

**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 Request for            )  
Authority to Implement a General Rate                )  
Increase for Electric Service                            )  
**File No. ER-2024-0189**

**STAFF RECOMMENDATION REGARDING  
FIFTH RESRAM PRUDENCE REVIEW**

**COMES NOW** the Staff of the Missouri Public Service Commission (“Staff”), by and through undersigned counsel, and for its *Recommendation Regarding Fifth RESRAM Prudence Review* (“Notice”) respectfully states as follows:

1. Staff filed notice regarding its fifth prudence review of Evergy Missouri West, Inc. d/b/a Evergy Missouri West’s (“EMW” or “Company”) Renewable Energy Standard Rate Adjustment Mechanism (“RESRAM”) on June 28, 2024.
2. Commission Rule 20 CSR 4240-20.100(6)(A)26 provides in part that “A prudence review of the costs subject to the RESRAM shall be conducted no less frequently than at intervals established in the rate proceeding in which the RESRAM is established.”
3. EMW’s RESRAM tariff (P.S.C. MO. No. 1, 2<sup>nd</sup> Revised Sheet No. 137.2) states in pertinent part:

**PRUDENCE REVIEWS:**

**A prudence review shall be conducted no less frequently than at twenty-four (24) month intervals. A prudence review shall also be conducted concurrent with any general rate case filed by the Company.** Any costs which are determined by the Commission to have been imprudently incurred or incurred in violation of the terms of this Rider RESRAM shall be credited to customers through future adjustments to the RRR. Adjustments by Commission order, if any, pursuant to any prudence review shall be included in the RESRAM determination in OA above. Such amounts

shall include monthly interest at the Company's monthly short-term borrowing rate. (Emphasis added)

4. Further, Commission Rule 20 CSR 4240-20.100(6)(A)11 provides in part that:

Commission approval of proposed rate schedules, to establish or modify a RESRAM, shall in no way be binding upon the commission in determining the ratemaking treatment to be applied to RES compliance costs **during a subsequent general rate proceeding when the commission may undertake to review the prudence of such costs.** (Emphasis added)

5. Pursuant to the foregoing rules and tariff provisions, Staff undertook its fifth RESRAM prudence review of EMW's RESRAM as part of the Company's general rate proceeding, Case No. ER-2024-0189. Staff last completed a prudence review of EMW's RESRAM in Case No. ER-2022-0130, for the period of January 1, 2020 through December 31, 2021. In the current case, Staff's prudence review covers the period of January 1, 2022 through December 31, 2023.

6. As outlined within Staff's Memorandum, attached and incorporated hereto as Attachment A, Staff did not find evidence that EMW's management of its renewable energy standard compliance costs was imprudent. Staff reviewed EMW's 2023 Annual RES Compliance Report,<sup>1</sup> 2024 RES Compliance Plan,<sup>2</sup> and various data request responses submitted in this docket by EMW in reaching its conclusion.

**WHEREFORE,** Staff prays the Commission accept this recommendation regarding Staff's fifth EMW RESRAM prudence review for the Commission's information and knowledge.

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<sup>1</sup> See Case No. EO-2024-0300, 2023 Renewable Energy Standard Compliance Report and Request for Variance, EFIS Item No. 1.

<sup>2</sup> See Case No. EO-2024-0298, 2024 Renewable Energy Standard Compliance Plan, EFIS Item No. 1.

Respectfully submitted,

**/s/ Travis J. Pringle**

Travis J. Pringle

Missouri Bar No. 71128

Chief Deputy Counsel

Attorney for the Staff of the

Missouri Public Service Commission

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### **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all parties and/or counsel of record as reflected on the certified service list maintained by the Commission in its Electronic Filing Information System this 18<sup>th</sup> day of December, 2024.

**/s/ Travis J. Pringle**

## MEMORANDUM

**TO:** Missouri Public Service Commission Official Case File  
Case No. ER-2024-0189

**FROM:** Randall Jennings, Research/Data Analyst  
Tariff/Rate Design Department

**SUBJECT:** Staff Summary of Evergy Missouri West, Inc., d/b/a Evergy Missouri West’s (“EMW”) (formerly KCP&L’s Greater Missouri Operations (GMO)) Fifth Renewable Energy Standard Rate Adjustment Mechanism (RESRAM) Prudence Review

**DATE:** December 18, 2024

### Background:

The Commission first authorized a Renewable Energy Standard Rate Adjustment Mechanism (“RESRAM”) for GMO (now operating as Evergy Missouri West, Inc., d/b/a Evergy Missouri West (“EMW”)) in Case No. EO-2014-0151.

Commission rule 20 CSR 4240-20.100(6)11 and 20.100(6)26 requires the interval for prudence reviews to be established when the RESRAM is established. EMW’s RESRAM tariff specifies the interval for prudence reviews to be no less than every 24 months and concurrent with each rate case.<sup>1</sup> In its fifth prudence review of EMW’s RESRAM for the period January 1, 2022 through December 31, 2023, Staff reviewed items affecting EMW’s Renewable Energy Standard Compliance costs.

Staff’s previous EMW prudence reviews are listed below:

<b>Prudence Review</b>	<b>File Number</b>	<b>Review Period</b>
First	ER-2019-0156	Through 12/31/2015
Second	ER-2018-0146	01/01/2016 – 12/31/2017
Third	EO-2020-0214	01/01/2018 – 12/31/2019
Fourth	ER-2022-0130	01/01/2020 – 12/31/2021
Current	ER-2024-0189	01/01/2022 – 12/31/2023

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<sup>1</sup> KCP&L Greater Missouri Operations, P.S.C. MO. No. 1, 2nd Revised Sheet No. 137.2

## **Description of costs included for recovery under EMW’s RESRAM:**

Below is a description of major cost categories included for recovery under EMW’s RESRAM:<sup>2</sup>

- Solar Rebates – Costs associated with the payment of solar rebates to participating customers on a per watt basis.
- Contractors – Administrative costs for contractors employed to administer the Solar Rebate Program and third party contractors employed to randomly audit solar installations.
- Renewable Energy Credits (“RECs”) – Costs associated with the retirement of RECs.<sup>3</sup>
- Solar Renewable Energy Credit (“S-REC”) – A REC created by generation of electric energy from solar thermal sources, photovoltaic cells and photovoltaic panels.
- North American Renewables Registry (“NAR”) – Administrative costs associated with registering RECs and S-RECs.<sup>4</sup>
- Carrying Costs – Financing charges applicable to RES compliance costs based on EMW’s short-term debt rate.
- St. Joseph Landfill – Fuel and Non-Fuel O&M Expenses

## **Documents Reviewed**

Staff reviewed EMW’s 2023 Annual RES Compliance Report,<sup>5</sup> 2024 RES Compliance Plan,<sup>6</sup> and various data request responses submitted in this docket.

## **Conclusion:**

With regard to RESRAM prudence for the review period of January 1, 2022 through December 31, 2023, Staff did not find evidence that EMW’s management of RES compliance costs during the review period was imprudent.

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<sup>1</sup> Response to Staff Data Request 0453 in ER-2024-0189.

<sup>3</sup> When RECs are certified (similar to purchasing, transferring or creating), they are recorded to an inventory account. At year-end, Accounting makes an entry to retire RECs used for RES requirements. The retired RECs are transferred to deferred regulatory asset account 182840. Costs associated with the retirement, such as registration and subscription fees, are also included with the costs of the RECs recorded to account 182840.

<sup>4</sup> The NAR tracking system cost category may include minimal costs related to RECs not likely to be used for RES compliance. Staff will continue to monitor.

<sup>5</sup> EO-2024-0300

<sup>6</sup> EO-2024-0298

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Case No. ER-2024-0189

**AFFIDAVIT OF RANDALL T. JENNINGS**

STATE OF MISSOURI        )  
                                   )        ss.  
COUNTY OF COLE         )

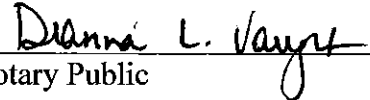
**COMES NOW RANDALL T. JENNINGS** and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

  
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RANDALL T. JENNINGS

**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 18<sup>th</sup> day of December 2024.

  
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Notary Public

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