## BEFORE THE PUBLIC SERVICE COMMISSION STATE OF MISSOURI

In the Matter of the Consideration of Adoption	)	
Of the PURPA Section 111(d)(13) Fossil Fuel	)	Case No. EO-2006-0495
Generation Efficiency Standard as Required by	)	
Section 1251 of the Energy Policy Act of 2005	)	

## POSITION STATEMENT OF KANSAS CITY POWER & LIGHT COMPANY'S EXPERT WITNESS

Pursuant to 4 CSR 240-2.080 and the order issued by the Missouri Public Service Commission ("Commission") on March 15, 2007 in the above-captioned proceeding, Kansas City Power & Light Company ("KCPL") hereby provides the Position Statement of Randy Hughes to the threshold question of the applicability of the prior state action exemption to the adoption of the PURPA noted in this proceeding. In support thereof, KCPL states as follows:

- 1. In compliance with the Energy Policy Act of 2005 (the "Act"), the Commission established this case to consider the implementation of certain standards under the Public Utility Regulatory Policies Act ("PURPA").
- 2. In the order issued by the Commission in this proceeding on March 15, 2007, the Commission ordered that the parties file with the Commission position statements from their identified experts, outlining the expert's position on the applicability of the prior state action exemption to the adoption of the PURPA standards noted in each respective case caption, and articulating the reasons for supporting those positions.
- 3. The Commission directed the parties to this case to submit a response to the questions quoted above by no later than April 13, 2006.
- 4. In response to the Commission's Order, KCPL states its position (as will be articulated by Randy Hughes) that this proceeding can be closed based on prior state actions. As required by Section 1251(b)(3) of the Act, KCPL believes that the Commission has adequately

considered and implemented fossil fuel generation efficiency standards through its promulgation of 4 CSR 240-22.040 (Supply-Side Resources Analysis) and 4 CSR 240-22.060 (Integrated Resource Analysis).

- 5. Specifically, the Commission requires consideration of plant efficiency improvements in 4 CSR 240-22.040 (1). Under this section of required utility resource planning, the following plant efficiency considerations must be reviewed and economically evaluated:
  - a. Life extension and refurbishment of existing generation plants.
  - b. Enhancement of emissions controls.
  - c. Efficiency improvements which reduce the utilities own use of energy.
- 6. CSR 240-22.040 requires the above alternatives to be screened and ranked based on their relative annualized utility costs and probable environmental costs and to eliminate from consideration those alternatives that have significant disadvantages in terms of utility costs, environmental costs, operational efficiency, and risk reduction or planning flexibility. The required planning horizon is a minimum of 20-years.
- 7. These evaluations are performed every three years. Under these requirements, utilities must plan and evaluate a 20-year horizon of plant efficiency measures and must revise those plans every three-years. This clearly meets the requirements of PURPA Section 111 (d) (13).
- 8. Although KCPL believes that this case can be closed based on prior state actions, if the Commission determines that it is necessary to continue the proceeding, KCPL believes that the Commission should undertake a notice and comment rulemaking proceeding.

**WHEREFORE**, KCPL respectfully provides its Position Statement in response to the Commission's March 15, 2007 Order in the above-captioned matter.

Respectfully submitted,

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## CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing Position Statement was served to all persons on the official service lists in the above-referenced cases via electronic filing and electronic mail (e-mail) on this 13<sup>th</sup> day of April, 2007.

/s/ James M. Fischer
James M. Fischer