

**MEMORANDUM**

TO: Missouri Public Service Commission Case File  
Case No. EO-2014-0287, Kansas City Power & Light Company's Renewable Energy  
Standard Compliance Plan for Calendar Years 2014, 2015, and 2016

FROM: Claire M. Eubanks, PE, Engineering Analysis

/s/ Daniel I. Beck / June 30, 2014                      /s/ Jennifer Hernandez / June 30, 2014  
Engineering Analysis / Date                                      Staff Counsel's Office / Date

SUBJECT: Staff Report on Kansas City Power & Light Company's 2014 Renewable Energy  
Standard Compliance Plan

DATE: June 30, 2014

**CONCLUSION**

The Staff has reviewed Kansas City Power & Light Company's ("KCP&L" or "Company") 2014 *Annual Renewable Energy Standard Compliance Plan* ("Plan"). Based on its review, the Company has met the minimum requirements for the plan.

**OVERVIEW**

On April 15, 2014, the Company filed its *Plan* for calendar years 2014 through 2016. The *Plan* was filed in accordance with Rule 4 CSR 240-20.100(7), Electric Utility Renewable Energy Standard 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 4 CSR 240-20.100(7)(B)1.A. through G. provide the minimum requirements for the plan. Subsection 4 CSR 240-20.100(7)(D) requires that Staff examine the plan and file a report of its review within forty-five (45) days of the filing. This is the fourth compliance plan filing for the Missouri electric utilities required by the Missouri RES, Sections 393.1020 through 393.1030, RSMo.

**NP**

## DISCUSSION

Staff has reviewed the Company's *Plan* in accordance with the established requirements to verify the *Plan* contains the information required by the rule. The results of the review are detailed 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;"**

The Company explained in detail its completed and planned actions for compliance with the RES for 2014 through 2016. For non-solar compliance, the Company will utilize renewable energy certificates ("RECs") from wind resources Spearville 1 and 2, wind resource Cimarron II purchased power agreement ("PPA"), Spearville 3 wind resource PPA, and possibly from Hampton Alternative Energy Products ("Hampton") PPA. Additionally, KCPL executed an agreement for the Waverly wind PPA, which is expected to commence operation by December 31, 2015. For solar compliance, the Company will utilize solar renewable energy credits ("S-RECs") purchased from brokers, S-RECs obtained from customer-generators, and S-RECs from the solar generation facilities installed as a part of the SmartGrid project (Project Living Proof, Paseo Academy of Fine Arts, and Innovation Park).

**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;"**

The Company provided a list of executed contracts for the wind PPAs. The Company has provided the executed purchase agreements with third parties to purchase S-RECs in response to Staff Data Request 1. The Company provided the executed agreement for the Waverly wind PPA in response to Staff Data Request 2.2. The Company also provided the executed agreement for the Hampton PPA.<sup>1</sup>

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<sup>1</sup> The Company provided the executed agreement in Response to Staff Data Request 1 in EO-2013-0504.

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

The Company has provided its values for projected retail electric sales. 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, Electric Utility Resource Planning;”**

The Company submitted its most recent triennial compliance filing in April 2012 and its most recent annual update report in March 2014. The *Plan* is consistent with the information regarding renewable resource additions in its April 2012 preferred resource plan and its annual update for 2014 for the three-year planning period. However, the preferred resource plan includes solar resource additions outside the three-year planning period that are not reflected in the retail rate impact (RRI) calculation.<sup>2</sup>

**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* includes utilization of Spearville 1, Spearville 2, Spearville 3 and Cimarron II to comply with the non-solar portion of the RES for 2014 through 2016. The costs associated with Spearville 1 and Spearville 2 are already included in revenue requirements.<sup>3</sup> The Company selected wind resources Spearville 3 and Cimarron II PPAs in response to the August 2011 Request For Proposals (RFP) and provided the reports regarding the selection process.<sup>4</sup> Spearville 3 and Cimarron II are currently included in purchased power expense.<sup>5</sup>

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<sup>2</sup> Please note that the resource planning considers compliance with the Kansas Renewable Energy Standard whereas the retail rate impact considers Missouri requirements only.

<sup>3</sup> 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.

<sup>4</sup> The Company provided documentation in response to Staff Data Request 3 in EO-2013-0504.

<sup>5</sup> Case No. ER-2012-0174.

The Company executed a PPA in November 2013 with EDP Renewables for Waverly, a 200 MW wind resource located in Coffey County, Kansas. Waverly was selected in response to the Company's issuance of a RFP in July 2013. The Company provided the evaluation of responses to the July 2013 RFP in response to Staff Data Request 3.

For compliance with the solar portion of the RES, the Company provided information regarding purchase of S-RECs from third parties compared to a solar PPA.<sup>6</sup> The cost to purchase S-RECs is significantly lower than the cost of a solar PPA. House Bill 142, signed by the governor on July 3, 2013, includes a condition on solar rebates requiring customers to transfer the first ten (10) years of S-RECs to the utility. This is expected to eliminate the need for third-party S-RECs.

The Company provided information regarding the cost of the RES compliance plan. Staff reserves the right to comment on whether the *Plan* is the least cost, prudent method to comply with the RES when rate recovery is requested.

**F. "A detailed explanation of the calculation of the RES retail rate impact limit calculated in accordance with section (5) of this rule. This explanation should include the pertinent information for the planning interval which is included in the RES compliance plan:"**

The *Plan* includes an explanation of the calculation of the RES RRI and work papers supporting the calculation were provided to Staff. The Company's calculation results in a rate impact of less than 1 percent on average over the planning period.<sup>7</sup>

Section (5)(B) indicates that the renewable energy resource additions are to utilize the most recent electric utility resource planning analysis. The Company's annual update for

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<sup>6</sup> The Company provided documentation in response to Staff Data Request 4 in EO-2013-0504 supporting the cost for a solar PPA.

<sup>7</sup> Please note that the calculation required in Section (5)(B) is forward-looking therefore past RES compliance costs are not reflected in the calculation.

2014 includes 200 MW of wind in 2016 and utility scale solar additions beginning in 2018.

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**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 Department of Natural Resources.”**

The Company states that, to its knowledge, all facilities utilized by KCP&L to meet the requirements of the RES have received all necessary environmental and operational permits and are in compliance with the requirements related to air, water and land use.<sup>8</sup>

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<sup>8</sup> Rule 10 CSR 140-8.010(4).



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

In the Matter of Kansas City Power & Light Company's Submission of Its 2014 Renewable Energy Standard Compliance Plan )  
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)

File No. EO-2014-0287

**AFFIDAVIT OF CLAIRE M. EUBANKS**

STATE OF MISSOURI    )  
                                  ) ss  
COUNTY OF COLE    )

Claire M. Eubanks, of lawful age, on oath states: that she participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to her; that she has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of her knowledge and belief.

Claire M Eubanks  
Claire M. Eubanks

Subscribed and sworn to before me this 30th day of June, 2014.

SUSAN L. SUNDERMEYER Notary Public - Notary Seal State of Missouri Commissioned for Callaway County My Commission Expires: October 03, 2014 Commission Number: 10942086
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Susan L Sundermeyer  
Notary Public

**Attachment D : Affidavit of Designated Responsible Party**

Period: 2013  
 Name: Spearville 3  
 Address: 12530 Eagle Road  
 Spearville, KS 67876  
 Technology: Wind Turbines

Vintage updated in response to DR MPSC\_20140527  
 Question.: 0002

Reporting Unit ID	NAR ID	FacilityName	Account Holder	Vintage	MWh
SPV3	GEN335	Spearville 3	Kansas City Power & Light	Jan-13	28331
SPV3	GEN335	Spearville 3	Kansas City Power & Light	Feb-13	8902
SPV3	GEN335	Spearville 3	Kansas City Power & Light	Mar-13	18337
SPV3	GEN335	Spearville 3	Kansas City Power & Light	Apr-13	34684
SPV3	GEN335	Spearville 3	Kansas City Power & Light	May-13	29691
SPV3	GEN335	Spearville 3	Kansas City Power & Light	Jun-13	27381
SPV3	GEN335	Spearville 3	Kansas City Power & Light	Jul-13	28975
SPV3	GEN335	Spearville 3	Kansas City Power & Light	Aug-13	32149
SPV3	GEN335	Spearville 3	Kansas City Power & Light	Sep-13	32075
SPV3	GEN335	Spearville 3	Kansas City Power & Light	Oct-13	36427
SPV3	GEN335	Spearville 3	Kansas City Power & Light	Nov-13	26324
SPV3	GEN335	Spearville 3	Kansas City Power & Light	Dec-13	30426

As designated by EDF Renewable Energy - formerly enXco, KCP&L has been authorized to register and report generation for the aforementioned facility. The renewable energy credits listed above are associated with generation for KCP&L only. The renewable attributes of the energy have not been used to meet the requirements of any other local or state mandate. Energy from this facility is derived from an eligible renewable energy technology as supported by the Missouri Department of Natural Resources certification of the facility.



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 Manager - Fuels, Emissions & RECs

**Schedule CME-2**

**Is Deemed**

**Highly Confidential**

**In Its Entirety**