

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

)  
In the Matter of Kansas Electric Power )  
Cooperative, Inc. Compliance with the ) Docket No. 13-KEPE-462-CPL  
Commission's Order in Docket No. 13-GIME- )  
391-GIE. )  
)  
In the Matter of Kansas City Power & Light )  
Company's Compliance with the Commission's ) Docket No. 13-KCPE-463-CPL  
Order in Docket No. 13-GIME-391-GIE. )  
)  
In the Matter of Westar Energy, Inc. and )  
Kansas Gas & Electric Co., d/b/a Westar ) Docket No. 13-WSEE-464-CPL  
Energy's Compliance with the Commission's )  
Order in Docket No. 13-GIME-391-GIE. )  
)  
)  
In the Matter of Empire District Electric )  
Company's Compliance with the Commission's ) Docket No. 13-EPDE-465-CPL  
Order in Docket No. 13-GIME-391-GIE.. )  
)  
)  
In the Matter of Midwest Energy, Inc.'s )  
Compliance with the Commission's Order in ) Docket No. 13-MDWE-466-CPL  
Docket No. 13-GIME-391-GIE. )  
)  
)  
In the Matter of Sunflower Electric )  
Cooperative, Inc.'s Compliance with the ) Docket No. 13-SEPE-467-CPL  
Commission's Order in Docket No. 13-GIME- )  
391-GIE. )  
)  
)  
In the Matter of Kansas City Kansas Board of )  
Public Utilities' Compliance with the ) Docket No. 13-KCKE-468-CPL  
Commission's Order in Docket No. 13-GIME- )  
391-GIE. )  
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)

**NOTICE OF FILING OF STAFF REPORT AND RECOMMENDATION**

The Staff of the State Corporation Commission of the State of Kansas (Staff) files  
Notice of Filing of Staff Report and Recommendation and states as follows:

1. Staff hereby files its Report and Recommendation (Report) which summarizes Staff's review of the Kansas electric utility industry's filings of the 2013 compliance reports, filed in accordance with the Kansas Renewable Energy Standards Act (RESA). Staff's Report and Recommendation dated December 16, 2013, is attached hereto as "Attachment A".

2. On November 28, 2012, Staff submitted a Report and Recommendation wherein Staff recommended the Commission issue an order directing electric utilities to update their August 2012 RES reports to provide retail rate impact information and to include retail impact information in all submissions going forward in accordance with K.S.A. 2012 66-1260.<sup>1</sup>

3. On December 13, 2012, the Commission issued an Order directing the opening of a general investigative docket and ordering the following utilities to file updated RES reports no later than January 16, 2013: Kansas City Power and Light; Westar Energy, Inc. and Kansas Gas & Electric Co., d/b/a Westar Energy; Empire District Electric Company; Midwest Energy, Inc.; Sunflower Electric Cooperative, Inc.; and, Kansas Electric Power Cooperative, Inc. The Order also requested Kansas City, Kansas Board of Public Utilities to file an updated version of its August 2012 RES report no later than 2013. The Order concluded with directing each of the named utilities "going forward, to provide retail rate impact calculations as part of their annual RES reporting."<sup>2</sup> The new investigative docket opened pursuant to the December 13, 2012, is identified as Docket No. 13-GIME-391-GIE (391 Docket).

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<sup>1</sup> See, Report and Recommendation of the Utilities Division dated November 28, 2012 and attached to the Commission's *Order Opening General Investigation Docket* (December 13, 2012).

<sup>2</sup> See, *Order Opening General Investigation Docket*, Ordering clauses B and C (December 13, 2012).

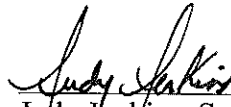
4. On January 16, 2013, in separate filings for each utility, Staff formally acknowledged receipt of each of the reports filed by the seven utilities named in the Commission's December 13, 2013 *Order Opening General Investigative Docket*. Each filing opened a compliance docket for each utility for the purpose of maintaining the confidentiality of each RES report filed.

5. In addition to the recommendations contained in Staff's Report, Staff also recommends the Commission direct the utilities to hereafter continue to file their annual RES reports in the individual dockets currently established for the 2013 filings.

6. Finally, Staff requests the Commission approve electronic service from this point forward for each of the dockets captioned herein.

WHEREFORE, Staff requests the Commission consider its Report and Recommendation, and for such other and further relief as the Commission deems just and proper.

Respectfully submitted,



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For Commission Staff

# **ATTACHMENT "A"**

**REPORT AND RECOMMENDATION  
UTILITIES DIVISION**

**TO:** Chairman Mark Sievers  
Commissioner Thomas E. Wright  
Commissioner Shari Feist Albrecht

**FROM:** Luis Solorio, Utility Rate Analyst  
Scott Unekis, Senior Research Economist  
Lana Ellis, Economics and Rates Deputy Chief  
Robert Glass, Economics and Rates Chief  
Jeff McClanahan, Director of Utilities

**DATE:** December 16, 2013

**DATE SUBMITTED TO LEGAL:** 12/17/13

**DATE SUBMITTED TO COMMISSIONERS:** 01/06/14

**SUBJECT:** The Renewable Energy Standards Act (RESA) and Utility Compliance for the Year 2013.

**EXECUTIVE SUMMARY**

On May 22, 2009, HB 2369 became law. Part of this bill contained the Renewable Energy Standards Act (RESA).<sup>1</sup> The RESA requires all affected utilities to have a certain amount of renewable generation capacity. In addition, affected utilities are required to file Compliance Reports with the Kansas Corporation Commission (Commission). For 2013, the capacity requirement is 10% of the average of each company's previous three-year retail peak demand. In accordance with the requirements, Compliance Reports were submitted to the Commission by the following Kansas utilities: Westar Energy, Inc. and Kansas Gas and Electric Company (Westar); Kansas City Power and Light (KCPL); the Empire District Electric Company (Empire); the Sunflower Electric Power Corporation (Sunflower); Midwest Energy, Inc. (Midwest); and Kansas Electric Power Cooperative, Inc. (KEPCo). Kansas City Kansas Board of Public Utilities (BPU) is not an affected utility but voluntarily submitted an annual report for the second year.

Commission Staff reviewed the filed Reports to determine whether all affected utilities have met the requirements set by the statutes and regulations. As part of its analysis, Staff reviewed a dispute over renewable resource ownership between Westar Energy and KEPCo. Commission Staff also analyzed Sunflower's request to use RECs to satisfy its 2011 compliance requirements.

Based on its analysis, Commission Staff recommends that the Commission: (1) find that the affected utilities have met their requirements; (2) disallow the disputed renewable capacity from

<sup>1</sup> K.S.A 2012 Supp. 66-1256 *et seq.*

both Westar Energy and KEPCo until the parties resolve their dispute; and (3) allow Sunflower to purchase additional RECs and to use its banked RECs to meet 2011 requirements.

### **BACKGROUND**

The Renewable Energy Standards Act (RESA) requires all investor-owned and cooperatively-owned utilities in the State of Kansas to have renewable generation capacity equal to 10% of the average of their previous three-year retail peak demands. Municipal utilities are exempt from these requirements. Pursuant to the RESA, Compliance Reports were submitted to Commission Staff (Staff), from the following utilities: Westar Energy, Inc. and Kansas Gas and Electric Company (Westar); Kansas City Power and Light (KCPL); Empire District Electric Company (Empire); Sunflower Electric Power Corporation (Sunflower); Midwest Energy, Inc. (Midwest); and Kansas Electric Power Cooperative, Inc. (KEPCo). Kansas City Kansas Board of Public Utilities (BPU) is not an affected utility but voluntarily submitted an annual report for the second year.

### **ANALYSIS:**

The RESA requires cooperatively-owned (co-ops) and investor-owned utilities (IOUs) to meet a portion of the average of their three previous annual peak demands with renewable generation capacity. Specifically, affected utilities are required to have at least 10% of their three-year average peak demand<sup>2</sup> come from renewable resources for calendar years 2011 through 2015, at least 15% of their average peak demand come from renewable resources for calendar years 2016 through 2019, and at least 20% of their average peak demand come from renewable resources for calendar years 2020 onward. In the years immediately following a requirement increase (2011, 2016 and 2020), RECs may be used to comply with the RESA capacity requirements.<sup>3</sup>

An extra 10% is added to the renewable capacity rating for capacity built in Kansas after January 1, 2000. As mentioned before, RECs may be used to comply with the RESA in the years 2011,

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<sup>2</sup> Peak demand is the utilities' one-hour retail peak demand.

<sup>3</sup> RECs are measured in units of energy (MWhs) which must be converted to capacity (MWs) via the following formulas:

$$\text{Capacity (MWs)} = \text{Energy (MWhs)} / \text{Capacity Factor} \times 8760 \text{ hours}$$

and

$$\text{Capacity Factor}_i = \frac{12}{n} \sum_{t=1}^n \frac{E_{i,t}}{8760 \times C_{i,t}}$$

where

$i$  = The individual renewable generation facility.

$n$  = The number of months the facility has been in operation over the past 24 months,

$$12 \leq n \leq 24.$$

$E_{i,t}$  = The total energy output (MWh) by renewable generation facility  $i$  during compliance period  $t$ .

$C_{i,t}$  = The average total generator capacity (MW) by renewable generation facility  $i$  during compliance period  $t$ .

2016, and 2020.<sup>4</sup> Additionally, the affected utilities may request permission to use RECs to comply with RESA in years other than those specified above.<sup>5</sup>

Pursuant to K.A.R. 82-16-2(b), each utility shall submit a report to the Commission detailing that utility's compliance with the portfolio standards established by the act. A generation and transmission cooperative may submit a collective report on behalf of the electric distribution cooperatives it represents. RECs intended to be used to meet the portfolio requirements in K.S.A. 66-1258, and amendments thereto, shall be issued and used as part of a REC program either established or approved by the Commission. Each application for approval of any program not approved by the Commission in any prior year shall be submitted on or before January 1 of the calendar year in which the RECs are proposed to be included in the portfolio.<sup>6</sup>

For the purposes of enforcing the renewable energy portfolio standards established in K.S.A. 2012 Supp. 66-1258, the Commission shall also establish rules and regulations governing the certification of renewable energy resources.<sup>7</sup> The criteria to be considered for the certification process shall include, but is not limited to: fuel type, technology and environmental impacts of renewable energy resources.<sup>8</sup>

In imposing penalties, the Commission shall have discretion to consider mitigating circumstances. Under no circumstances shall the costs of administrative penalties be recovered from Kansas retail customers.<sup>9</sup> However, the Commission shall exempt an affected utility from administrative penalties, if the affected utility demonstrates that the utility's investment in renewable energy resources required to meet the renewable portfolio requirement has resulted in an increase of the utility's total revenue requirement by one percent or greater.<sup>10</sup>

### **Compliance Reports**

All affected utilities have submitted Compliance Reports to the Commission Staff (Staff) regarding their compliance with the RESA as required. The IOUs submitted reports on their own behalf and distribution co-ops submitted reports through their respective generation and transmission (G&T) co-ops. Specifically, the following entities have submitted Compliance Reports to Staff: Westar, KCPL, Empire, Sunflower, Midwest, KEPCo, and BPU.<sup>11</sup>

In addition, to prevent double counting and misuse, all RECs sold or purchased by affected utilities must be reported in an approved registry.<sup>12</sup> The North American Renewable Registry (NARR) is the approved registry for Kansas. Therefore, any utility involved in the REC market is required to register and open an NARR account. Empire, KCPL, Sunflower, and BPU have participated in the volunteer, non-regulated REC market. Currently, Empire, KCPL, and Sunflower each hold an account in the NARR as required by Commission regulations.

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<sup>4</sup> K.S.A. 2012 Supp. 66-1258.

<sup>5</sup> See K.S.A. 2012 Supp. 66-1258(a)...Renewable energy credits may only be used to meet a portion of portfolio requirements for the years 2011, 2016 and 2020, unless otherwise allowed by the Commission. (Emphasis added).

<sup>6</sup> K.A.R. 82-16-6(a).

<sup>7</sup> See 2012 Supp. K.S.A. 66-1262.

<sup>8</sup> See K.S.A. 2012 Supp. 66-1262(a).

<sup>9</sup> K.S.A. 2012 Supp. 1261(b).

<sup>10</sup> See K.S.A. 66-1261(b) and K.S.A. 2012 Supp. 66-1260(a)(1).

<sup>11</sup> The following compliance dockets were created to comply with the RESA Annual Report: 13-KEPE-462-CPL (13-462) for KEPCo; 13-KCPE-463-CPL (13-463) for KCPL; 13-WSEE-464-CPL (13-464) for Westar; 13-EPDE-465-CPL (13-465) for Empire; 13-MDWE-466-CPL (13-466) for Midwest; 13-SEPE-467-CPL (13-467) for Sunflower; and 13-KCKE-468-CPL (13-468) for BPU.

<sup>12</sup> K.A.R. 82-16-6(d) (Nov. 19, 2010).

As discussed below, all affected utilities have met their RESA requirements. A list of facilities, ownership information, nameplate capacity ratings, and capacity counted toward compliance are provided for each utility in the tables below.

*Westar*

For 2013, Westar's three year average retail peak was 4,886.00 MW.<sup>13</sup> Therefore, Westar is required to have 488.60 MW of renewable capacity to comply with the RESA this year, which represents an increase of approximately 2.35% from 2012. As shown in Table 1, Westar currently possesses 671.54 MW of renewable generation through a combination of purchase power agreements (PPAs), direct ownership, and net metering. All of these facilities are located within the State of Kansas, making them eligible for the in-state multiplier, resulting in 738.69 MW of compliance equivalent capacity.<sup>14</sup>

However, KEPCo claims ownership of 18 MW of Westar's renewable capacity under the terms of their PPA.<sup>15</sup> Westar contests this claim. Because the ownership of these renewable resources is in dispute, Staff has excluded 18.00 MW of capacity from both utilities' renewable generation portfolios. Staff further recommends the Commission not recognize this capacity toward RESA compliance for either utility until their contract dispute is resolved. Both utilities have enough renewable capacity to meet their RESA requirements without the disputed capacity.

Westar has a total of 718.89 MW, excluding the 18.00 MW discussed above, which is sufficient renewable energy capacity to meet this year's RESA requirement. A list of Westar's facilities, ownership information, nameplate capacity ratings, and capacity counted toward compliance are provided in Table 1 below.<sup>16</sup>

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<sup>13</sup> 13-464, July 1, 2013 – Renewable Energy Portfolio Report (2013 RESA Report 13-464), ¶ 4.

<sup>14</sup> This includes a 10% in-state multiplier per K.S.A. 66-1258 (3) (C).

<sup>15</sup> 13-462, Renewable Energy Standards Report for Kansas Electric Power Cooperative, Inc. July 22, 2013 (2013 RESA Report 13-462), Section 2

<sup>16</sup> 2013 RESA Report 13-464, Table 1, p. 1.



**Table 1**

<b>Westar's Renewable Energy Resources</b>				
<b>Facility</b>	<b>Ownership</b>	<b>Nameplate Capacity</b>	<b>With Multiplier</b>	<b>Kansas Allocation</b>
Post Rock Wind Farm	PPA	201.00	221.00	221.00
Ironwood Wind Farm	PPA	168.00	184.80	184.80
Meridian Way	PPA	96.00	105.60	105.60
Flat Ridge 1	PPA	50.00	55.00	55.00
Flat Ridge 2	Westar	50.00	55.00	55.00
Central Plains	Westar	99.00	108.90	108.90
Rolling Meadows	PPA	06.00	06.60	06.60
Net Metered Systems	Customer	01.54	01.70	01.70
<b>Total MW Capacity</b>		<b>671.54</b>	<b>738.69</b>	<b>738.69</b>
<b>Disputed Capacity Deduction</b>		<b>-18.00</b>	<b>-19.80</b>	<b>-19.80</b>
<b>Total MW w/o Disputed Capacity</b>		<b>635.50</b>	<b>718.89</b>	<b>718.89</b>

***KCPL***

KCPL's 2013 Kansas three year average retail peak demand is 1,699.00 MW,<sup>17</sup> requiring the Company to possess 169.90 MW of renewable capacity for compliance this year.<sup>18</sup> This represents an increase of approximately 1.61% from the 2012 compliance period. As shown in Table 2, KCPL currently possesses 380.40 MW of renewable generation from Spearville 1, Spearville 2, Spearville 3, and Cimarron II.<sup>19</sup> In addition, KCPL possesses approximately 0.27 MW of net metered systems for a total of 178.30 MW of compliance equivalent capacity allocated to Kansas.<sup>20</sup> Thus, KCPL has met its renewable energy resource requirement. A list of KCPL's facilities, ownership information, nameplate capacity ratings, Kansas jurisdictional allocation, and capacity counted toward compliance are provided in Table 2 below.<sup>21</sup>

<sup>17</sup> This is just the Kansas jurisdictional portion of KCPL's entire system.

<sup>18</sup> 13-463, Kansas Renewable Energy Standards Act 2013 Annual Compliance Report (2013 RESA Report 13-463), p. 9.

<sup>19</sup> 2013 RESA Report 13-463, p. 5.

<sup>20</sup> This allocation includes the Kansas multiplier.

<sup>21</sup> 2013 RESA Report 13-463, p. 10.

**Table 2**

<b>KCPL's Renewable Energy Resources</b>				
<b>Facility</b>	<b>Ownership</b>	<b>Nameplate Capacity</b>	<b>With Multiplier</b>	<b>Kansas Allocation</b>
Spearville 1 and 2	KCPL	148.50	163.35	69.50
Spearville 3	PPA	100.80	110.88	47.20
Cimarron II	PPA	131.10	144.21	61.30
Net Metered Systems	Customer	00.27	00.30	00.30
<b>Total MW Capacity</b>		<b>380.67</b>	<b>418.74</b>	<b>178.30</b>

***Empire***

Empire's Kansas jurisdictional average retail peak for the last three years was 63.60 MW, which requires the company to possess 6.36 MW of renewable generation this year.<sup>22</sup> This represents a decrease of approximately 4.79% from 2012. As show in Table 3, Empire currently has a PPA for 150.00 MW of wind from Elk River, PPAs for 105.00 MW of wind from Meridian Way, and owns 16.00 MW of hydroelectric generation in Missouri. Of this 271.00 MW of capacity, only 5.78 MW (6.36 MW with multiplier) of Elk River's capacity is allocated toward Kansas compliance. Thus, Empire also met its renewable energy resource requirement. A list of Empire's facilities, ownership information, nameplate capacity ratings, Kansas jurisdictional allocation, and capacity counted toward compliance are presented in Table 3 below.<sup>23</sup>

**Table 3**

<b>Empire's Renewable Energy Resources</b>				
<b>Facility</b>	<b>Ownership</b>	<b>Nameplate Capacity</b>	<b>With Multiplier</b>	<b>Kansas Allocation</b>
Elk River	PPA	150.00	165.00	06.36
Meridian Way	PPA	105.00	115.50	00.00
Ozark Beach	Empire	16.00	16.00	00.00
<b>Total MW Capacity</b>		<b>271.00</b>	<b>296.50</b>	<b>06.36</b>

***Sunflower***<sup>24</sup>

Sunflower had a three year average retail peak of 748.00 MW, requiring it to have 74.80 MW of renewable generation for purposes of compliance in 2013.<sup>25</sup> This represents an increase of

<sup>22</sup> 13-465, 2013 Annual Renewable Energy Standard Report (2013 RESA Report 13-465), p. 6.

<sup>23</sup> 2013 RESA Report 13-465, p. 6 and Exhibit 1.

<sup>24</sup> Sunflower is operated jointly with Mid Kansas Electric Company, LLC (MKEC) as a G&T co-operative. Its member distribution co-ops are Lane-Scott Electric Co-op, Inc.; Pioneer Electric Co-op, Inc.; Prairie Land Electric Co-op, Inc.; Victory Electric Co-op Association, Inc.; Western Co-op Electric Association, Inc.; Wheatland Electric Co-op, Inc.; and Southern Pioneer Electric Company.

<sup>25</sup> 13-467, Sunflower Electric Power Corporation 2013 Renewable Energy Standards Act Report (2013 RESA Report 13-467), Section 4.

approximately 5.06% from 2012. As shown in Table 4, Sunflower currently has 255.77 MW of renewable generation acquired through PPAs. Thus, Sunflower purchased multiple times more renewable capacity than what is required to comply with the RESA. A list of Sunflower's facilities, ownership information, and nameplate capacity ratings are presented in Table 4 below.<sup>26</sup>

**Table 4**

<b>Sunflower's Renewable Energy Resources</b>				
<b>Facility</b>	<b>Ownership</b>	<b>Nameplate Capacity</b>	<b>With Multiplier</b>	<b>Kansas Allocation</b>
Smoky Hills I	PPA	50.20	55.22	55.22
Smoky Hills II	PPA	23.70	26.07	26.07
Gray County	PPA	50.30	55.33	55.33
Shooting Star	PPA	103.50	113.85	113.85
Western Hydro	PPA	05.30	05.30	05.30
<b>Total MW Capacity</b>		<b>233.00</b>	<b>255.77</b>	<b>255.77</b>

In addition, Sunflower is requesting to use its 2010 banked RECs and to purchase additional RECs to meet the capacity requirement in the 2011 compliance year. As stated above, the statute permits RECs to be used for compliance purposes in the years 2011, 2016, and 2020. For this reason, Staff recommends that the Commission allow Sunflower to purchase new and use its banked RECs to meet compliance in 2011.

**Midwest**

Midwest had a three year average retail peak demand for the previous three years of 340.00 MW, requiring it to have 34.00 MW of renewable generation this year.<sup>27</sup> This represents an increase of approximately 3.79% from 2012. As shown in Table 5, Midwest currently has 51.30 MW of renewable capacity. When the in-state multiplier is added, the compliance equivalent capacity increases to 56.20 MW,<sup>28</sup> sufficiently covering Midwest's 2013 RESA requirement. A list of Midwest's facilities, ownership information, and nameplate capacity ratings are presented in Table 5 below.

<sup>26</sup> 2013 RESA Report 13-467, Section 2.

<sup>27</sup> 13-466, Annual Report to the Kansas Corporation Commission Renewable Energy Standard Compliance (2013 RESA Report 13-466), Table 4.1.

<sup>28</sup> 2013 RESA Report 13-466, Table 5.1.

**Table 5**

<b>Midwest's Renewable Energy Resources</b>				
<b>Facility</b>	<b>Ownership</b>	<b>Nameplate Capacity</b>	<b>With Multiplier</b>	<b>Kansas Allocation</b>
Smoky Hills I	PPA	25.00	27.50	27.50
Smoky Hills II	PPA	24.00	26.40	26.40
WAPA	PPA	02.30	02.30	02.30
<b>Total MW Capacity</b>		<b>51.30</b>	<b>56.20</b>	<b>56.20</b>

**KEPCo<sup>29</sup>**

KEPCo had a three year average retail peak of 449.00 MW, requiring it to possess 44.90 MW of renewable generation for 2013 compliance.<sup>30</sup> This represents an increase of approximately 3.94% from 2012. As shown in Table 6, KEPCo has PPAs for 114.00 MW of renewable generation— 14.00 MW of hydro from the Western Power Administration (WAPA) and 100.00 MW of hydro from the Southwestern Power Administration (SWPA). This total does not include the 18.00 MW of capacity in dispute between Westar and KEPCo. Yet, KEPCo still has sufficient renewable energy resources to meet the RESA requirement. A list of KEPCo's facilities, ownership information, nameplate capacity ratings, and capacity counted toward compliance is provided in Table 6 below.<sup>31</sup>

**Table 6**

<b>KEPCo's Renewable Energy Resources</b>				
<b>Facility</b>	<b>Ownership</b>	<b>Nameplate Capacity</b>	<b>With Multiplier</b>	<b>Kansas Allocation</b>
WAPA	PPA	14.00	14.00	14.00
SWAPA	PPA	100.00	100.00	100.00
<b>Total MW Capacity</b>		<b>114.00</b>	<b>114.00</b>	<b>114.00</b>

<sup>29</sup> KEPCo is a G&T co-operative whose membership is comprised of the following nineteen distribution co-ops: Ark Valley Electric Co-op Assn. Inc.; Bluestem Electric Co-op. Inc.; Brown-Atchison Electric Co-op Assn., Inc.; Butler Rural Electric Co-op Assn. Inc.; Caney Valley Electric Co-op Assn., Inc.; CMS Electric Co-op, Inc.; DS&O Electric Co-op, Inc.; Flint Hills Rural Electric Co-op Assn., Inc.; Heartland Rural Electric Co-op, Inc.; Leavenworth-Jefferson Electric Co-op, Inc.; Lyon-Coffey Electric Co-op, Inc.; Ninnescah Electric Co-op Assn., Inc.; Prairie Land Electric Co-op, Inc.; Radiant Electric Co-op, Inc.; Rolling Hills Electric Co-op, Inc.; Sedgwick County Electric Co-op Assn., Inc.; Sumner-Cowley Electric Co-op, Inc.; Twin Valley Electric Co-op, Inc.; and Victory Electric Co-op, Inc.

<sup>30</sup> 2013 RESA Report 13-462, Section 4.

<sup>31</sup> 2013 RESA Report 13-462, Section 2.

**BPU**

Although BPU is not an affected utility, it voluntarily filed a RESA report and has an attestation process which ensures that REC double counting or misuse will not occur. A list of BPU's facilities, ownership information, and capacity ratings is provided in Table 7 below.

**Table 7**

<b>BPU's Renewable Energy Resources</b>				
<b>Facility</b>	<b>Ownership</b>	<b>Nameplate Capacity</b>	<b>With Multiplier</b>	<b>Kansas Allocation</b>
Smoky Hills Wind	PPA	25.20	27.72	N/A
Oak Grove Landfill	PPA	01.60	01.76	N/A
Bowersock Hydro	PPA	07.00	07.70	N/A
SWPA Hydro	PPA	38.60	38.60	N/A
WAPA Hydro	PPA	04.80	04.80	N/A
<b>Total From RECs<sup>32</sup></b>		<b>-12.45</b>	<b>-13.70</b>	<b>N/A</b>
<b>Total MW Capacity</b>		<b>64.75</b>	<b>66.88</b>	<b>N/A</b>

**RECOMMENDATION**

Staff concludes that all affected utilities met their renewable capacity and reporting requirements and recommends the Commission reach the same conclusion. Even though Staff excluded 18.00 MW of disputed capacity from Westar and KEPCo's renewable energy resource portfolio, all affected utilities satisfied renewable capacity and RESA reporting requirements. Staff recommends the Commission also not recognize the disputed capacity toward RESA compliance for either Westar or KEPCo until their dispute is resolved. Finally, Staff recommends the Commission allow Sunflower to purchase new and use its banked RECs to meet 2011 compliance year and designate this finding as precedential for compliance years 2016 and 2020.

<sup>32</sup> BPU sold 46,572 RECs from Smoky Hills Wind Farm and 4,627 RECs from Oak Grove Landfill for a total of 51,199 RECs. Using the 2012 Capacity Factors for these two units, these RECs convert to 13.70 MW of capacity which includes the multiplier. Without the multiplier, the RECs sold convert to 12.45 MW of capacity.

## CERTIFICATE OF SERVICE

13-KEPE-462-CPL 13-KCPE-463-CPL 13-WSEE-464-CPL 13-EPDE-465-CPL 13-MDWE-466-CPL 13-SEPE-467-CPL  
13-KCKE-468-CPL

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing Notice of Filing of Staff Report and Recommendation was placed in the United States mail, postage prepaid, or hand-delivered this 9th day of January, 2014, to the following:

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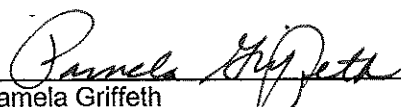
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