### **MEMORANDUM**

**TO:** Missouri Public Service Commission Case File

Case No. EO-2025-0285, Evergy Missouri West, Inc d/b/a Evergy Missouri West's Submission of its 2025 Renewable Energy Standard Compliance Plan

**FROM:** Matthew W. Lucas, Engineering Analysis

/s/ *Matthew W. Lucas* / 05/30/2024

Engineering Analysis / Date

**SUBJECT:** Staff Report and Conclusion on Evergy Missouri West's 2025 Annual RES

Compliance Plan

**DATE:** May 30, 2025

### **SUMMARY**

Staff has reviewed Evergy Missouri West, Inc.'s ("EMW" or "Company") 2025 RES Compliance Plan ("Plan"). Based on its review, Staff has not identified any deficiencies the Company's filing.

### **OVERVIEW**

On April 15, 2025, the Company filed its Plan for calendar years 2025 through 2027, in accordance with Rule 20 CSR 4240-20.100(8), 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 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 within forty-five (45) days of the filing.

### **DISCUSSION**

Staff 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 this review are detailed below, with appropriate Rule subparagraphs A. through G. identified and quoted.

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

To meet its non-solar RES obligations from 2025 to 2027, the Company intends to use its existing purchased power agreements ("PPA") for wind generation. EMW expects 2.5 million MWh of non-solar production from these PPAs. This production exceeds the anticipated non-solar requirement and the excess RECs will be banked for future use as needed in future compliance years.

Because the Osborn and Rock Creek facilities are located in Missouri, the Company receives 1.25 RECs for each MWh produced. Of EMW's wind contracts, these are the only two that qualifies for the adder, though it does also apply to many of the Company's solar generators.

To meet its solar RES ("SREC") requirements, the Company intends to use SRECs sourced primarily from its customer-generators. These customer-generators receives a rebate for building a qualified solar facility, and the Company receives the rights to the RECs for a ten-year period. EMW also co-owns the Hawthorn Solar Project with Evergy Missouri Metro and its only utility scale solar generator at 10 MW, with 6 MW allocated to customer programs and 4 MW allocated towards RES compliance as needed. Together, the SRECs available from these resources exceeds the solar RES requirement.

Together, these resources generate more RECs than the Company requires for compliance. In 2025, the Company's existing resources could supply an expected \*\* of RECs, but only 1,349,178 MWh of RECs are expected to be needed for compliance. Similar surpluses are expected in 2026 and 2027, though the annual surplus does decrease over the planning period due to anticipated additional large load.

<sup>&</sup>lt;sup>1</sup> 5 MW allocated for Evergy's Solar Subscription program, and 1 MW to an income-qualified subscription program.

<sup>&</sup>lt;sup>2</sup> Both Evergy Missouri West and Evergy Missouri Metro get 2 MW of this total.

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 the following information regarding its executed contracts:

|               | Туре | Expected Energy<br>Delivered (MWh) | Contract<br>Effective<br>Date | Contract<br>Duration |
|---------------|------|------------------------------------|-------------------------------|----------------------|
| Gray County   | Wind | 337,894                            | 3/13/2001                     | 15 years             |
| Ensign        | Wind | 435,114                            | 11/22/2012                    | 20 years             |
| Osborn        | Wind | 215,430                            | 12/15/2016                    | 20 years             |
| Rock Creek    | Wind | 347,066                            | 11/8/2017                     | 20 years             |
| Prairie Queen | Wind | 330,069                            | 8/10/2019                     | 20 years             |
| Pratt         | Wind | 565,084                            | 12/13/2018                    | 30 years             |

## C. "The projected total retail electric sales for each year;"

The Company provided annual projected retail electric sales through 2027 in its Plan, and additional years in its Attachment A. These projections are consistent with its most recent IRP update<sup>3</sup> and past RES Plan filings.

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;"

Since the Company intends meet its RES compliance goals through existing resources, there are no differences between its 2025-2027 RES plan and the 2025 IRP update provided on March 13, 2025.

<sup>&</sup>lt;sup>3</sup> EO-2025-0251. Item 1, March 13, 2025.

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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 Company provided information regarding its utilization of existing resources to comply with both the solar non-solar portion of the RES for 2025 through 2027. The costs associated with these resources are already included in revenue requirements. Additionally, many of the wind PPAs were pursued, according to the Company, for economic reasons rather than RES compliance, so they do not count towards the rate impact cap.

Staff does not find any deficiencies in the Company's filing at this time. However, Staff wants it to be clear that when it states it has not identified any deficiencies in EMW's filing, Staff has not made a ratemaking determination whether the Plan is the least cost, prudent method in complying with the RES, and suggests the Commission be clear in any Order it may issue in this case that it is not making any ratemaking determination.

F. "A calculation of the RES retail rate impact ("RRI") limit calculated in accordance with section (5) of this rule. The calculation should be accompanied by workpapers including all the relevant inputs used to calculate the retail rate 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;"

The Company provided its RRI calculation as Attachment A in its filing, and the calculations result in an average rate impact of \*\*

\*\* over the planning period.

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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 division."

The Company attests in its Plan that "All generating facilities utilized by EMW to meet the requirements of the Missouri RES have, to its knowledge, received all necessary environmental and operational permits and are in compliance with any necessary federal, state and/or local requirements related to air, water and land use."

### BEFORE THE PUBLIC SERVICE COMMISSION

### OF THE STATE OF MISSOURI

| In the Matter of Evergy N<br>d/b/a Evergy Missouri W<br>of Its 2025 Renewable Er<br>Compliance Plan | est's Sub | ) ) )     | File No. EO-2025-0285 |             |
|---|-----------|-----------|-----------------------|-------------|
|   | AFFIDA    | AVIT OF M | IATTHE                | EW W. LUCAS |
| STATE OF MISSOURI   | )         |           |                       |             |
|   | )         | SS.       |                       |             |
| COUNTY OF COLE  | )         |           |                       |             |

**COMES NOW MATTHEW W. LUCAS** and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Report* in memorandum form; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

MATTHEW W. LUCAS

**JURAT** 

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2029
Commission Number: 12412070

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