

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

In the Matter of the Request of The Empire)
District Electric Company d/b/a Liberty for)
Authority to File Tariffs Increasing Rates)
for Electric Service Provided to Customers)
in its Missouri Service Area)

Case No. ER-2021-0312

PUBLIC COUNSEL’S RESPONSE TO LIBERTY’S WORKPAPERS

COMES NOW the Office of Public Counsel (Public Counsel) and offers the following:

In response to the Commission’s order on February 16, 2024, Liberty filed workpapers for its MPPM and PPA replacement value calculations for the June 2022 to May 2023 MPPM reporting year. More information about the worksheet with the tab labeled, “PPA replacement” may aid the Commission, and follows. The bold terms below appear on that PPA replacement worksheet (Column “A”).

Wind RR (Missouri) is the aggregate Missouri jurisdictional wind revenue requirement for all three wind projects—Neosho Ridge (KS), Kings Point (MO), and North Fork Ridge (MO). That revenue requirement varies by month depending on the number of days in the month. The monthly Wind RR amounts in this worksheet are calculated as if all of Neosho Ridge’s 300 MW of capacity was 100% available at all times during June 2022 through May 2023 to create renewable energy credits (RECs) that Liberty could use for satisfying its Missouri RES even when it was not available. Neosho Ridge was on a total outage during every hour in June 2022 (0% available capacity) continuing every hour through mid-to-late July 2022. Afterward, for the remaining 10+ months, it was on partial outage (95% available).

Wind Generation is the total MWhs of generation for all three wind projects. Liberty's wind generation numbers do not account for the additional RES value of the RECs generated in Missouri by Kings Point (MO), and North Fork Ridge (MO); their total capacity is about 300 MW. "Each kilowatt-hour of eligible energy generated in Missouri shall count as 1.25 kilowatt-hours for purposes of compliance." § 393.1030.1, RSMo. The capacity of Neosho Ridge (KS) is about 300 MW, but it was on complete outage throughout June 2022 and part of July 2022 (generating 0 MWh and creating 0 RECs). In mid-to-late July 2022 its capacity increased to 285 MW where it remained through the rest of the MPPM reporting year—through May 2023.

\$/MWh Because Liberty uses the total revenue requirement cost of Neosho Ridge when it was not generating electricity, Liberty's calculated \$/MWhs for June and July are skewed to extremely high \$/MWhs. If monthly \$/MWhs were calculated separately for Neosho Ridge, Kings Point, and North Fork Ridge, the monthly calculation for Neosho Ridge for June could not be performed because division (of dollars) by zero (MWh) is impermissible. Also, RES compliance is determined on an annual basis, not monthly as calculated in Liberty's spreadsheet. Using the monthly numbers significantly skew the \$/MWhs.

MJMEUC Allocation

Less: Meridian Way (Excluding MJMEUC Share) Liberty *voluntarily chose* to sell to MJMEUC 20% of the RECs it gets from its Meridian Way purchased power agreement ("PPA") rather than retain them for meeting its Missouri RES requirements. For Missouri RES purposes those RECs have zero cost (Liberty

executed its Meridian Way PPA prior to September 30, 2010 – see 20 CSR 4240-20.100(5)(A)). In its MPPM replacement value calculations Liberty did not include all of the zero cost RECs it received through its Meridian Way PPA; instead, it excluded the 20% it sold to MJMEUC.

Renewable Energy Standards not met by existing PPA's The numbers on this row do not include recognition that RECs can be banked for up to three years for Missouri RES compliance purposes. § 393.1030.2, RSMo. Liberty's Elk River and Meridian Way generation created bankable RECs usable during this June 2022 through May 2023 MPPM reporting period. The numbers also do not account for the availability of RECs created by Liberty's Ozark Dam generation or Liberty's RECs created by customer-owned solar generation that exceeded the solar RECs required to meet Liberty's two percent RES Solar Requirement—"At least two percent of each portfolio requirement shall be derived from solar energy." § 393.1030.1, RSMo. Further, Liberty's RECs generated by Ozark Dam and by solar both have a 25% adder for Missouri RES compliance purposes since they are generated within Missouri. "Each kilowatt-hour of eligible energy generated in Missouri shall count as 1.25 kilowatt-hours for purposes of compliance." § 393.1030.1, RSMo.

Wherefore, the Office of the Public Counsel offers the foregoing information to aid the Commission's understanding of the workpapers Liberty filed on February 16, 2024.

Respectfully,

/s/ Nathan Williams

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 29th day of February 2024.

/s/ Nathan Williams