

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 14th day of September, 2016.

In the Matter of Kansas City Power & Light Company's)
Submission of its 2015 Renewable Energy Standard) **File No. EO-2016-0280**
Compliance Report)

In the Matter of Kansas City Power & Light Company's)
Submission of Its 2016 Renewable Energy Standard) **File No. EO-2016-0282**
Compliance Plan)

**ORDER REGARDING RENEWABLE ENERGY STANDARD
COMPLIANCE REPORT AND PLAN**

Issue Date: September 14, 2016

Effective Date: September 24, 2016

The Commission's Renewable Energy Standard (RES) rule, 4 CSR 240-20.100(8), requires each electric utility to file an annual RES compliance report providing information about the most recently completed calendar year, and an annual RES compliance plan providing information about how the utility plans to comply with RES requirements in the current year and the two following years. Kansas City Power & Light Company (KCP&L) filed the required report and plan on April 15, 2016.

Subsection 4 CSR 240-20.100(8)(D) requires the Commission's Staff to examine each report and plan and to file a report of its findings within 45 days. Staff's report is to identify any deficiencies in the utility's compliance with the RES. Subsection 4 CSR 240-20.100(8)(E) allows Public Counsel and other interested persons or entities to file comments based on their review of the utility's compliance report and plan. Subsection 4

CSR 240-20.100(8)(F) provides that the Commission may direct the electric utility to “provide additional information or to address any concerns or deficiencies identified in the comments of staff or other interested persons or entities.”

Staff filed its report regarding KCP&L’s compliance plan and report on May 26. Staff did not identify any deficiencies in either KCP&L’s compliance plan or its compliance report.¹ United for Missouri filed comments on May 28, challenging the company’s determination that a planned utility-scale solar project is the least-cost alternative for acquisition of solar energy. United for Missouri raised this concern regarding the plans submitted by KCP&L and KCP&L Greater Missouri Operations Company (GMO), but it seemingly applies to GMO since it is GMO that will own the Greenwood solar facility for which the Commission issued a certificate of convenience and necessity in File No. EA-2015-0256. United for Missouri and Public Counsel’s appeal of that decision is pending in the Western District Court of Appeals.²

Renew Missouri also filed comments regarding KCP&L’s compliance plan on May 28. Renew Missouri contends KCP&L has miscalculated the 1% Retail Rate Impact limits established in Commission Rule 4 CSR 240-20.100(5). That section requires the utility to determine the difference in revenue requirement between a hypothetical entirely non-renewable generation portfolio and one that meets the requirements of the RES. In its June 13 response to Renew Missouri’s comments, KCP&L contends its calculations fully comply with the requirements of the regulation. The Division of Energy responded on June

¹ Staff recommends the Commission grant KCP&L a limited waiver from a rule provision regarding meter readings used for calculation of payments for renewable energy credits. The Commission will grant the limited waiver as described by Staff.

² File No. WD79550.

13, and agrees with Renew Missouri that additional guidance from the Commission about the proper calculation of the 1% Retail Rate Impact would be helpful.

The subsection that describes how the retail rate impact is to be calculated - 4 CSR 240-20.100(5)(B) - states:

The RES retail rate impact shall be determined by subtracting the total retail revenue requirement incorporating an incremental non-renewable generation and purchased power portfolio from the total retail revenue requirement including an incremental RES-compliant generation and purchased power portfolio.

In other words, the rule requires a comparison be made between the cost associated with a hypothetical portfolio that contains no renewable generation and a portfolio that complies with the RES requirements. Paragraphs of that subsection of the rule further describe how the contrasting portfolios are to be determined. In particular, 4 CSR 240-20.100(5)(B)1 states:

The non-renewable generation and purchased power portfolio shall be determined by adding, to the utility's existing generation and purchased power resource portfolio excluding all renewable resources, additional non-renewable resources sufficient to meet the utility's needs on a least-cost basis for the next ten (10) years.

Renew Missouri's interpretation of the requirements of this provision of the regulation is what divides Renew Missouri from KCP&L and the other electric utilities.

Renew Missouri contends the non-renewable, non-RES compliant portfolio should add the hypothetical cost of non-renewable generation needed to replace the existing renewable generation contained in the RES compliant portfolio. KCP&L, GMO, and Ameren Missouri respond by explaining that the rule requires the inclusion of hypothetical non-renewable resources sufficient to meet the utilities needs if renewable generation did not exist. They contend that even if the renewable generation needed to comply with the

RES did not exist, they would still have sufficient capacity to meet their resource requirements for the next ten years, without adding any additional capacity from any source. Thus, they argue there is no need to include unneeded, hypothetical non-renewable resources in the hypothetical non-RES compliant portfolio. Empire simply responded by stating that its calculation is in full compliance with the Commission's rule.

In determining how to address the concerns raised by Renew Missouri and United for Missouri, the Commission is guided by its rule, 4 CSR 240-20.100(8)(F), which gives the Commission authority to direct an electric utility to "provide additional information or to address any concerns or deficiencies identified in the comments of staff or other interested persons or entities." However, it is also important to understand that this proceeding is not a contested case in which the Commission will determine the rights of any party, or impose any penalty against a party.

After reviewing KCP&L's filing and the responses of Staff and the various stakeholders, the identified concerns and the responses of the utility are clear. As a result, requiring additional filings in this non-contested case would not be productive. For that reason, the Commission will not require KCP&L to provide any additional information or to address any concerns or deficiencies. In deciding that no additional filings will be required, the Commission is not making any findings or determinations about the merits of the concerns raised by Renew Missouri and United for Missouri. They are free to bring a complaint against KCP&L as permitted by Section 386.390, RSMo 2000 and the penalty provisions of 4 CSR 240-20.100(9)(A). In addition, if Renew Missouri or United for Missouri believes a Commission regulation should be amended, they may file an appropriate petition pursuant to Section 536.041, RSMo (Cum. Supp. 2013).

THE COMMISSION ORDERS THAT:

1. Kansas City Power & Light Company shall not be required to provide additional information or to address any concerns or deficiencies identified in the comments of staff or other interested persons or entities in this case.
2. Kansas City Power & Light Company is granted a limited waiver from Commission Rule 4 CSR 240-20.100(8)(A)1.I.(V) as recommended by Staff.
3. This order shall be effective on September 24, 2016.
4. This file shall be closed on September 25, 2016.

BY THE COMMISSION



Morris L. Woodruff

Morris L. Woodruff
Secretary

Stoll, Kenney, Rupp, and Coleman, CC., concur;
Hall, Chm., absent.

Woodruff, Chief Regulatory Law Judge

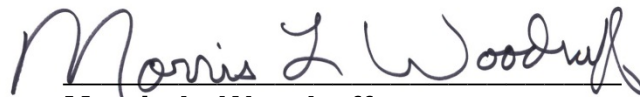
STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 14th day of September 2016.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

September 14, 2016

File/Case No. EO-2016-0280 and EO-2016-0282

Missouri Public Service Commission
Staff Counsel Department
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
staffcounsel@psc.mo.gov

Office of the Public Counsel
James Owen
200 Madison Street, Suite 650
P.O. Box 2230
Jefferson City, MO 65102
opc@ded.mo.gov

Kansas City Power & Light Company
Robert Hack
1200 Main, 19th Floor
P.O. Box 418679
Kansas City, MO 64141-9679
rob.hack@kcpl.com

Kansas City Power & Light Company
Roger W Steiner
1200 Main Street, 19th Floor
P.O. Box 418679
Kansas City, MO 64105-9679
roger.steiner@kcpl.com

Missouri Division of Energy
Alexander Antal
301 West High St.
P.O. Box 1157
Jefferson City, MO 65102
Alexander.Antal@ded.mo.gov

Missouri Public Service Commission
Bob Berlin
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
Bob.Berlin@psc.mo.gov

Renew Missouri
Andrew J Linhares
1200 Rogers St, Ste B
Columbia, MO 65201-4744
Andrew@renewmo.org

Renew Missouri
Henry B Robertson
319 N. Fourth St., Suite 800
St. Louis, MO 63102
hrobertson@greatriverslaw.org

United for Missouri
David C Linton
314 Romaine Spring View
Fenton, MO 63026
Jdlinton@reagan.com

Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



**Morris L. Woodruff
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.