

**THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

Before Commissioners: Andrew J. French, Chairperson
 Dwight D. Keen
 Annie Kuether

In the Matter of the Triennial Compliance)
Docket for the Integrated Resource Plan of)
Eversource Central, Inc. and Eversource Kansas) Docket No. 24-EKCE-387-CPL
Metro, Inc. Pursuant to the Commission's)
Order in Docket No. 19-KCPE-096-CPL.)

**ORDER FINDING EVERGY'S 2024 IRP COMPLIED WITH REQUIREMENTS OF
CAPITAL PLAN FRAMEWORK**

This matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed the pleadings and record, the Commission makes the following findings:

1. On February 6, 2020, the Commission issued its Order Adopting Integrated Resource Plan and Capital Plan Framework requiring Evergy, Inc. and its operating subsidiaries to make triennial integrated resource plan filings and annual updates, and a process for the Parties to file reports not later than 150 days after Evergy's compliance filings.¹

2. On December 14, 2023, the Commission issued an Order Opening Docket for the next cycle of triennial Integrated Resource Plan (IRP) filings from 2024-2026 as set forth in the Commission's Order Adopting Integrated Resource Plan and Capital Plan Framework filed on February 6, 2020 in Docket No. 19-KCPE-096-CPL (19-096 Docket).²

3. On May 17, 2024, Evergy submitted its 2024 Triennial IRP.

¹ Order Adopting Integrated Resource Plan and Capital Plan Framework, Docket No. 19-KCPE-096-CPL, Feb. 6, 2020.

² Order Opening Docket, Dec. 14, 2023.

4. On October 14, 2024, the Sierra Club, Kansas Electric Power Cooperative, Inc. (KEPCo), and the Council for the New Energy Economics (NEE) each filed comments in response to Evergy's 2024 Triennial IRP.

5. The Sierra Club claims Evergy's 2024 IRP continues to incorporate unsupportable assumptions in its modeling, similar to its 2023 and 2022 IRP Annual Updates, which the Sierra Club alleges unfairly favors expensive fossil-fired generation.³ Thus, the Sierra Club believes Evergy's IRP fails to meet the Commission's requirements.⁴ The Sierra Club identifies 4 deficiencies in the IRP: **Deficiency 1:** The Company has only tested a limited amount of coal retirements, and heavily favored plans that keep the units on-line longer;⁵ **Deficiency 2:** The Company has largely ignored the massive compliance costs that these units would require to meet EPA's greenhouse gas limits;⁶ **Deficiency 3:** The Company has overstated the costs of clean resources;⁷ and **Deficiency 4:** The Company has understated the costs of new gas by not considering the costs associated with carbon capture and storage in most cases.⁸

6. KEPCo credits Evergy for improving its IRP analysis from previous iterations, including reliability testing, contingency planning, and adjusted critical uncertainty factors,⁹ but criticizes Evergy for not retested Alternative Resource Plans (ARPs) and associated retirement dates that were previously ruled out in the 2021 Triennial IRP.¹⁰ KEPCo believes Evergy's failure to retest these retirement dates causes Evergy's 2024 Triennial Update to resemble an annual

³ Sierra Club's Comments on Evergy's 2024 Integrated Resource Plan, Oct. 14, 2024, pp. 1-2.

⁴ *Id.*, p. 2.

⁵ *Id.*, p. 4.

⁶ *Id.*

⁷ *Id.*, p. 11.

⁸ *Id.*

⁹ Report of Kansas Electric Power Cooperative, Inc. on the Evergy Kansas Central and Evergy Metro 2024 Triennial IRP, Oct. 14, 2024, ¶ 4.

¹⁰ *Id.*, ¶ 7.

update, rather a true triennial study.¹¹ While Evergy reduced the high scenario probability allocations of the carbon dioxide emissions Critical Uncertain Factor and increased the low scenario probability, KEPCo would have made greater adjustments.¹² KEPCo contends a more realistic weighting would allocate probabilities at 50% or more for the low scenario and 50% or less for the mid-scenario (which could be renamed the high scenario after the existing high scenario is removed).¹³ Since more than a billion dollars of net present value of revenue requirements (NPVRR) savings hinge on environmental reforms and gas prices, KEPCo believes Evergy's selection of the preferred plan would be ill-advised, and result in more than a billion dollars of unnecessary costs in NPVRR to its customers, while potentially also providing a less reliable resource portfolio.¹⁴ Lastly, KEPCo notes Evergy has not complied with requests to test alternative scenarios if it pursues costly retrofits for the Jeffrey Energy Center Units.¹⁵

7. NEE identifies 8 deficiencies in Evergy's IRP: (1) New Resource Build Constraints; (2) New Thermal Resource Costs; (3) Accreditation for New Thermal Resources; (4) Modeling Coal to Natural Gas Conversion; (5) Production Cost Modeling; (6) Coal Retirement Costs; (7) Natural Gas Price Forecast; and (8) SERVVM Modeling.¹⁶ In addition to those deficiencies NEE recommends future IRP filings include: (1) the extension of the Investment Tax Credit and the Production Tax Credit for new renewable and battery storage resources; (2) an evaluation of the settings applied in PLEXOS for capacity expansion modeling to ensure the value of battery storage resources are being accurately captured; (3) an evaluation of whether assuming

¹¹ *Id.*

¹² *Id.*, ¶ 9.

¹³ *Id.*

¹⁴ *Id.*, ¶ 10.

¹⁵ *Id.*, ¶ 16.

¹⁶ Comments of the Council for the New Energy Economics, Oct. 14, 2024, ¶ 2.

transmission upgrades would have a significant impact on the market prices developed; and (4) an adoption of the technical stakeholder process suggested by NEE.¹⁷

8. Also on October 14, 2024, Commission Staff (Staff) filed a Report and Recommendation, concluding: (1) Evergy's 2024 IRP is consistent with the IRP framework adopted in 2020; (2) Evergy has applied a reasonable methodology, incorporating a number of recommendations from prior reviews of IRPs and annual updates; (3) due the high degree of uncertainty across factors critical to the IRP results, including load, SPP resource accreditation and reserve requirements, and equipment cost and availability, it is essential that Evergy evaluate the impact of changing circumstances at least annually, and clearly identify decision points for key actions, particularly hard commitments for resource retirement; (4) due to the high degree of uncertainty over resource needs over the next five to ten years, Evergy should evaluate further alternatives to definitive retirement (seasonal shutdown, mothballing, or conversion to alternative fuel sources like natural gas), particularly for the Lawrence and Jeffrey units; and (5) because solar and solar plus battery storage appear to be valuable in meeting resource need cost-effectively, particularly in the near term, Evergy should pursue those options through competitive procurement processes, including an evaluation of potential power purchase agreement (PPA) alternatives.¹⁸

9. On October 15, 2024, the Citizens' Utility Ratepayer Board (CURB) filed its comments on Evergy's IRP. Like Staff, CURB concludes that the 2024 IRP Filing complies with the reporting requirements under the IRP framework.¹⁹ To ensure Evergy is acting prudently, CURB recommends Evergy: (1) run its IRP model using resource costs that allow for apples-to-

¹⁷ Review of Evergy Kansas Central and Evergy Metro 2024 Integrated Resource Plan, prepared by Energy Futures Group on behalf of NEE (attached to Comments of the Council for the New Energy Economics), Oct. 14, 2024, p. 4.

¹⁸ Report and Recommendation Utilities Division of Commission Staff (Staff R&R), Oct. 14, 2024, pp. 2-3.

¹⁹ Comments of the Citizens' Utility Ratepayer Board Regarding the 2024 Triennial Update to Evergy's Integrated Resource Plan, Oct. 15, 2024, ¶ 11.

apples comparison between technologies, including the same level of inflation and return on investment for each resource, and Evergy should share the results with the participants in the IRP process; (2) investigate whether it could procure larger amounts of wind, solar, and storage through acquiring PPAs instead of making capital investments; (3) using a Kansas Demand-Side Management (DSM) potential study, instead of a Missouri study adjusted to approximate DSM potential in Kansas; (4) report in its next IRP update how much efficiency has been achieved, compared to the amount forecasted in the 2024 IRP Filing; and (5) adjust its next IRP forecast to consider the actual results of the Kansas Energy Efficiency Investment Act (KEEIA) program.²⁰

10. CURB finds Evergy's IRP's assumption that non-emitting, dispatchable generators with operational parameters similar to natural gas CC turbines will be available to cost-effectively replace all of the natural gas selected in its preferred portfolio after 2035 problematic.²¹ CURB does not believe Evergy provides support or justification for this assumption, and in discovery acknowledged that it did not consult any studies when developing this assumption.²² CURB also accuses Evergy of providing mixed signals on retiring Jeffrey 2 in 2030 versus 2039.²³

11. On December 2, 2024, Evergy, NEE, and the Sierra Club submitted a Joint Filing, summarizing: (1) the alleged deficiencies in the IRP identified by stakeholders, (2) proposed resolutions to certain alleged deficiencies, and (3) remaining unresolved resolutions.²⁴ The Sierra Club agrees no hearing is needed to resolve any remaining unresolved deficiencies.²⁵ Only one NEE deficiency (#7) remains unresolved.²⁶ In NEE #7, NEE believes Evergy should evaluate natural gas price scenarios that are better aligned with historical volatility and realized costs within

²⁰ *Id.*, ¶ 19.

²¹ *Id.*, ¶ 35.

²² *Id.*, ¶ 36.

²³ *Id.*, ¶¶ 47-48.

²⁴ Joint Filing, Dec. 2, 2024, p. 1.

²⁵ *Id.*, ¶ 3.

²⁶ *Id.*, ¶ 18.

the region.²⁷ The Sierra Club has three alleged, unresolved deficiencies: **SC Deficiency 1** -- Evergy has only tested a limited amount of coal retirements, and heavily favored plans that keep units online longer;²⁸ **SC Deficiency 3** -- Evergy overstates the cost of clean resources;²⁹ and **SC Deficiency 4** -- Evergy understates the costs of new gas by ignoring the costs associated with carbon capture and storage.³⁰

12. On December 13, 2024, NEE filed its Post-Joint Filing Comments, requesting the Commission abstain from making a determination on NEE Deficiency 7 in this Docket and instead address it in Evergy's pending Predetermination Docket, Docket No. 25-EKCE-207- PRE.³¹

13. Also on December 13, 2024, Evergy filed its Response to NEE's alleged deficiencies. Evergy does not agree that NEE Deficiency 7 (Evergy should evaluate natural gas price scenarios that are better aligned with historical volatility and realized costs within the region) is a deficiency within the Kansas Framework, nor does it believe a hearing necessary for resolution.³² Evergy asks the Commission find the triennial IRP meets the requirements of the IRP framework.³³

14. On December 19, 2024, Evergy filed its Opposition to NEE's December 13th comments, explaining this Docket and the Predetermination Docket should be adjudicated separately because the two Dockets serve different purposes and involve different standards of review, different issues and proofs, and different procedural frameworks.³⁴ Evergy reiterates that the IRP docket is simply to determine whether the 2024 IRP complies with the structure the

²⁷ *Id.*, ¶ 17.

²⁸ *Id.*, ¶¶ 21-22.

²⁹ *Id.*, ¶¶ 25-26.

³⁰ *Id.*, ¶¶ 27-28.

³¹ Post-Joint Filing Comments of the Council for the New Energy Economics, Dec. 13, 2024, ¶ 4.

³² Evergy Response to Alleged Deficiency, Dec. 13, 2024, ¶ 5.

³³ *Id.*, p. 3.

³⁴ Evergy Response in Opposition to Post-Joint Filing Comments of the Council for the New Energy Economics, Dec. 19, 2024, ¶ 3.

Commission adopted in the 19-096 Docket.³⁵ Thus, Evergy asks the Commission to deny NEE's request to address NEE Deficiency 7 in the Predetermination Docket, find the Triennial 2024 IRP meets the required IRP framework, and close this Docket.³⁶

15. The Commission agrees with Evergy that the scope of this compliance docket is limited to determining whether the Triennial 2024 IRP meets the framework established by the Commission in the 19-096 Docket. As the Commission previously explained,

The purpose of the compliance review required by this filing process is not Commission approval of the substantive findings, determinations, or analyses contained in the filing. The purpose of the compliance review required by this filing process is to determine whether Evergy's Capital Plan Reporting and IRP Process Framework complies with the stated structure and expectations outlined in this document.³⁷

Furthermore, the last step in the IRP Process requires the Commission to issue an order finding whether Evergy's filing and resource acquisition strategy demonstrates compliance with the requirements of the IRP framework.³⁸ Accordingly, the only question before the Commission is whether the Triennial 2024 IRP meets the IRP framework. The Commission finds that the Triennial 2024 IRP does meet the IRP framework.

16. Both Staff³⁹ and CURB⁴⁰ believe the Triennial 2024 IRP meets the IRP framework. While the Sierra Club claims Evergy's IRP fails to meet the Commission's requirements,⁴¹ it does not support its blanket claim. Instead, the Sierra Club merely offers up four deficiencies, which even if true, do not demonstrate a failure to comply with the IRP framework.

³⁵ *Id.*, ¶ 4.

³⁶ *Id.*, p. 3.

³⁷ Order Adopting Integrated Resource Plan and Capital Plan Framework, Docket No. 19-KCPE-096-CPL, Feb. 6, 2020, Attachment A, p. 4.

³⁸ *Id.*, Attachment A, p. 6.

³⁹ Staff R&R, p. 2.

⁴⁰ Comments of the Citizens' Utility Ratepayer Board Regarding the 2024 Triennial Update to Evergy's Integrated Resource Plan, ¶ 11.

⁴¹ Sierra Club's Comments on Evergy's 2024 Integrated Resource Plan, P. 2.

17. The IRP Process is designed to assess planned investments for new generation resource greater than 100 MW and directly related transmission and distribution investments included in the plan; and any retrofit or modification to an existing generation facility that exceeds \$300 million within a three-year period will be included in the plan.⁴² Since the process is designed to be dynamic in nature and can be modified as conditions warrant based on input from Staff, Evergy, and other interested parties, the Commission encourages parties to continue to work towards resolution of unresolved issues, including NEE Deficiency 7 through each iteration of Integrated Resource Planning.⁴³

18. Having found that the 2024 IRP meets the IRP framework, the Commission concludes a determination on the merits of NEE Deficiency 7 is beyond the scope of this Docket. Similarly, rather than commit to addressing NEE Deficiency 7 in the Predetermination Docket, the Commission will consider evidence relating to the 2024 IRP to the extent it is relevant in the Predetermination Docket.⁴⁴

THEREFORE, THE COMMISSION ORDERS:

A. Evergy's 2024 Triennial Compliance Filing meets the requirements of the IRP Framework.

B. The Commission will not explicitly refer alleged NEE Deficiency 7 for further adjudication in Docket No. 25-EKCE-207-PRE.

⁴² See Order on Joint Filing Regarding Proposed Resolutions to Concerns Raised with Triennial 2021 Integrated Resource Plan, Docket No. 19-KCPE-096-CPL, May 12, 2022, ¶ 9.

⁴³ *Id.*, ¶ 10.

⁴⁴ "Evergy acknowledges that matters related to the 2024 IRP may be relevant in the Predetermination Docket and recognizes that the Commission may receive evidence probative of such matters in that proceeding." See Evergy Response in Opposition to Post-Joint Filing Comments of the Council for the New Energy Economics, Dec. 19, 2024, ¶ 3.

C. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(l).⁴⁵

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 01/30/2025



Lynn M. Retz
Executive Director

BGF

⁴⁵ K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).

CERTIFICATE OF SERVICE

24-EKCE-387-CPL

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 01/30/2025.

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