

OPC Market Protection Plan Mechanism

Annual Wind Value	=	(Annual Revenues – Annual Costs + interest on previous year’s AWW) * Actual Missouri energy jurisdictional factor for that year
Annual Revenues	=	SPP IM Market Revenues to Empire + Revenues from sale of RECs + Production Tax Equity + Paygo
Annual Costs	=	Return on and of Wind Project + Cost of Debt + Income Tax Payable + Property Tax + Fixed O&M + Cost of RECs + PISA deferral

At the end of 10 years, the Missouri jurisdictional annual wind values will be summed.

If the 10-year sum of the annual wind values is positive, then nothing happens.

If the 10-year total of the annual wind values is negative:

- For the first \$52.5 million, one half of difference will be amortized and returned to customers over a time period to be determined by the Commission in the next general rates case.
- For all losses greater than \$52.5 million, the total amount will be amortized and returned to customers over a time period to be determined by the Commission in the next general rates case.
 - Alternative would be a 50/50 split of the losses between Empire and its customers.

- All costs and revenues associated with the wind projects, whether or not included in this document will be part of the MPPM.
- All cost and revenues in the MPPM will Empire only costs and revenues thus negating the need for tax equity payments/costs to be included in the MPPM.
- SPP IM revenues and REC costs and revenues will be included in the FAC with tracking to assure all benefits are provided to customers.
- Annual estimates of Production Tax Equity value and paygo are included in Empire’s revenue requirement. Between rate cases differences between estimated and actual will be tracked with reconciliation in Empire’s next rate case.
- MPPM costs other than RECs will remain at the amount set in revenue requirement until a new revenue requirement is set.
- No PPA replacement benefit.
 - Alternative would be inclusion of a benefit equal to the lesser of the least-cost manner of meeting the RES at the time renewables are needed or the portion of the wind projects revenue requirement consistent with the RES requirement.
 - The energy to meet the RES would come from the Missouri wind projects because of the 1.25 multiplier when Missouri generation is used to meet Missouri’s RES.
 - The RES requirement of the Missouri wind projects is the total RES non-solar requirements minus the generation of Ozark Beach