BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the Matter of the General Investigation to)	
Examine the Effect of Kansas Senate Bill No.)	Docket No. 16-GIME-258-GIE
91 Regarding Renewable Energy Standards)	

COMMENTS IN RESPONSE TO COMMISSION STAFF'S REPORT AND RECOMMENDATION

COMES NOW Sunflower Electric Power Corporation ("Sunflower") and Mid-Kansas Electric Company, LLC ("Mid-Kansas"), and pursuant to the January 5, 2016 Order Opening Docket, and in response to the Commission Staff's ("Staff") Notice of Filing Staff's Report and Recommendation (the "R&R"), filed February 15, 2016, Sunflower and Mid-Kansas submit the following comments:

Clarification on compliance with K.A.R. 82-16-2 for utilities that have elected to self-regulate pursuant to K.S.A. 66-104d

- 1. The R&R recommends specific changes to K.A.R. 82-16-2 whereby "[e]ach utility making efforts to attain the goal in K.S.A. 2015 Supp. 66-1256 and seeking recovery of reasonable costs incurred as a result of attaining the voluntary 20 percent goal as prescribed by K.S.A 2015 Supp. 66-1259 shall submit a report to the commission detailing that utility's efforts to attain the voluntary goal"

 K.A.R. 82-16-2 then details specific information that must be included in such report.
- 2. Both Sunflower and Mid-Kansas have elected to self-regulate pursuant to K.S.A. 66-104d. Nevertheless, under K.S.A. 66-104d(f), Sunflower and Mid-Kansas remain subject to the Commission's jurisdiction with respect to the certified service

¹ Notice of Filing Staff's Report and Recommendation, Docket No. 16-GIME-258-GIE, at p. A-5 (filed February 15, 2016)(emphasis added).

² *Id*.

territory of a cooperative; charges, fees or tariffs for transmission services; sales of power for resale, other than sales between a cooperative and its member-owners; and wire stringing and transmission line siting. However, the "reasonable costs incurred as a result of attaining the voluntary 20 percent goal" would be recovered by Sunflower and Mid-Kansas in a non-jurisdictional rate charged to the Sunflower and Mid-Kansas member-owners.

3. But for the fact that the reasonable cost is related to a renewable energy resource, Sunflower and Mid-Kansas would not need Commission approval to recover such costs in their non-jurisdictional rate charged to their member-owners. Sunflower and Mid-Kansas seek clarification as to whether each must file the report required by K.A.R. 82-16-2 before it can recover the "reasonable costs incurred as a result of attaining the voluntary 20 percent goal" given their status as a self-regulated cooperatives pursuant to K.S.A. 66-104d.

<u>Clarification on compliance with K.A.R. 82-16-4 for utilities that have elected to</u> <u>self-regulate pursuant to K.S.A. 66-104d</u>

- 4. K.A.R. 82-16-2(b) allows a generation and transmission cooperative to submit a collective report on behalf of the electric distribution cooperatives it represents. The R&R then recommends that under K.A.R. 82-16-4, in conjunction with the reports required by K.A.R. 82-16-2, an affected utility shall calculate the revenue requirement for each capacity resource used to attain the renewable energy goal.
- 5. Except for Southern Pioneer Electric Company ("Southern Pioneer"), all Sunflower and Mid-Kansas member-owners have also elected to self-regulate pursuant to K.S.A. 66-104d. Therefore, just as the Sunflower and Mid-Kansas rates to member-

owners are non-jurisdictional, the retail revenue requirements for the Sunflower and Mid-Kansas member-owners are also non-jurisdictional (except for Southern Pioneer). Further, Staff states that "the Commission will no longer submit a report of the annual statewide retail rate impact of renewable energy to the Kansas legislature."

6. But for the fact that a portion of Sunflower's and Mid-Kansas' memberowners (except for Southern Pioneer) retail revenue requirement is related to a renewable energy resource, those member-owners would not need Commission approval of the calculation of their retail revenue requirement. In addition, the Commission will no longer submit a report of the annual statewide retail rate impact of renewable energy to the Kansas legislature. Therefore, Sunflower and Mid-Kansas additionally ask for clarification as to whether each must, in conjunction with the report required in 82-16-2, calculate the retail revenue requirement for its member-owners that have self-regulated pursuant to K.S.A. 66-104d and therefore have non-jurisdictional retail revenue requirements.

Clarification of whether filing a report pursuant to K.A.R 82-16-2 is the only way to attain the 20 percent voluntary goal

7. Prior to Kansas Senate Bill No. 91, the 20% renewable energy standard was *required*, and carried penalties for non-compliance. After, it is simply *voluntary*. Because it is now voluntary, Sunflower and Mid-Kansas seek clarification as to whether submitting the report pursuant to 82-16-2 is the only way to confirm that a utility is meeting the voluntary 20% goal. Or, can a utility meet the goal without submitting a

³ *Id.* at p. 3.

report to the Commission and hold itself out to the general public as having met the voluntary 20% goal?

WHEREFORE, Sunflower and Mid-Kansas request that the Commission take notice of and consider their comments in this matter and for such other and further relief as may be appropriate.

Respectfully submitted,

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Attorney for Sunflower Electric Power Corporation and Mid-Kansas Electric Company, LLC

VERIFICATION

STATE OF KANSAS)
COUNTY OF BARTON) ss

Taylor P. Calcara, of lawful age, being first duly sworn on oath, states:

That he is an attorney for Sunflower Electric Power Corporation and Mid-Kansas Electric Company, LLC; that he has read the above and foregoing comments and knows the contents thereof; and that the statements contained therein are true.

Taylor P. Calcara

SUBSCRIBED AND SWORN to before me this 1st day of March, 2016.

NOTARY PUBLIC - State of Kansas MELISSA A. HUBBARD My Appt. Exp. September 11, 2018

Commission Expires:

Notary Public

CERTIFICATE OF SERVICE

I do hereby certify that on the 1st day of March, 2016, I electronically filed via the Kansas Corporation Commission's Electronic Filing System a true and correct copy of the above and foregoing comments with a copy e-mailed to:

Taylor P. Calcara

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