

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

In the Matter of Evergy Metro, Inc. d/b/a Evergy)
Missouri Metro’s Submission of Its 2022) File No. EO-2023-0361
Renewable Energy Standard Compliance Report)

In the Matter of Evergy Missouri West, Inc. d/b/a)
Evergy Missouri West’s Submission of Its 2022) File No. EO-2023-0362
Renewable Energy Standard Compliance Report)

In the Matter of Evergy Metro, Inc. d/b/a Evergy)
Missouri Metro’s Submission of its 2023) File No. EO-2023-0363
Renewable Energy Standard Compliance Plan)

In the Matter of Evergy Missouri West, Inc. d/b/a)
Evergy Missouri West’s Submission of its 2023) File No. EO-2023-0364
Renewable Energy Standard Compliance Plan)

**EVERGY MISSOURI METRO’S AND EVERGY MISSOURI WEST’S
REPLY TO PUBLIC COUNSEL’S RESPONSES**

COME NOW Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy Missouri Metro”) and Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri West”) (collectively the “Company”) and for their *Reply* (“Reply”) to the Office of the Public Counsel’s (“OPC”) *Comments on Evergy Missouri Metro’s Renewable Energy Standard Compliance Report and Plan* dated June 30, 2023 (“Metro Response”), *Comments on Evergy Missouri West’s Renewable Energy Standard Compliance Report and Plan* dated June 30, 2023 (“West Response”), as well as OPC’s *Comments on the 2022 Revised Renewable Energy Standard Compliance Reports* dated August 7 2023 (“Revised Response”) (“collectively, the “Responses”) filed in each of the respective dockets, as applicable, states as follows:

GENERAL COMMENTS

1. In its Comments, OPC makes certain non-compliance assertions similar to those asserted in numerous prior Renewable Energy Standards (“RES”) compliance dockets.¹

2. The Company has complied with Commission Rules 20 CSR 4240-20.100(8)(A)1.P and 20 CSR 4240-20.100(5). These rules require the calculation of the renewable energy standard (“RES”) retail rate impact. The Company has accurately provided the retail rate *impact* in its RES Reports and Plans already filed and did not include wind purchase power agreement (“PPA”) costs in its calculations as these costs are not directly attributable to RES compliance.

3. The RES retail rate impact limit calculation requires that it, “...may not exceed one percent (1%) for prudent costs of renewable energy resources directly attributable to RES compliance.”²

4. The Company has consistently maintained that wind contracts were entered because of favorable economics and not directly attributable to RES compliance, stating the same (or similar) in plan years 2022, 2021, 2020, 2019, 2018, 2017, and 2016.

5. The retail rate impact information presented in the RES Amended Report and Plan is accurate, complies with the Commission rules. Commission Staff agrees that the Company has met the Commission’s RES Report and Plan requirements.³ Moreover, the Commission has

¹ See, *OPC Response to Order Directing Responses* dated August 2, 2021, File Nos. EO-2021-0345 / 0346 / 0347 / 0348; *OPC Report[s] on the Renewable Energy Standard Report and Plan for Evergy Missouri Metro/West*, dated June 12, 2020, File Nos. EO-2020-0329 / 0330 / 0331 / 0332; *OPC Response and Memorandum*, dated June 1, 2021, File Nos. EO-2021-0345 / 0346 / 0347 / 0348; and *OPC Response to Evergy’s RES Compliance Reports and RES Compliance Plans*, dated July 28, 2022, File Nos. EO-2022-0285 / 0286 / 0287 / 0288 [respectively].

² 20 CSR 4240-20.100(5)(A).

³ See, Staff Reports dated June 30, 2023 in Docket Nos. EO-2023-0361, EO-2023-00362, and EO-2023-0363, and EO-2023-0364.

previously rejected OPC's previous request to make OPC's concerns about the 1% RES cap a part of the RES Report and Plan dockets.⁴

SPECIFIC COMMENTS

A. Reply to OPC Report Comments⁵

i. Evergy's Report does not specify the amount of energy necessary to meet the 2022 RES nor which renewable assets provide the energy to meet the standard.

6. Neither the Missouri statutes nor the Commission's rules require the Company to specify this information. The Company's Reports provide a clear cite to each Report requirement in the Commission's rules and an appropriate response. Each Report follows the same format used in prior annual Commission reporting submitted by the Companies. Note that OPC did not cite a specific rule requirement that the Companies failed to meet. OPC's issue is with the Commission's reporting requirements and not the Company's Reports.

ii. Data request responses show that 93% of the renewable energy credits ("RECs") retired to comply with the non-solar 2022 RES were created more than three years before Evergy retired them. Therefore, the RECs were and are useless to meet the Missouri RES.

7. The Company's use of RECs is consistent with its past RES compliance practice which the Commission has always approved. More importantly, OPC's argument ignores 20 CSR 4240-20.100(3)(B). The rule provides that a REC may be used to comply with the RES portfolio requirements for a calendar year in which it expired so long as it was valid at any time during that

⁴ See, EO-2019-0315 / 0316, dated October 4, 2019, *Order Regarding 2018 RES Compliance Report and Granting Waiver*, where the Commission stated at p. 2: "After considering the submitted comments, the Commission concludes that no further order from the Commission is appropriate at this time regarding the RES Report." See also, EO-2021-0345 / 0346 / 0347 / 0348, dated May 25, 2022, *Order Regarding 2020 RES Compliance Reports and 2021 RES Compliance Plans and Order Granting Waiver*, where the Commission stated at p. 2: "After considering the submitted comments, the Commission concludes that no further order from the Commission is appropriate at this time." See also, EO-2022-0285 / 0286 / 0287 / 0288, dated September 22, 2022, *Notice Regarding 2021 RES Compliance Report and 2022 RES Compliance Plan, and Order Granting Variance*, where the Commission again stated at p. 2 "After considering the submitted comments, the Commission concludes that no further order from the Commission is appropriate at this time regarding the Report and Plan."

⁵ See p. 1 of the June 30, 2023 Memorandum filed by OPC in this docket (Mantle Memorandum) for OPC's Report and Plan Comments.

year. As shown in OPC's Table 3 (found on p. 3 of the Mantle memorandum) all of the RECs used by the Company for compliance were valid at some point during 2022. OPC has conflated the REC statute (393.1030 RSMo.) which specifies the length of a RECs overall lifecycle with the Commission's clear regulation that allows RECs to be used for a given compliance year as long as they were valid at some point during the year. The Commission should reject OPC's contention the RECs were "useless" and that the Company's Report is deficient due to the use of the recently retired RECs. This is yet another example of OPC's concern being with the Commission's rule and not the Company's Reports.

- iii. **The Company's report does not meet the rule requirement 20 CSR 4240-20.100(8)(A)1.P that requires the electric utility to show its calendar year rate impact calculation for RES compliance in 2022. Instead, it simply states that the retail rate impact was 0.033% for Evergy Missouri Metro and 0.267% for Evergy Missouri West without showing the calculation and with no explanation of the costs considered in the determination of the rate impact.**

8. The components which made up the calculated rate impact were provided through data request responses. These detailed components have not been provided in past RES reports, but in response to OPC's comments, the Company has filed a revised report which contains these components.

- iv. **While Evergy Missouri West lists all of its renewable resources that generate energy to its retail customers as required by 20 CSR 4240-20.100(8)(A)1.C., it does not explain that not all of these resources are available to meet the RES. Not providing this differentiation of the resources could result in a misunderstanding of the resources available to meet the Missouri.**

9. Evergy provided the information as required by the RES rules. Once again, OPC is complaining that the Report is missing information that is not required by the rule. At least in this instance, OPC admits that this is "not technically a deficiency in the report" (Mantle Memorandum, p.5).

B. Reply to OPC Plan Comments

i. The Company does not detail the renewable resources used to meet RES compliance for 2023 through 2025.

10. The Commission’s rules do not require the Company to estimate what future resources will be used to for RES compliance. Moreover, such an exercise would be of limited value due to the fact that RECs from these resources could be sold at any time. Contrary to OPC’s implication at p. 5 of the Mantle Memorandum, the Company does have a plan to optimize the potential revenues from the sale of RECs that are not used for compliance and the plan has been presented to the Commission.⁶Under the Company’s REC procedures, the Company utilizes historical RECs to meet RES compliance requirements, which enables more valuable current-year RECs to be available for sale.

ii. The Company’s calculation of the Missouri RES ten-year average renewable rate impact (“RRI”) does not include all costs to meet the RES.

11. The RES Reports and Plans are not required to include all costs associated with the Company’s renewable generation because RES compliance costs, as defined in pertinent part by 20 CSR 4240-20.100(1)(Q) “means prudently incurred costs, both capital and expense, directly related to compliance with the Renewable Energy Standard.” To the extent that the Company has entered into a wind PPA based on other factors, including economics – that is, the addition of the wind PPA to the Company’s generation portfolio serves to reduce the expected net present value of long-run revenue requirements – such wind PPAs are not “directly related to compliance with the Renewable Energy Standard” and do not constitute RES compliance costs. Therefore, because the Company did not wholly enter these PPAs in order to achieve RES compliance, the cost of wind PPAs entered into for economic reasons (“favorable economics wind PPAs”) has not been

⁶ See, Messamore Direct, p. 2, ln. 16 through p. 13, ln. 11; File Nos. EO-2022-0064/0065, dated May 6, 2022.

included in its RES Compliance Reports and Plans. Said another way, RES compliance costs are costs which would not exist but for the need to meet RES requirements. Other renewable energy-related costs, such as those associated with favorable economics wind PPAs, having been executed to reduce the expected net present value of long-run revenue requirements and not solely to achieve RES compliance, therefore do not constitute RES compliance costs. These are PPAs that would have been executed regardless of the RES requirements.

WHEREFORE, the Company submits its Reply to OPC's Responses and requests that the dockets be closed.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand delivered, emailed or mailed, postage prepaid, this 8th day of August 2023, to all parties of record.

/s/ Roger W. Steiner

Roger W. Steiner