

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 24th day of
October, 2018.

In the Matter of a Determination of Special)
Contemporary Resource Planning Issues to be)
Addressed by Kansas City Power & Light)
Company in its Next Triennial Compliance)
Filing or Next Annual Update Report)

File No. EO-2019-0063

**ORDER ESTABLISHING SPECIAL CONTEMPORARY RESOURCE
PLANNING ISSUES**

Issue Date: October 24, 2018

Effective Date: November 3, 2018

A provision in the Commission's electric utility resource planning rule, 4 CSR 240-22.080(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, Staff, Public Counsel, 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 must then issue an order by November 1 of each year specifying the list of special contemporary issues that each electric utility must address.

The Commission's Staff, the Missouri Department of Economic Development – Division of Energy, the Natural Resources Defense Council (NRDC), Sierra Club, and the Office of the Public Counsel filed suggested special contemporary issues for Kansas City

Power & Light Company to analyze and respond to in its 2019 IRP Annual Update Report. KCP&L filed responses to those suggestions. The Commission must now determine what special contemporary issues KCP&L 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 KCP&L's IRP filing. KCP&L may already plan to address these issues in its IRP Annual Update Report apart from their designation as special contemporary issues. Or it may believe that it has already adequately addressed some of these issues in a previous IRP filing, or some other filing. If that is so, then 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 same approach is acceptable if KCP&L intends to address any of these issues in a future IRP filing. In that

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

² 4 CSR 240-22.080(4).

instance, KCP&L need not undertake duplicative analysis and may instead explain where the Commission will find analysis of the below issues.

THE COMMISSION ORDERS THAT:

1. KCP&L shall analyze and document the following special contemporary issues in its 2019 IRP Annual Update Report:

A. When complying with 4 CSR 240-22.060(5)(M), include the following as uncertain factors that may be critical to the performance of alternative resource plans:

(1) Foreseeable demand response, including, but not limited to, aggregation and development of technologies such as integrated energy management control systems, linking smart thermostats, lighting controls, and other load-control technologies with smart end-use devices;

(2) Foreseeable energy storage; and

(3) Foreseeable distributed energy resources, including, but not limited to, distributed solar generation, distributed wind generation, combined heat and power (CHP), and microgrid formation. Develop and provide a database of information on distributed generation (both utility owned and customer owned) and distributed energy storage (both utility owned and customer owned) for purposes of evaluating current penetration and planning for future increases in levels of distributed generation and energy storage.

B. When complying with 4 CSR 240-22.060(5)(A), analyze and document the impact of electric vehicle usage for the 20-year planning period upon the low-case, base-case and high-case load forecasts.

C. Analyze and document the cost of any transmission grid upgrades or additions needed to address transmission grid reliability, stability, or voltage support

impacts that could result from likely future retirements of any existing coal-fired generating unit in the time period established in the IRP process.

D. Provide the most recent analysis of the costs and benefits of KCP&L and GMO's system-wide implementation of AMI meters. Provide projected implementation dates and annual budget for AMI implementation and – if KCP&L and GMO are performing integrated resource analysis – include the capital and operating cost impacts in the integrated resource analysis. If an analysis of AMI costs and benefits does not exist, please provide a detailed explanation of why it does not exist.

E. Analyze and assess the use of mechanisms such as green tariffs and community solar to increase the availability of distributed generation for large and small customers.

F. Analyze and document the prospects for using securitization to advance the retirement of coal generation assets, and channel the savings into more economical investments such as demand-side management, building wind and solar generation, and satisfying corporate renewable energy goals to attract new businesses to the service territory. Securitization is essentially a lower cost, long-term loan that ratepayers take out and pledge to repay using a portion of their future electricity bills using a long-term, lower-cost bond that will save customers money, some of which can be used as new capital.

G. Describe and document how utility investments in grid modernization, DSM, and distributed energy resources can improve customer energy service options and substitute for supply-side investments under the utility's contingency plan.

H. Describe and document the roles which energy storage and conservation voltage reductions could play in the utility's system planning, particularly with regards to extreme weather situations, DSM and distributed energy resources.

I. Describe, document, and evaluate potential DSM programs which could address the needs of customers that might otherwise "opt out" of participation in MEEIA. In this evaluation, describe and document potential participation and savings (both energy and demand), as well as program costs and cost-effectiveness. Additionally, please describe and document the impacts of additional customer "opt-outs" on the MEEIA charges to customer classes and the ability to achieve estimated savings targets.

J. Evaluate the potential demand and energy load associated with electric vehicles within the utility's service territory, discuss how the preferred plan addresses the additional demand and energy load requirements, and evaluate potential means for shifting the additional demand and energy load to off-peak periods. Describe all current and planned electric vehicle initiatives undertaken by the utility, including how such initiatives have been affected by the Western District Court of Appeals' ruling in WD80911.

K. Describe and document the extent to which federal investment, production, and other tax credits reduce the costs for utility plant.

L. Describe and document the extent to which each of the utility's generating assets is or is not competitive within the utility's applicable Regional Transmission Organization or Independent System Operator.

M. Describe and document the utility's plans regarding the authorities and requirements contained in Senate Bill 564 (2018), including, but not limited to, the following sections of the legislation:

(1) Section 393.1610, RSMo. (Investments in Small Scale and Pilot Projects);
and

(2) Section 393.1665, RSMo. (Utility-Owned Solar Facilities).

N. Describe and document the utility's efforts to address the corporate social responsibility and/or renewable energy purchasing goals of commercial, industrial, institutional, and public-sector customers for increased access to renewable energy and distributed generation resources.

O. Describe and document the potential impacts on the utility of the EPA's proposed federal Affordable Clean Energy rule, including, but not limited to, the following aspects of the rule:

(1) The use of on-site efficiency upgrades as the best system of emission reduction for reducing carbon dioxide emissions;

(2) Changes to the New Source Review permitting program; and

(3) Changes to the implementation of Section 111(d) of the Clean Air Act regarding EPA's emission guideline issuance and state plan development and submission.

P. Analyze and screen electric vehicle charging infrastructure as a candidate resource option in light of the Court of Appeals Western District's decision in KCP&L v. PSC, No. WD80911 (Aug. 7, 2018), that such an investment may be recoverable in rate base.

Q. Analyze, document and screen renewable energy + battery storage as an alternative to existing coal-fired generation, comparable to Xcel Energy's proposed Colorado Clean Energy Plan in Colorado PUC docket No. 16A-0396E.

R. Analyze and develop as candidate resource options the satisfaction of municipal and corporate renewable energy goals, particularly the plan of the City of Kansas City, which when enacted into law by ordinance may become a legal mandate within the meaning of 4 CSR 240-22.060(3)(A).

S. Analyze and document the future capital and operating costs faced by each KCP&L coal-fired generating unit in order to comply with all existing, pending, or potential environmental standards, including:

- (1) Clean Air Act New Source Review provisions;
- (2) 1-hour Sulfur-Dioxide National Ambient Air Quality Standard;
- (3) National Ambient Air Quality Standards for ozone and fine particulate matter;
- (4) Cross-State Air Pollution Rule, including the anticipated 2016 update to the rule to incorporate interstate transport requirements for the 2008 ozone National Ambient Air Quality Standard;
- (5) Mercury and Air Toxics Standards;
- (6) Clean Water Act Section 316(b) Cooling Water Intake Standards;
- (7) Clean Water Act Steam Electric Effluent Limitation Guidelines;
- (8) Coal Combustion Waste rules;
- (9) Clean Air Act Section 111(d) Greenhouse Gas standards for existing sources; and
- (10) Clean Air Act Regional Haze requirements.

T. Analyze and document cost and performance information sufficient to fairly analyze and compare utility scale wind and solar resources, including distributed generation, to other supply side alternatives.

U. Analyze the impact of emerging energy efficiency technologies throughout the planning period.

2. This order shall become effective on November 3, 2018.

BY THE COMMISSION



A handwritten signature in cursive script that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Silvey, Chm., Kenney, Hall, Rupp, and
Coleman, CC., concur.

Woodruff, Chief Regulatory Law Judge

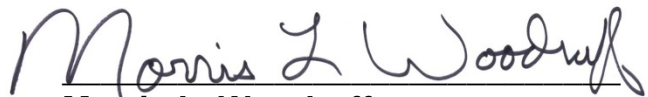
STATE OF MISSOURI

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 24th day of October 2018.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

October 24, 2018

File/Case No. EO-2019-0063

**Missouri Public Service
Commission**

Staff Counsel Department
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
staffcounsel@psc.mo.gov

Office of the Public Counsel

Marc Poston
200 Madison Street, Suite 650
P.O. Box 2230
Jefferson City, MO 65102
opc@psc.mo.gov

Dogwood Energy, LLC

Legal Department
P.O. Box 110
25111 E 175th Street
Pleasant Hill, MO 64080

**Kansas City Power & Light
Company**

Robert Hack
1200 Main, 19th Floor
P.O. Box 418679
Kansas City, MO 64141-9679
rob.hack@kcpl.com

**Kansas City Power & Light
Company**

Roger W Steiner
1200 Main Street, 16th Floor
P.O. Box 418679
Kansas City, MO 64105-9679
roger.steiner@kcpl.com

**Midwest Energy Consumers
Group**

Legal Department
807 Winston Court
Jefferson City, MO 65101

Missouri Division of Energy

Brian T Bear
301 W. High St., Room 680
P.O. Box 1766
Jefferson City, MO 65102
bbear.deenergycases@ded.mo.gov

**Missouri Joint Municipal
Electric Utility Commission**

Legal Department
1808 Interstate 70 Dr. SW
Columbia, MO 65203

**Missouri Public Service
Commission**

Bob Berlin
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
bob.berlin@psc.mo.gov

**National Association for the
Advancement of Colored People**

Legal Department
4805 Mt. Hope Drive
Baltimore, MD 21215

**Natural Resources Defense
Council**

Henry B Robertson
319 N. Fourth St., Suite 800
St. Louis, MO 63102
hrobertson@greatriverslaw.org

Renew Missouri

Legal Department
409 Vandiver Dr., Building 5,
Suite 205
Columbia, MO 65201

Sierra Club

Henry B Robertson
319 N. Fourth St., Suite 800
St. Louis, MO 63102
hrobertson@greatriverslaw.org

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

Sincerely,

A handwritten signature in dark ink, reading "Morris L. Woodruff". The signature is fluid and cursive, with the first name "Morris" being the most prominent.

**Morris L. Woodruff
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.