and does not need to make findings of fact and conclusions of law in announcing that decision.¹ The Commission's rule gives the Commission broad discretion in determining what issues a utility should be required to address, indicating:

[t]he purpose of the contemporary issues lists is to ensure that evolving regulatory, economic, financial, environmental, energy, technical, or customer issues are adequately addressed by each utility in its electric resource planning. Each special contemporary issues list will identify new and evolving issues but may also include other issues such as unresolved deficiencies or concerns from the preceding triennial compliance filing.²

After considering these factors, the Commission will adopt the list of special contemporary issues set forth in this order. The Commission has chosen these issues because they are of particular interest and importance and should be addressed in Liberty's IRP filing. Liberty may already plan to address these issues in its triennial IRP filing apart from their designation as special contemporary issues, or it may believe it has already adequately addressed some of these issues in a previous IRP filing, or some other filing. If that is so, it does not need to undertake any additional analysis because of this designation and may simply explain in its upcoming IRP filing exactly where the Commission can find that other analysis. The Commission does not intend that a utility spend an unreasonable amount to address any special contemporary issue. If Liberty finds that the cost to address a special contemporary issue is excessive, it may explain

¹ *State ex rel. Public Counsel v. Public Service Com'n*, 259 S.W.3d 23, 29 (Mo. App. W.D. 2008).

² 20 CSR 4240-22.080(4).

its concerns in its next IRP filing, while addressing the issue to the extent reasonably possible.

To give Liberty as much time as possible to examine these issues before its next IRP filing, the Commission will make this order effective in ten days.

THE COMMISSION ORDERS THAT:

1. Liberty shall analyze and document the following special contemporary issues in its annual update IRP filing:

A. Model and explicitly present future resource adequacy scenarios based on the following assumptions:

1. With demand-side rates and traditional demand-side management investments (e.g. MEEIA);

2. Only demand-side rates without MEEIA investment;

3. Neither demand-side rates nor MEEIA (but maintain naturally occurring energy efficiency adoption); and

4. Indicate whether or not naturally occurring savings and/or federally-sponsored DSM savings are included in the modeling. If yes, these savings should be identified and separated as well.

5. Include an explicit section within the demand-side management volume and the executive summary where low, medium, and high TOU differentials are modeled and presented with expected demand savings articulated separate and aside from other demand side management practices.

B. Analyze and produce estimated costs for mothballing any dispatchable generation resource that is subject to a planned retirement in the

20-year planning period. Estimates should include all costs including the minimum continued O&M of the mothballed units.

C. Model for a low, medium, and high participation scenario of commercial and industrial customers electing to participate in demand response activities based on the introduction of a third-party(s) ARC within its footprint and provide an analysis on what the impact said ARC would have on Liberty's IRP.

D. Describe the inclusion of Virtual Power Plants (VPP) within the Company's IRP update or triennial analysis. In doing so, identify which distributed energy resources (DER) or compliment of DERs were included in the analysis, consider both the retail VPP and market-participant VPP perspectives, and explain the benefits and challenges related to scalability attributed of VPPs. Address VPP contributions to the utility's resource adequacy requirements, grid stability, resiliency, transmission and distribution capacity deferrals, load management strategies, and system optimization. Discuss limitations, if any, to incorporating VPPs in the Company's distribution or resource planning analysis due to challenges of aggregating and dispatching retail and market-participants' DERs.

E. In light of the emerging developments around Distributed Energy Resources (DER) and VPPs, address what efforts the Company made in its IRP modeling to address distribution planning opportunities and challenges.

F. Consider discussing storage deployment strategies, including the repurposing of retired automotive batteries, exemplified by the Tesla Pilot program in Australia. Additionally, explore investments in energy storage pilot projects with

the specific objective of enhancing the reliability and capacity accreditation of renewable energy resources.

2. This order shall become effective on November 4, 2023.



BY THE COMMISSION

A handwritten signature in black ink that reads "Nancy Dippell". The signature is written in a cursive, flowing style.

Nancy Dippell
Secretary

Rupp, Chm., Coleman, Holsman, Kolkmeier
and Hahn CC., concur.

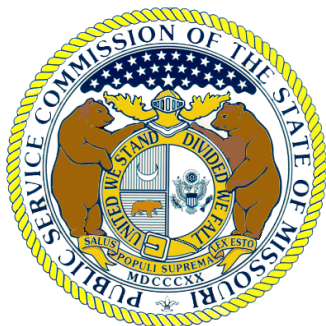
Pridgin, Deputy Chief Regulatory Law Judge

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 25th day of October, 2023.



Nancy Dippell

Nancy Dippell
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

October 25, 2023

File/Case No. EO-2024-0045

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



**Nancy Dippell
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.