

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of Kansas City Power & Light    )  
Company's Submission of its 2012 RES        )  
Compliance Plan                                    )  
**File No. EO-2012-0348**

**STAFF REPORT ON COMPANY'S CALENDAR YEAR 2011**  
**RES COMPLIANCE REPORT**

**COMES NOW** Staff of the Missouri Public Service Commission (Staff), by and through the undersigned counsel, and submits this *Staff Report On Company's Calendar Year 2011 RES Compliance Report* (Staff Report) to the Missouri Public Service Commission (Commission). In support of the Staff Report, Staff respectfully states the following:

1. On April 16, 2012, Kansas City Power & Light Company (Company) filed its 2012 Annual Renewable Energy Standard (RES) Compliance Report (Compliance Report) for calendar year 2011.

2. Commission rule 4 CSR 240-20.100(7) states:

...Each electric utility shall file an RES compliance report no later than April 15 to report on the status of the utility's compliance with the renewable energy standard and the electric utility's compliance plan as described in this section for the most recently completed calendar year. The initial annual RES compliance report shall be filed by April 15, 2012, for the purpose of providing the necessary information for the first RES compliance year (2011)....

3. Rule 4 CSR 240-20.100(7)(A) specifies what information the RES Compliance Report shall provide.

4. Rule 4 CSR 240-20.100(7)(D) provides that:

The staff of the commission shall examine each electric utility's annual RES compliance report and RES compliance plan and file a report of its review with the commission within forty-five (45) days of the filing of the annual RES compliance report and RES compliance plan with the commission. The staff's report shall identify any deficiencies in the electric utility's compliance with the RES.

5. On April 17, 2012, the Commission issued its *Order Directing Notice And Setting Filing Date*, directing the Staff to file a report of its review of the Company's Compliance Report before May 31, 2012, forty-five (45) days from the Company's filing.

6. In its *Memorandum*, attached hereto and labeled as Attachment A, Staff reports on its review of the Company's Annual RES Compliance Report.

7. At this time, the Staff has identified no deficiencies within the Company's filing.

8. The Company filed its calendar year 2011 annual report on May 15, 2012. The Staff is currently reviewing the report. The Company owes \$0.01 on its quarterly payment of the fiscal year 2012 assessment.

9. The Staff is unaware of any other case currently pending before the Commission that a decision in this file will directly affect, or be affected by.

**WHEREFORE**, the Staff submits this *Staff Report* for the Commission's information and consideration.

Respectfully submitted,

**/s/ Jennifer Hernandez**

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Senior Staff Counsel  
Missouri Bar No. 59814

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### **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served by first class United States Postal Mail, postage prepaid, to Kansas City Power & Light Company, Legal Department, P.O. Box 418679, One Kansas City Place, 1200 Main Street, Kansas City, MO 64105; and electronic mail to Lewis Mills, attorney for the Office of the Public Counsel at [opcservice@ded.mo.gov](mailto:opcservice@ded.mo.gov) this 31<sup>st</sup> day of May 2012.

**/s/ Jennifer Hernandez**

## **MEMORANDUM**

TO: Missouri Public Service Commission Case File  
Case No. EO-2012-0348, KCP&L Kansas City Power & Light Company Renewable  
Energy Standard Compliance Report for Calendar Year 2011

FROM: Michael E. Taylor, Energy Unit – Engineering Analysis

/s/ Daniel I. Beck     5/31/12                      /s/ Jennifer Hernandez / 5/31/12  
Energy Unit / Date                                      Staff Counsel's Office / Date

SUBJECT: Staff Report and Conclusion on Kansas City Power & Light Company's 2011 Renewable  
Energy Standard Compliance Report

DATE: May 31, 2012

## **CONCLUSION**

The Staff has reviewed the Kansas City Power & Light Company's (Company) 2012 Renewable Energy Standard (RES) Compliance Report for calendar year 2011. Based on its review, Staff has not identified any deficiencies.

## **OVERVIEW**

On April 16, 2012, the Company filed its RES Compliance Report (Compliance Report) for calendar year 2011 (Case No. EO-2012-0348). The Compliance Report was filed in accordance with Rule 4 CSR 240-20.100(7), Electric Utility Renewable Energy Standard Requirements, Annual RES Compliance Report and RES Compliance Plan. This rule states, in part, "Each electric utility shall file an RES compliance report no later than April 15 to report on the status of the utility's compliance with the renewable energy standard and the electric utility's compliance plan as described in this section for the most recently completed calendar year. The initial annual RES compliance report shall be filed by April 15, 2012, for the purpose of providing the necessary information for the first RES compliance year (2011)." Subparagraphs 4 CSR 240-20.100(7)(A)1.A. through N. provide the minimum requirements for the Compliance Report. Subsection 4 CSR 240-20.100(7)(D) requires that Staff examine the Compliance Report and file a report within forty-five (45) days of the filing. This is the first Compliance Report filing

for the Missouri electric utilities required by the Missouri Renewable Energy Standard, Sections 393.1020 through 393.1030, RSMo.

Staff has utilized MissouriRECS (North American Renewables Registry) to independently verify the retirement of the RECs and S-RECs by the Company.

## **DISCUSSION**

Staff has reviewed the Company's Compliance Report in accordance with the established requirements to verify the Compliance Report contains the information required by rule. The results of this review are detailed below, with appropriate rule subparagraphs A. through N. identified and quoted.

**A. "Total retail electric sales for the utility, as defined by this rule:"**

The Company provided the total retail electric sales for 2011 expressed as total megawatt-hours (MWh) sold to ultimate consumers. This amount (8,747,836 MWh) is consistent with the Company's 2011 FERC Form 1 filed on May 15, 2012.

**B. "Total jurisdictional revenue from the total retail electric sales to Missouri customers as measured at the customers' meters;"**

The Company provided the total retail electric sales for 2011 expressed as annual operating revenues (dollars) from ultimate consumers. This amount (\$758,662,542) is consistent with the Company's 2011 FERC Form 1 filed on May 15, 2012.

**C. "Total retail electric sales supplied by renewable energy resources, as defined by section 393.1025(5), RSMo, including the sources of energy;"**

The Company utilized two (2) renewable energy generating facilities during 2011; the Company-owned Spearville I and II wind energy facilities (Spearville I and II). The total amount of energy generated at the wind energy facilities was 325,046 MWh<sup>1</sup>.

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<sup>1</sup> Unless otherwise specified, all Spearville I and II generation in this section and subsequent sections is reported for Missouri jurisdiction based on energy allocation.

**D. “The number of RECs and S-RECs created by electrical energy produced by renewable energy resources owned by the electric utility. For the electrical energy produced by these utility-owned renewable energy resources, the value of the energy created. For the RECs and S-RECs, a calculated REC or S-REC value for each source and each category of REC;”**

The Company reported that Spearville I and II generated 325,046 MWh in 2011. The value of the energy was \$8,148,903. The Company does not assign a value to the RECs created since they are an inherent benefit from generating facilities that are already in the existing rate structure.

**E. “The number of RECs acquired, sold, transferred, or retired by the utility during the calendar year;”**

The Company provided information regarding its utilization of RECs for compliance. The Company utilized 171,458 RECs from Spearville I and II. The Company also acquired 3,499 S-RECs. The Company did not sell or transfer any RECs (S-RECs). Staff verified that the Company retired 171,458 RECs and 3,499 S-RECs<sup>2</sup>. These RECs were registered and retired in the electronic tracking system<sup>3</sup> utilized for compliance purposes. In accordance with statute and regulation, these RECs were produced by a qualified facility and were banked and utilized appropriately.<sup>4</sup>

**F. “The source of all RECs acquired during the calendar year;”**

The Company did not acquire any RECs or S-RECs during 2011.

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<sup>2</sup> Pursuant to Rule 4 CSR 240-20.100(2)(C)1., the amount of RECs necessary is determined by calculating two percent (2%) of the Company’s total retail electric sales, less the solar requirement and pursuant to Rule 4 CSR 240-20.100(2)(D)1., the amount of S-RECs necessary is determined by calculating four-hundredths percent (0.04%) of the Company’s total retail electric sales.

<sup>3</sup> MissouriRECS (North American Renewables Registry): <http://missouriirecs.com/>

<sup>4</sup> Qualified facility per Section 393.1025.(5), RSMo and Rule 4 CSR 240-20.100(1)(K); Banked RECs per Section 393.1030.2., RSMo and Rule 4 CSR 240-20.100(1)(J).

**G. “The identification, by source and serial number, of any RECs that have been carried forward to a future calendar year;”**

The Company provided a listing of RECs that are being carried forward for future year(s) as Attachment A of the Compliance Report.

**H. An explanation of how any gains or losses from sale or purchase of RECs for the calendar year have been accounted for in any rate adjustment mechanism that was in effect for the electric utility;”**

The Company did not incur any gains or losses associated with REC (S-REC) purchases or sales. No RECs were sold and all RECs purchased were utilized for current compliance purposes or retained for future compliance.

**I. “For acquisition of electrical energy and/or RECs from a renewable energy resource that is not owned by the electric utility, the following information for each resource that has a rated capacity of ten (10) kW or greater:**

**(I) Name, address, and owner of the facility;**

The Company stated that it did not acquire any energy and/or RECs from renewable energy resources that are not owned by the Company in 2011.

**(II) An affidavit from the owner of the facility certifying that the energy was derived from an eligible renewable energy technology and that the renewable attributes of the energy have not been used to meet the requirements of any other local or state mandate;**

See Subsection I.(I) above.

**(III) The renewable energy technology utilized at the facility;**

See Subsection I.(I) above.

**(IV) The dates and amounts of all payments from the electric utility to the owner of the facility;**

See Subsection I.(I) above.

**(V) All meter readings used for the calculation of the payments referenced in part (IV) of the paragraph;"**

See Subsection I.(I) above.

**J. "The total number of customers that applied and received a solar rebate in accordance with section (4) of this rule;"**

The Company paid 39 solar rebates during calendar year 2011.

**K. "The total number of customers that were denied a solar rebate and the reason(s) for denial;"**

No customers were denied a solar rebate.

**L. "The amount of funds expended by the electric utility for solar rebates, including the price and terms of future S-REC contracts associated with the facilities that qualified for the solar rebates;"**

The Company has paid \$1,305,290 in solar rebates. The Company has not had and does not have a Standard Offer Contract (SOC) tariff in effect.

**M. “An affidavit documenting the electric utility’s compliance with the RES compliance plan as described in this section during the calendar year. This affidavit will include a description of the amount of over- or under-compliance costs that shall be adjusted in the electric utility’s next compliance plan;”**

The Company provided an affidavit documenting compliance with the RES. There were no over- or under-compliance costs; therefore no adjustments are necessary in the Company’s next compliance plan.

**N. “If compliance was not achieved, an explanation why the electric utility failed to meet the RES.”**

As described in Discussion paragraph E., the Company achieved compliance with the Missouri RES for calendar year 2011.



Ausan L. Sundermeyer  
Notary Public