

MEMORANDUM

TO: Missouri Public Service Commission Case File
Case No. EO-2024-0297, The 2023 RES Compliance Report and 2024 RES
Compliance Plan of The Empire District Electric Company d/b/a/ Liberty

FROM: Coty L. King, Engineering Analysis

/s/ Coty L. King / May 30, 2024
Engineering Analysis / Date

SUBJECT: Staff Report and Conclusion on Empire District Electric Company's Annual RES
Compliance Plan filed on April 15, 2024

DATE: May 30, 2024

SUMMARY

Staff has reviewed the document filed by The Empire District Electric Company ("Liberty" or "Company") on April 15, 2024, reflecting its 2024-2026 Renewable Energy Standard Compliance Plan ("Plan").¹ Based on its review, Staff has not identified any deficiencies. The Renewable Energy Standard ("RES") plans are intended to provide the public information on a utilities' planned actions to comply with the RES and are posted to both the utilities' websites and the Commission website.

OVERVIEW

On April 15, 2024, the Company filed its Plan for calendar years 2024 through 2026, in accordance with Rule 20 CSR 4240-20.100(8), Electric Utility Renewable Energy Standard Requirements, Annual RES Compliance Report and RES Compliance Plan. This Rule states, in part, "Each electric utility shall file an annual RES compliance plan with the commission. The plan shall be filed no later than April 15 of each year." Subparagraphs 20 CSR 4240-20.100(8)(B)1. A. through G. provide the minimum requirements for the plan. Subsection 20 CSR 4240-20.100(8)(D) requires that Staff examine the Plan and file a report within forty-five (45) days of the filing.

¹ Liberty-Empire did not update the title page of its Plan.

** Denotes Confidential Information **

DISCUSSION

Staff reviewed the Company's Plan in accordance with the established requirements to verify that the Plan contains the information required by the Rule. The results of this review are detailed below, with appropriate Rule subparagraphs A. through G. identified and quoted:

A. "A specific description of the electric utility's planned action to comply with the RES;"

The Company described its planned actions for compliance with the RES. For non-solar compliance, the Company will utilize renewable energy certificates ("RECs") from a purchased power agreement ("PPA") from Elk River wind farm located in Butler County, Kansas ("Elk River"); a PPA with Meridian Way Wind Farm located in Cloud County, Kansas; and the Company owned Ozark Beach Hydroelectric facility located in Taney County, Missouri ("Ozark Beach"). Ozark Beach generation will qualify for the Missouri in-state one and twenty-five hundredths (1.25) credit.² The Company noted that Kings Point, Neosho Ridge, North Fork Ridge, Elk River, Meridian Way, and Ozark Beach would provide flexibility in meeting compliance if needed.

For solar compliance, the Company will utilize solar renewable energy certificates ("S-RECs") from its customer-generators, which will qualify for the Missouri in-state one and twenty-five hundredths (1.25) credit. Customer generated S-RECs are expected to exceed the solar RES requirement through 2024.

B. "A list of executed contracts to purchase RECs (whether or not bundled with energy), including type of renewable energy resource, expected amount of energy to be delivered, and contract duration and terms;"

The Company provided the following information regarding its executed contracts:

² Section 393.1030.1., RSMo; 20 CSR 4240-20.100(3)(G).

	Type	Expected Energy Delivered (MWhs)	Contract Effective Date	Contract duration
Elk River	Wind	282,000	12/10/2004	20 years
Meridian Way	Wind	277,000	6/19/2007	20 years

The Company has 20-year PPAs for energy and RECs from Elk River and Meridian Way, effective December 10, 2004, and June 19, 2007, respectively. Liberty expects 282,000 total megawatt-hours (“MWhs”) of generation from Elk River and 277,000 MWhs from Meridian Way. Table 1 appears to show that the Company expects to receive RECs through 2025 from each of these facilities, though the contract for Elk River is currently set to end on December 10, 2024. Staff has requested additional clarification from Liberty.

C. “The projected total retail electric sales for each year;”

The Company provided values for projected retail electric sales on page 7 of the Plan. The values that Liberty provided appear to be reasonable estimates in that the values are in line with previous years RES compliance plans.

D. “Any differences, as a result of RES compliance, from the utility’s preferred resource plan as described in the most recent electric utility resource plan filed with the commission in accordance with 4 CSR 240-22, Electric Utility Resource Planning;”

The Plan is consistent with the information regarding non-solar renewable resources in Liberty’s preferred resource plan for the 2024 to 2026 period. Staff reviewed Liberty’s Annual Integrated Resource Plan (“IRP”) in case number EO-2024-0249, which is consistent with Compliance Plan. Liberty will utilize Elk River Windfarm PPA, the Meridian Way Windfarm PPA, the Neosho Ridge Wind Project, the North Fork Ridge Wind Farm, the Kings Point Wind Farm, the Ozark Beach hydroelectric facility, and a solar component supplied by the Customer Solar Rebate program.

E. “A detailed analysis providing information necessary to verify that the RES compliance plan is the least cost, prudent methodology to achieve compliance with the RES;”

The Company provided information regarding its utilization of existing resources to comply with the non-solar portion of the RES for 2024 through 2026. The costs associated with these resources are already included in revenue requirements.

The Company has evaluated costs associated with the solar requirements and determined that S-RECs purchased through an industry broker would be the least cost option. However, the Company expects to utilize customer-generated S-RECs to meet the compliance requirements. Staff wants it to be clear that when it states it has not identified any deficiencies in Liberty’s report, Staff has not made a ratemaking determination whether the Plan is the least cost, prudent method in complying with the RES, and suggests the Commission be clear in any Order it may issue in this case that it is not making any ratemaking determination.

F. “A calculation of the RES retail rate impact limit calculated in accordance with section (5) of this rule. The calculation should be accompanied by workpapers including all the relevant inputs used to calculate the retail rate impact limits for the planning interval which is included in the RES compliance plan. The electric utility may designate all or part of those calculations as highly confidential, proprietary, or public as appropriate under the commission’s rules;”

The Company provided an explanation of the calculation of the RES Retail Rate Impact (“RRI”) as Attachment 3, stating which resources were removed and added to the portfolio requirements of 20 CSR 4240.20.100(5)(B)1. and 2. The workpapers that were included show the result of these modifications. ** [REDACTED]

[REDACTED] **

G. “Verification that the utility has met the requirements for not causing undue adverse air, water, or land use impacts pursuant to subsection 393.1030.4. RSMo, and the regulations of the division.”

The Company states in its Plan that “All generating facilities utilized by Liberty to meet the requirements of the Missouri RES have, to Liberty’s knowledge, received all necessary environmental and operational permits and are in compliance with any

necessary federal, state and/or local requirements related to air, water and land use. All generating facilities have received Certification as a Renewable Energy Generation Facility by the Missouri Department of Natural Resources, Division of Energy.”

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the 2023 RES Compliance)
Report and 2024 RES Compliance Plan of) Case No. EO-2024-0297
The Empire District Electric Company d/b/a)
Liberty)
)

AFFIDAVIT OF COTY L. KING

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW COTY L. KING and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *The Empire District Electric Company's Annual Renewable Energy Standard Compliance Plan*; and that the same is true and correct according to his best knowledge and belief.

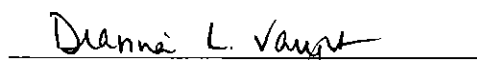
Further the Affiant sayeth not.


COTY L. KING

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 29 day of May 2024.

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


Notary Public