

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

In the Matter of The Empire District)	
Electric Company's Application for)	<u>File No. ET-2020-0259</u>
Approval of a Community Solar)	Tariff No. YE-2021-0062
Program for Electric Customers in the)	
Missouri Service Area)	

STAFF RECOMMENDATION TO APPROVE TARIFF SHEETS

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and for its *Staff Recommendation to Approve Tariff Sheets* respectfully states as follows:

1. On February 27, 2020, The Empire District Electric Company ("Empire") filed its *Notice of Intended Case Filing* regarding its Community Solar Pilot Program ("CSPP").

2. Empire filed its Community Solar Application and associated tariff sheets on April 17, 2020, with an effective date of June 1, 2020. To facilitate further discussion with Staff, Empire voluntarily extended the effective date of the tariffs twice.

3. On September 15, 2020 Empire withdrew the tariffs filed on April 17, 2020 and filed new tariff sheets with an effective date of October 15, 2020. The Commission ordered Staff to file a recommendation on the new tariff sheets no later than September 22, 2020.

4. As further explained in Staff's Memorandum, attached hereto as Appendix A, Staff has reviewed the tariff sheets submitted by Empire under Tariff Tracking No. YE-2021-0062 on September 15, 2020, and recommends that the Commission issue an order approving the following tariff sheets to take effect on the proposed effective date of October 15, 2020:

P.S.C. MO. No. 6:

Original Sheet No. 25
Original Sheet No. 25a
Original Sheet No. 25b
Original Sheet No. 25c
Original Sheet No. 25d
Original Sheet No. 25e
Original Sheet No. 25f
Original Sheet No. 25g
Original Sheet No. 25h
Original Sheet No. 25i
Original Sheet No. 25j

5. Staff would like to note that Empire has not applied for a Certificate of Convenience and Necessity (“CCN”) for this initial solar facility because Empire intends to size the facility to meet the \$3.5 million spending requirement pursuant to RSMo. 393.1665.2.

6. Staff agrees that the initial solar facility will not require a CCN under RSMo 393.1665.2. For any future facilities, Empire will apply for CCN approval for future solar builds, and construction of a new facility under the CSPP will occur only after the current program is fully subscribed.

WHEREFORE, Staff respectfully submits this *Staff Recommendation to Approve Tariff Sheets* for the Commission’s information and consideration, and recommends that the Commission issue an order approving Empire’s tariff sheets filed on September 15, 2020, with an effective date of October 15, 2020.

Respectfully submitted,

/s/ Travis J. Pringle

Travis J. Pringle
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile, or electronically mailed to all parties and/or counsel of record on this 22nd day of September 2020.

/s/ Travis J. Pringle

MEMORANDUM

TO: Missouri Public Service Commission
Official Case File Case No. ET-2020-0259 and Tariff Tracking YE-2021-0062

FROM: Cedric Cunigan, Associate Engineer, Engineering Analysis Department

/s/ Claire Eubanks P.E. 9/22/2020
Manager, Engineering Analysis/ Date

/s/ Travis Pringle 9/22/2020
Staff Counsel's Office / Date

SUBJECT: Staff Recommendation to Approve the Community Solar Program of the Empire District Electric Company

DATE: September 22, 2020

OVERVIEW

On February 27, 2020, the Empire District Electric Company (“Empire”) filed its Notice of Intended Case Filing regarding a Community Solar Pilot Program (“CSPP”). On April 17, 2020, Empire filed the Community Solar Application and associated tariff sheets (Tariff Tracking No. YE-2020-0182) with an effective date of June 1, 2020. The Commission issued its Order and Notice which, among other things, ordered Staff to file a recommendation no later than May 7, 2020. The effective date of the tariff was extended voluntarily by Empire on April 29, 2020, July 1, 2020, and again on September 1, 2020, each time to allow additional time for discussion and review. The Commission issued an Order Extending Time for Filing of Staff Recommendation after each Tariff Extension with the last being issued on September 2, 2020, ordering Staff to file its recommendation no later than September 18, 2020. On September 15, 2020, Empire withdrew Tariff Tracking No. YE-2020-0182 and submitted Tariff Tracking No. YE-2021-0062, with an effective date of October 15, 2020. Also on September 15, 2020, the Commission issued an Order Directing Filing ordering that Staff file its Recommendation on Tariff Tracking No. YE-2021-0062 no later than September 22, 2020.

The CSPP seeks to meet a need for customers wanting to purchase renewable energy and meet environmental goals they are not currently able to through currently available programs. The CSPP also arises from agreements made in the Amended Stipulation and Agreement as to Division of Energy and Renew Missouri from Case No. EM-2016-0213, where Empire agreed to review and consider the viability of offering a community solar or solar subscription program. The

Company intends for the CSPP to satisfy the \$3.5 million utility-owned solar investment required by RSMO. 393.1665.2. The Application initially asked for approval of up to 30MW of additional solar capacity through up to 6 additional installations. Because the additional facilities would require Certificate of Convenience and Necessity (“CCN”) approval and their costs cannot be determined at this time, the additional facilities have been removed from the tariff language, limiting the request to one initial facility. Expansions to the program would require CCN approval of the new facilities and tariff revisions to add the facilities to the program.

Staff Recommendation

Empire plans to initially build an approximately 2.25 MW solar facility (4,500 solar blocks of 500 kW each) for the program. Empire has not applied for a CNN for this facility as it intends to size the facility to meet the \$3.5 million spending requirement pursuant to RSMo. 393.1665.2. Empire believes the initial facility does not require CCN approval pursuant to RSMo. 393.1665.3, but will apply for CCN approval for future solar builds. Construction of a new facility under the program will occur only after the program is fully subscribed.

The CSPP is designed to allow for customers to voluntarily subscribe to solar blocks (500 kW) which are expected to generate up to 50% of the customer’s average annual energy usage. The output from the solar facility will offset portions of the otherwise applicable energy charges on the subscriber’s bill. Additionally, Empire will transfer to the subscribers, or retire on their behalf, all renewable energy credits generated by the solar facility. The CSPP includes a \$25 per solar block participation fee to enroll in the program which will be treated as Contributions in Aid of Construction. Subscribers must remain in the program for a minimum of three years or pay applicable cancellation charges; however, there are no fees or charges for transfers due to relocation. Overall, the program participation terms are similar to other recently approved community solar programs.¹

¹ A mechanism apportioning risk between non-participating customers and shareholders has not been incorporated into the program design at this time. However, incorporation of such feature may be appropriate if solar facility costs exceed mandated spend under RSMo.393.1665.2 as program is expanded.

Tariff:

Staff has reviewed tariff sheets submitted by Empire in Tariff Tracking No. YE-2021-0062 on September 15, 2020, and recommends that the Commission approve the following sheets to take effect by the proposed effective date of October 15, 2020:

P.S.C. MO. No. 6

Original Sheet No. 25
Original Sheet No. 25a
Original Sheet No. 25b
Original Sheet No. 25c
Original Sheet No. 25d
Original Sheet No. 25e
Original Sheet No. 25f
Original Sheet No. 25g
Original Sheet No. 25h
Original Sheet No. 25i
Original Sheet No. 25j

Staff has verified that Empire is not delinquent on any assessment and has filed its 2019 Annual Report. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of The Empire District Electric)	
Company's Application for Approval of a)	<u>Case No. ET-2020-0259</u>
Community Solar Program for Electric)	Tariff No. YE-2021-0062
Customers in the Missouri Service Area)	

AFFIDAVIT OF CEDRIC E. CUNIGAN

STATE OF MISSOURI)	
)	ss.
COUNTY OF COLE)	

COME NOW Cedric E. Cunigan, 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, under penalty of perjury.

Further the Affiants sayeth not.

/s/ Cedric E. Cunigan
Cedric E. Cunigan