

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EO-2022-0286, Evergy Missouri West's
Submission of Its 2021 Renewable Energy Standard Compliance Report

FROM: Amanda Coffey, Associate Engineer, Engineering Analysis Department

/s/ Amanda Coffey 8/5/2022 /s/ Carolyn Kerr 8/5/2022
Engineering Analysis Dept. / Date Staff Counsel's Office / Date

SUBJECT: Staff Report and Conclusion on Evergy Missouri West's 2021 Renewable Energy Standard Compliance Report

DATE: August 5, 2022

SUMMARY

Staff has reviewed Evergy Missouri West's ("EMW") *2021 Annual Renewable Energy Standard Compliance Report* ("Compliance Report"), filed April 15, 2022, and its *2021 Revised Annual Renewable Energy Standard Compliance Report* ("Revised Report"), filed July 25, 2022. 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 Renewable Energy Credits (RECs) and Solar-Renewable Energy Credits (S-RECs) by EMW for its 2021 Renewable Energy Standard (RES) compliance.¹

OVERVIEW

On April 15, 2022, EMW filed its RES Compliance Report for calendar year 2021. The Compliance Report was filed in accordance with 20 CSR 4240-20.100(8), Electric Utility

¹ <http://narecs.com>.

Renewable Energy Standard 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 18, 2022, the Commission ordered Staff to file its report no later than May 31, 2022. 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 May 23, 2022, Staff requested an extension to file its report on July 15, 2022, which was approved by the Commission. After several rounds of electronic communication and discussion to obtain necessary information, EMW provided a Revised Report to Staff on July 1, 2022. On July 14, 2022, Staff requested an extension until August 5, 2022 to prepare its recommendation once the Revised Report has been filed by EMW. This extension was approved by the Commission on July 15, 2022. EMW filed its revised report on July 25, 2022.

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 2021 was 8,320,976 megawatt hours (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 2021 expressed as annual operating revenues (dollars) from EMW consumers (\$778,231,136). This amount is consistent with the amount listed on the Missouri Jurisdictional 2021 FERC Form 1² filed with the Commission on May 15, 2021.

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 2021 total retail electric sales by renewable resource based on its energy allocation presumption.

EMW utilized two (2) company-owned renewable energy generating facilities during 2021; 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.

² The sum of Line 10 – Total Sales to Ultimate Customers and Line 13 – Provision for Rate Refunds from FERC Form 1, Page 300. $\$778,231,136 - \$338,890 = \$778,570,026$.

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

Facility	2021 (MWh) reported	NAR Project Account Holder
Gray County Wind	328,931	KCP&L Greater Missouri Operations
Ensign Wind	368,518	KCP&L Greater Missouri Operations
Osborn Wind	287,622	Kansas City Power & Light
Prairie Queen	334,864	Prairie Queen Wind Farm, LLC
Pratt	562,294	NextEra Energy Resources
Rock Creek Wind	428,691	Rock Creek Wind Project, LLC
Cimarron Bend III	522,039	Cimarron Bend Wind Project III, LLC
St. Joseph Landfill Gas	11,088	KCP&L Greater Missouri Operations
Greenwood Solar	4,498	KCP&L Greater Missouri Operations
TOTAL	2,848,545	

Staff was unable to verify these RECs in NAR due to the sale or use of 2021 vintage RECs for other purposes in 2022. EMW did provide Staff with a spreadsheet containing the REC sales. Staff was able to reconcile the difference using the spreadsheet and NAR.

- 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 2021 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	11,088	13,860	212,876	0
Greenwood Solar	4,498	5,623	118,529	0

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).

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.

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 2021 vintage customer-generated S-RECs. The following table represents the number of RECs acquired and retired during the calendar year, as corrected by Staff:

	Number of RECs (Compliance Equivalency)	Number of S-RECs (Compliance Equivalency)
Acquired	2,844,047 (3,023,125)	55,988 (68,861)
Retired	1,089,659 (1,223,184)	19,970 (24,963)

EMW has not reported the sale or transfer of RECs during calendar year 2021.

EMW retired 2018 and 2019 vintage wind RECs from Gray County, Ensign, Osborn, Rock Creek, and St. Joseph Landfill. Staff verified that EMW retired 1,223,184 (includes in-state factor for RECs generated in Missouri) non-solar RECs to meet the non-solar requirement of 1,223,184 RECs.⁵ EMW also retired 24,963 S-RECs (includes in-state factor for customer-generated S-RECs) to meet the solar requirement of 24,963 S-RECs.⁶

⁵ 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.

⁶ 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.

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.⁷

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

EMW provided a resource Table 4 of the Revised Report.

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 Appendix B of the Compliance Report. This list includes 2019, 2020, and 2021 vintage RECs, some of which have been sold since the date the Report was first filed.

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: ”

⁷ 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).

“(I) Facility name, location (city, state), and owner;”

EMW provided a resource list as Table 4 of the Revised Report, which includes the name, location and owner of the facilities. Table 4 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 Kansas City Power and Light Company (KCP&L) Greater Missouri Operations as the Responsible Party⁸ in NAR. The Generator Owners for Osborn Wind have designated KCP&L⁹ 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.¹⁰ Staff also verified that Gray County, Ensign, Osborn, Pratt, Rock Creek, and Cimarron Bend 3 are listed on the Missouri Department of Natural Resources (MDNR) list of RES Certified facilities.¹¹ Prairie Queen was not listed as a certified facility, and it is Staff’s understanding that EMW has not yet requested MDNR certification.

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

The renewable energy technology was provided in Table 4 of the Revised Report.

⁸ 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.”

⁹ Evergy Missouri West and Evergy Missouri Metro have not changed their names within the NAR database.

¹⁰ <https://apx.com/registries/nar-1/public-records-and-reports/>

¹¹ [Renewable Energy Standard \(RES\) Certification | Missouri Department of Natural Resources \(mo.gov\)](https://www.mo.gov/energy/renewable-energy-standard-res-certification).

“(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 Appendix C of the Report.

J. “(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 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.¹² ** [REDACTED]

[REDACTED] ¹³ **

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, which were provided in appendix C of the Report, 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.

K. "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;"

"(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 Appendix A of the Report.

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

EMW reported 232 solar rebates during calendar year 2021 (page 9 of the Report).

¹² NAR Requirements for Qualified Reporting Entities.

¹³ Response to Staff Data Request No. 0004 in EO-2014-0289.

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

EMW reported no customers were denied a rebate during calendar year 2021 due to lack of available funds (page 9 of the Report).

- N. “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 \$918,873 in solar rebates for calendar year 2021. Staff reserves the right to comment on the prudence of solar rebate expenditures when rate recovery is requested.

- O. “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 Report.

- P. “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.

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

EMW included its actual calendar year retail rate impact, 0.437%, on Page 10 of the Revised Report.

CONCLUSION

EMW has achieved compliance with the RES requirements for the 2021 compliance year.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

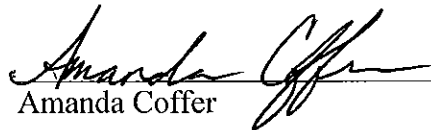
In the Matter of Evergy Missouri West, Inc.)
d/b/a Evergy Missouri West's Submission of its) **File No. EO-2022-0286**
2021 Renewable Energy Standard)
Compliance Report)

AFFIDAVIT OF AMANDA COFFER

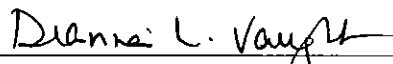
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

COMES NOW, Amanda Coffe, and on her oath declares that she is of sound mind and lawful age; that she contributed to the attached *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 Coffe

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 5th day of August, 2022.


Notary Public

