

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EO-2021-0346, Everage Missouri West's
Submission of Its 2020 Renewable Energy Standard Compliance Report

FROM: Amanda Coffey, Engineering Analysis

/s/ Claire M. Eubanks, P.E. 6/22/2021 /s/ Travis Pringle 6/22/2021
Engineering Analysis / Date Staff Counsel's Office / Date

SUBJECT: Staff Report and Conclusion on Everage Missouri West's 2020 Renewable Energy
Standard Compliance Report

DATE: June 22, 2021

SUMMARY

Staff has reviewed Everage Missouri West's ("EMW") *2020 Annual Renewable Energy Standard Compliance Report* ("Compliance Report"), filed April 15, 2021. Based on its review, Staff has not identified any deficiencies.

Regarding EMW's request for waiver, Staff recommends the Commission grant EMW 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 Gray County, Ensign, Osborn, Prairie Queen, Pratt, Rock Creek, and Cimarron Bend III wind farms.

Staff has utilized the North American Renewables Registry (NAR) to independently verify the retirement of the RECs and S-RECs by EMW for its 2020 RES compliance.¹ Although EMW has achieved compliance with the RES requirements for the 2020 compliance year, Staff noted an error in EMW's reported number of 2020 vintage S-RECs acquired from its customer-generators and recommends the Commission order EMW to file a corrected report including Attachment C.

OVERVIEW

On April 15, 2021, EMW filed its RES Compliance Report for calendar year 2020. The Compliance Report was filed in accordance with 20 CSR 4240-20.100(8), Electric Utility

¹ <http://narecs.com>.

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 EMW's Compliance Report and file a report within forty-five (45) days of the filing. On April 16, 2021, the Commission ordered Staff to file its report no later than June 1, 2021. In order to give EMW time to respond to additional data requests from Staff and allow Staff the necessary time to analyze and incorporate EMW's responses in its report, on June 1, 2021, Staff requested an extension to file its report on June 22, 2021, which was approved by the Commission.

DISCUSSION

Staff has reviewed EMW's Compliance Report in accordance with the established requirements to verify the inclusion of 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;"

EMW reported the total retail electric sales for 2020 was 7,979,927,241 kilowatt hours (kWh) which equates to 7,979,927 MWh.

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

EMW provided the total retail electric sales for 2020 expressed as annual operating revenues (dollars) from EMW consumers (\$751,000,281). This amount is consistent with the amount listed on the Missouri Jurisdictional 2020 FERC Form 1² filed with the Commission on May 15, 2021.

² The sum of Line 10 – Total Sales to Ultimate Customers and Line 13 – Provision for Rate Refunds from FERC Form 1, Page 300. $757,429,647 - 6,429,366 = \$751,000,281$.

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

EMW provided the 2020 total retail electric sales by renewable resource based on its energy allocation presumption.

EMW utilized two (2) company-owned renewable energy generating facilities during 2020; St. Joseph Landfill Gas and Greenwood Solar. EMW also has seven (7) operational purchase power agreements (“PPA”), with Cimarron Windpower III (“Cimarron”), Ensign Wind, LLC (“Ensign”), Osborn Wind Energy (“Osborn”), Rock Creek Wind (“Rock Creek”), Pratt Wind, LLC (“Pratt”), Prairie Queen Windfarm, LLC (“Prairie Queen”), and Gray County Wind Energy, LLC (“Gray County”). Additionally, EMW provided the total estimated generation (MWh) supplied by its newly interconnected customer-generators. Customer-generated S-RECs are eligible for RES compliance; however, these resources are designed primarily to supply the individual customer’s energy needs. The other electric utilities³ report S-RECs acquired from its customer-generators under (8)(A)E.

Facility	2020 (MWh) reported	NAR Project Account Holder
Gray County Wind	210,851	KCP&L Greater Missouri Operations
Ensign Wind	446,122	KCP&L Greater Missouri Operations
Osborn Wind	276,692	Kansas City Power & Light
Prairie Queen	347,589	Prairie Queen Wind Farm, LLC
Pratt	575,500	NextEra Energy Resources
Rock Creek Wind	437,894	Rock Creek Wind Project, LLC
Cimarron Bend III	3,810	Cimarron Bend Wind Project III, LLC
St. Joseph Landfill Gas	10,197	KCP&L Greater Missouri Operations
Greenwood Solar	4,651	KCP&L Greater Missouri Operations
TOTAL	2,313,316	

³ See EO-2021-0352, Ameren Missouri RES Compliance Report pages 6-7 and EO-2021-0344, 2020 Renewable Energy Standard Report Compliance Filing page 6.

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;”

EMW reported the number of RECs and S-RECs produced in 2020 and the value of energy created for each company-owned facility.

Facility	Number of RECs	Compliance Equivalency for In-State ⁴	Value of Energy (\$)	Value of RECs (\$/REC)
St. Joseph Landfill Gas	10,197	12,746	1,671,146	0
Greenwood Solar	4,651	5,814	1,156,171	0

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

[REDACTED]⁵ [REDACTED]
 [REDACTED]**

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

EMW provided the information regarding the number of RECs acquired and retired during the calendar year. However, EMW reported only a portion of its 2020 vintage customer-generated S-RECs. The following table represents the number of RECs acquired and retired during the calendar year, as corrected by Staff:

⁴ 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).

⁵ ** [REDACTED]
 [REDACTED]
 [REDACTED]**

	Number of RECs (Compliance Equivalency)	Number of S-RECs (Compliance Equivalency)
Acquired	2,298,458 (2,477,105)	41,237 ⁶ (51546.25)
Retired	678,671 (782,033.5)	12,768 (15,960)

EMW has not reported the sale or transfer of RECs during calendar year 2020.

EMW retired 2017 and 2018 vintage wind RECs from Gray County, Ensign, Osborn, Rock Creek, and St. Joseph Landfill. Staff verified that EMW retired 782,033.5 (includes in-state factor for RECs generated in Missouri) non-solar RECs to meet the non-solar requirement of 782,033 RECs.⁷ EMW also retired 15,960 S-RECs (includes in-state factor for customer-generated S-RECs) to meet the solar requirement of 15,960 S-RECs.⁸

These RECs were registered and retired in the 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;”

EMW provided a resource list as Attachment A and Attachment B of the Compliance Report.

⁶ EMW incorrectly reported only S-RECs acquired from its newly signed customer-generators, 11,630.

⁷ Pursuant to 20 CSR 4240-20.100(2)(C)1, the amount of RECs necessary is determined by calculating ten percent (10%) of EMW’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 (0.2%) of EMW’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).

- 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;”**

EMW provided a listing, by source and serial number, of RECs that are being carried forward for future year(s) as Attachment C of the Compliance Report. However, EMW did not identify all 2020 vintage S-RECs acquired from its customer-generators.

- 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;”**

There were no sales or purchases of RECs except RECs bundled with purchased power or from qualified customer generator’s operational solar electric systems as a condition of receiving solar rebates.

- 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;”

EMW provided a resource list as Attachment A of the Compliance Report, which includes the name, location and owner of the facilities. Attachment A includes company-owned resources.

“(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;”

The Generator Owners for Ensign Wind and Gray County Wind have designated KCP&L Greater Missouri Operations as the Responsible Party¹⁰ in NAR. The Generator Owners for Osborn Wind have designated Kansas City Power and Light Company¹¹ as the Responsible Party in NAR which means the generator owner has not granted similar authority to another person or entity in NAR or any similar registry. Rock Creek Wind, Prairie Queen Wind, and Pratt Wind are registered in NAR to their respective owners.¹²

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

The renewable energy technology was provided in Attachment A of the Compliance Report.

“(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 Attachment D of the Compliance 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 Compliance Report. EMW 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 EMW purchases RECs.

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

¹⁰ Responsible Party as defined in NAR Operating Procedures is “[a]n Account Holder who has been assigned the Registration Rights for a given Asset. This gives the designated Account Holder full and sole management and authority over the transactions and activities related to the Asset within NAR.”

¹¹ Evergy Missouri West and Evergy Missouri Metro have not changed their names within the NAR database.

¹² <https://apx.com/registries/nar-1/public-records-and-reports/>.

quality meters and/or reported through an independent system operator. Resources in which this subparagraph applies to 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 Gray County Wind, Ensign Wind, Prairie Queen Wind, Pratt Wind, Osborn Wind, Cimarron Bend III, and Rock Creek 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]

[REDACTED]

[REDACTED] **

Since EMW 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 under the principles defined by the FERC's Independent Functioning and No Conduit Rules.¹³ ** [REDACTED]

[REDACTED]¹⁴ **

Based on its review of the information provided by EMW and other sources, Staff recommends the Commission grant EMW 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 Gray County, Ensign, Osborn, Prairie Queen, Pratt, Rock Creek, and Cimarron Bend III.

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;"

¹³ NAR Requirements for Qualified Reporting Entities.

¹⁴ Response to Staff Data Request No. 0004 in EO-2014-0289.

“(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 Attachment B of the Compliance report.

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

EMW reported 450 solar rebates during calendar year 2020 (page 7 of the Report).

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

EMW reported 124 customers were denied a rebate during calendar year 2020 due to lack of available funds (page 8 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;”

EMW reported that it paid \$1,633,874 in solar rebates for calendar year 2020. 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;”

EMW filed a signed Affidavit with the Compliance Report.

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

EMW provided a statement that it believes it has achieved compliance with the RES. Additionally, EMW 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.”

EMW included its actual calendar year retail rate impact, 0.303%, on Page 9 of the Compliance Report.

CONCLUSION

Although EMW has achieved compliance with the RES requirements for the 2020 compliance year, Staff noted an error in EMW’s reported quantity of 2020 vintage S-RECs acquired from its customer-generators and recommends EMW file a corrected report.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Evergy Missouri West, Inc.)
d/b/a Evergy Missouri West's Submission)
of Its 2020 Renewable Energy Standard)
Compliance Report)
Case No. EO-2021-0346

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 in Memorandum* form; 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 22nd day of June 2021.

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