

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its Office in Jefferson City, Missouri on the 26th day of October, 2022.

In the Matter of a Determination of Special Contemporary Resource Planning Issues to be Addressed by The Empire District Electric Company in its Next Triennial Compliance Filing or Next Annual Update Report)
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File No. EO-2023-0102

ORDER ESTABLISHING SPECIAL CONTEMPORARY RESOURCE PLANNING ISSUES

Issue Date: October 26, 2022

Effective Date: November 5, 2022

A provision in the Commission’s electric utility resource planning rule, 20 CSR 4240-22.080(4), requires Missouri’s electric utilities to consider and analyze special contemporary issues in their integrated resource plan (IRP) triennial compliance filings or in their annual IRP update reports. The regulation provides that by September 15 of each year, the Commission’s Staff (Staff), the Office of the Public Counsel (Public Counsel), and other interested stakeholders may file suggested issues for consideration. The regulation allows the utilities and other stakeholders until October 1 to file comments regarding the suggested issues. The Commission is then to issue an order by November 1 of each year specifying the list of special contemporary issues that each electric utility must address.

Staff, Public Counsel, and Renew Missouri Advocates d/b/a Renew Missouri filed suggested special contemporary issues for The Empire District Electric Company d/b/a Liberty (Liberty) to analyze and respond to in its 2023 annual update IRP filing. Liberty

filed responses to those suggestions. The Commission must now determine what special contemporary issues Liberty should address.

This is not a contested case. The Commission does not need to hear evidence before reaching a decision and does not need to make findings of fact and conclusions of law in announcing that decision.¹ The Commission's rule gives the Commission broad discretion in determining what issues a utility should be required to address, indicating:

[t]he purpose of the contemporary issues lists is to ensure that evolving regulatory, economic, financial, environmental, energy, technical, or customer issues are adequately addressed by each utility in its electric resource planning. Each special contemporary issues list will identify new and evolving issues but may also include other issues such as unresolved deficiencies or concerns from the preceding triennial compliance filing.²

After considering these factors, the Commission will adopt the list of special contemporary issues set forth in this order. The Commission has chosen these issues because they are of particular interest and importance and should be addressed in Liberty's IRP filing. Liberty may already plan to address these issues in its IRP filing apart from their designation as special contemporary issues, or it may believe it has already adequately addressed some of these issues in a previous IRP filing, or some other filing. If that is so, then it does not need to undertake any additional analysis because of this designation and may simply explain in its upcoming IRP filing exactly where the Commission can find that other analysis. The Commission does not intend that a utility spend an unreasonable amount to address any special contemporary issue. If Liberty finds that the cost to address a special contemporary issue is excessive, it may explain

¹ *State ex rel. Public Counsel v. Public Service Com'n*, 259 S.W.3d 23, 29 (Mo. App. W.D. 2008).

² 20 CSR 4240-22.080(4).

its concerns in its next IRP filing, while addressing the issue to the extent reasonably possible.

To give Liberty as much time as possible to examine these issues before its next IRP filing, the Commission will make this order effective in ten days.

THE COMMISSION ORDERS THAT:

1. Liberty shall analyze and document the following special contemporary issues in its 2023 annual update IRP filing:

A. Address modeling for low, medium, and high performance base accreditation of existing and planned generation units by updating its annual IRP filing with what Liberty (or Southwest Power Pool (SPP)) believes is the likely (or known) performance accreditation amount for each of its existing generating units, and including the rationale for calculating that amount for each of its new supply side resources modeled in its IRP.

B. Model for low, medium, and high participation scenarios of commercial and industrial customers electing to participate in demand response activities based on the introduction of third-party ARCs within its footprint and provide an analysis of that impact ARCs would have on its IRP.

C. Adjust its IRP modeling to account for the new fifteen percent reserve planning margin recently set by SPP.

D. Account for and explicitly identify cost reductions, tax credits (including all available tax credits for renewable and storage assets), additional funding sources, and other potential benefits from the Inflation Reduction Act and incorporate those changes into its IRP modeling as appropriate.

E. Update its analysis and planning activities regarding actions necessary for system-wide voltage optimization analysis of its distribution system.

F. Analyze the impact resulting from satisfaction of the clean energy goals of large customers.

G. Study and/or model various technologies and programs designed to reduce demand on the customer side of the meter, including but not limited to:

- Residential demand response programs, pairing increased rebates for web-enabled or “smart” thermostats with demand response program participation;
- Increased rebates for residential electric vehicle charging units paired with customer agreements to participate in a program allowing the Company’s use of electricity from a customer’s connected electric vehicle at times of high demand;
- New rebates for residential battery storage units paired with customer agreements to participate in a program allowing the Company’s use of batteries at times of high demand;
- A program offering free installation of utility-owned battery storage units in exchange for customer agreements to allow the Company to use batteries at times of high demand.

H. Study and/or model the potential for utility-scale battery storage to meet current and future demand, including:

1. Consideration of the range of potential price reductions in these technologies over the coming two decades;

2. Consideration of pumped hydro, stacked blocks, liquid air, above-ground and underground compressed air, and flow battery technologies in addition to lithium-ion battery technologies;
 3. Pairing mid-scale deployments of battery storage technologies with current and future utility-scale solar generation sites; and
 4. Offering free installation of utility-owned battery storage systems to large commercial and industrial customers in exchange for the Company's use of systems at times of high peak demand.
 - I. Model stand-alone or hybrid battery storage resources.
2. This order shall become effective on November 5, 2022.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive, flowing style.

Morris L. Woodruff
Secretary

Silvey, Chm., Rupp, Coleman, Holsman, and
Kolkmeier CC., concur.

Woodruff, Chief Regulatory Law Judge


STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 26th day of October, 2022.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

October 26, 2022

File/Case No. EO-2023-0102

**Missouri Public Service
Commission**

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



**Morris L. Woodruff
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.