

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

In the Matter of the Application of Westar)
Energy, Inc. and Kansas Gas and Electric)
Company Seeking Commission Approval) Docket No. 18-WSEE-493-TAR
for the Proposed Changes to its Net Metering)
Rider.)

NOTICE OF FILING OF STAFF'S REPORT AND RECOMMENDATION

COMES NOW, the Staff of the State Corporation Commission of the State of Kansas ("Staff" and "Commission," respectively) and hereby files its Report and Recommendation (R&R) regarding Westar Energy Inc. and Kansas Gas and Electric Company's (collectively "Westar") proposed changes to its Net Metering Rider. In support thereof, Staff states the following:

1. On May 11, 2018, Westar filed an Application seeking changes to its Net Metering Rider. After Staff recommended the Commission deny Westar's proposed changes, the proceeding was stayed to allow further discussions between Westar and Staff. On May 9, 2019, Westar filed a Revised Application which resulted from these discussions.
2. Staff has reviewed the Revised Application and recommends the Commission approve Westar's revised Net Metering Rider.

WHEREFORE, Staff respectfully requests the Commission accept Staff's R&R and order any further relief the Commission deems just and reasonable.

Respectfully submitted,

/s/ Robert Elliott Vincent
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Dwight D. Keen, Chair
Shari Feist Albrecht, Commissioner
Susan K. Duffy, Commissioner

Laura Kelly, Governor

REPORT AND RECOMMENDATION UTILITIES DIVISION

TO: Chair Dwight D. Keen
Commissioner Shari Feist Albrecht
Commissioner Susan K. Duffy

FROM: Tim Stringer, Energy Engineer
Leo Haynos, Chief Engineer
Jeff McClanahan, Director of Utilities

DATE: June 24, 2019

SUBJECT: 18-WSEE-493-TAR:
In the Matter of the Application of Westar Energy, Inc. and Kansas Gas and Electric Company Seeking Commission Approval for the Proposed Changes to its Net Metering Rider

EXECUTIVE SUMMARY:

On May 11, 2018, Westar Energy, Inc. (Westar) filed with the Commission an Application requesting approval for the proposed changes to its Net Metering Rider.¹ On December 12, 2018, Staff filed a Report and Recommendation (R&R) recommending the Commission deny the proposed tariff but allow Staff to work with Westar to modify the Application to address eight recommendations contained in Staff's original R&R. After many meetings and discussions, Westar and Staff reached an agreement on the structure and terms of the proposed new tariff. On May 9, 2019, Westar filed a motion for approval of the modified tariff. Staff has reviewed the latest revision and agrees with the Net Metering Rider tariff as filed. Staff notes the latest revision addresses seven of the eight recommendations contained in Staff's R&R. The proposed changes to the existing Net Metering Rider is intended to increase the accuracy of reporting on the renewable capacity, to provide distribution engineers with necessary details needed to better analyze any effects of said interconnected distribution generation, and ensure the Customer-generator is meeting the interconnection standards. Staff recommends the Commission approve the revised Net Metering Rider.

¹ Westar, Inc. and Kansas Gas and Electric Proposed Tariff Changes to Net Metering Rider (May 10, 2018), p. 1.

BACKGROUND:

Westar is seeking to update its Net Metering Rider and Interconnection Application to include Renewable Energy information. In the original R&R, Staff identified several areas of confusing instructions contained in the Application that initiates the Interconnection Application request. After meeting with Westar, Westar and Staff reached an agreement to separate the Interconnection Application from the terms and conditions that guide the applicant in completing the requested interconnection. This change aligns the Net Metering Rider tariff with the structure of Westar's Parallel Generation Rider tariff, which also applies to renewable generation requests. By keeping the Application separate from the tariff, Westar will gain flexibility in making timely updates to the Interconnection Application including those necessary to address safety concerns.²

As part of discovery conducted by Staff in this Docket, Staff became aware of the method Westar uses to determine the maximum kilo Watt (kW) rating of a renewable energy resource as allowed by K.S.A. 66-1267. Although this issue is not addressed in the existing tariff or in the current changes proposed in this Docket, Staff disagreed with the demarcation point selected by Westar in determining the kW rating of the renewable resource and recommended the Commission define the demarcation point as the AC rating of the inverter(s).

ANALYSIS:

Westar and Staff discussed the Net Metering Rider on many occasions to address the eight recommendations contained in Staff's R&R.³ During the discussions, it was agreed that the Net Metering Interconnection Application be removed from the Net Metering Rider tariff, however, the revised Instructions to complete the Interconnection Application remain in the Net Metering Rider tariff. Under the provisions of K.S.A. 66-101b, Westar is required to establish just and reasonable rules and regulations regarding any services rendered to its customers. Staff believes that the revised Instructions need to be retained in the tariff in order to comply with K.S.A. 66-101b. By including the Instructions in the tariff, subject to Commission approval, the tariff will:

- 1) Provide a clear understanding of the required submittal documents;
- 2) Discuss the amount of the processing fee;
- 3) Identify the process to transfer ownership or operational control of the existing net metered facility;
- 4) Define terms used in the Interconnection Application; and
- 5) Describe when to update the Interconnection Application for significant net metering modifications.

After reviewing the Application and Instructions, seven of Staff's eight recommendations contained in its December 12, 2018, R&R have been addressed.

² Westar Energy, Inc. Revised Application to Make Changes to Tariff (May 8, 2019), p. 1.

³ Notice of Filing of Staff's Report and Recommendation (December 12, 2018).

Regarding the eighth recommendation in Staff's R&R, Staff and Westar were unable to reach an agreement regarding the point at which the kW limits of the system are calculated – namely, the DC capability of the solar panels or the AC rating of the inverter(s). This item is not addressed in the existing tariff or the proposed modification. Staff recognizes that, currently, very few of the installed solar systems approach the maximum capacity limits allowed by the statute. Therefore, Staff has agreed not to address the issue at this time.

The revised Net Metering Rider tariff with the updated Application Instructions provide a better explanation of the information that Westar needs on the Application and a more complete understanding of the expectations of the Utility and Customer when using the Net Metering Tariff. Thus, Staff recommends that the Commission approve the revised Net Metering Rider tariff.

RECOMMENDATION:

Staff recommends the Commission approve the revised Net Metering Rider tariff as filed in Westar's May 9, 2019, Motion.

STATE OF KANSAS)
) ss.
COUNTY OF SHAWNEE)

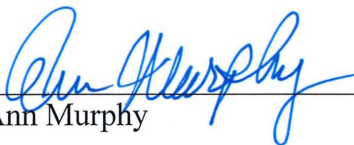
VERIFICATION

Robert E. Vincent, being duly sworn upon his oath deposes and states that he is a Senior Litigation Counsel for Litigation Counsel of the Kansas Corporation Commission of the State of Kansas, that he has read and is familiar with the foregoing *Notice of Filing of Staff's Report and Recommendation*, and attests that the statements contained therein are true and correct to the best of his knowledge, information and belief.



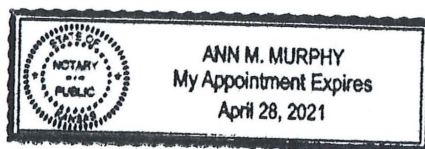
Robert E. Vincent
Senior Litigation Counsel
State Corporation Commission of the
State of Kansas

Subscribed and sworn to before me this 18 day of June, 2019.



Ann Murphy

My Appointment Expires: 4-28-21



CERTIFICATE OF SERVICE

18-WSEE-493-TAR

I, the undersigned, certify that a true and correct copy of the above and foregoing Notice of Filing of Staff's Report and Recommendation was served via electronic service this 28th day of June, 2019, to the following:

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* Denotes those receiving the Confidential version