

MEMORANDUM

TO: Missouri Public Service Commission Case File
File No. EO-2025-0287 The 2024 RES Compliance Report and 2025 RES
Compliance Plan of The Empire District Electric Company, d/b/a Liberty

FROM: Coty L. King, Engineering Analysis

/s/ Coty L. King / 06/06/2025
Engineering Analysis / Date

SUBJECT: Staff Report and Conclusion on The Empire District Electric Company's
2024 Renewable Energy Standard Compliance Report

DATE: June 06, 2025

SUMMARY

Staff reviewed The Empire District Electric Company's, d/b/a Liberty ("Liberty" or "Company") 2024 RES Compliance Report ("Compliance Report"). Based on its review, Staff has not identified deficiencies after Liberty filed its substitute Attachment 2 of its renewable energy compliance (REC) report on June 03, 2025.¹ Staff recommends that Liberty timely seek Missouri Department of Natural Resources-Division of Energy ("MDNR-DE") certification of customer-generator systems and register the associated renewable energy credits ("RECs") in the North American Renewables Registry ("NAR").

Staff utilized the NAR to independently verify the retirement of the RECs by the Company. Liberty has retired sufficient RECs to satisfy the 2024 RES requirements. However, Liberty retired 60,788.5 RECs above the RES requirement for 2024. It is Staff's understanding that this was due to human error. Staff further notes that the over-retirement of RECs means there are less RECs to carry-forward or sell at a later date. Liberty sells RECs and passes the benefit to customers through the FAC. Staff further notes that Liberty could request a variance from 20 CSR 4240-20.100(3)(J) which states in part "The RECs shall be retired during the calendar year for which compliance is sought." This would allow Liberty to re-designate the RECs to the 2025 compliance year.

¹ Substitute Attachment 2 of the REC Report (Highly Confidential).

OVERVIEW

On April 15, 2024, Liberty filed its Compliance Report for calendar year 2024 (File No. EO-2025-0287), in accordance with 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, “[e]ach electric utility shall file an 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 the Company’s Compliance Report and file a report within forty-five (45) days of the filing.

Staff completed its review and utilized the North American Renewables Registry (NAR) to independently verify the retirement of the RECs and solar renewable energy credits (“S-RECs”) by the Company.

DISCUSSION

Staff reviewed the Company’s Compliance Report in accordance with the established requirements to verify it contains the information required. The results of this review are detailed below, with appropriate Rule subparagraphs A. through P. identified and quoted.

The Company reported the incorrect number of megawatt-hours (MWh) from Elk River wind farm in Attachment 2 of the Compliance Report. However, the correct values are listed in attachment 3 and 6. The number of RECs in NARs is ** [REDACTED] ** MWh which is reflected in attachment 3 and 6.

A. “Total retail electric sales for the utility, as defined by this rule:”

The Company reported the total retail electric sales for 2024, expressed as total megawatt-hours (MWh) sold to Missouri customers, as 4,220,138 MWh. This is consistent with the total sales to ultimate customers Missouri Jurisdictional Annual Report filed with the Commission on May 15, 2025.²

² Liberty’s 2024 Annual Report form page 301, line 10, column d submitted in BMAR-2025-1702. Note the Company reports this value includes MWh related to unbilled revenue. The Commission has ordered Staff to investigate recent billing issues in OO-2025-0233.

B. “Total jurisdictional revenue from the total retail electric sales to Missouri customers as measured at the customers’ meters;”

The Company reported the total retail electric sales for 2024, expressed as annual operating revenues (dollars) from Missouri consumers, as \$548,455,092. This is consistent with total sales to ultimate customers of the Missouri Jurisdictional Annual Report, filed with the Commission on May 15, 2024.³ Total Missouri Jurisdictional Revenues were \$578,086,506.

C. “Total retail electric sales supplied by renewable energy resources, as defined by section 393.1025(5), RSMo, including the sources of the energy;”

The Company utilized seven (7) renewable energy generating facilities defined by Section 393.1025(5), RSMo during 2024: the Company-owned Ozark Beach Hydroelectric Project (“Ozark Beach”), North Fork Ridge Windfarm (“North Fork”), Kings Point Windfarm (“Kings Point”), Neosho Ridge Windfarm (“Neosho Ridge”), Prosperity Solar; and purchase power agreements (“PPA”) with Elk River Windfarm, LLC, Kansas (“Elk River”), and Cloud County Wind Farm, LLC, Kansas (“Meridian Way”). The company provided the following information regarding electric sales supplied by renewable energy:

<u>Facility</u>	<u>Generation (MWh)</u>	<u>Percentage</u>	<u>Energy Supplied to MO Retail Customers (MWh)</u>
Elk River	296,200	88.20%	261,248.4
Meridian Way	172,584	88.20%	152,219.1
Ozark Beach	53,277	88.20%	46,990.3
North Fork Ridge	524,037	88.20%	462,201.5
Kings Point	573,703	88.20%	506,006.0
Neosho Ridge	1,263,181	88.20%	1,114,123.0
Prosperity Solar	4,024.66	100%	4,024.7
Total	2,887,006.66		

³ Liberty’s 2024 FERC form 1 page 300, line 10, column b.

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;”

The Company reported the following information:

Facility	REC/S-REC Production	** [REDACTED] **	** [REDACTED] **
Ozark Beach	53,277	** [REDACTED] **	** [REDACTED] **
North Fork Ridge Wind	524,037	** [REDACTED] **	** [REDACTED] **
Kings Point Wind	573,703	** [REDACTED] **	** [REDACTED] **
Neosho Ridge Wind	1,263,181	** [REDACTED] **	** [REDACTED] **
Prosperity Solar (Community Solar)	4,025	N/A	** [REDACTED] **

E. “The number of RECs acquired, sold, transferred, or retired by the utility during the calendar year;”

The Company provided the following information regarding the number of RECs acquired, retired, and sold during the calendar year:

	Number of RECs (Compliance Equivalency)	Number of S-RECs (Compliance Equivalency)
Acquired	** [REDACTED] ** ** [REDACTED] **	54,789 (unknown)
Retired	612,074 (625,015.75)	** [REDACTED] ** (68,793.75)
Sold	** [REDACTED] ** ** [REDACTED] **	N/A
Transferred	N/A	1,253 (1,566.25)

Acquired RECs/S-RECs:

The Company reports it acquired ** [REDACTED] ** RECs in Attachment 2 of its Report and ** [REDACTED] ** customer-generated S-RECs (vintage 2024) in table 2 of its Report. However, Staff notes the 2024 vintage customer-generated S-RECs are not registered in NAR as of April 25, 2025. It is unclear to Staff whether or not the Company included the Missouri compliance equivalency for the S-RECs acquired from its customer-generators in table 2 of its Report.

RECs/S-RECs Sold:

In Attachment 3 to the Compliance Report, the Company also provided the quantity of RECs sold ** [REDACTED] ** Kings Point, ** [REDACTED] ** Neosho Ridge, and ** [REDACTED] ** North Fork Ridge.

RECs/S-RECs Retired:

Staff verified through NAR the Company retired 612,074 RECs (625,015.75 RECs including compliance equivalency) and ** [REDACTED] ** S-RECs (68,793.75 S-RECs including compliance equivalency). The RECs retired by generation facility are below.

Source of RECs and Retirement Year	Quantity	MO Equivalent
** [REDACTED] **	** [REDACTED] **	** [REDACTED] **
** [REDACTED] **	** [REDACTED] **	** [REDACTED] **
** [REDACTED] **	** [REDACTED] **	** [REDACTED] **
** [REDACTED] **	** [REDACTED] **	** [REDACTED] **
** [REDACTED] **	** [REDACTED] **	** [REDACTED] **
** [REDACTED] **	** [REDACTED] **	** [REDACTED] **
Total RECS	** [REDACTED] **	** [REDACTED] **
S-RECS		
** [REDACTED] **	** [REDACTED] **	** [REDACTED] **
Combined Total	** [REDACTED] **	** [REDACTED] **

The Company was required to retire a total of 633,021 RECs for compliance, with at least 12,660 being S-RECs.⁴ Staff prefers the utilities round the requirement to whole increments because RECs are tracked in whole increments. Fractional RECs⁵ are reported due to the Missouri in-state bonus of 1.25. The Company retired ** [REDACTED] ** S-RECs (68,793.75 MO compliance equivalency) to meet the 12,661 solar requirements with the excess S-RECs being used to meet the general requirement of 633,021 RECs. The combined total number of RECs and S-RECs retired is, 693,809.5 (MO compliance equivalency), thus the Company has over retired by 60,788.5. It is Staff's understanding this was caused by human error.

⁴ Pursuant to 20 CSR 4240-20.100(1)(R)2., the amount of non-solar RECs necessary is determined by calculating fifteen percent (15%) of the Company's total retail sales, less the solar requirement.

⁵ 20 CSR 4240-20.100(2)(B)1.

All RECs and S-RECs retired for 2024 compliance were registered and retired in the electronic tracking system⁶ utilized for compliance purposes. In accordance with statute and regulation, a qualified facility produced these RECS and they were banked and utilized appropriately.⁷

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

See discussion in the preceding subparagraph E. of this 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;”

The Company provided a listing of RECs, by source and serial number, being carried forward for future year(s), as Attachment 5 of the Compliance Report. The list includes RECs from Ozark Beach, Kings Point, Meridian Way, Neosho Ridge, and North Fork Ridge. The list does not include customer-generated S-RECs.

“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;”

The Company sold RECs produced by its wind PPAs and company owned wind generation. The monetary gains from the sales were provided in Attachment 3. REC revenues factor into Liberty’s Fuel Adjustment Clause in effect during the 2024 calendar year under P.S.C. Mo. No. 6, Sec. 4, Original Sheet Nos. 17e and 17n. Both Elk River and Meridian Way PPAs were entered into before the Renewable Energy Standard existed, therefore, Staff does not consider these wind PPAs to be RES compliance costs, which are restricted from being recovered in a fuel adjustment clause.

⁶ North American Renewables Registry: <http://missourirecs.com/>.

⁷ Qualified facility per Section 393.1025.(5), RSMo and 20 CSR 4240-20.100(1)(N); Banked RECs per Section 393.1030.2., RSMo and 20 CSR 4240-20.100(1)(M).

H. “For acquisition of electrical energy and/or RECs from a renewable energy resource that is not owned by the electric utility, the following information for each resource that has a rated capacity of ten (10) kW or greater:

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

The Company provided the name, address, and owner for Elk River and Meridian Way on page 6 of the Annual RES Compliance Report.

“(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;”

Green-e certificates for Elk River and Meridian Way were provided to verify the clean energy certifications for each.

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

The type of technology was provided on page 6 of the 2024 Annual RES Compliance Report.

“(IV) The dates and amounts of all payments from the electric utility to the owner of the facility;”

Liberty provided the dates and amounts of the payments to Elk River and Meridian Way substitute Attachment 2 to the 2024 Annual RES Compliance Report.

“(V) All meter readings used for the calculation of the payments referenced in part (IV) of the paragraph;”

The meter readings used to calculate the payments to Elk River and Meridian Way were provided in substitute Attachment 2 to the 2024 Annual RES Compliance Report.

I. “For acquisition of electrical energy and/or RECs from a customer-generator:”

“(I) Location (zip code);”

The Company provided the zip codes of its customer-generators in Attachment 7.

“(II) Name of aggregated subaccount in which RECs are being tracked in;”

The Company provided the name of the aggregated subaccounts in Attachment 7.

“(III) Interconnection date”

The Company provided the operational date for customer-generator systems in Attachment 7.

“(IV) Annual estimated or measured generation; and”

The Company provided the estimated generation from customer-generator systems in Attachment 7.

“(V) The start and end date of any estimated or measured RECs being acquired;”

The Company provided the start and end date of estimated RECs being acquired in Attachment 7.

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

The number of customers that applied for and received a solar rebate in 2024 was 17.

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

The Company stated that no applicants were ultimately denied a solar rebate.

L. “The amount of funds 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;”

The Company stated it spent \$258,778.75 on solar rebates in 2024. Staff is not commenting on ratemaking treatment regarding the payment of solar rebates in 2024 in this compliance review.

M. “An affidavit documenting the electric utility’s compliance with the RES compliance plan as described in this section during the calendar year;”

The Company included the affidavit as Attachment 8 of the Compliance Report.

N. “If compliance was not achieved, an explanation why the electric utility failed to meet the RES.”

The Company retired RECs in excess of the requirements for the compliance year.

O. “A calculation of its actual calendar year retail rate impact.”

The Company stated that the total compliance cost for the year was \$358,059.54, and the total Missouri revenue was \$547,542,174, which resulted in a calendar year retail rate impact of 0.06%.

CONCLUSION

Staff determined that Liberty retired more than enough RECs to meet RES requirements for the 2024 compliance year. Further, Liberty retired 60,788.5 RECs above the RES requirement for 2024. It is Staff’s understanding that this was due to human error. Staff further notes that the over-retirement of RECs means there are less RECs to carry-forward or sell at a later date. Liberty sells RECs and passes the benefit to customers through the FAC. Staff further notes that Liberty could request a variance from 20 CSR 4240-20.100(3)(J) which states in part “The RECs shall be retired during the calendar year for which compliance is sought.” This would allow Liberty to re-designate the RECs to the 2025 compliance year.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the 2024 RES Compliance)
Report and 2025 RES Compliance Plan of)
The Empire District Electric Company d/b/a)
Liberty)
File No. EO-2025-0287

AFFIDAVIT OF COTY L. KING

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

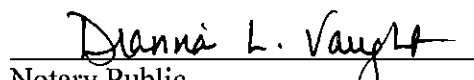
COMES NOW COTY L. KING and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Report* in memorandum form; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.


COTY L. KING

JURAT

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 June 2025.


Notary Public