

MEMORANDUM

TO: Missouri Public Service Commission Case File
Case No. EO-2017-0270, KCP&L Greater Missouri Operations Company's Submission
of Its 2016 Renewable Energy Standard Compliance Report

FROM: Cedric Cunigan, Engineering Analysis

/s/ Dan Beck / May 30, 2017 /s/ Bob Berlin / May 30, 2017
Engineering Analysis / Date Staff Counsel's Office / Date

SUBJECT: Staff Report on KCP&L Greater Missouri Operations' 2016 Renewable Energy Standard
Compliance Report

DATE: May 30, 2017

SUMMARY

Staff has reviewed the KCP&L Greater Missouri Operations' ("GMO" or "Company") 2016 RES Compliance Report. Based on its review, Staff has not identified any deficiencies.

OVERVIEW

On April 13, 2017, GMO filed its Compliance Report for calendar year 2016 (Case No. EO-2017-0270), in accordance with 4 CSR 240-20.100(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 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 4 CSR 240-20.100(8)(A)1. A. through P. provide the minimum requirements for the Compliance Report. Subsection 4 CSR 240-20.100(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 (NARR) to independently verify the retirement of the RECs and S-RECs by the Company.

DISCUSSION

Staff reviewed the Company's Compliance Report in accordance with the established rules 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.

** Denotes Highly Confidential Information **

PR

Appendix A

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

The Company provided the total retail electric sales for 2016 expressed as total megawatt-hours (MWh) sold to Missouri customers (8,028,772 MWh), which is consistent with the Missouri jurisdictional 2016 FERC Form 1 filed with the Commission on May 15, 2017.

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

The Company provided the total retail electric sales for 2016, expressed as annual operating revenues (dollars) from Missouri consumers, at \$755,717,408. The Missouri jurisdictional 2016 FERC Form 1 filed with the Commission on May 15, 2017 shows sales to ultimate customers of \$766,072,505. The number submitted by the Company in the Compliance Report is consistent with the number provided in the FERC form minus provision for rate refunds of \$10,355,097.

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 five renewable energy generating facilities as defined by 393.1025(5), RSMo during 2016. Generation for each facility is shown in the table below

Facility	(MWH)
Gray County Wind	132,502
Ensign Wind	443,609
Osborn Wind	8,974
St. Joseph Landfill Gas	11,394
Greenwood Solar	2,714
Total	599,193

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	Number of RECs	Value of Energy	Value of RECs (\$/REC)
St. Joseph Landfill Gas	11,394	** _____ **	0
Greenwood Solar	2,714	** _____ **	0

The Company reported that the St. Joseph Landfill Generating Station generated 11,394 MWh in 2016 and ** _____ ** Greenwood Solar generated 2,714 MWh ** _____ ** The Company reports no value to its owned resources, however, Staff believes there is a value to the RECs created by the Company's owned generation though that value is not transparent.

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 and retired during the calendar year:

	Number of RECs (Compliance Equivalency)	Number of S-RECs (Compliance Equivalency)
Acquired	585,085 ¹ (587,328.5)	25,727 ² (32,158.75)
Retired	390,758 (393,410)	6,424 (8,030)

The company acquired RECs through PPAs with Gray County Wind, Ensign Wind, Osborn Wind and S-RECs through its customer-generators during 2016. The Company has not sold or transferred RECs during the calendar year.

Staff verified that the Company retired 390,758 RECs (2014 and 2015 Vintage) from Gray County Wind (60,125 RECs), Ensign Wind (320,026 RECs), and St. Joseph Landfill Gas (10,607 RECs, 13,258 MO equivalent) to meet the non-solar requirement of at least 393,410

¹ GMO reported 596,479 RECs acquired. This number included Company owned generation (St Joseph Landfill Gas), which is typically not counted in acquired RECs.

² GMO reported 28,441S-RECs acquired. This number included Company owned generation (Greenwood Solar), which is typically not counted as acquired S-RECs.

RECs. The company also retired 6,424 S-RECs (2014 Vintage, 8,030 MO equivalent) from customer-generators to meet the solar requirement of 8,030.

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

The Company provided a resource list as Attachment A and B of the Compliance Report, which reflects the source of RECs acquired in 2016.

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, by source and serial number, of the RECs that are being carried forward for future year(s) as Attachment C of the Compliance Report.

H. “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;”

There were no sales or purchases of RECs except those bundled with purchased power or as a condition of receiving solar rebates.

I. “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 a resource list as Attachment A to the Compliance Report, which includes the name, location, and owner of the facility.

“(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;”

The Company notes that the Generator Owners for Ensign Wind, Gray County Wind, and Osborn Wind have designated KCP&L as the Responsible Party in NARR which means the

generator owner has not granted similar authority to another person or entity in NARR or another any similar registry.

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

The renewable energy technology was provided as a part of the resource list in Attachment A to the Compliance Report.

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

The dates and amounts for the payments to Gray County Wind, Ensign Wind, and Osborn Wind were provided in Attachment D to the Compliance Report.

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

The required meter readings for Gray County Wind, Ensign Wind, and Osborn Wind were not provided in the Compliance Report. The Company has requested a limited waiver from reporting meter readings for all energy/REC purchases from outside vendors.

The purpose of this subparagraph is to demonstrate the validity of RECs and/or S-RECs obtained from sources that are not owned by the electric utility. Generation of renewable energy at Company owned resources is typically monitored by revenue quality meters and/or reported through an independent system operator. Resources in which this subparagraph applies to are not necessarily monitored by the utility that seeks to retire the associated RECs for compliance purposes. This subparagraph compensates for the lack of utility ownership/control of the renewable energy resource.

The RECs associated with energy purchased from Gray County Wind, Ensign Wind, and Osborn Wind are registered in NARR. A Qualified Reporting Entity (QRE) is defined in NARR’s Operating Procedures as “an entity reporting meter reading and other generation data to the NARR Administrator.” ** _____

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— ** The Company has provided the invoices supporting the dates and payments listed in Attachment C which includes the monthly generation.

Based on its review of the information provided by the Company and other sources, Staff recommends the Commission grant the Company a limited waiver from the requirements of Rule 4 CSR 240-20.100(8)(A)1.(I)(V). Staff believes good cause exists because the meter readings are not available to the Company. In lieu of meter readings, Staff recommends the Company provide invoices or another reasonable substitute for energy purchases from Gray County Wind, Ensign Wind, and Osborn Wind because meter readings are not available.

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

“(I) Location (zip code);”

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

“(III) Interconnection date”

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

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

The required information was provided in Attachment B to the Compliance Report

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

The Company states that no solar rebates were applied for or received during the 2016 calendar year.

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

The company stated that 144 customers were denied a solar rebate because funding reached the stipulated cap set in ET-2014-0059.

³NAR Requirements for Qualified Reporting Entities.

⁴Response to Staff Data Request 4 in EO-2014-0290.

- M. “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 \$842,496 on solar rebates in 2016. Based on the response to Staff Data Request 2, the reported value represents carrying costs of past solar rebate expenditures and contractor costs. Staff will review the prudence of the contractor costs, including whether these costs are related to RES compliance, during the next RESRAM prudence review. In previous RES compliance reports, the Company reported only the amount of funds expended for solar rebates.

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

The Company filed a signed affidavit with the Compliance Report.

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

The Company provided a statement that it believes it has achieved compliance with the RES. Additionally, the Company retired the appropriate number of RECS to comply with the RES requirements for calendar year 2016.

- P. “A calculation of its actual calendar year retail rate impact.”**

The Company included its retail rate impact for 2016. The calculations were filed with the 2017 Compliance Plan (EO-2017-0272).

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of KCP&L Greater Missouri)
Operations Company's Submission of Its) Case No. EO-2017-0270
2016 Renewable Energy Standard)
Compliance Report)

AFFIDAVIT OF CEDRIC E. CUNIGAN

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW CEDRIC E. CUNIGAN and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing Memorandum and that the same is true and correct according to his best knowledge and belief.

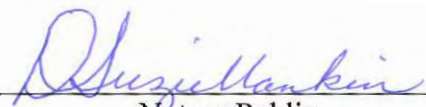
Further the Affiant sayeth not.


_____)
CEDRIC E. CUNIGAN

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 30th day of May, 2017.

D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: December 12, 2020 Commission Number: 12412070


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Notary Public