

**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) **Case No. ER-2021-0312**
Rates for Electric Service Provided to)
Customers in its Missouri Service Area)

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission, by and through the undersigned counsel, and states it has reviewed the tariff filed on February 1, 2024, and as substituted on February 13, 2024, and recommends in the attached memorandum the following tariff sheet be approved for service on or after April 1, 2024.

P.S.C. MO. No. 6, Section 4
1st Revised Sheet No. 7a Canceling Original Sheet No. 7a

Additionally, Staff recommends the Commission order The Empire District Electric Company d/b/a Liberty to provide Staff its quarterly reviews moving forward.

Respectfully submitted,

/s/ Nicole Mers
Nicole Mers
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**Attorney for the Staff of the
Missouri Public Service Commission**

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been emailed to all parties and/or counsel of record on this 7th day of March 2024.

/s/ Nicole Mers

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
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 Number: ER-2021-0312

FROM: Amanda Coffey, Associate Engineer, Engineering Analysis Department

/s/ Amanda Coffey 03/07/2024
Staff Member / Date

SUBJECT: Renewable Energy Purchase Plan

DATE: March 7, 2024

EXECUTIVE SUMMARY

On February 1, 2024, Empire District Electric Company (“the Company”) submitted revised tariff sheets for the Company’s Renewable Energy Purchase Program (“the Program”), tariff sheet PSC MO No. 6, Section 4, 1st Revised Sheet No. 7a.

On February 2, 2024, the Commission filed its Order Directing Staff Recommendation About Liberty’s Tariff Revision and Setting Time for Comments, ordering Staff to file its recommendation on the tariff sheet,¹ no later than March 7, 2024.

On February 13, 2024, the Company filed its substitute tariff sheet, correcting an error in the revised tariff sheet.

BACKGROUND

The Company proposed its Renewable Energy Purchase Plan as part of its 2021 rate case.² The purpose of the Program is to offer non-residential customers the opportunity to offset their carbon emissions by up to 100% of their electricity consumption through the purchase of renewable energy credits (“RECs”). The Program was approved and placed into effect June 1, 2022.

The tariff that was placed into effect contains language requiring the Company to periodically review the REC rate:

On a quarterly basis, the Company shall perform a review of the previous three months’ average weighted price (“Quarterly Review”) for the Company’s REC sales to the schedule’s REC Rate. If the REC Rate is outside a five percent threshold as compared to the Quarterly Review, the REC Rate will be recalculated as the weighted average price for the most recent 12-month ending period. This updated REC Rate shall become effective with the first billing cycle of the following month.

¹ JE-2024-0109

² ER-2021-0312

STAFF REVIEW

The substitute tariff sheet updates the REC rate, previously set at \$4.55 per 1,000 kWh, to reflect the Renewable Energy Credits (“RECs”) rate of \$2.57 per 1,000 kWh for the 2023 calendar year. Staff has reviewed the workpapers provided by the Company and agrees that \$2.57 is the weighted average for the 2023 calendar year.

Per the Company’s tariff, the REC rate is up for review on a quarterly basis. The Company provided its REC purchase data for 2023 in response to Staff DR 409 requesting all workpapers justifying the new proposed REC price: including, but not limited to, spreadsheets with formulas intact, documentation from REC purchases, documentation for quoted REC prices. The provided spreadsheet includes a calculation for the current proposed REC rate based on the purchase data for 2023. It did not include any quarterly calculations. Staff calculated the quarterly rates for 2023 and found that for each quarter in 2023 the calculated rate was outside the 5% threshold that would trigger a new rate as stated in the Company’s tariff. Staff reached out to Liberty on March 1, 2023 to inquire if quarterly reviews were being performed. The Company stated that they had not, as the item was inadvertently left off of its tariff compliance list. The Company represents it has added the task to its internal processes.

The quarterly rate review was intended to ensure that participating customers are not harmed by purchasing RECs above their value. Therefore, Staff recommends the Commission order the Company to provide Staff its quarterly rate reviews moving forward.

STAFF RECOMMENDATION

Staff recommends that the Commission approve the following substitute tariff sheet, as filed on February 13, 2024, to go into effect for service on and after April 1, 2024 the requested effective date:

P.S.C. MO. No. 6, Section 4
1st Revised Sheet No. 7a Canceling Original Sheet No. 7a

Additionally, Staff recommends the Commission order the Company to provide Staff its quarterly reviews moving forward.

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) Case No. ER-2021-0312
Authority to File Tariffs Increasing Rates for) Tracking No. JE-2024-0109
Electric Service Provided to Customers in its)
Missouri Service Area)

AFFIDAVIT OF AMANDA COFFER

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

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

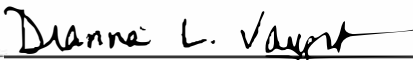
Further the Affiant sayeth not.



AMANDA COFFER

JURAT

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 6th day of March 2024.



Notary Public

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2027
Commission Number: 15207377