

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

In the Matter of the Establishment of a Working Case for the Review and Consideration of Amending the Commission’s Rule on Electric Utility Renewable Energy Standard Requirement )  
 ) File No. EW-2020-0377  
 )  
 )

**EVERGY MISSOURI METRO AND EVERGY MISSOURI WEST  
RESPONSES TO ORDER DIRECTING COMMENTS**

COMES NOW, Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy Missouri Metro”) and Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri West”) (collectively, the “Company”),<sup>1</sup> pursuant to the Missouri Public Service Commission’s (“Commission”) Order issued in the above-captioned docket on June 2, 2021 responds as follows:

On May 20, 2020 Staff filed its, *Motion to Establish a Working Case*, for a review and consideration of amending the Commission’s Rule on Electric Utility Renewable Energy Standard (“RES”) Requirements, found at 20 CSR 4240-20.100. In its motion, Staff identified several issues with the current rule, along with proposed solutions for those issues. The filing did not include a drafted amended rule.

On May 28, 2020 the Commission issued its, *Order Opening a Working Case for Review and Consideration of Amending the Commission’s Rule on Electric Utility Renewable Energy Standard (“RES”) Requirement*, inviting stakeholders to respond by June 29, 2020.

On June 29, 2020 Evergy filed its response to several problem issues and proposed solutions related to the RES rule that were identified and submitted by Staff. On May 26, 2021 Staff filed its, *Motion for Comments on Proposed Rule Amendments*. In response the Commission issued the, *Order*

---

<sup>1</sup> Effective October 7, 2019, Evergy Metro Inc. d/b/a Evergy Missouri Metro adopted the service territory and tariffs of Kansas City Power & Light Company (“KCP&L”) and Evergy Missouri West, Inc. d/b/a Evergy Missouri West adopted the service territory and tariffs of KCP&L Greater Missouri Operations Company (“GMO”).

*Directing Comments*, directing stakeholder to file comments regarding the draft amendments be filed by July 2, 2021.

On June 4, 2020 due to the breadth and complexity of the RES rule, the extensiveness of the proposed amendments, new issues the redraft raises, and if considerations for changes not yet proposed by Staff should also be contemplated Evergy, Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri”), and The Empire District Electric Company d/b/a Liberty (“Liberty”) requested an extension of time to file comments on Staff’s draft amendment to July 30, 2021.<sup>2</sup> The Commission granted the extension.

Evergy appreciates the opportunity and respectfully offers the following comments in response to the Commission’s Order.

#### **STAFF PROPOSED RULE AMENDMENTS**

1. Section (3) RECs and S-RECs 2(H): Renewable energy facilities shall obtain certification from the department prior to retirement of RECs associated with the facility.

**Response:** Company has no concerns with the above language, but for clarity the Company suggests language be added to specify the certification is “required by 393.1030.4” and for consistency “department” should be changed to “Division” as referenced in 1(E).

2. Section (3) RECs and S-RECs 2(M): Green pricing programs and voluntary utility renewable goals. Renewable resources not directly related to RES compliance, such as those used in green pricing programs and voluntary utility renewable goals, shall be designated to those programs or goals unless otherwise approved by the commission. All RECs derived from utility offered green pricing programs and voluntary utility renewable goals shall be retired in a separate retirement account within the commission-approved tracking system and designated as public.

**Response:** Evergy has concerns with extending the prohibition against using RECs from green pricing programs for RES compliance to include voluntary utility renewable goals. Not only

---

<sup>2</sup> See, *JOINT REQUEST TO EXTEND TIME FOR FILING COMMENTS ON DRAFT AMENDMENT*, filed June 4, 2021; Docket No. EW-2020-0377.

would this prohibition be beyond the RES statute, it also potentially invites needless debate over what constitutes renewable resources that are part of “voluntary utility renewable goals”. For example, would energy from a renewable energy resource that is part of a utility’s supply portfolio with a stated CO<sub>2</sub> reduction goal be considered a voluntary utility renewable goal? If in the future the RES requirements are increased, would this prevent a utility that had established a prior voluntary goal from using RECs from designated facilities for RES compliance? Just because a utility has a voluntarily stated renewable goal it should not prevent its renewable resources from being used for RES compliance.

In addition, the requirement to retire RECs associated with voluntary utility renewable goals should be a utility management decision. A utility should be allowed to keep such RECs for future compliance needs should such need arise.

For these reasons, there is no need for such new provisions. They will only serve to create unnecessary future complications and limit future compliance flexibility.

3. Section (6) Cost Recovery and Pass-through of Benefits (C)1 and 2: Applications concerning a RESRAM outside a general rate proceeding.

**Response:** Evergy requests further clarification in Subsection C, with reference to paragraphs 1 and 2 referencing applications concerning a RESRAM outside a general rate case proceeding. Evergy understands paragraph 1 to be for the establishment of a RESRAM, while paragraph 2 is for the modification to an existing RESRAM in effect. The Language is confusing and requires clarity. The Company offers the following suggestion:

The staff shall submit a report regarding its examination and analysis to the commission not later than seventy-five (75) days after the electric utility files its application and rate schedules to ~~establish~~ **modify** a RESRAM.

4. Section (8) Annual RES Compliance Report, RES Compliance Plan, and RRI calculation.

**Response:** With IRP Filings due in April, the Company appreciates the proposed change extending the date of the Annual RES Filings to May 15.

5. Section (8)(A): Each electric utility shall file a RES compliance report, using the standard form located on the commission's website, to report on the status of its compliance with the RES. Any highly confidential or confidential material may be submitted as attachments to the standard form.

**Response:** The Company has no issue utilizing a standard form maintained by the Commission for its annual RES compliance report. However, the Company does seek clarification and raises issue with particular elements of the report suggested by Staff as further detailed in the Company's response below.

6. Section (8) Annual RES Compliance Report. (A) The RES Compliance Report shall provide the following information (5). Total percentage of generation supplied by renewable energy resources during the calendar year.

**Response:** Certain renewable resources are assigned to the Company's special contract and renewable energy rider (RER) customers. The Company is not permitted to use the RECs related to these resources for RES compliance. Additionally, there may be scenarios where the Company retains RECs for a portion of the year, but then they are sold at some point during the calendar year. Evergy would like clarification within the rule for how both conditions should be contemplated and accounted for in the report as it relates to the total percentage of generation supplied by renewable energy resources during the calendar year.

7. Section (8) Annual RES Compliance Report, RES Compliance Plan, and RRI calculation (B) Each electric utility shall submit the following items as an attachment to its Annual RES Report (2). A list of designated renewable resources (or portions of renewable resources) which are directly related to RES compliance.

**Response:** Staff indicated in its May 20, 2020, *Motion to Establish a Working Case*, that several utilities are in an excess position on RES compliance which leads to confusion regarding which

renewable resources are considered to be “directly related” to RES compliance. Staff recommends to (i) modify the RES reporting requirements to require listing of renewable resources directly related to RES compliance. The Company is unclear how Staff considers renewable resources to be “directly related” to RES compliance and would also note that it does not characterize the renewable resources the Company currently has were procured for the purpose to meet the RES rule, but rather the Company has renewable resources as part of its portfolio and also utilize a portion of them for RES requirements. Notably, Evergy Missouri Metro does not have a RESRAM in part because the resources were not procured specifically to meet RES, although some of Evergy Missouri Metro’s renewable facilities are used to meet RES compliance. If this new requirement is simply to state what resources were used to comply with the RES, Evergy does not have concerns with the addition. If this is the intent, for clarity Evergy suggest the following language: “A list of the renewable resources (or portions of renewable resources) used for RES compliance.”

8. Section (8) Annual RES Compliance Report, RES Compliance Plan, and RRI calculation (B) Each electric utility shall submit the following items as an attachment to its Annual RES Report (3). 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. Alternatively, the utility may make public all RECs held via the commission-approved tracking system.

**Response:** Rule (8) (A) 1 G currently requires the identification, by source and serial number, of any RECs that have been carried forward to a future calendar year (active). This information is provided in Attachment C of the RES Compliance Report. The public display of active RECs is possible within the tracking system (“NARR”), and is directly tied to the issuance of RECs within the Registry. When a generation asset is marked to display RECs publicly, all subsequent RECs that are issued will be listed by source and serial in NARR public reports. However, there is no function to show publicly the RECs that were issued prior to the designation change. In addition, RECs that are

issued for assets that are designated to display publicly cannot be removed/hidden from the public reports.

9. Section (8) Annual RES Compliance Report, RES Compliance Plan, and RRI calculation (B) Each electric utility shall submit the following items as an attachment to its Annual RES Report (4) The market value of RECs, by vintage and fuel source, for all types of RECs contained in the utility's active tracking system account. The market-based value shall be determined based on purchase offers received by the utility within the compliance year, purchases made by the utility within the compliance year, or through a third-party broker.

**Response:** The Company does not oppose using multiple sources to establish the market value of RECs and as the market matures more broker information is becoming available. However, due to the volatility that may occur over the compliance year, for clarity the Company suggests using actual purchase and sale transactions along with the information from third party brokers will provide a more appropriate basis. The Company also believes additional language should be added to ensure flexibility as the market matures and new mechanisms are developed and proposes the additional following language:

The market-based value shall be determined based on purchase offers received by the utility within the compliance year, purchases **and sales** made by the utility within the compliance year, ~~or~~ through third-party broker **information or other appropriate sources as determined by the utility.**

The Company appreciates the opportunity to provide feedback on these proposed recommendations from Staff.

Respectfully submitted,

*/s/ Roger W. Steiner*

Roger W. Steiner, MBN 39586  
Evergy, Inc.  
1200 Main Street, 16<sup>th</sup> Floor  
Kansas City, MO 64105  
Telephone: (810) 556-2314  
Facsimile: (816) 556-2110  
E-Mail: [Roger.Steiner@evergy.com](mailto:Roger.Steiner@evergy.com)

**Attorney for Evergy Missouri Metro and  
Evergy Missouri West**

**CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, emailed or mailed, postage prepaid, to the Staff of the Commission and to the Office of the Public Counsel this 30<sup>th</sup> day of July 2021.

*/s/ Roger W. Steiner*

**Attorney for Evergy Missouri Metro and  
Evergy Missouri West**