

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EO-2024-0301, Evergy Metro Missouri's
Submission of Its 2023 Renewable Energy Standard Compliance Report

FROM: Amanda Coffey May 31, 2024
Engineering Analysis / Date

SUBJECT: Staff Report and Conclusion on Evergy Metro Missouri's 2023 Renewable Energy
Standard Compliance Report

DATE: May 31, 2024

SUMMARY

Evergy Metro Missouri's ("EMM") filed its *2023 Annual Renewable Energy Standard Compliance Report* ("Report") on April 16, 2024. Based on its review of the Report, Staff has not identified any deficiencies.

Regarding EMM's request for waiver, Staff recommends the Commission grant EMM a limited waiver from the requirements of Rule 20 CSR 4240-20.100(8)(A)1.I.(V) to substitute invoices or another reasonable substitute when meter readings are not available for energy purchases from Spearville 3, Cimarron, Slate Creek, Osborn, Waverly, Prairie Queen, Ponderosa, Rock Creek, and Pratt wind farms.

Staff utilized the North American Renewables Registry (NAR) to independently verify the retirement of the Renewable Energy Credits (RECs) and Solar-Renewable Energy Credits (S-RECs) by EMM for its 2023 Renewable Energy Standard (RES) compliance.¹ EMM has achieved compliance with the RES requirements for the 2023 compliance year.

OVERVIEW

On April 16, 2024, EMM filed its Report for calendar year 2023. The Report was filed in accordance with 20 CSR 4240-20.100(8), Electric Utility Renewable Energy Standard

¹ <http://narecs.com/>.

Requirements, Annual RES Compliance Report and RES Compliance Plan. This rule states, in part:

Each electric utility shall file a RES compliance report no later than April 15 to report on the status of both its compliance with the RES and its compliance plan as described in this section for the most recently completed calendar year.

Subparagraphs 20 CSR 4240-20.100(8)(A)1. A. through P. provide the minimum requirements for the Report. Subsection 20 CSR 4240-20.100(8)(D) requires that Staff examine EMM's Report and file a report within forty-five (45) days of the filing. On April 17, 2024, the Commission ordered Staff to file its report no later than May 31, 2024.

DISCUSSION

Staff has reviewed EMM's Report in accordance with the established requirements to verify that EMM has provided the information required by rule. The results of this review are detailed below, with appropriate rule subparagraphs A. through P. identified and quoted.

A. "Total retail electric sales for the utility, as defined by this rule;"

EMM provided the total retail electric sales for 2023 expressed as total megawatt-hours (MWh) sold to EMM consumers as 8,263,519 MWh.

B. "Total jurisdictional revenue from the total retail electric sales to Missouri customers as measured at the customers' meters;"

EMM provided the total retail electric sales for 2023 expressed as annual operating revenues (dollars) from EMM consumers of \$901,768,016. This amount is consistent with the amount listed on the Missouri Jurisdictional 2023 FERC Form 1 filed with the Commission on May 15, 2024.

C. "Total retail electric sales supplied by renewable energy resources, as defined by section 393.1025(5), RSMo, including the source of the energy;"

EMM provided the 2023 total retail electric sales by renewable resource based on its energy allocation presumption.

EMM utilized four (4) company-owned renewable energy generating facilities during 2023; Spearville 1, Spearville 2, Hawthorn Solar and Solar Aggregate 1.² EMM also has eight (8) operational purchase power agreements (“PPA”), with Cimarron Windpower II (“Cimarron”), Spearville 3, LLC (“Spearville 3”), Slate Creek Wind (“Slate Creek”), Waverly Wind Farm (“Waverly”), Osborn Wind Energy (“Osborn”), Rock Creek Wind (“Rock Creek”), Pratt Wind, LLC (“Pratt”), and Prairie Queen Windfarm, LLC (“Prairie Queen”). Additionally, EMM provided the total estimated generation (MWh) supplied by its newly interconnected customer-generators.

	2023 (MWh) reported	NAR Project Account Holder
Spearville 1	78,456	Kansas City Power & Light
Spearville 2	39,732	Kansas City Power & Light
Solar Aggregate 1	58 ³	Kansas City Power & Light
Spearville 3	112,120	Kansas City Power & Light
Cimarron II	156,612	Duke Energy Generations Services, Inc
Slate Creek Wind	292,076	Kansas City Power & Light
Waverly	406,671	Waverly Wind Farm, LLC
Osborn	222,903	Kansas City Power & Light
Rock Creek	350,776	Rock Creek Wind Project, LLC
Prairie Queen	162,480	Prairie Queen Wind Farm, LLC
Pratt	249,492	NextEra Energy Resources
Hawthorn Solar	6,680 ⁴	Kansas City Power & Light
Solar Rebates	54,713	Kansas City Power & Light
TOTAL	2,576,693	

Staff was able to verify these RECs in NAR.

² Solar Aggregate 1 represents EMM’s small owned solar generation located in Missouri, which qualifies for the 1.25 credit multiplier per RSMo 393.1030.1; 20 CSR 4240-20.100(3)(G).

³ EMM reported 60, however NAR has 58 SRECS registered for 2023 for the Solar Aggregate 1 facility.

⁴ There are 4,311 active 2023 vintage SRECs registered in NAR. In appendix D, EMM indicated that there were 2,369 2023 vintage SRECs retired for the SPP tariff, however NAR states that there were 6,940. This may include SRECs associated with the solar subscription program in Kansas. Staff has submitted a DR requesting clarification.

- D. “The number of RECs and S-RECs created by electrical energy produced by renewable energy resources owned by the electric utility. For the electrical energy produced by these utility-owned renewable energy resources, the value of the energy created. For the RECs and S-RECs, a calculated REC or S-REC value for each source and each category of REC;”**

EMM reported the number of RECs and S-RECs produced in 2023 and the value of energy created for each company-owned facility.

Facility	Number of RECs	Compliance Equivalency for In-State ⁵	Value of Energy (\$)	Value of RECs (\$/REC)
Spearville 1	78,456	n/a	2,468,755	0
Spearville 2	39,732	n/a	1,179,107	0
Hawthorn Solar ⁶	6,680	8,350	255,066	0
Solar Aggregate 1	58	75	1,648	0

EMM reports no value to its owned resources. However, Staff believes there is a value to the RECs and S-RECs created by EMM’s owned generation though that value is not transparent.

- E. “The number of RECs acquired, sold, transferred, or retired by the utility during the calendar year;”**

EMM provided the information regarding the number of RECs acquired and retired during the calendar year. The following table represents the number of RECs acquired and retired during the calendar year, as corrected by Staff:

	Number of RECs (Compliance Equivalency)	Number of S-RECs (Compliance Equivalency)
Acquired	1,953,130 (2,096,550)	49,729 (63,407)
Retired	1,119,798 (1,214,738)	19,834 (24,792.5)

⁵ Renewable resources located in Missouri, qualifies for the one and twenty-five hundredths (1.25) credit multiplier allowed by statute and regulation; 393.1030.1., RSMo; 20 CSR 4240-20.100(3)(G).

⁶ Value reflects the EMM portion of Hawthorn Solar including the solar subscriber portion.

EMM reported the sale of 742,646 RECs and 4,311 SRECs in 2023.

EMM retired 2020 vintage wind RECs from Spearville 1, Spearville 2, Spearville 3, Cimarron 2, Slate Creek, Waverly, Osborn and Rock Creek. Staff verified that EMM retired 1,214,738 (includes in-state factor for RECs generated in Missouri) non-solar RECs to meet the non-solar requirement of 1,214,737.⁷ EMM also retired 24,792.5 S-RECs (includes in-state factor for customer-generated S-RECs) to meet the solar requirement of 24,791.⁸

These RECs were registered and retired in NAR utilized for compliance purposes. In accordance with statute and regulation, these RECs were produced by a qualified facility and were banked and utilized appropriately.⁹

F. “The source of all RECs acquired during the calendar year;”

EMM provided a resource list as Table 3 of the Report.

G. “The identification, by source and serial number, or some other identifier sufficient to establish the vintage and source of the REC, of any RECs that have been carried forward to a future calendar year;”

EMM provided a listing, by source and serial number, of RECs that are being carried forward for future year(s) as Appendix B of the Report. This list includes 2021, 2022, and 2023 vintage RECs.

⁷ Pursuant to 20 CSR 4240-20.100(2)(C)1, the amount of RECs necessary is determined by calculating ten percent (14.7%) of EMM’s total retail sales, less the solar requirement.

⁸ Pursuant to 20 CSR 4240-20.100(2)(D)1, the amount of S-RECs necessary is determined by calculating two-tenths percent (0.3%) of EMM’s total retail sales.

⁹ Qualified facility per 393.1025(5), RSMo and 20 CSR 4240-20.100(1)(K); Banked RECs per 393.1030.2, RSMo and 20 CSR 4240-20.100(1)(J).

H. “An explanation of how any gains or losses from sale or purchase of RECs for the calendar year have been accounted for in any rate adjustment mechanism that was in effect for the utility;”

Revenues reflected in FERC account 509000 and gains or losses to be recorded in FERC accounts 411800 and 411900 from the sale of RECs that are not needed to meet the Missouri Renewable Energy Standard less the cost associated with making the sale.

I. “For acquisition of electrical energy and/or RECs from a renewable energy resource that is not owned by the electric utility, except for systems owned by customer-generators, the following information for each resource that has a rated capacity of ten (10) kW or greater: ”

“(I) Facility name, location (city, state), and owner;”

EMM provided a resource list as Table 3 of the Report, which includes the name, location, and owner of the facilities.

“(II) That the energy was derived from an eligible renewable energy technology and that the renewable attributes of the energy have not been used to meet the requirements of any other local or state mandate;”

EMM notes that the Generator Owners for Osborn, Spearville 3 and Slate Creek have designated EMM as the Responsible Party in NAR, this represents that the generator owner has not granted similar authority to another person or entity in NAR or any other similar registry. Additionally, EMM previously provided the Responsible Party designation forms in response to Staff Data Request No. 0003 in EO-2016-0280.

Staff also verified that Spearville 1, Spearville 2, Spearville 3, Cimarron 2, Slate Creek, Waverly, Osborn, Pratt, Prairie Queen and Rock Creek are listed on the Missouri Department of Natural Resources (MDNR) list of Renewable Energy Standard Certified facilities.¹⁰

¹⁰ [Renewable Energy Standard \(RES\) Certification | Missouri Department of Natural Resources \(mo.gov\)](#).

“(III) The renewable energy technology utilized at the facility;”

The renewable energy technology was included in Table 3.

“(IV) The dates and amounts of all payments from the electric utility to the owner of the facility; and”

The payments to the facility owners are provided in Appendix C of the Report.

“(V) All meter readings used for the calculation of the payments referenced in part (IV) of the paragraph;”

The required meter readings were not provided in the Report. EMM requested a limited waiver from this rule requirement (20 CSR 4240-20.100(8)(A)1.I.(V)) for purchased RECs, stating the meter reading information is not provided by the vendors from which EMM purchases RECs¹¹.

The purpose of this subparagraph is to demonstrate the validity of RECs and/or S-RECs obtained from sources that are not owned by the electric utility. Generation of renewable energy at company-owned resources is typically monitored by revenue quality meters and/or reported through an independent system operator. Resources to which this subparagraph applies are not necessarily monitored by the utility that seeks to retire the associated RECs for compliance purposes. This subparagraph compensates for the lack of utility ownership/control of the renewable energy resource.

The RECs associated with energy purchased from Spearville 3, Cimarron, Slate Creek, Osborn, Rock Creek, Waverly, Prairie Queen, and Pratt are registered in NAR. A Qualified Reporting Entity (QRE) is defined in NAR’s Operating Procedures as “an entity reporting meter reading and other generation data to the NAR Administrator.”

** [REDACTED] **

Since EMM is subject to a renewable energy standard, to qualify as a QRE in NAR, it must be able to demonstrate that there is an independent group responsible for reporting separate from the group which is engaged in marketing functions or REC retirement

¹¹ 2023 Renewable Energy Standard Compliance Report and Request for Variance, pg. 1, para. 3, filed April 16, 2022.

under the principles defined by the FERC’s Independent Functioning and No Conduit Rules.¹² ** [REDACTED]

[REDACTED] .¹³ **

Based on its review of the information provided by EMM and other sources, Staff recommends the Commission grant EMM a limited waiver from the requirements of Rule 20 CSR 4240-20.100(8)(A)1.I.(V) to substitute invoices, which were provided in appendix C of the Report, or another reasonable substitute when meter readings are not available for energy purchases from Spearville 3, Cimarron, Slate Creek, Osborn, Rock Creek, Waverly, Prairie Queen, and Pratt.

J. “For acquisition of electrical energy and/or RECs from a customer-generator”

“(I) Location (zip code);”

“(II) Name of aggregated subaccount in which RECs are being tracked in;”

“(III) Interconnection date;”

“(IV) Annual estimated or measured generation; and”

“(V) The start and end date of any estimated or measured RECs being acquired;”

The required information was provided in Appendix A of the Report.

K. “The total number of customers that applied and received a solar rebate in accordance with section (4) of this rule;”

EMM reported it paid 483 solar rebates during calendar year 2023 (page 9 of the Report).

¹² NAR Requirements for Qualified Reporting Entities.

¹³ Response to Staff Data Request No. 0004 in EO-2014-0289.

L. “The total number of customers that were denied a solar rebate and the reason(s) for each denial;”

EMM reported no customers were denied a rebate during calendar year 2023 (page 9 of the Report).

M. “The amount expended by the electric utility for solar rebates, including the price and terms of future S-REC contracts associated with the facilities that qualified for the solar rebates;”

EMM reported that it paid \$1,234,990 in solar rebates for calendar year 2023. Staff reserves the right to comment on the prudence of solar rebate expenditures when rate recovery is requested.

N. “An affidavit documenting the electric utility’s compliance with the RES compliance plan as described in this section during the calendar year;”

EMM filed a signed Affidavit with the Report.

O. “If compliance was not achieved, an explanation why the electric utility failed to meet the RES; and”

EMM provided a statement that it believes it has achieved compliance with the RES. Additionally, EMM retired the appropriate number of RECs to meet the RES solar and non-solar requirements.

P. “A calculation of its actual calendar year retail rate impact.”

EMM included its actual calendar year retail rate impact, 0.041%, on Page 10 of the Report.

CONCLUSION

EMM has achieved compliance with the RES requirements for the 2023 compliance year.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Evergy Missouri Metro, Inc.)
d/b/a Evergy Missouri Metro's Submission of) Case No. EO-2024-0301
its 2022 Renewable Energy Standard)
Compliance Report)
)

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 Report on Evergy Missouri Metro's 2023 Renewable Energy Standard Compliance Report*; and that the same is true and correct according to her best knowledge and belief.

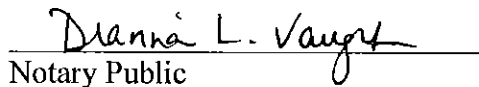
Further the Affiant sayeth not.


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 29th 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