

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

Before Commissioners: Susan K. Duffy, Chair
Shari Feist Albrecht
Dwight D. Keen

In the Matter of the Capital Plan Compliance)
Docket for Kansas City Power & Light) Docket No. 19-KCPE-096-CPL
Company and Westar Energy, Inc. Pursuant to)
the Commission's Order in 18-KCPE-095-MER.)

**ORDER ADOPTING INTEGRATED RESOURCE PLAN
AND CAPITAL PLAN FRAMEWORK**

This matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed the file and records, the Commission finds:

1. On May 24, 2018, the Commission issued an Order Approving Merger Application of Westar Energy, Inc. and Kansas Gas and Electric Company (Westar), Great Plains Energy Incorporated (Great Plains) and Kansas City Power & Light Company (KCP&L) to form Evergy, Inc. in Docket No. 18-KCPE-095-MER. In paragraph 94 of its Merger Order, the Commission required Westar and KCP&L to work with the parties to develop and submit to the Commission a reporting format for an Integrated Resource Plan (IRP) process.¹

2. The Commission rejected the Sierra Club's request to be included in the development of a reporting format for the IRP Process.² Instead, the Commission found that once Staff, CURB, KCP&L, and Westar developed and proposed the initial IRP reporting format and

¹ Order Approving Merger Application, Docket No. 18-KCPE-095-MER, May 24, 2018, ¶ 94.

² Order Denying Petitions for Reconsideration from the Sierra Club and Kansas Industrial Consumers, 18-KCPE-095-MER, June 28, 2018, ¶ 22.

process to the Commission, the Sierra Club would have an opportunity to comment on the proposal.³

3. On September 4, 2018, The Citizens' Utility Ratepayer Board (CURB), Commission Staff (Staff), KCP&L, and Westar submitted their Joint Filing Regarding Capital Plan and Integrated Resource Plan Reporting Format, proposing KCP&L and Westar jointly file a report with two sections: (1) capital plan reporting and (2) IRP reporting.⁴ Under the initial proposal, the capital plan reporting will provide a five-year view of Westar's and KCP&L's capital expenditures for generation, environmental, transmission, distribution, and information technology, including for each category the actual and budgeted amounts for the preceding calendar year and the budgeted amounts for the current calendar year and the next three calendar years in sufficient detail to identify major investments, and will be updated annually by April 30.⁵ Under the proposal, the IRP reporting will begin with a filing in April 2021, and be updated every three years by April 30,⁶ and will provide a 10-year view of the Westar and KCP&L preferred generating resource plans, including any contingency plans, with sufficient detail to identify major investments or resource acquisitions.⁷ The IRP report will also include a "stress test" on major investments, evaluating the potential impact of critical uncertain factors (e.g., significant changes in retail load growth).⁸

4. On March 1, 2019, CURB, Staff, KCP&L, and Westar submitted their Notice of Compliance Filing, outlining their proposed Capital Plan Reporting and IRP Process framework.

³ *Id.*, ¶ 23.

⁴ Joint Filing Regarding Capital Plan and Integrated Resource Plan Reporting Format, Sept. 4, 2018, ¶ 4.

⁵ *Id.*

⁶ As discussions continued after the Joint Filing Regarding Capital Plan and Integrated Resource Plan Reporting Format, the Joint Movants replaced the April 30 due dates with different due dates set out in paragraph 24 of this order.

⁷ *Id.*

⁸ *Id.*

5. On April 17, 2019, the Sierra Club filed its Motion for Commission to Provide 60-Day Comment Period on Joint Parties' Compliance Filing, to provide interested stakeholders a meaningful opportunity to review, evaluate, and comment on the submitted IRP reporting framework.

6. On June 4, 2019, the Commission issued a Scheduling Order, setting a Work Study on June 18, 2019 at 10:30 am, for CURB, Staff, KCP&L, and Westar to present the reporting framework to the Commission and allow the Commission to ask questions to the parties.⁹ KIC and the Sierra Club were given the opportunity to file comments in response to the Work Study by July 18, 2019.¹⁰

7. On June 18, 2019, the Commission held a Work Study session where Jeff McClanahan, Director of the Commission's Utilities Division, and Darrin Ives, Vice President, Regulatory Affairs for Evergy, presented an extensive discussion regarding the Capital Reporting and IRP framework, discussed the other Intervenors' positions, and provided clarification or rebuttal to certain issues raised by the Intervenors. During the Work Study session, the Commission requested revisions to the section of the Framework titled, "Commission Staff and CURB Review of Capital Plan Reporting and IRP Processes" to clarify the Commission's desire to have a continual and unbiased assessment of planned or in-progress investments for new generation in excess of 100 MW, any directly related transmission and distribution investments, and any retrofits to an existing generation facility that costs more than \$300 million over a three-year period.

⁹ Scheduling Order, June 4, 2019, ¶ 7.

¹⁰ *Id.*, ¶ 8.

8. On June 25, 2019, the Commission amended its Scheduling Order to allow KEPCo the opportunity to file comments in response to the Work Study by July 18, 2019.¹¹

9. On July 18, 2019, KIC, the Sierra Club, and KEPCo each filed post-Work Study comments.

10. KIC continues to focus on inserting the goal of regionally competitive retail rates in the IRP and Capital Plan Reporting Process.¹² At the June 18, 2019 Work Study, McClanahan expressed Staff's position that including a stated goal of regionally competitive rates is unnecessary and would: (1) create ambiguity and confusion regarding what the benchmark might be for regionally-competitive rates, and (2) complicate the IRP process because rates would need to be determined for each scenario and compared to the region, potentially disrupting the goal of providing flexibility because the lowest cost scenario, rather than the most likely scenario might be advanced.

11. KIC is also seeking to remove the following language from the Compliance Filing Capital Plan Reporting & IRP Process Framework to ensure there is no predetermination of ratemaking principles or prudence of investments:¹³

When Staff and CURB agree that the utility's initial decision for a major capital investment was prudent, but current events require the utility to adjust or abandon planned or in progress investments as a result of unexpected developments, Staff and CURB will not seek to financially penalize the utility and will not apply hindsight judgement in evaluating the utility's initial decisions. In such instances, Staff and CURB will consider recovery of investments that should be adjusted or abandoned in order to pursue an alternative investment or option that benefits customers in the long-term.¹⁴

¹¹ Order Allowing Kansas Electric Cooperative, Inc. to Submit Post-Work Study Comments, June 25, 2019, ¶ 8.

¹² Comments of Kansas Industrial Consumers Group in Response to Commission Work Study Session, July 18, 2019, ¶ 9.

¹³ *Id.*, ¶¶ 16, 18.

¹⁴ *Id.*, ¶ 16.

Similarly, KIC argues any Commission order should make clear the order is not predetermining any ratemaking principles or making any prudency determinations.¹⁵ During the Work Study, McClanahan noted that the purpose of the compliance review is to determine whether Evergy's filing complies with the stated structure and expectations contained in the Capital Plan and Integrated Resource Plan Reporting Format, rather than for the Commission to approve substantive findings from the filing.

12. In its Comments on the Joint Parties' March 1 Compliance Filing and June 18 Work-Study, the Sierra Club argues the KCC should establish a comprehensive and formal IRP process that uses the best practices from the other 33 states that have previously incorporated IRPs.¹⁶ The Sierra Club also disagrees with Staff's focus on short-term planning over long-term planning.¹⁷ The Sierra Club also wants to remove the same language that KIC finds troublesome.¹⁸ Lastly, the Sierra Club recommends live-streaming stakeholder and other IRP processes.¹⁹ At the Work Study, McClanahan restated Staff's rationale for a Capital Expense and IRP process that more closely tracks the actual planning and decision cycle of Evergy. He also explained, absent fairly static supply and demand, traditional 20-year IRP forecasts are too far out into the future to contain useful information. Not only are 20-year IRP forecasts uninformative, but 20-year IRPs are also so voluminous, that they are unwieldy and overwhelming.

13. KEPCo offers a series of suggestions: First, it suggests allowing for more stakeholder participation and collaboration.²⁰ KEPCo seeks clarification on whether there will be a single report, and if so, thinks stakeholders should be allowed to include dissenting views in the

¹⁵ *Id.*, ¶ 20.

¹⁶ Sierra Club's Comments on the Joint Parties' March 1 Compliance Filing and June 18 Work-Study, July 18, 2019, p.2.

¹⁷ *Id.*, p.3.

¹⁸ *Id.*, p.5.

¹⁹ *Id.*, pp. 8-9.

²⁰ Post-Work Study Comments of Kansas Electric Power Cooperative, Inc., July 18, 2019, ¶ 13.

report.²¹ As currently proposed, KEPCo is concerned that they could only weigh in on major deficiencies in the methodology or analysis. KEPCO also wants to expand the 120-day period for comment.²² Second, KEPCo believes the parties should make clear there is an opportunity to raise concerns about substantive deficiencies in the IRP.²³ Third, KEPCo believes the stated purpose of the IRP process is inconsistent with best practices and the proposed Framework appears to give too much discretion to Evergy.²⁴ Fourth, the document retention provisions need to be broadened.²⁵ Fifth, there is language on p. 2 of the framework that appears to limit Staff's and CURB's review of the IRP.²⁶

14. On August 19, 2019, the Sierra Club filed its published report, *Kansas Pays the Price: A Comparison of Coal Plants and Renewable Energy for Electric Consumers of Evergy, KCP&L, and Westar*, which estimates: (1) Evergy's Kansas coal fleet lost \$267 million from 2015-2018 relative to market energy pricing; (2) future projections show that combined Evergy's La Cygne and Jeffrey plants are expected to lose \$847 million over the next 20 years; and (3) air pollution from Evergy's Kansas coal plants is responsible for nearly 20 premature deaths and more than 100 asthma attacks every year.²⁷ As a result, the Sierra Club calls for a thorough and transparent economic analysis of Evergy's coal facilities.²⁸ The Sierra Club believes that the IRP process should enable significant stakeholder involvement. The process described by McClanahan and Ives, at the Work Study, offers significant stakeholder involvement in reviewing Evergy's preferred resource plan. However, Sierra Club wants significant involvement in the *formation* of

²¹ *Id.*, ¶ 14.

²² *Id.*, ¶ 17.

²³ *Id.*, ¶ 18.

²⁴ *Id.*, ¶ 19.

²⁵ *Id.*, ¶ 20.

²⁶ *Id.*, ¶ 21.

²⁷ Notice of Sierra Club Report Regarding Evergy's Coal-Fired Power Plants, Aug. 19, 2019, p. 1.

²⁸ *Id.*

the resource plan and for Evergy to be required to actively solicit and incorporate both stakeholder commentary and Commission involvement throughout the IRP development process. As discussed at the Work Study, Staff disagrees with Sierra Club's desire for significant stakeholder involvement in the *formation* of a resource plan.

15. As a regulated public utility, Evergy has a statutory responsibility to provide "efficient and sufficient service," but is also entitled to discretion in the management of its day-to-day operations. Rather than directing Evergy to acquire specific resources, the Commission prefers an IRP process where it can direct Evergy to adhere to specific standards in formulating an IRP to be submitted for Commission review. Furthermore, the proposed IRP process provides for flexibility based on the rapidly changing environment utilities face today. Finally, all stakeholders and the Commission will have an opportunity to determine the prudence of Evergy's resource planning in any rate case in which the investments are to be included in rates. Involvement by stakeholders and the Commission during the development phase of the resource plan will create uncertainty on the part of Evergy as to whether or not prudence of a resource plan has been established during the resource planning process itself.

16. On September 9, 2019, Staff, CURB, Westar, and KCP&L filed a Joint Supplement and Clarification to Compliance Filing advising that the issues raised in the Sierra Club's and KIC's post-Work Study comments were adequately addressed at the Work Study session, but choosing to answer several procedural issues posed by KEPCo about IRP Process Framework.²⁹

17. In response to Commissioner comments from the Work Study, Staff, CURB, Westar, and KCP&L added the following language to the section titled Commission Staff and CURB Review of Capital Plan Reporting and IRP Process (attached as Attachment A):

²⁹ Joint Supplement and Clarification to Compliance Filing, Sept. 9, 2019, ¶ 6.

- As stated in this document, part of the purpose of the IRP Process is to provide (1) resource modeling that identifies the portfolio of resources that meets customer requirements at the lowest reasonable cost *given an uncertain future*, and (2) to provide an optimal portfolio that is *flexible and robust* as determined by input sensitivity analyses and contingent scenario analyses.
- In order to encourage and support a flexible and robust plan developed under uncertainty, a continual and unbiased assessment of planned or in-progress investments for any new generation resource greater than 100 MW and any directly related transmission and distribution investments to such new generation will be included in the plan. In addition, any retrofit or modification to an existing generation facility that exceeds \$300 million within a three-year period will be included in the plan. Because flexibility is critical to planning for an uncertain future, it is important that the plan:
 - a. Define the circumstances (*i.e.* the outcomes of initially uncertain variables) under which the plan must be reassessed;
 - b. Describe the tests and metrics that will be applied to decide if an alternative course of action should be taken;
 - c. Describe how the key uncertain variables will be monitored;
 - d. Identify the critical points of commitment, after which changes to the plan will be costly or impractical (*e.g.* costs sunk in economic terms); and
 - e. Specify “off ramps” prior to critical points of commitment that would avoid or limit the magnitude of potential stranded assets.
- If unexpected developments arise for planned or in-progress investments that were initially contemplated by the utility’s IRP compliance reporting, Staff and CURB will consider allowing recovery of any abandonment of planned or in-progress investments if the ongoing analysis described above supports the alternative action that avoids an uneconomic result.

In addition, Staff, CURB, Westar, and KCP&L replaced the language:

When Staff and CURB agree that the utility’s initial decision for a major capital investment was prudent, but current events require the utility to adjust or abandon planned or in-progress investments as a result of unexpected developments, Staff and CURB will not seek to financially penalize the utility and will not apply hindsight judgement in evaluating the utility’s initial decisions. In such instances, Staff and CURB will consider recovery of investments that should be adjusted or abandoned in order to pursue an alternative investment or option that benefits customers in the long-term.

with:

Nothing in the process describe herein shall in any way limit Staff and CURB’s right to evaluate the prudence of any property in accordance with 66-128, *et seq.* or to determine whether a return on investment should be included in any allowed recovery.

18. In response to KEPCo's concerns, Staff, CURB, Westar, and KCP&L modified their proposed IRP framework. Staff, CURB, Westar, and KCP&L added language to their IRP Process Framework instructing Evergy to host an informational meeting for stakeholders within 30 days of making its IRP compliance filing and to provide notice of the meeting to Staff and any parties who have been granted intervention in the IRP compliance docket and will present an overview of the IRP filing at the meeting and then allow parties to ask questions about the IRP filing.³⁰

19. Staff, CURB, Westar, and KCP&L adopted KEPCo's recommendation and amended the IRP Process Framework to increase the comment period to the IRP filing from 120 days to 150 days.³¹ In addition, Staff, CURB, Westar, and KCP&L clarified that Evergy will retain documentation related to the development of the entire IRP filing in accordance with its records retention policies and procedures.³²

20. On September 19, 2019, KEPCo filed its second Petition to Intervene in response to the Joint Supplement and Clarification to Compliance Filing, where Evergy stated it would provide notice of an informational meeting to any parties that have been granted intervention.³³ KEPCo seeks intervention to receive notice of the informational meeting.³⁴ In its June 25, 2019 Order Allowing Kansas Electric Cooperative, Inc. to Submit Post Work Study Comments, the Commission directed that KEPCo be added to the mailing list, and electronic service of pleadings, communications, and correspondence should be delivered to counsel of record and its other designees.³⁵ Therefore, KEPCo should receive notice of any informational meeting. But for the

³⁰ *Id.*, ¶ 11; Capital Plan Reporting & IRP Process Framework, Sept. 9, 2019, p. 5.

³¹ Joint Supplement and Clarification to Compliance Filing, ¶ 12; Capital Plan Reporting & IRP Process Framework, Sept. 9, 2019, p. 5.

³² Joint Supplement and Clarification to Compliance Filing, ¶ 13.

³³ Second Petition of Kansas Electric Power Cooperative, Inc. to Intervene, Sept. 19, 2019, ¶ 7.

³⁴ *Id.*

³⁵ Order Allowing Kansas Electric Cooperative, Inc. to Submit Postwork Study Comments, June 25, 2019, ¶ 9.

sake of clarity, the Commission directs Evergy to include KEPCo in any notice it provides of an informational meeting.

21. On September 24, 2019, the Sierra Club filed Notice of Filing of Public Comments, including comments it collected from more than 800 Kansas residents.³⁶ A review of the comments suggest that most of the commenters completed a form prepared by the Sierra Club. The form language requests the Commission require Evergy's IRP Plan to require Evergy to: (1) conduct transparent and robust economic analyses of its coal units; (2) seek out cleaner and less-expensive energy options through an all-source Request For Proposals (RFP); and (3) be held accountable: When market prices are lower than the costs of its coal fleet, Evergy should be purchasing market energy and not operating its costly coal plants.³⁷ The comments conclude by stating, "Consumers would benefit from Evergy phasing out its coal plants and replacing that power with energy purchased at market prices, as well as with less expensive sources of energy like wind and solar power."³⁸

22. To date, the Commission has not been presented with a cost/benefit study comparing the continued use of coal plants to substituting renewable resources for all generation requirements. The Commission envisions the IRP process will provide some evidence on whether phasing out coal plants is cost effective. As McClanahan explained at the Work Study, the Cap-Ex/IRP process is designed to be dynamic in nature. The Commission will be able to modify the process as conditions warrant based on input from Staff, Evergy, and other interested parties.

23. After reviewing all of the filings, the Commission concludes that the revised Compliance Filing, filed September 9, 2019, adequately resolves the concerns the Sierra Club,

³⁶ Sierra Club's Notice of Filing of Public Comments, Sept. 24, 2019.

³⁷ *Id.*

³⁸ *Id.*

KIC, and KEPCo raised in their comments to the March 1 initial Compliance Filing and the June 18 Work Study. Specifically, the Commission believes Evergy's commitment to host an informational meeting for stakeholders within 30 days of making its IRP compliance filing and Staff's, CURB's, and Evergy's agreement to increase the comment period to the IRP filing from 120 days to 150 days provides adequate safeguards and opportunities for stakeholder and public input. Therefore, the Commission approves the Capital Plan Reporting and IRP Process jointly proposed by Staff, CURB, Westar, and KCP&L on September 9, 2019.

24. The timelines for approved Capital Plan Reporting and IRP Process are summarized as follows:

IRP Process

- Initial triennial filing due three months after Missouri's triennial IRP filing³⁹ in 2021
- Subsequent filings will be made every three years (three months after Missouri's triennial IRP filing), and will provide a 10-year view of Evergy's preferred generating resource plans
- Between triennial filings, Evergy shall provide an annual update to its IRP. Evergy's initial annual update is due by July 1, 2020 and every subsequent annual update shall be due three months after Missouri's annual update
- Evergy will host an informational meeting within 30 days of IRP filings
- Stakeholders and intervenors will have 150 days to submit comments

³⁹ Missouri's triennial and annual IRP filings are due in April. Therefore, Kansas' filings will approximately be due in July of each year

Capital Plan Reporting

- Initial filing due March 9, 2020
- Subsequent annual filings will be due February 28 of each year, beginning in 2021
- Shareholders and intervenors will have 120 days to submit comments

THEREFORE, THE COMMISSION ORDERS:

A. The Capital Plan Reporting and IRP Process jointly proposed by Staff, CURB, Westar, and KCP&L on September 9, 2019 is approved.

B. The parties have 15 days from the date of the electronic service of this Order to petition for reconsideration.⁴⁰

C. The Commission retains jurisdiction over the subject matter and the parties for the purpose for entering such further orders as it deems necessary.

BY THE COMMISSION IT IS SO ORDERED.

Duffy, Chair; Albrecht, Commissioner; Keen, Commissioner.

Dated: 02/06/2020



Lynn M. Retz
Executive Director

BGF

⁴⁰ K.S.A. 66-118b; K.S.A. 77-529(a)(1).

Capital Plan Reporting & IRP Process Framework

Purpose of Capital Plan Reporting

- The purpose of Capital Plan reporting is:
 - To provide the Commission visibility into Evergy's forecast for new investments as well as replacement of aging utility infrastructure; and
 - To identify strategic and major capital projects that will set Evergy's short-term and long-term direction

Capital Plan Structure

- The Capital Plan will be based on Evergy's five-year budgeting process and practices
- Capital expenditure projections will include generation, transmission, distribution, and general plant investments. There will be more detail in year one with less detail in years two through five, consistent with the structure of Evergy's five-year budget
- Submittal of the Capital Plan for 2019 will follow 30 days after Commission approval of the Capital Plan Reporting & IRP process. Thereafter, the Capital Plan will be presented by February 28 annually

Purpose of IRP Process

- The purpose of the IRP process is to present the utility's preferred portfolio of resources to customers and the Commission
- The resource modeling identifies the portfolio of resources that meets customer requirements at the lowest reasonable cost given an uncertain future
- The optimal portfolio of resources will vary based on the modeling assumptions
- The flexibility and robustness of an optimal portfolio is determined by input sensitivity analysis and contingent scenario analysis

Standard IRP Structure

- Load forecast with a matching supply plan (Demand and Supply of Energy)
- Current utility status and near-term expectations as set forth in the Current Status and Near-Term Expectations direction below
- Medium-Run future expectations (10 – 15 years)¹ will be for Evergy as well as for each jurisdictional utility

Multiple Levels of Uncertainty²

- Predictable short-run current trends (base case forecast)
- A few alternative futures, for example generation retirement
- A range of alternative futures, for example medium-run load forecast

¹ It is recognized that given the long-lived nature of some utility investments, the IRP evaluation timeframe may need to extend beyond the specified 10-15-year period.

² Staff adapted the general structure for dealing with planning uncertainty from the article "Strategy Under Uncertainty" by Hugh G. Courtney, Jane Kirkland, and S. Patrick Viguierie, *Harvard Business Review*, November-December, 1997.

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Financial Impact of Alternative Scenarios

- Establish a criterion or criteria for evaluation of supply options (net present value of the revenue requirement, change in rates, etc.)
- If the preferred resource portfolio selected is not based on the alternative scenario exhibiting the lowest present value of revenue requirements, document the rationale for such selection.
- For each scenario, "what-if" contingency analysis needs to be conducted to determine how flexible and robust each supply option is

Commission Staff and CURB Review of Capital Plan Reporting and IRP Process

- Staff and CURB recognize that medium-run forecasts may be inaccurate and that changing economic factors can lead to the need for the utility to revisit investment decisions
- Given the dynamic environment facing utilities today, the IRP process will include review of major capital investment decisions during their implementation to determine if the planned course of action remains prudent
- As stated in this document, part of the purpose of the IRP Process is to provide (1) resource modeling that identifies the portfolio of resources that meets customer requirements at the lowest reasonable cost *given an uncertain future*, and (2) to provide an optimal portfolio that is *flexible and robust* as determined by input sensitivity analyses and contingent scenario analyses.
- In order to encourage and support a flexible and robust plan developed under uncertainty, a continual and unbiased assessment of planned or in-progress investments for any new generation resource greater than 100 MW and any directly related transmission and distribution investments to such new generation will be included in the plan. In addition, any retrofit or modification to an existing generation facility that exceeds \$300 million within a three-year period will be included in the plan. Because flexibility is critical to planning for an uncertain future, it is important that the plan:
 - a. Define the circumstances (*i.e.* the outcomes of initially uncertain variables) under which the plan must be reassessed;
 - b. Describe the tests and metrics that will be applied to decide if an alternative course of action should be taken;
 - c. Describe how the key uncertain variables will be monitored;
 - d. Identify the critical points of commitment, after which changes to the plan will be costly or impractical (*e.g.* costs sunk in economic terms); and
 - e. Specify "off ramps" prior to critical points of commitment that would avoid or limit the magnitude of potential stranded assets.
- If unexpected developments arise for planned or in-progress investments that were initially contemplated by the utility's IRP compliance reporting, Staff and CURB will consider allowing recovery of any abandonment of planned or in-progress investments if the ongoing analysis described above supports the alternative action that avoids an uneconomic result.
- Nothing in the process describe herein shall in any way limit Staff and CURB's right to evaluate the prudence of any property in accordance with 66-128, *et seq.* or to determine whether a return on investment should be included in any allowed recovery.

Status Quo and Near-Term Expectations (Short-Run Demand and Supply of Energy)

Demand

- History of Annual and Seasonal Load Requirements
- Service Territory Areas of Decline and Growth
- Current Penetration of DSM Programs
- Current Penetration of Distributed Generation
- Current short-run load forecast

Supply

- Current Generation Portfolio
- Planned Generation Retirements
- Transmission Commitments
- Distribution Requirements
- Current Capital Expenditure Budget

Medium-Run Future Expectations (Medium-Run Demand and Supply of Energy)

Demand Forecast

- Load Forecast Using Multiple Methodologies
 - For five year and longer time horizons, forecast on a daily or monthly basis
 - Econometric Models
 - Structural Models, for example PLEXOS
 - Sensitivity Analysis of Input Assumptions
- Business as Usual (Baseline Case)
- Alternative Scenario Analysis
 - Increased Distributed Generation
 - Rapid Increase in Electric Vehicles
 - Energy Efficiency
 - Macroeconomic Fluctuations (Cyclical and Irregular)

Supply Options for Demand Forecast

- Supply Response to Business as Usual (Baseline Case)
- Sensitivity Analysis of Input Assumptions for Baseline Case
- Additional Supply Uncertainty
 - Changes in Regulatory Milieu (Political Transitions)
 - Federal
 - State
 - Changes in Technology
 - Wind
 - Solar: Both Utility and "Rooftop" solar
 - Energy Efficiency Engineering Improvements
 - Cost Effective Electric Storage

Filing Schedule and Requirements

PURPOSE: This filing process section specifies the requirements for Evergy to demonstrate compliance with the provisions of the Capital Plan Reporting and IRP Process Framework established above. 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.

Capital Plan Process

(1) Evergy shall make its initial Capital Plan Report filing for its Westar and KCP&L subsidiaries in this docket 30 days after Commission approval of the Capital Plan and IRP Process Framework. Thereafter, the Capital Plan Report will be filed by February 28 annually. The filing shall demonstrate compliance with the provisions of this framework. Evergy's filing shall include the following items:

- (A) Letter of Transmittal;
- (B) Five Year Summary of Capital Investment Plan by category, consistent with Evergy's other external reporting requirements;
- (C) Year 1 Project Detail of Capital Investment Plan by project, consistent with Evergy's capital project planning process;
- (D) Comparison of prior year projected versus actual capital investments by project, consistent with Evergy's capital project planning and accounting processes. The comparison will begin with the second filing and each filing thereafter.

(2) Commission Staff, the Citizens' Utility Ratepayer Board (CURB), and any Intervenor shall review the compliance filing required by this framework and may file responsive comments providing any remarks and/or identifying any concerns regarding the Capital Plan, not later than one hundred twenty (120) days after the Capital Plan Report filing date. Any responsive comments by Staff, CURB, or Intervenor shall not be construed as acceptance or agreement with every investment in the Capital Plan contained in Evergy's filing

(3) Commission Staff, CURB, and any Intervenor may file cross-answering comments in response to the other parties' comments no later than 30 days after the initial responsive comments are filed.

(4) Evergy may file a report responding to responsive comments filed by each party no later than 180 days after the Capital Plan Report filing date.

(5) The Commission shall issue an order, which contains findings that Evergy's Capital Plan filing either does or does not demonstrate compliance with the requirements of the Capital Plan portion of this framework. The Commission may also address any comments or concerns raised by the parties if it so chooses. However, the Capital Plan Reporting framework does not constitute Commission approval or rejection of the plan.

IRP Process

(1) Evergy shall make a filing with the Commission every three (3) years that demonstrates compliance with the provisions of this framework. Evergy's filing shall include the following items:

- (A) Letter of Transmittal;
- (B) Summary information and any press release related to the filing;
- (C) Reports and information as outlined in this framework;
- (D) A narrative description and summary of the reports and information referred to in subsection (1)(C). The narrative shall specifically show that the resource acquisition strategy contained in the filing has been officially approved by the utility and that the methods used and the procedures followed by the utility in formulating the resource acquisition strategy comply with the provisions of this framework;

(2) Evergy shall make its initial compliance filings by 7/1/2020 based on the Missouri IRP update filing. After Evergy's initial compliance filing, all filings shall be filed three (3) months after each subsequent Missouri IRP filing.

(3) The Commission will establish a docket for the purpose of receiving Evergy's compliance filing. The Commission will issue an order that establishes an intervention deadline, sets an early prehearing conference, and provides for notice.

(4) Evergy will host an informational meeting for stakeholders within 30 days of making its IRP compliance filing. Evergy will provide notice of the meeting to Staff and any parties who have been granted intervention in the IRP compliance docket and will present an overview of the IRP filing at the meeting and then allow parties to ask questions about the IRP filing.

(5) Commission Staff, CURB, and any Intervenor (collectively "Parties") shall review each compliance filing required by this rule and shall file a report not later than one hundred fifty (150) days after each utility's scheduled filing date that identifies any deficiencies in Evergy's compliance with the provisions of this framework, any major deficiencies in the methodologies or analyses required to be performed by this framework and any other deficiencies which, in its limited review, the Parties determine would cause Evergy's resource acquisition strategy to fail to meet the requirements identified in this framework. If the limited review finds no deficiencies, the parties shall state such in the report. A report by any party shall not be construed as acceptance or agreement with the substantive findings, determinations or analysis contained in Evergy's filing.

(6) All workpapers, documents, reports, data, computer model documentation, analysis, letters, memoranda, notes, test results, studies, recordings, transcriptions, and any other supporting information relating to the filed resource acquisition strategy within Evergy's or its contractors' possession, custody, or control shall be preserved and made available in accordance with any protective order to the Staff, CURB and any Intervenor for use in its review of the periodic filings required by this framework. Evergy shall retain at least one (1) copy of the officially adopted resource acquisition strategy and all supporting information for at least five (5) years.

(7) If any Party finds any deficiencies, it shall work with Evergy and the other Parties to reach, within forty-five (45) days of the date that the report or comments were submitted, a joint agreement on a plan to remedy the identified deficiencies. If full agreement cannot be reached, this situation should be reported to the Commission through a joint filing as soon as possible, but no later than forty-five (45) days after the date on which the report or comments were submitted. The joint filing should set out in a brief narrative description those areas on which agreement cannot be reached.

(8) If full agreement on remedying deficiencies is not reached, then within sixty (60) days from the date on which the Parties submitted a report or comments relating to Evergy's compliance filing, Evergy may file a response and the Parties may file comments in response to each other's comments. The Commission will issue an order which indicates on what items, if any, a hearing will be held and which also establishes a procedural schedule if necessary.

(9) If Evergy determines that circumstances have changed so that the preferred resource plan is no longer appropriate for any reason(s), it shall notify the Commission in writing within sixty (60) days of its determination. If Evergy decides to implement any material changes to its preferred resource plan, it shall file supporting documents relating to the change for review in advance of its next regularly scheduled compliance filing. This review shall not limit the ability of Evergy to take any actions deemed appropriate by Evergy.

(10) Between the triennial compliance filings, Evergy shall also provide an annual update to its IRP three (3) months after its Missouri IRP update. Stakeholders may file comments with the Commission concerning Evergy's annual update within thirty (30) days of the utility's filing.

(11) Upon written application, and after notice and an opportunity for hearing, the Commission may waive or grant a variance from a provision of this framework for good cause shown.

(12) The Commission may extend or reduce any of the time periods specified in this rule for good cause shown.

(13) The Commission shall issue an order, which contains findings that Evergy's filing and resource acquisition strategy either does or does not demonstrate compliance with the requirements of this framework.

CERTIFICATE OF SERVICE

19-KCPE-096-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 02/06/2020.

JOSEPH R. ASTRAB, ATTORNEY
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3116
j.astrab@curb.kansas.gov

TODD E. LOVE, ATTORNEY
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3116
t.love@curb.kansas.gov

DAVID W. NICKEL, CONSUMER COUNSEL
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3116
d.nickel@curb.kansas.gov

SHONDA RABB
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3116
s.rabb@curb.kansas.gov

DELLA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3116
d.smith@curb.kansas.gov

CATHRYN J. DINGES, CORPORATE COUNSEL
EVERGY KANSAS CENTRAL, INC
818 S KANSAS AVE
PO BOX 889
TOPEKA, KS 66601-0889
Fax: 785-575-8136
cathy.dinges@evergy.com

ROBERT J. HACK, LEAD REGULATORY COUNSEL
EVERGY METRO, INC
D/B/A EVERGY KANSAS METRO
ONE KANSAS CITY PL, 1200 MAIN ST
19TH FLOOR
KANSAS CITY, MO 64105
Fax: 816-556-2787
rob.hack@kcpl.com

ROGER W. STEINER, CORPORATE COUNSEL
EVERGY METRO, INC
D/B/A EVERGY KANSAS METRO
ONE KANSAS CITY PL, 1200 MAIN ST
19TH FLOOR
KANSAS CITY, MO 64105
Fax: 816-556-2787
roger.steiner@kcpl.com

BRIAN G. FEDOTIN, GENERAL COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3354
b.fedotin@kcc.ks.gov

MICHAEL NEELEY, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3167
m.neeley@kcc.ks.gov

CERTIFICATE OF SERVICE

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SUSAN B. CUNNINGHAM, SVP, REGULATORY AND
GOVERNMENT AFFAIRS, GENERAL COUNSEL
KANSAS ELECTRIC POWER CO-OP, INC.
600 SW CORPORATE VIEW
PO BOX 4877
TOPEKA, KS 66604-0877
Fax: 785-271-4888
scunningham@kepco.org

ROBERT V. EYE, ATTORNEY AT LAW
KAUFFMAN & EYE
4840 Bob Billings Pkwy, Ste. 1010
Lawrence, KS 66049-3862
Fax: 785-749-1202
bob@kauffmaneye.com

MARK DOLJAC, DIR RATES AND REGULATION
KANSAS ELECTRIC POWER CO-OP, INC.
600 SW CORPORATE VIEW
PO BOX 4877
TOPEKA, KS 66604-0877
Fax: 785-271-4888
mdoljac@kepco.org

KIMBERLY BRICKELL FRANK ESQ.
MCCARTER ENGLISH, LLP
1301 K Street, NW
Suite 1000 West
WASHINGTON, DC 20005
Fax: 202-296-0166
kfrank@mccarter.com

/s/ DeeAnn Shupe
DeeAnn Shupe
