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 Kansas City Power & Light Company in its Next Triennial Compliance Filing or Next Annual Update Report	))))	**Case No. EO-2018-0046**

PUBLIC COUNSEL'S SUGGESTED SPECIAL
CONTEMPORARY RESOURCE PLANNING ISSUES

COMES NOW the Office of the Public Counsel ("OPC" or "Public Counsel") and in its response to the Missouri Public Service Commission's (Commission) August 14, 2017 *Order Opening a File Regarding Special Contemporary Resource Planning Issues and Offering an Opportunity to File Suggestions* submits the following special contemporary resource planning issues for Kansas City Power & Light (KCPL) pursuant to 4 CSR 240-22.080(4)(A):

1. As described in the Commission's regulations, the fundamental objective of the Commission's Electric Utility Resource Planning process for electric utilities is to provide the public with "energy services that are safe, reliable, efficient, at just and reasonable rates, in compliance with all legal mandates, and in a manner that serves the public interest and is consistent with state energy and environmental policies." Commission Rule 4 CSR 240-22.010(2).

2. Commission Rule 4 CSR 240-22.080(4)(A) provides that Public Counsel may files suggested special contemporary issues for the utility to consider in triennial compliance filings or annual update report of the utility's resource plan. In light of the purpose of the rule, Public Counsel suggests the Commission order KCPL to address the following issues:

A. Review of the Southwest Power Pool ("SPP") June 2017 Resource Adequacy Report does not show any list many of publically announced plant retirements including KCPL's publicly announced plant retirements. The inundation of inexpensive wind and SPP's lowering of its planning reserve margin, combined with flat load growth have created an opportunity for all of SPP's members to strongly consider accelerating and expanding the retirement of inexpensive, inefficient generating units. The issue OPC believes must be addressed centers on the likely reactions of KCPL and other market participants from these price signals. In short, if the company's modeling suggests retiring significant amounts of generation prematurely is prudent; it is likely that other SPP members' modeling will show similar results. Under that scenario, a near-term future where excess SPP reserve margins, resulting in a low cost energy market, are erased entirely appears plausible. Therefore OPC request the Commission require KCPL to fully address the following issues:

1. Perform and provide a cost-benefit analysis regarding plans for the premature retirement of any generation unit in excess of 55 MW.

2. Provide an explanation for stranded costs and ratepayer impact for the early retirement of any coal plant. The analysis should thoroughly detail:

    - Its plans to assure reliability and its customers' needs for adequate capacity;
    - The effect of any changes to SPP's reserve margins on KCPL's planning;
    - All "cost of removal" considerations (dismantling, demolition);
    - The total cost of all stranded assets and who will pay the stranded costs;
    - Potential reserve margin penalties over the 20 year horizon; and
    - Impact of the retirements on the SPP.

3. The Company should provide an explanation for how any premature retirement of generation units has been accessed and evaluated by the SPP and the impact of

any planned retirement on SPP’s market for bilateral capacity and its planning reserve margin of 12%.

4. Analyze and document the cost of any transmission grid upgrades or additions necessary for transmission grid reliability, stability, or voltage support affected by KCPL’s plans to retire existing coal fired generation.
5. The company should conduct the following analysis, assuming 10% and 25% of all of the coal generation of SPP’s members is retired by 2019:
   - The expected impact on average monthly market prices;
   - The expected impact on the amount of purchased power given the preferred resource plan:
   - The expected impact on off-system sales revenue given the preferred resource plan; and
   - The expected impact on customers’ rates (including FAC rates).
6. All other impacts that could result from the retirement of any existing coal- fired generating unit in the time period established in the IRP process to include but not be limited to cost of removal considerations and costs, total stranded asset costs, and potential reserve margin issues.
7. Explain how KCPL intends to meet its capacity needs when SPP’s capacity market tightens and the amount of available capacity shrinks,
8. Explain how KCPL will protect its customers from price volatility.

B. Since the SPP reserve margin requirements are going to be based on projected normal-weather peak load rather than actual peak load moving forward, the Commission should require an examination of more volatile “peaking” scenarios where there is an increase in the frequency and intensity of peak demand.

C. Pertaining to Demand-Side Management, the energy efficient potential study should include consideration for modified rate design scenarios and extreme weather with more pronounced peaks.

D. What effect KCPL's lack of generating capacity will have on the Westar merger given that Westar announced plans to retire 777 MW of generation capacity contingent on approval of the merger with GPE?[1]

E. Load shapes in the next report should consider including Electric Vehicle ("EV") adoption scenarios or an explanation as to why EV adoption was not included.

F. Pertaining to Demand-Side Management, the energy efficient potential study should include consideration for modified rate design scenarios and extreme weather with more pronounced peaks.

G. Evaluate and provide the changes to employment levels and other economic impacts under the company's updated plan.

WHEREFORE Public Counsel submits these special contemporary planning issues and asks the Commission order KCPL to address these issues in its next triennial compliance filing or annual update report.

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[1] As announced by Westar: Westar/ Great Plains Merger Will Modernize the Kansas and Missouri Power Supply. Westar Energy, Inc. Employee Newsletter. July 13, 2017. http://investors.westarenergy.com/phoenix.zhtml?c=89455&p=irol-SECText&TEXT=aHR0cDovL2FwaS50ZW5rd2l6YXJkLmNvbS9maWxpbmcueG1sP2lwYWdlPTExNjk2OTE0JkRTRVE9MSZTRVE9MSZTUURFU0M9U0VDVElPTl9QQUdFJmV4cD0%3D

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all parties of record electronically on this 15th day of September 2017.

/s/ Lera Shemwell
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