Missouri Public Service commission HB142/RES Rulemaking Workshop
Additional Comments to the Rulemaking – EW-2014-0092

February 14, 2014

Kansas City Power and Light Company and KCP&L – Greater Missouri Operations Company (collectively the referred to as KCP&L for this document) offer the following comments to the HB142/RES Rulemaking.

- KCP&L has participated in this rulemaking effort, particularly the pre-workshop held in October of 2013 and the initial workshop help on January 30, 2014. In both workshops, KCP&L provided detailed comments concerning the rule, 4 CSR 240-20.100.
- KCP&L continues to stand by those comments and is providing these additional comments to emphasize particular points of those original comments or to respond to points of discussion from the January workshop.
- In addition to the comments offered for 4 CSR 240-20.100, KCP&L is attaching detailed comments concerning the Net Metering rule, 4 CSR 240-20.065.

Additional Comments on 4 CSR 240-20.100:

1. In the definitions, paragraph (1)(I), KCP&L proposes adding the words "by the utility" to the end of the definition. As discussed in the January workshop, KCP&L considers this as a key element of establishing the system as operational. Measurement of electric usage is the responsibility of the utility and in applying its net metering tariff and by extension, the payment of the rebate, KCP&L is the only party that should have that function. KCP&L recognizes that representatives of the solar industry have concerns about potential delays in meter installations. Historically, these concerns were addressed in our tariffs while preserving the relationship of the utility meter to the operational date. KCP&L believes that if needed, similar protections could be applied elsewhere in the rule without affecting this definition.
2. In paragraph (1)(L), representatives of the solar industry proposed adding language to require RES to represent energy delivered to the State, commonly referred to geographic sourcing. KCP&L does not support the addition of any geographic sourcing language into the definition. This issue has been addressed in other proceedings and deemed not applicable to the RES. Attempting to add it here, without statutory support would not be appropriate.
3. In paragraph (2)(B)3, KCP&L proposes adding "or otherwise transferred to" after the words "acquired by,". KCP&L would like to preserve the language used in the statutes. Similar language would be required in other areas discussing the acquisition of RECs such as in paragraph (4)(I).
4. In paragraph (3)(C), KCP&L proposes adding "after August 28, 2013" prior to the added language for the transfer of RECs to the utility as a condition of receiving the rebate. Absent the date there may be some confusion to the date when the transfer goes into effect. For example, one could assume the date of the revised rule would apply. Adding August 28, 2013 ensures that the date of the legislation serves as the date.

5. In paragraph (3)(J), KCP&L proposes extending the period where RECs may be retired for compliance purposes to April 15. This change would allow the electric utility to retire additional RECs that may have been identified for compliance as a result of the RES Compliance Report preparation.
6. In paragraph (4)(F), KCP&L proposes retaining the language allowing inspection without advanced notice when there is possibility of safety risks. Another utility expressed a belief that this right is already provided to the electric utility in other portions of the regulation. KCP&L agrees but believes there is value to maintain the language here, as part of the RES rule
7. In paragraph (4)(H), KCP&L proposes moving the new REC transfer language out of the Standard Offer Contract section and moving it to its own paragraph, elsewhere in paragraph (4). KCP&L would propose moving the transfer language to immediately following the new paragraph containing the 182 day application filing requirement.
8. In paragraph (4)(J), it has been proposed to delete a section of language dealing with a six-month progress report, converting the paragraph to a twelve month requirement. KCP&L would support the proposed change but suggests the sentence "Applicants who do not achieve full operation within one (1) year of receipt of rebate offer, will be required to reapply for any solar rebate" be retained and added to the end of the first sub-paragraph, immediately preceding the rebate amounts. KCP&L believes it is important to provide clear instruction as to what should occur if the solar system is not operational within twelve months.
9. In paragraph (5), KCP&L supports the language proposed by Ameren to implement a carry-forward provision, inserted as a new sub-paragraph, to correct problems with calculating the retail rate impact. KCP&L supports the following language:

> The utility shall calculate for each actual compliance year an Annual Carry-Forward Amount. This amount shall be calculated as the difference between the actual costs of RES compliance and an amount equal to 1% of the revenue requirement for that year for the non-renewable generation and purchased power portfolio from its most recent annual RES compliance plan filed pursuant to Section (7)(B) of this rule. Annual Carry-Forward Amounts shall be accumulated, the Cumulative Carry-Forward Amount, and carried forward from year to year and included in the cost of the RES-compliant portfolio for purposes of calculating the retail rate impact, as calculated in subsection (5)(B).

10. In paragraph (5)(B), KCP&L supports the language proposed by Ameren to clarify composition of non-renewable and RES compliant portfolios, including treatment of non-RES renewables such as economic wind. KCP&L supports the following language:

> The costs for renewable energy resources owned or under contract prior to the effective date of this rule shall be included in both the non-renewable generation and purchased power portfolio and the RES-compliant portfolio. The costs for new renewable energy resources added to the utility's generation and purchased power portfolio after the effective date of this rule and not directly attributable to RES compliance shall be

included in both the non-renewable generation and purchased power portfolio and the RES-compliant portfolio. The cost of the RES-compliant portfolio shall also include the cumulative carry-forward amount as determined in Section (5)(G).

11. Also in paragraph (5)(B), representatives of the solar industry proposed adding language to include a value of solar, introducing the perceived benefit of solar installations into the retail rate impact calculation. KCP&L disagrees that these factors should be added to the rule. The structure of the retail rate impact section is cost-based. Adding any non-cost factors would fundamentally alter the calculation and move the impact calculation away from the structures outlined in the supporting statute.
12. In paragraph (6)(A)18, concerning the electronic filing of RESRAM information, it has been proposed to require the information to be submitted through EFIS. Given the open-ended nature of subsection E of the same paragraph, KCP&L proposes allowing that the electric utility "may" submit through EFIS. KCP&L supports using EFIS to transmit the information to the commission but cannot anticipate the types of information that could be ordered.
13. In paragraph (7)(A)1.J., the proposed additions should be removed. This data is available to the Staff for their review and incorporating the information in the Compliance Report will only add to the volume of the report.
14. KCP&L proposes the rule should accommodate the solar rebate settlement agreements established by the electric utilities. KCP&L and Ameren both have defined solar rebate spending limits that should be incorporated within the language of the new rule. For example, in paragraph (4)(M), the paragraph defining the actions taken when the solar rebates cause the retail rate impact limit to be hit, KCP&L proposes adding the words "Unless the Commission orders otherwise," to the beginning of this section. Further, in paragraph (5)(F), first sentence, following the words "subsection (5)", KCP&L proposes adding "or commission approved rebate limit". In the workshop, it was suggested that the agreements might be referenced elsewhere in the rule. KCP&L supports inclusion in some fashion.

Additional Comments on 4 CSR 240-20.065:

1. In the definitions, paragraph (1)(G), similar to the proposal for the RES rule, KCP&L proposes adding the words "by the utility" to the end of the definition. As discussed in the January workshop, KCP&L considers this as a key element of establishing the system as operational. Measurement of electric usage is the responsibility of the utility and in applying its net metering tariff and by extension, the payment of the rebate, KCP&L is the only party that should have that function. KCP&L recognizes that representatives of the solar industry have concerns about potential delays in meter installations. Historically, these concerns were addressed in our tariffs while preserving the relationship of the utility meter to the operational date. KCP&L believes that if needed, similar protections could be applied elsewhere in the rule without affecting this definition.
2. In paragraph (3), KCP&L proposes adding "after August 28, 2013" prior to the added language for the transfer of RECs to the utility as a condition of receiving the rebate. Absent the date

there may be some confusion to the date when the transfer goes into effect. For example, one could assume the date of the revised rule would apply. Adding August 28, 2013 ensures the date of the legislation serving as the date.

3. In paragraph (6)(A), KCP&L proposes adding UL1703 to the listing of standards. UL1703 is the standard associated with the solar modules. The list currently references UL1741, the standard associated with the inverter. Adding UL1703 would define standards associated with the two primary components of the solar system. This addition is also proposed for the similar language in the interconnection application.