

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 9th day of March, 2022.

In the Matter of Evergy Metro, Inc. d/b/a Evergy)
Missouri Metro's 2021 Triennial Compliance) **File No. EO-2021-0035**
Filing Pursuant to 20 CSR 4240-22)

In the Matter of Evergy Missouri West, Inc.)
d/b/a Evergy Missouri West's 2021 Triennial) **File No. EO-2021-0036**
Compliance Filing Pursuant to 20 CSR 4240-22)

**ORDER APPROVING 2021 TRIENNIAL
INTEGRATED RESOURCE PLAN**

Issue Date: March 9, 2022

Effective Date: April 8, 2022

On April 30, 2021, Evergy Metro, Inc. d/b/a Evergy Missouri Metro and Evergy Missouri West, Inc., d/b/a Evergy Missouri West (collectively Evergy or "the Companies") filed their 2021 Integrated Resource Plans (IRP) with the Public Service Commission. The filing of those plans is required by Chapter 20 CSR 4240-22, Electric Utility Resource Planning. On September 27, 2021, the Staff of the Commission (Staff) filed its report, and along with Renew Missouri, Sierra Club, and the Council for the New Energy Economics (NEE) submitted comments identifying a number of alleged deficiencies and concerns regarding the IRPs.

Commission Rule 20 CSR 4240-22.080(9) requires parties who find deficiencies in or concerns with an IRP to work with the electric utility and the other parties to reach a joint agreement on a plan to remedy the identified deficiencies and concerns. On December 10, 2021, the Companies, NEE, Staff, Renew Missouri, and Sierra Club filed a *Joint Filing* that proposed a remedy to eighteen of the twenty-one alleged deficiencies

and concerns. The *Joint Filing* also identified the three alleged deficiencies and concerns that remain unresolved.

The *Joint Filing* requests the Commission order a scheduling conference. The Companies argue a scheduling conference should be ordered only if the Commission considers that a hearing is necessary. NEE and Sierra Club argue the Commission should order a scheduling conference regardless of whether the Commission determines a hearing is necessary.

Commission Rule 20 CSR 4240-22.080(10) provides:

If full agreement on remedying deficiencies or concerns is not reached, then, within sixty (60) days from the date on which the staff, public counsel, or any intervenor submitted a report or comments relating to the electric utility's triennial compliance filing, the electric utility may file a response and the staff, public counsel, and any intervenor may file comments in response to each other. The commission will issue an order which indicates on what items, if any, a hearing will be held and which establishes a procedural schedule.

The *Joint Filing* was made on December 10, 2021, with separate, additional responses filed the same day by the Companies and NEE. No further responses have been received.

The Commission's rules outline the procedure for the IRP process. There are no requirements for a hearing on these filings. Consequently, this is a non-contested case, and the Commission may dispose of this matter informally at its discretion. Commission Rule 20 CSR 4240-22.080(16) requires that:

The Commission will issue an order which contains its findings regarding at least one (1) of the following options:

(A) That the electric utility's filing pursuant to this rule either does or does not demonstrate compliance with the requirements of this chapter, and that the utility's resource acquisition strategy either does or does not meet the requirements stated in 20 CSR 4240-22.

(B) That the Commission approves or disapproves the joint filing on the remedies to the plan deficiencies or concerns developed pursuant to section (9) of this rule;

(C) That the Commission understands that full agreement on remedying deficiencies or concerns is not reached and pursuant to section (10) of this rule, the commission will issue an order which indicates on what items, if any, a hearing(s) will be held and which establishes a procedural schedule; and

(D) That the Commission establishes a procedural schedule for filings and a hearing(s), if necessary, to remedy deficiencies or concerns as specified by the Commission.

The *Joint Filing* addressed most of the alleged concerns and deficiencies. Three alleged deficiencies and concerns were not resolved.

NEE alleged a deficiency due to Evergy's treatment of the Investment Tax Credit (ITC) for solar and battery storage paired with solar ("paired solar"). Evergy claimed that it cannot "monetize" the ITC for utility-owned solar and paired solar projects—that is Evergy has claimed that it cannot use the ITC to reduce the upfront capital cost of these resources. Instead, Evergy "normalizes" the ITC, *i.e.* spreads the tax benefits across the book life of the asset. This results in an increase in the cost of solar and paired solar by 20% or more. NEE argued this is a deficiency in that it prevents Evergy from minimizing costs, as required by 20 CSR 4240-22.010(2)(B).

Evergy responded that the ITC impacts the estimated capital cost for a resource and is factored into the Companies' analysis accordingly, but there is no requirement to model hypothetical tax credit structures which do not exist today.

The Commission agrees with Evergy and will not require any further response by the Companies to the concerns regarding treatment of the ITC for paired solar.

Sierra Club alleged a deficiency as to whether Purchase Power Agreements (“PPA”) should be modeled as discrete resource options.

Evergy argued that the purpose of the IRP is to evaluate generic new resource options and not to determine ownership or financial structure. The Companies concluded that ownership of new resources is the appropriate “default” option to represent new resources that are being evaluated.

The Commission agrees with Evergy and will not require any further response by the Companies to the concern of whether PPA should be modeled as discrete resource options.

Sierra Club alleged a deficiency as Evergy failed to evaluate the public health impacts of its Alternative Resource Plans (ARPs). Specifically, Evergy should update its IRP scorecard to include a metric that assesses each ARP’s contribution to reducing air pollution harms.

Evergy argued that public health impacts are assessed when environmental regulations are established. Each alternative resource plan considered by the Companies are based on resources that comply with environmental regulations. As such, no additional public health assessment is needed to evaluate alternative plans.

The Commission agrees with Evergy and will not require any further response by the Companies to the concern that Evergy failed to evaluate the public health impacts of its ARPs.

After reviewing Evergy’s 2021 IRP filing and the December 10, 2021, *Joint Filing*, through which most of the concerns raised about the IRP filing have been resolved, as well as the three remaining unresolved alleged concerns and deficiencies, the

Commission finds that Evergy's 2021 IRP filing complies with the requirements of Commission Rule 20 CSR 4240-22, and that Evergy's resource acquisition strategy meets the requirements of that rule. The Commission will approve the *Joint Filing* and will require the Companies to comply with its requirements.

THE COMMISSION ORDERS THAT:

1. Pursuant to Commission Rule 20 CSR 4240-22.080(16)(A), the Commission finds that the 2021 triennial Integrated Resource Planning filing made by Evergy complies with the requirements of this chapter, and that the utility resource's acquisition strategy meets the standards stated in 20 CSR 4240-22.

2. Evergy shall comply with the resolutions described in the *Joint Filing* made on December 10, 2021.

3. This order shall become effective on April 8, 2022.

4. This file shall be closed on April 9, 2022.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

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

Hatcher, Regulatory Law Judge

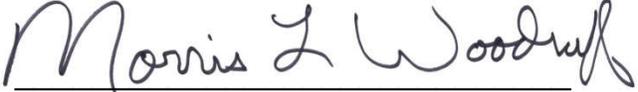
STATE OF MISSOURI

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 9th day of March, 2022.





Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

March 9, 2022

File/Case No. EO-2021-0035 and EO-2021-0036

Missouri Public Service Commission

Staff Counsel Department
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
staffcounsel@psc.mo.gov

Office of the Public Counsel

Marc Poston
200 Madison Street, Suite 650
P.O. Box 2230
Jefferson City, MO 65102
opcservice@opc.mo.gov

AARP

John B Coffman
871 Tuxedo Blvd.
St. Louis, MO 63119-2044
john@johncoffman.net

Consumers Council of Missouri

John B Coffman
871 Tuxedo Blvd.
St. Louis, MO 63119-2044
john@johncoffman.net

Council for the New Energy Economics

Andrew O Schulte
900 W. 48th Place, Suite 900
Kansas City, MO 64112-6411
aschulte@polsinelli.com

Dogwood Energy, LLC

Carl J Lumley
130 S. Bemiston, Ste. 200
St. Louis, MO 63105
clumley@chgolaw.com

Evergy Missouri Metro

Robert Hack
1200 Main, 19th Floor
P.O. Box 418679
Kansas City, MO 64141-9679

Evergy Missouri Metro

Roger W Steiner
1200 Main Street, 16th Floor
P.O. Box 418679
Kansas City, MO 64105-9679
roger.steiner@evergy.com

Evergy Missouri West

Robert Hack
1200 Main, 19th Floor
P.O. Box 418679
Kansas City, MO 64141-9679

Evergy Missouri West

Roger W Steiner
1200 Main Street, 16th Floor
P.O. Box 418679
Kansas City, MO 64105-9679
roger.steiner@evergy.com

IBEW Local 304

Brian Noland
117 W. 20th St, Ste 201
Kansas City, MO 64108
nolandbrian@gmail.com

IBEW Local 304

Fred Wickham
107 W. 9th Street, 2nd Floor
Kansas City, MO 64105
fred@wickham-wood.com

IBEW Local 304

Brian Wood
107 W. 9th Street, 2nd Floor
Kansas City, MO 64105
brian@wickham-wood.com

Midwest Energy Consumers Group

David Woodsmall
308 E. High Street, Suite 204
Jefferson City, MO 65101
david.woodsmall@woodsmallllaw.com

Missouri Division of Energy

Ryan P Conway
1101 Riverside Dr.
PO Box 176
Jefferson City, MO 65102
ryan.conway@dnr.mo.gov

Missouri Division of Energy

Jacob Westen
1101 Riverside Drive
P.O. Box 176
Jefferson City, MO 65102-0176
Jacob.Westen@dnr.mo.gov

Missouri Joint Municipal Electric Utility Commission

Douglas Healy
3010 E. Battlefield, Suite A
Springfield, MO 65804
doug@healylawoffices.com

Missouri Joint Municipal Electric Utility Commission

Terry M Jarrett
3010 East Battlefield, Suite A
Springfield, MO 65804
terry@healylawoffices.com

**Missouri Public Service
Commission**

Kevin Thompson
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
kevin.thompson@psc.mo.gov

**Natural Resources Defense
Council**

Bruce A Morrison
319 North Fourth Street
Suite 800
St. Louis, MO 63102
bamorrison@greatriverslaw.org

**Natural Resources Defense
Council**

Henry B Robertson
319 N. Fourth St., Suite 800
St. Louis, MO 63102
hrobertson@greatriverslaw.org

**Natural Resources Defense
Council**

Sarah W Rubenstein
319 N. 4th Street, Suite 800
St. Louis, MO 63102
srubenstein@greatriverslaw.org

Renew Missouri

Alissa Greenwald
P.O. Box 413071
Kansas City, MO 64141
alissa@renewmo.org

Renew Missouri

Andrew J Linhares
3115 S. Grand Ave
Suite 600
St. Louis, MO 63118
Andrew@renewmo.org

Sierra Club

Bruce A Morrison
319 North Fourth Street
Suite 800
St. Louis, MO 63102
bamorrison@greatriverslaw.org

Sierra Club

Henry B Robertson
319 N. Fourth St., Suite 800
St. Louis, MO 63102
hrobertson@greatriverslaw.org

Sierra Club

Sarah W Rubenstein
319 N. 4th Street, Suite 800
St. Louis, MO 63102
srubenstein@greatriverslaw.org

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.