

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the 2019 RES Compliance)
Report and 2020 RES Compliance Plan of)
The Empire District Electric Company)

File No. EO-2020-0323

STAFF REPORT AND MOTION FOR EXTENSION OF TIME

COMES NOW the Staff (“Staff”) of the Missouri Public Service Commission, by and through counsel, and for its *Staff Report and Motion for Extension*, states as follows:

1. On April 15, 2020, The Empire District Electric Company, a Liberty Utilities company (“Empire” or “Company”) filed its 2019 Renewable Energy Standard (RES) Compliance Report and 2020 RES Compliance Plan as required by 20 CSR 4240-20.100(8).

2. Thereafter the Commission ordered Staff to review the Report and Plan and to file a report within 45 days, which is May 30, 2020.

3. Staff has completed its review of Empire’s 2020 RES Compliance Plan and found no deficiencies.

4. While reviewing Empire’s 2019 RES Compliance Report, Staff discovered what appeared to be some errors. After contacting Empire, the Company confirmed that there were mistakes in the Report; the Company stated they plan to refile their 2019 RES Compliance Report as soon as possible.

5. Staff requests an extension of 13 days, until June 12, 2020, to file its Staff Report on Empire’s 2019 RES Compliance Report. The Company has stated they have no objection to this request.

WHEREFORE, Staff tenders its Staff Report on Empire's 2020 RES Compliance Plan and requests an extension of time until June 12, 2020 to file its Staff Report on Empire's 2019 RES Compliance Plan.

Respectfully submitted,

/s/ Casi Aslin

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CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing were served electronically to all counsel of record this 29th day of May, 2020.

/s/ Casi Aslin

MEMORANDUM

TO: Missouri Public Service Commission Case File
Case No. EO-2020-0323, The Empire District Electric Company's 2019
Renewable Energy Standard Compliance Report and 2020 Renewable Energy
Standard Compliance Plan

FROM: Cedric E. Cunigan, Utility Engineering Specialist III, Engineering Analysis

/s/ Claire M. Eubanks, PE / 05-29-2020
Engineering Analysis / Date

/s/ Casi Aslin / 05-29-2020
Staff Counsel's Office / Date

SUBJECT: Staff Report and Conclusion on Empire District Electric Company's 2019 Annual
Renewable Energy Standard Compliance Plan

DATE: May 29, 2020

SUMMARY

Staff has reviewed The Empire District Electric Company ("EDE" or "Company")
2020 Annual Renewable Energy Standard Compliance Plan ("Plan"). Based on its review, Staff
has not identified any deficiencies.

OVERVIEW

On April 15, 2020, the Company filed its *Plan* for calendar years 2020 through 2022,
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.

DISCUSSION

Staff reviewed the Company's Plan in accordance with the established requirements to
verify 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.

APPENDIX A

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.¹

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 2022. The Company will also evaluate the feasibility and economics of constructing and operating a utility-scale wind facility.

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:

	Type	Expected Energy Delivered (MWhs)	Contract Effective Date	Contract duration
Elk River	Wind	550,000	12/10/2004	20 years
Meridian Way	Wind	330,000	6/19/2007	20 years

¹ Section 393.1030.1., RSMo; 20 CSR 4240-20.100(3)(G).

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. EDE expects 550,000 MWhs of generation from Elk River and 330,000 MWhs from Meridian Way.

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 appear to be reasonable estimates.

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 Company filed its most recent annual update to its 2019 Integrated Resource Plan March of 2020. The Plan is consistent with the information regarding solar and non-solar renewable resources in EDE’s preferred resource plan for the 2020 to 2022 period.

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 2020 through 2022. 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 EDE'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 RRI stating which resources were removed and added to portfolio requirements of 20 CSR 4240.20.100(5)(B)1. and 2. The workpapers that were included show the result of these modifications. The calculations result in a retail impact less than 1 percent over the planning period, though the Company did note that the calculations were based on the total Company and not just the MO jurisdiction. Staff is not concerned with the Company using the total retail rate impact in this instance, because the data is from the most recent IRP filing. In addition, Missouri accounts for roughly 88% of EDE's costs, and the results leave a wide enough margin that approaching 1% should not be a concern.

- 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 EDE to meet the requirements of the Missouri RES have, to EDE'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 Economic Development.”²

² Certification of renewable resources is now a function of Missouri Department of Natural Resources – Division of Energy.

