

## **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 / June 11, 2024  
Engineering Analysis / Date

SUBJECT: Staff Revised Report and Conclusion on The Empire District Electric Company's  
2023 Renewable Energy Standard Compliance Report

DATE: June 11, 2024

### **SUMMARY**

Staff has reviewed The Empire District Electric Company d/b/a Liberty's ("Liberty" or "Company") 2023 RES Compliance Report. Based on its review, Staff has not identified any deficiencies. Staff utilized the North American Renewables Registry ("NAR") to independently verify the retirement of the renewable energy credits ("RECs") by the Company. Liberty has retired sufficient RECs to satisfy the 2023 RES requirements.

### **OVERVIEW**

On April 15, 2024, Liberty filed its Compliance Report for calendar year 2023, in accordance with 20 CSR 4240-20.100(8), Electric Utility Renewable Energy Standard ("RES") 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 Compliance Report. Subsection 20 CSR 4240-20.100(8)(D) requires that Staff examine the Company's Compliance Report and file a report within forty-five (45) days of the filing.

Staff completed its review and utilized the NAR to independently verify the retirement of the RECs and Solar Renewable Energy Credits ("S-RECs") by the Company.

### **DISCUSSION**

Staff reviewed the Company's Compliance Report in accordance with the established requirements to verify it contains the information required. 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:”**

The Company provided the total retail electric sales for 2023 expressed as total megawatt-hours (“MWh”) sold to Missouri customers. The total was 4,157,204 MWh, which is consistent with the total sales to ultimate customers in Liberty’s Missouri Jurisdictional Annual Report, filed with the Commission on May 6, 2023.<sup>1</sup>

**B. “Total jurisdictional revenue from the total retail electric sales to Missouri customers as measured at the customers’ meters;”**

The Company provided the total retail electric sales for 2023 expressed as annual operating revenues (dollars) from Missouri consumers at \$570,928,299, which is consistent with total sales to ultimate customers in Liberty’s Missouri Jurisdictional Annual Report, filed with the Commission on May 6, 2023.<sup>2</sup> Total Missouri Jurisdictional Revenues were \$626,753,713.

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

The Company utilized three (3) renewable energy generating facilities as defined by Section 393.1025(5), RSMo during 2023: The Company-owned Ozark Beach Hydroelectric Project (“Ozark Beach”), North Fork Ridge Windfarm (“North Fork”), Kings Point Windfarm (“Kings Point”), Neosho Ridge Windfarm (“Neosho Ridge”), and Prosperity Solar. The Company also has purchase power agreements (“PPA”) with Elk River Windfarm, LLC, Kansas (“Elk River”), and Cloud County Wind Farm, LLC, Kansas (“Meridian Way”). The Company provided the following information regarding electric sales supplied by renewable energy:

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<sup>1</sup> Liberty’s 2023 FERC form 1 page 301, line 10, column d.

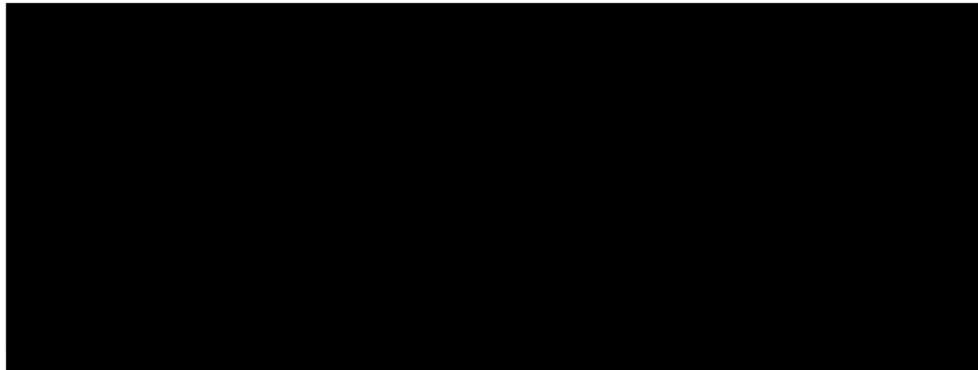
<sup>2</sup> Liberty’s 2023 FERC form 1 page 300, line 10, column b.

<u>Facility</u>	<u>Generation (MWh)</u>	<u>Percentage</u>	<u>Energy Supplied to MO Retail Customers (MWh)</u>
Elk River	307,985	87.81%	270,441.6
Meridian Way	199,398	87.81%	175,091.4
Ozark Beach	56,535	87.81%	49,643.4
North Fork Ridge	528,740	87.81%	464,286.6
Kings Point	509,505	87.81%	447,396.3
Neosho Ridge	504,331	87.81%	442,853.1
Prosperity Solar	3,199.84	100%	3,199.8
Total	2,109,693.84		

**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;”**

The Company reported the following information:

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Staff calculated the following REC values using the weighted average of calendar year sales provided in attachment 3 of the report.

For RECs/SRECs that were sold or transferred, Liberty should provide information on those sales and transfers, including but not limited to the vintage years and certificate serial numbers of the recs transferred.

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

The Company provided the following information regarding the number of RECs acquired, retired, and sold during the calendar year. Staff believes the numbers below are correct:

	<b>Number of RECs (Compliance Equivalency)</b>	<b>Number of S-RECs (Compliance Equivalency)</b>
Acquired	** [REDACTED] **	55,035
	** [REDACTED] **	(68,793.75)
Retired	544,406	51,041
	(559,780.5)	(63,801.25)
Sold	** [REDACTED] ** ** [REDACTED] **	N/A
Transferred	N/A	N/A

Acquired RECs/SRECs:

According to NAR, the Company acquired 51,041 S-RECs (63,801.25 S-RECs including compliance equivalency) from its customers as a condition of receiving a solar rebate in 2023.

The company reported 51,041 in Table 3.

RECs/SRECs Sold:

In Attachment 3 to the Compliance Report, the Company also provided the quantity of RECs sold \*\* [REDACTED]

[REDACTED] \*\*

RECs/SRECs Retired:

Staff verified through NAR the Company retired 544,406 RECs (559,780.5 RECs including compliance equivalency) and 51,041 SRECs (63,801.25 SRECs including compliance equivalency). The RECs retired by generation facility are listed below:

Source of RECs	Quantity	MO Equivalent
Ozark Beach 2023	42,810.00	53,512.50
North Fork Ridge 2023	4,657.00	5,821.25
Meridian Way 2023	106,041.00	106,041.00
Meridian Way 2022	37,760.00	37,760.00
Elk River 2023	265,101.00	265,101.00
Kings Point 2022 and 2023	14,031.00	17,538.75
Elk River 2022	74,006.00	74,006.00
Total RECS	544,406.00	559,780.50
<b>S-RECS</b>		
Customer Gen 2022	51,041.00	63,801.25
Combined Total	595,447.00	623,581.75

The Company was required to retire a total of 623,581 RECs for compliance, with at least 12,472 being S-RECs.<sup>3</sup> The Company retired 51,041 S-RECS (63,801.25 MO compliance equivalency) to meet the 12,472 solar requirements with the excess S-RECs used to meet the general requirement of 623,581 RECs. The combined total number of RECs and S-RECs retired is 623,581.75 MO compliance equivalency; thus, the Company has met the RES requirements.

All RECs and S-RECs retired for 2023 compliance were registered and retired in the NAR tracking system<sup>4</sup> utilized for compliance purposes. In accordance with statute and regulation, a qualified facility produced these RECS and they were banked and utilized appropriately.<sup>5</sup>

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

See discussion in the preceding subparagraph E. of this report.

<sup>3</sup> Pursuant to 20 CSR 4240-20.100(1)(R)2., the amount of RECs necessary is determined by calculating fifteen percent (15%) of the Company’s total retail sales, less the solar requirement.

<sup>4</sup> North American Renewables Registry: <http://missourirecs.com/>.

<sup>5</sup> Qualified facility per Section 393.1025.(5), RSMo and 20 CSR 4240-20.100(1)(N); Banked RECs per Section 393.1030.2., RSMo and 20 CSR 4240-20.100(1)(M).

- 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;”**

The Company provided a listing of RECs, by source and serial number, being carried forward for future year(s) as Attachment 5 of the Compliance Report. The list includes RECs from Elk River, Kings Point, Meridian Way, Neosho Ridge, and North Fork Ridge.

- 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;”**

The Company sold RECs produced by its wind PPAs and company owned wind generation.

\*\* [REDACTED] \*\* REC revenues factor into Liberty’s Fuel Adjustment Clause in effect during the 2023 calendar year under P.S.C. Mo. No. 6, Sec. 4, Original Sheet Nos. 17 I through 17 N.

- I. “For acquisition of electrical energy and/or RECs from a renewable energy resource that is not owned by the electric utility, 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;”**

The Company provided the name, address, and owner for Elk River and Meridian Way on page 6 of the Annual RES Compliance Report.

**“(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;”**

Green-e certificates for Elk River and Meridian Way were provided.

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

The type of technology was provided on page 6 of the 2023 Annual RES Compliance Report.

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

Liberty provided the dates and amounts of the payments to Elk River and Meridian Way in Attachment 2 to the 2023 Annual RES Compliance Report.

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

The meter readings used to calculate the payments to Elk River and Meridian Way were provided in Attachment 2 to the 2023 Annual RES Compliance Report.

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

**“(I) Location (zip code);”**

The Company provided the zip codes of its customer-generators in Attachment 7.

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

The Company provided the name of the aggregated subaccounts in Attachment 7.

**“(III) Interconnection date”**

The Company provided the operational date for customer-generator systems in Attachment 7.

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

The Company provided the estimated generation from customer-generator systems in Attachment 7.

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

The Company provided the start and end date of estimated RECs being acquired in Attachment 7.

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

The number of customers that applied for and received a solar rebate in 2023 was 468.

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

The Company stated that no applicants were ultimately denied a solar rebate.

**M. “The amount of funds 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;”**

The Company stated it spent \$1,378,584 on solar rebates in 2023.

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

The Company included the affidavit as Attachment 8 of the Compliance Report.

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

An acceptable number of RECs was retired during the calendar year.

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

The Company stated that the total compliance cost for the year was \$1,470,799.14 and the total Missouri revenue was \$570,928,299, which resulted in a calendar year retail rate impact of 0.26%.

Staff has determined that Liberty retired an appropriate number of RECs to meet RES requirements for the 2023 compliance year.



**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 ) File 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 *Staff Revised Report (The Empire District Electric Company's 2023 Renewable Energy Standard Compliance Report* in memorandum form; 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 7<sup>th</sup> day of June 2024.

D. SUZIE MANKIN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: April 04, 2025  
Commission Number: 12412070

  
Notary Public