

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

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| In the Matter of the Application of The Empire |) | |
| District Electric Company for a Certificate of |) | 19-EPDE-238-COC |
| Public Convenience and Necessity Related to the |) | Docket No. 19-EDPE-____-COC |
| Neosho Ridge Wind Farm located in Neosho |) | |
| County, Kansas. |) | |

APPLICATION

The Empire District Electric Company ("Empire" or "Company"), pursuant to K.S.A. 66-104 and 66-131, and any and all other applicable Kansas statutes and regulations, seeks a certificate of public convenience and necessity ("Certificate") from the Kansas Corporation Commission ("Commission") related to the Neosho Ridge Wind Farm located in Neosho County, Kansas ("Neosho Wind Farm").¹ In support of its application, Empire states as follows:

I. INTRODUCTION

1. Empire is a corporation duly organized and existing under the laws of the State of Kansas and is duly qualified and engaged in doing business in the states of Kansas, Missouri Arkansas and Oklahoma. Empire owns and operates an electric utility system located in contiguous portions of the above-mentioned four states, which is used to serve approximately 172,000 total electric customers. Empire is an electric public utility as that term is defined in K.S.A. 66-104 and is subject to the jurisdiction and supervision of the Commission as provided by law.

2. A certified copy of Empire's Restated Articles of Incorporation, as amended, have previously been filed with the Commission and are incorporated herein by reference.

3. Empire seeks a limited Certificate herein under K.S.A. 66-131, to permit Empire to

¹See, Pleadings and Orders issued by the Commission in Docket No. 05-ERWE-499-COC (relating to Elk River Wind Farm located in Butler County, Kansas, and Docket No. 06-KCPE-1021-COC (relating to Spearville Wind Farm in Ford County, Kansas).

own and operate the Neosho Wind Farm located in Neosho County, Kansas - comprising approximately 300 megawatts (MW) of wind generation, and a transmission rights only certificate to own and operate the transmission line that will interconnect the Neosho Wind Farm to the Neosho-to-Caney River 345 kV transmission line owned by Westar Energy, Inc. ("Westar"). Empire is not seeking any authority to offer any retail electric service under the requested Certificate. Nor is Empire seeking any pre-approval of any rate-making treatment regarding the Neosho Wind Farm as part of its application.

4. A copy of this Application has been mailed to the electric utilities that hold the existing certificated service territory where the Neosho Wind Farm will be located and where the transmission line will traverse. Empire has contacted each electric utility to discuss this Application.

II. NEOSHO WIND FARM

5. The Neosho Wind Farm will be constructed in Neosho County, Kansas, approximately thirty miles west of the western boundary of Empire's service territory. The Neosho Wind Farm will have a capacity of approximately 300 MW. A legal description and map of the location of the Neosho Wind Farm, which Empire seeks a limited Certificate to own and operate, is set forth in Exhibit A to this Application and incorporated herein by reference.

6. The Neosho Wind Farm will be interconnected to Westar's Neosho-to-Caney River 345 kV transmission line by a transmission line that will be constructed, owned and operated by Empire. Because the Neosho Wind Farm is located near Empire's service territory, minimal transmission upgrades in the Southwest Power Pool ("SPP") Integrated Marketplace ("IM") will be required. A legal description and map of the route of the transmission line, which Empire seeks a transmission rights only certificate as part of this Application to own and operate, is set forth in Exhibit B to this Application and incorporated herein by reference.

7. On November 16, 2018, Empire entered into a Purchase and Sale Agreement with Neosho Ridge Wind JV, LLC ("Neosho Ridge JV"), a joint venture between a subsidiary of Apex Clean Energy, Inc. ("Apex") and a subsidiary of Steelhead Wind 2, LLC ("Steelhead") ("PSA"). Pursuant to the PSA, the Neosho Ridge JV will sell and Empire will acquire ownership of a holding company (Neosho Ridge Wind Holdings, LLC, the "Holdco"), which will in turn own through a project company (Neosho Ridge Wind, LLC, the "Wind Project Company") the Neosho Wind Farm. The Wind Project Company will be constructing and installing the Neosho Wind Farm. Empire will own, operate, maintain, and otherwise control and manage the Neosho Wind Farm. Empire will acquire its interest in the Neosho Wind Farm through the Holdco in January of 2021, at which time Empire's tax equity partner (Wells Fargo) will make its capital investment in Holdco, thereby becoming a joint owner with Empire of the Neosho Wind Farm. A copy of the PSA is attached to this Application as Exhibit C and is incorporated herein by reference. Empire has designated the PSA as confidential pursuant to K. S.A. 66-1220a.

8. Construction of the Neosho Wind Farm will start in the latter part of 2019, which will allow for the Neosho Wind Project to be fully operational by the end of 2020, in order to qualify for 100% production tax credit ("PTC") eligibility.

9. The assets to be constructed as part of the Neosho Wind Farm and a copy of the plans and specifications for the project are found in Annex 5 of the PSA (Exhibit C to this Application).

10. Empire will operate the Neosho Wind Farm, scheduling and dispatching the energy into the SPP. The Neosho Wind Farm will be Empire's Network Resources in accordance with the SPP tariff. The Wind Project Company will be an affiliate of Empire and will sell its power into the SPP IM and will receive the revenues from those sales.

11. Although Empire is not seeking preapproval of any rate-making treatment relating to

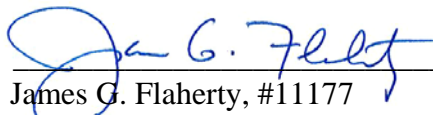
the Neosho Wind Farm as part of this application and Empire will be prepared to submit the necessary documentation supporting the prudence of its investment in the Neosho Wind Farm at the time it seeks recovery of said investment in rates, the construction and the ownership and operation by Empire of the Neosho Wind Farm is in the public interest. The Neosho Wind Farm will take advantage of real opportunities that exist today to add generation capacity to Empire's fleet at reduced cost given the availability of PTCs, which in turn will provide low cost energy for Empire's customers for years to come. Further, two of Empire's existing purchase power agreements ("PPA"), representing all of Empire's current wind capacity and a total of 255 MWs, will expire after the proposed Neosho Wind Farm comes on line in December 2020. The PPA with the Elk River Wind Farm (150 MWs) expires in 2025 and the PPA with Meridian Way Wind Farm (105 MWs) expires in 2028. The Neosho Wind Farm satisfies public policy objectives of conserving natural resources and pursuing renewable energy sources and will provide economic benefits for Neosho County and the State of Kansas.² Empire is qualified to own and operate the Neosho Wind Farm and the transmission facilities to interconnect it to the electrical grid and has the financial ability to construct and operate said assets. Finally, on October 17, 2018, Empire provided notice of a change in its 2016 preferred integrated resource plan ("IRP") with the Missouri Public Service Commission ("MPSC"), which included the Neosho Wind Farm. A copy of that notice of change to Empire's IRP plan filed with the MPSC has been previously submitted to the Staff of the Commission and is incorporated herein by reference.

WHEREFORE, Empire respectfully requests that the Commission issue it a limited Certificate of Convenience and Necessity, providing any and all necessary Certificate authority to Empire to

²See, K.S.A. 66-1256 "The legislature declares that it is in the public interest to promote renewable energy development in order to best utilize the abundant and natural resources found in this state. There is hereby established a renewable energy standard for the state. The renewable energy standard shall be a voluntary goal that 20% of the utility's peak demand within the state of Kansas be generated from renewable energy resources by the year 2020."

construct and operate the Neosho Wind Farm in Neosho County Kansas in the territory described in Exhibit A; to engage in the sale of electric energy at wholesale into the SPP IM; to provide a transmission rights only certificate to construct and operate the transmission line along the route described in Exhibit B; and for such other relief that may be necessary with respect to construction and operation of the Neosho Wind Farm.

Respectfully submitted,



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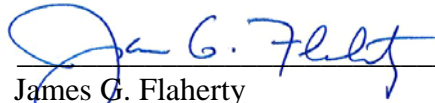
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VERIFICATION

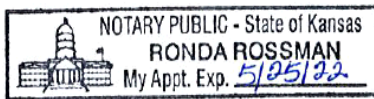
STATE OF KANSAS
COUNTY OF FRANKLIN, ss:

James G. Flaherty, of lawful age, being first duly sworn deposes and says that he is attorney for The Empire District Electric Company; that he has read the above and foregoing Application; and the statements therein contained are true.



James G. Flaherty

SUBSCRIBED AND SWORN to before me this 19th day of December, 2018.





Notary Public

Appointment/Commission Expires:

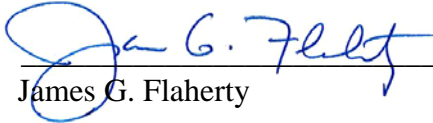
CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing was sent via U. S. Mail, postage prepaid, hand-delivery, or electronically, this 19th day of December, 2018, addressed to:

Heartland Rural Electric Cooperative, Inc.
P.O. Box 40, 110 North Enterprise Drive
Girard, Kansas 66743

Westar Energy Inc.
818 S. Kansas Avenue, P.O. Box 889
Topeka, Kansas 66601-0889

Twin Valley Electric Cooperative, Inc.
1511 14000 Road
Altamont, Kansas 67330



James G. Flaherty

EXHIBIT A
Legal Description of Wind Farm

CONFIDENTIAL

EXHIBIT B
Legal Description of Route of Transmission Line

CONFIDENTIAL

EXHIBIT C
Purchase and Sale Agreement with Neosho Ridge Wind JV, LLC

CONFIDENTIAL