

MEMORANDUM

TO: Missouri Public Service Commission Case File
File No. EO-2022-0287, Evergy Missouri Metro's
2022 Renewable Energy Standard Compliance Plan

FROM: Amanda Coffey, Associate Engineer, Engineering Analysis

/s/ Amanda Coffey 08-05-22 /s/ Carolyn Kerr 08-05-22
Industry Analysis Division / Date Staff Counsel's Office / Date

SUBJECT: Staff Report on Evergy Missouri Metro's 2022 Annual Renewable Energy
Standard Compliance Plan

DATE: August 5, 2022

SUMMARY

Staff has reviewed Evergy Metro, Inc., d/b/a Evergy Missouri Metro's ("EMM") 2022 Annual Renewable Energy Standard Compliance Plan ("Plan"), filed April 15, 2022, and its Revised 2022 Annual Renewable Energy Standard Compliance Plan ("Revised Plan"), filed July 25, 2022. Based on the information supplied, EMM appears to have met the minimum requirements of 20 CSR 4240-20.100(8)(B).

OVERVIEW

On April 15, 2022, EMM filed its *Plan* for calendar years 2022 through 2024. The Plan was filed in accordance with Rule 20 CSR 4240-20.100(8), Electric Utility Renewable Energy Standard (RES) 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 of its review 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 EMM time to respond to additional data requests from Staff and allow Staff the necessary time to analyze and incorporate EMM'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, EMM provided a Revised Plan 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 Plan has been filed by EMM. This extension was approved by the Commission on July 25, 2022. EMM filed its Revised Plan July 25, 2022.

DISCUSSION

Staff has reviewed EMM's Plan and Revised Plan in accordance with the established requirements to verify that EMM has provided all the information required by the rule. The results of the review are below, with appropriate rule subparagraphs A. through G. identified and quoted.

A. "A specific description of the electric utility's planned actions to comply with the RES;"

EMM generates renewable energy at its wholly-owned Spearville 1 and 2 wind facilities and will continue to do so during the 2022-2024 RES Compliance Plan period. Additionally, EMM has Power Purchase Agreements (PPAs) from eight wind facilities. EMM's non-solar renewable resources¹ are in the table below. EMM expects to have banked unexpired Renewable Energy Credits (RECs) at the end of 2021 plus the addition of RECs generated by the wind facilities' actual generation.

¹ All non-solar renewable resources with expected annual generation.

Renewable Resource	Commercial Operation Date	Term (Years)	Capacity (MW)	Expected Annual Generation (Mwh)	Missouri Cumulative Expected Annual Generation (MWh)²
Spearville 1-2	2006 & 2010	n/a	148.5	555,477	** [REDACTED] **
Cimarron II	6/1/2012	20	131.1	515,674	** [REDACTED] **
Spearville 3	10/1/2012	20	100.8	403,372	** [REDACTED] **
Slate Creek	12/30/2015	20	150	593,674	** [REDACTED] **
Waverly	1/4/2016	20	200	852,058	** [REDACTED] **
Osborn	12/15/2016	20	120 ³	460,653	** [REDACTED] **
Rock Creek	11/8/2017	20	180 ⁴	690,979	** [REDACTED] **
Pratt	12/13/2018	20	110 ⁵	401,782	** [REDACTED] **
Prairie Queen	8/12/2019	20	90 ⁶	313,244	** [REDACTED] **

EMM projects the non-solar RES requirement in 2024 (end of planning period) to be 1,221,811 MWhs. As shown in the table above, EMM’s Missouri jurisdictional expected annual generation is well in excess of the projected 2023 RES requirements.

² Values represent the expected generation in year 2023 from EMM’s Retail Rate Impact (RRI) calculation provided in Attachment A and included with its Plan.

³ EMM’s Osborn PPA is for 120 MW of the 200 MW.

⁴ EMM’s Rock Creek PPA is 180 of the 200 MW.

⁵ EMM’s Pratt PPA is 110 of the 244 MW.

⁶ EMM’s Prairie Queen PPA is 90 of the 200 MW.

Staff concludes that Slate Creek, Waverly, Osborn, Rock Creek, Pratt, and Prairie Queen, are in excess of the Missouri RES Requirements.⁷

For solar compliance, EMM expects to utilize solar renewable energy credits (“S-RECs”) obtained from customer-generators for the 2022 to 2024 plan period. EMM also generates S-RECs from the solar generation facilities installed as a part of the SmartGrid⁸ project (refer to Table 2 of the Revised Plan for a listing of specific projects).

Although it is clear that EMM will be able to meet RES compliance for the planning period, EMM should be including which RECs by vintage and facility it intends to use for compliance in the coming years.

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;”

EMM provided a list of executed contracts for the wind PPAs in Table 1 of the Revised Plan. EMM has provided the following executed agreements in response to Staff Data Requests: ** [REDACTED]⁹, [REDACTED]¹⁰, [REDACTED]¹¹, [REDACTED]¹², and [REDACTED]¹³ **

⁷ Staff’s assessment assumes the oldest wind PPAs are used for RES compliance which is not necessarily based on least-cost resources.

⁸ These solar installations were part of the plan to install approximately 180 kW of utility owned and operated solar in and around the SmartGrid demonstration project area to integrate renewables and new technologies to modernize and automate the electric grid. The final installation of SmartGrid solar was completed in the second quarter of 2014.

⁹ Staff Data Request No. 0002.2 in EO-2014-0287.

¹⁰ Staff Data Request No. 0002 in EO-2015-0265.

¹¹ Staff Data Request No. 0004 in EO-2016-0282.

¹² Staff Data Request No. 0002 in EO-2018-0290.

¹³ Staff Data Request No. 0002 in EO-2018-0290.

C. “The projected total retail electric sales for each year;”

EMM has provided its values for projected retail electric sales in Table 3 of the Revised 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 240-22,¹⁴ Electric Utility Resource Planning;”

EMM submitted its most recent Integrated Resource Plan (IRP) on April 30, 2021 (Case No. EO-2021-0035). During the three year RES planning period, EMM’s Revised Plan does not include any new wind or solar additions for RES compliance. However, the IRP states that EMM plans to add 3,200 MW of renewable energy through 2030. This total includes a mix of wind and solar, with 700 MW of solar planned by 2024.

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 Plan notes the installation of Spearville 1 prior to the RES rules. The costs associated with Spearville 1 and Spearville 2 are already included in revenue requirements.¹⁵

EMM currently has the following wind PPAs: Spearville 3, Cimarron 2, Slate Creek, Waverly, Osborn, Prairie Queen, Pratt, and Rock Creek. EMM notes in the *Plan* that it does not consider these wind contracts as directly attributable to RES compliance. As described in Section A of this report, the following wind farms are in excess of

¹⁴ Since the Commission’s move to the Department of Commerce and Insurance, this rule can now be found at 20 CSR 4240-22.

¹⁵ In-service requirements for Spearville 1 met in Case No. ER-2006-0314; In-service requirements for Spearville 2 met in Case No. ER-2010-0355.

the Missouri RES requirements: Slate Creek, Waverly, Osborn, Rock Creek, Pratt, and Prairie Queen.¹⁶

For compliance with the solar portion of the RES, EMM plans to use S-RECs from customer-generators and future EMM owned solar installations.

Staff wants to be clear that it has not made a ratemaking determination whether the Plan is the least cost, prudent method for complying with the RES. Staff reserves the right to address this when rate recovery is requested, and suggests the Commission be clear in any Order it issues in this case that it is not making any ratemaking determination.

- F. “A calculation of the RES retail impact limit calculated in accordance with section (5) of this rule. This calculation should be accompanied by workpapers including all the relevant inputs used to calculate the retail 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; and”**

The Plan includes an explanation of the calculation of the RES RRI. Work papers supporting the calculation were provided with its filing. EMM’s calculation results in a rate impact of less than 1 percent (1%) on average over the planning period.

- 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.”**

EMM states that, to its knowledge, all facilities utilized by EMM to meet the requirements of the RES have received all necessary environmental and operational

¹⁶ Staff’s assessment assumes the oldest wind PPAs are used for RES compliance which is not necessarily based on least-cost resources.

permits and are in compliance with any necessary federal, state, and/or local requirements related to air, water and land use.¹⁷

CONCLUSION

Staff concludes that EMM has met the base requirements of 20 CSR 4240-20.100(8)(B).

¹⁷ Rule 10 CSR 140-8.010(4).

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Evergy Metro, Inc. d/b/a)
Evergy Missouri Metro's Submission of its) File No. EO-2022-0287
2022 Renewable Energy Standard)
Compliance Plan)

AFFIDAVIT OF AMANDA COFFER

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

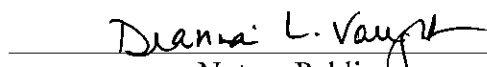
COMES NOW, Amanda Coffe, and on her oath declares that she is of sound mind and lawful age; that she contributed to the attached *Staff Report, in Memorandum form*; and that the same is true and correct according to her best knowledge and belief.

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.

DIANNA L. VAUGHT
Notary Public - Notary Seal
STATE OF MISSOURI
Cole County
My Commission Expires: July 18, 2023
Commission #: 15207377


Notary Public