

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

In The Matter of a Determination of Special	)	
Contemporary Resource Planning Issues to be	)	
Addressed by The Empire District Electric	)	<u>File No. EO-2017-0076</u>
Company in Its Next Triennial Compliance	)	
Filing or Next Annual Update Report	)	

**MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT – DIVISION OF
ENERGY’S SUGGESTED SPECIAL CONTEMPORARY RESOURCE PLANNING
ISSUES FOR THE EMPIRE DISTRICT ELECTRIC COMPANY**

COMES NOW the Missouri Department of Economic Development – Division of Energy (“DE”)¹ pursuant to 4 CSR 240-22.080(4) and, in response to the Missouri Public Service Commission’s (“Commission”) September 9, 2016 *Order Opening a File Regarding Special Contemporary Resource Planning Issues and Offering an Opportunity to File Suggestions*, suggests the following special contemporary resource planning issues for The Empire District Electric Company (“Empire” or “Company”):

1. Describe and document how the preferred plan of the Company’s Integrated Resource Plan (“IRP”) positions the utility for full or partial compliance with the U.S. Environmental Protection Agency’s (“EPA”) Clean Power Plan (“CPP”) under Section 111(d) of the Clean Air Act, as released in final form on August 3, 2015, assuming the compliance scenarios described herein and that the rule is upheld by the courts in its current form. Please include in this regard:

¹ On August 29, 2013, Executive Order 13-03 transferred “all authority, powers, duties, functions, records, personnel, property, contracts, budgets, matters pending, and other pertinent vestiges of the Division of Energy from the Missouri Department of Natural Resources to the Missouri Department of Economic Development . . . ”

- a. Qualitative and quantitative evaluations of how renewable energy, energy efficiency and other demand-side resources (including combined heat and power) deployed by the Company after January 1, 2013 could contribute to compliance;
- b. Qualitative and quantitative evaluations of how renewable energy, energy efficiency and other demand-side resources (including combined heat and power) deployed by the Company after the submission of a final State Implementation Plan could qualify under EPA's proposed Clean Energy Investment Program ("CEIP");
- c. A description and quantification of additional investments (in fiscal, capacity, and energy terms by year) which will be required by the Company to meet the targets in the CPP under a trading-ready "mass-based" approach, with and without participation in the CEIP;
- d. Qualitative and quantitative descriptions of the barriers to achieving these additional investments;
- e. The price of carbon used by the Company in the analyses above and a justification for this price;
- f. A description and explanation of the Company's preferences regarding specific compliance options under a state implementation plan; and,
- g. A description of all meetings, analyses, or other efforts made towards preparation for compliance with the CPP (and CEIP, as applicable).

To the extent that any uncertainty is involved in determining compliance pathways under the CPP (and CEIP, as applicable) based on the scenarios provided above, please describe and document the Company's choices under the most probable compliance scenarios, with an explanation of why the Company believes these scenarios are the most probable.

2. Identify and evaluate the quantifiable non-energy benefits (“NEBs”) which could be included in the Company’s demand-side management (“DSM”) portfolio planning process for the purposes of IRP planning. Such NEBs may include, but are not limited to, those considered during working docket EW-2015-0105 (*In the Matter of a Working Docket to Review the Commission’s Missouri Energy Efficiency Investment Act (MEEIA) Rules 4 CSR 240-3.163, 4 CSR 240-3.164, 4 CSR 240-20.093 and 4 CSR 240-20.094*) and as approved by the Commission for submission to the Secretary of State under EX-2016-0034 (*In the Matter of a Proposed Amendment, Rescission, and Consolidation of Commission Rules Relating to Demand-Side Programs*). Additionally, evaluate the impact of a NEBs percentage “adder” as considered during working docket EW-2015-0105 on the Company’s demand-side management portfolio planning process for the purposes of IRP planning. Discuss the Company’s preference for either a study to determine NEBs or the use of a NEBs percentage adder.

3. Evaluate, describe, and document the feasibility, cost-reduction potential, and potential benefits of joint DSM programs, marketing, and outreach with water utilities.

4. Describe and document the benefits and detriments for integrated resource planning to requiring achievement of targets under the Missouri Energy Efficiency Act (“MEEIA”).

5. Describe, document, and evaluate potential DSM programs which could address the needs of customers that might otherwise “opt out” of participation in MEEIA. In this evaluation, describe and document potential participation and savings (both energy and demand), as well as program costs and cost-effectiveness. Additionally, please describe and document the impacts of additional customer “opt-outs” on the MEEIA charges to customer classes and the ability to achieve estimated savings targets.

6. Evaluate the potential demand and energy load associated with electric vehicles within the Company's Missouri service territory, discuss how the preferred plan addresses the additional demand and energy load requirements, and evaluate potential means for shifting the additional demand and energy load to off-peak periods. Describe all current and planned electric vehicle initiatives undertaken by the Company.

7. Describe and document the roles which energy storage and conservation voltage reduction could play in the Company's system planning, particularly with regards to DSM and distributed energy resources.

8. Evaluate the need to upgrade and enhance the utility's delivery infrastructure in order to ensure and advance system resiliency, reliability and sustainability. In this evaluation, describe and document the potential job growth which utility investments in delivery infrastructure could create.

9. Separately describe and document how the utility's investments in grid modernization, DSM (as evaluated in the current or most recent IRP) and renewable energy will ensure that the public interest is adequately served and that other policy objectives of the state are met (see 4 CSR 240-22.010). For example, please describe and document the potential for job creation and economic development.

10. Describe and document the Company's efforts to address the corporate social responsibility and/or renewable energy purchasing goals of commercial, industrial, institutional, and public-sector customers for increased access to renewable energy and distributed generation resources.

11. Describe and document how the utility's standby rates, cogeneration tariffs, and interconnection standards facilitate the development of customer-owned distributed generation resources and microgrids.

12. Describe and document the extent to which federal investment, production, and other tax credits reduce the costs for utility plant.

Communications, correspondence, orders and decisions in this matter should be addressed to the undersigned with a copy to DEDEnergyCases@ded.mo.gov.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been emailed to the certified service list this 15th day of September, 2016.

/s/ Alexander Antal

Alexander Antal