



The Empire District Electric Company d/b/a Liberty

Case No. ER-2024-0261

Office Public Counsel Data Request - 1215

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Request No. 1215

Witness/Respondent: Charlotte Emery

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REQUEST:

MARKET PRICE PROTECTION MECHANISM

Please provide a complete description of the Company's Market Price Protection Mechanism including a comprehensive list of all costs and revenues that are to be included in the MPPM.

RESPONSE:

For the comprehensive list of all costs and revenues that are to be included in the MPPM, please refer to *Appendix B* of the *Non-Unanimous Stipulation and Agreement* that was approved by the Commission in Docket No. EA-2019-0010. The MPPM components were further refined in the *Fourth Partial Stipulation and Agreement* that was filed in Docket No. ER-2021-0312. More specifically, in the *Fourth Partial Stipulation and Agreement*, the Signatories agreed to the following:

- i. Rate base revenue requirement component only changes with the effective date of new rates.
- ii. All wind project costs recovered from customers will be included, not including the PISA costs.
- iii. All wind project revenues returned to customers, including SPP IM revenues, revenues from the sale of RECs, Paygo, the value of the production tax credits, and all miscellaneous revenues.
- iv. A PPA replacement value will be calculated:
 - a. For any renewable compliance standard not met by the existing wind PPAs through life of the MPPM;
 - b. Based on the energy from the wind projects being used to meet the renewable standards that is not met by existing solar requirements (e.g., currently 2% of Missouri RES).
- v. Costs and revenues included at the Missouri jurisdictional level.
- vi. Interest at Empire's long-term debt rate (e.g., long-term debt will be the carrying costs) will be

included.

- vii. 50/50 split with soft cap of \$52.5 million on customers' losses with Commission making determination on how additional losses, if any, are treated at the conclusion of the MPPM.

Furthermore, the MPPM is comprised of the following components:

- SPP Market Revenue
- REC Revenue
- TCR/ARR Revenue
- PTC Offset
- Paygo (Over)/Under
- PPA Replacement Value
- Wind Revenue Requirement
- Interest at Long Term Debt Rate