

EMPIRE DISTRICT ELECTRIC COMPANY

2011 ANNUAL RENEWABLE ENERGY STANDARD COMPLIANCE REPORT

Prepared in Compliance with 4 CSR 240-20.100

April 15, 2012



TABLE OF CONTENTS

INTRODUCTION	3
SECTION (7) (A) 1 A, B: TOTAL MISSOURI RETAIL ELECTRIC SALES AND REVENUE	4
SECTION (7) (A) 1 C: TOTAL RETAIL ELECTRIC SALES SUPPLIED BY RENEWABLE ENERGY RESOURCES	4
SECTION (7) (A) 1 D: CURRENT NUMBER AND VALUE OF RECS CREATED BY EDE OWNED FACILITY.....	5
SECTION (7) (A) 1 E, F: SOURCE AND NUMBER OF RECS ACQUIRED, SOLD, TRANSFERRED, RETIRED	5
SECTION (7) (A) 1 G: IDENTIFICATION OF RECS CARRIED FORWARD	6
SECTION (7) (A) 1 H: GAINS AND LOSSES FROM SALE OR PURCHASE	6
SECTION (7) (A) 1 I: ACQUISITION OF RENEWABLE ENERGY	6
SECTION (7) (A) 1 J: CUSTOMERS RECEIVING SOLAR REBATE	7
SECTION (7) (A) 1 K: CUSTOMERS DENIED SOLAR REBATE.....	7
SECTION (7) (A) 1 L: FUNDS EXPENDED BY EDE FOR SOLAR REBATES.....	7
SECTION (7) (A) 1 M: ANNUAL COMPLIANCE WITH RES COMPLIANCE PLAN.....	7
SECTION (7) (A) 1 N: NON-COMPLIANCE WITH RES COMPLIANCE PLAN	8

ATTACHMENT 1: RECS CARRIED FORWARD

ATTACHMENT 2: SOLAR EXEMPTION AFFIDAVIT

ATTACHMENT 3: AFFIDAVIT OF COMPLIANCE WITH 2011 COMPLIANCE PLAN

2011 ANNUAL RENEWABLE ENERGY STANDARD COMPLIANCE REPORT

INTRODUCTION

Pursuant to the State of Missouri Public Service Commission's renewable energy standards rule, 4 CSR 240-20.100(7), The Empire District Electric Company (EDE), a Kansas corporation, is filing its initial Annual Renewable Energy Standard (RES) Compliance Report. The rule became effective in September 2010, and pursuant to the rule EDE must file the 2011 RES Compliance Report on or before April 15, 2012.

EDE began to develop its wind renewable energy portfolio on December 10, 2004, when it entered into a 20-year contract with Elk River Windfarm, LLC (now owned by Iberdrola Renewables) to purchase all of the energy generated at the 150-megawatt Elk River Windfarm located in Butler County, Kansas.

On June 19, 2007, EDE enhanced its renewable energy portfolio when it entered into a 20-year purchased power agreement with Cloud County Windfarm, LLC, (now owned by EDP Renewables North America LLC). Pursuant to the terms of the agreement, EDE purchases all of the output from the 105-megawatt Phase 1 Meridian Way Wind Farm located in Cloud County, Kansas.

In addition, the Ozark Beach Hydroelectric Project, owned by EDE has produced renewable hydropower for many years. The RES rules allow for the banking of RECs for up to a three year time period. This has allowed the use of eligible Ozark Beach RECs generated in 2008 and 2009 in meeting the 2011 RES requirements.

The following sections provide information required to indicate compliance with the rule:

SECTION (7) (A) 1 A, B: TOTAL MISSOURI RETAIL ELECTRIC SALES AND REVENUE

The following table represents the number of megawatt-hours (MWh) of electricity delivered in 2011 by EDE to its Missouri retail customers, as reflected in the monthly billing statements. In addition, a column is provided capturing the revenue from total retail electric sales to Missouri customers:

Table 1: Missouri 2011 Total Retail Sales

*Missouri Retail Sales	Year	MWh	Revenue
	2011	4,142,916	\$418,956,495

*Data Source: Customers Kilowatt Hours Revenue Report
 Consistent with FERC Form 1, 2011

SECTION (7) (A) 1 C: TOTAL RETAIL ELECTRIC SALES SUPPLIED BY RENEWABLE ENERGY RESOURCES

In compliance with RSMo 393 section 1030, EDE retired sufficient RECs to provide the equivalent of 2% of its retail electric sales for 2011. With 4,142,916 MWh total retail electric sales for 2011, 68,786 RECs were retired from Empire’s Ozark Beach Hydroelectric Project, a certified renewable energy facility. Ozark Beach consists of 4 generators with individual nameplate ratings of 4MW each. The facility received Missouri Department of Natural Resources Certification of Renewable Energy Generation Facility status on September 11, 2011. Using the provision included in Missouri’s Renewable Energy Standard, 4 CSR 240-20.100 (3) (G), the additional credit allowance of 0.25 per REC was claimed as the renewable energy resource is physically located in the state of Missouri. As you can see from the table below, Empire retired more than its 2% requirement of RECs for compliance.

Table 2: Ozark Beach REC Retirement for Compliance with 2011 MoRES

Missouri Retail Sales	2% Non-Solar RES Requirement	RECs retired *Ozark Beach	In-State Allowance
4,142,916	82,858.3	68,786	85,982.5

*Vintage 2008 and 2009 RECs from Ozark Beach were retired for compliance with the MoRES.

SECTION (7) (A) 1 D: CURRENT NUMBER AND VALUE OF RECS CREATED BY EDE OWNED FACILITY.

In 2011, EDE-owned Ozark Beach Hydroelectric Project generated 48,971 MWh. Using the provision of the Missouri Renewable Energy Standard allowing for additional credit of 0.25, the resultant RECs created for 2011 energy equal 61,214 RECs (48,971 x 1.25). There is no value assigned to the RECs created by our hydroelectric facility as there is currently no hydro-REC market available in Missouri. The value of these RECs for the rate payer is realized when additional costs are not incurred in order to acquire RECs to meet compliance with this RES.

SECTION (7) (A) 1 E, F: SOURCE AND NUMBER OF RECS ACQUIRED, SOLD, TRANSFERRED, RETIRED

EDE receives renewable energy from three sources, including ownership of the Ozark Beach Hydroelectric Project plus purchased power agreements with the Elk River Windfarm and the Meridian Way Windfarm. Pursuant to the terms of the 20-year agreements, EDE will purchase all of the output from the 150-megawatt Elk River Windfarm, and 105-megawatts from Meridian Way Windfarm. We anticipate annual generation of approximately 550,000 MWhs for Elk River and approximately 330,000 MWhs for Meridian Way.

A REC represents that one MWh of energy has been generated from renewable energy resources. A REC expires 3 years from the date the energy associated with that REC was generated. During 2011, 63,000 vintage 2008 RECs from hydroelectric generation at Ozark Beach were retired to fulfill the Missouri compliance obligation. In January of 2012, 5,786 additional vintage 2008 and 2009 RECs from hydroelectric generation at Ozark Beach were

retired to complete the RES obligation for 2011. RECs generated from the windfarms were not used to fulfill Missouri compliance obligations.

SECTION (7) (A) 1 G: IDENTIFICATION OF RECS CARRIED FORWARD

RECs generated by Ozark Beach and Elk River Windfarm are registered with the North American Renewables Registry (NAR). ATTACHMENT 1 included with this report indicates by source and serial number RECs registered with the NAR that have been carried forward for future use. For 2011 compliance, 2008 and 2009 Ozark Beach vintage RECs totaling 68,786 were retired for compliance. Carried forward through the 3 year banking provision are additional 2009, 2010, and 2011 Ozark Beach RECs totaling 184,876. In 2012, EDE sold all the 2011 RECs associated with Elk River and will not be used for compliance with the Missouri Renewable Energy Standard.

In addition to the RECs registered with the NAR, EDE receives RECs from another windfarm, Meridian Way. These RECs are not used for Missouri compliance; therefore they are not included in this reporting section. We do not anticipate utilizing the Meridian Way RECs for compliance at this time.

SECTION (7) (A) 1 H: GAINS AND LOSSES FROM SALE OR PURCHASE

EDE did not purchase or sell RECs as a result of the Missouri RES.

SECTION (7) (A) 1 I: ACQUISITION OF RENEWABLE ENERGY

Renewable energy is purchased for EDE from the following non-utility owned facilities:

- Elk River
- Wind (Resource)
- Iberdrola Renewables (Owner)

14980 SE 190th Rd.
Latham, KS 67072

Meridian Way I
Wind (Resource)
EDP Renewables North America LLC (Owner)
1409 Iron Road
Concordia, KS 66901

RECs purchased from these sources are not used for compliance at this time, but can be utilized for compliance in the future as needed.

SECTION (7) (A) 1 J: CUSTOMERS RECEIVING SOLAR REBATE

Not Applicable

SECTION (7) (A) 1 K: CUSTOMERS DENIED SOLAR REBATE

Not Applicable

SECTION (7) (A) 1 L: FUNDS EXPENDED BY EDE FOR SOLAR REBATES

Not Applicable

Pursuant to Missouri State Statute, Title XXV – Incorporation and Regulation of Certain Utilities and Carriers, Chapter 393 – Gas, Electric, Water, Heating and Sewer Companies, Section 1050 (RSMo 393.1050), EDE is exempt from solar requirements and solar rebates. See memorandum of explanation regarding Missouri Renewable Energy Initiative Solar Exemption, ATTACHMENT 2.

SECTION (7) (A) 1 M: ANNUAL COMPLIANCE WITH RES COMPLIANCE PLAN

Reference: Please see Affidavit of Compliance with 2011 Compliance Plan, ATTACHMENT 3.

SECTION (7) (A) 1 N: NON-COMPLIANCE WITH RES COMPLIANCE PLAN

EDE will be in compliance with the Missouri annual RES Compliance plan.

ATTACHMENT 1: IDENTIFICATION BY SOURCE AND SERIAL NUMBER, RECS CARRIED FORWARD.



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Active Sub-Accounts: All Sub-Accounts

Total Quantity:

Certificates in Subaccount

<input type="checkbox"/>	Sub-Account	Sub-Account ID	NAR ID	Asset	Fuel/Project Type	Certificate Vintage	Certificate Serial Numbers	Quantity	Transfer Quantity	MO Compliance Equivalency	MO	NC	KS	NY	IL	Green Energy Eligible
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	12/2010	NAR-REC-99-MO-12-2010-2744-1 to 7367	7,367	7367	9208.75	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	11/2010	NAR-REC-99-MO-11-2010-2743-1 to 6053	6,053	6053	7566.25	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	10/2010	NAR-REC-99-MO-10-2010-2742-1 to 4446	4,446	4446	5557.5	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	09/2010	NAR-REC-99-MO-09-2010-2741-1 to 4186	4,186	4186	5232.5	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	08/2010	NAR-REC-99-MO-08-2010-2737-1 to 6762	6,762	6762	8452.5	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	07/2010	NAR-REC-99-MO-07-2010-2736-1 to 7024	7,024	7024	8780	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	06/2010	NAR-REC-99-MO-06-2010-2735-1 to 5213	5,213	5213	6516.25	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	05/2010	NAR-REC-99-MO-05-2010-2734-1 to 6104	6,104	6104	10130	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	04/2010	NAR-REC-99-MO-04-2010-2733-1 to 8783	8,783	8783	10978.75	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	03/2010	NAR-REC-99-MO-03-2010-2732-1 to 9651	9,651	9651	12063.75	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	02/2010	NAR-REC-99-MO-02-2010-2731-1 to 12327	12,327	12327	15408.75	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	01/2010	NAR-REC-99-MO-01-2010-2730-1 to 8218	8,218	8218	10272.5	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	12/2009	NAR-REC-99-MO-12-2009-2729-1 to 3585	3,585	3585	4481.25	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	11/2009	NAR-REC-99-MO-11-2009-2728-1 to 1118	1,118	1118	1397.5	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	10/2009	NAR-REC-99-MO-10-2009-2727-1 to 8054	8,054	8054	10067.5	Yes	No	Yes	No	No	No
				Ozark Beach -	Hydroelectric		NAR-REC-99-									

<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach Hydro	Water	09/2009	MO-09-2009-2726-1 to 5014	5,014	5014	6267.5	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	08/2009	NAR-REC-99-MO-08-2009-2725-1 to 6236	6,236	6236	7795	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	07/2009	NAR-REC-99-MO-07-2009-2724-1 to 4778	4,778	4778	5972.5	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	06/2009	NAR-REC-99-MO-06-2009-2723-1 to 2445	2,445	2445	3056.25	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	05/2009	NAR-REC-99-MO-05-2009-2722-1 to 8359	8,359	8359	10448.75	Yes	No	Yes	No	No	No

1 - 20 : 50



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Certificates in Subaccount

<input type="checkbox"/>	Sub-Account	Sub-Account ID	NAR ID	Asset	Fuel/Project Type	Certificate Vintage	Certificate Serial Numbers	Quantity	Transfer Quantity	MO Compliance Equivalency	MO	NC	KS	NY	IL	Green Energy Eligible
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	04/2009	NAR-REC-99-MO-04-2009-2459-12241 to 13218	978	978	1222.5	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	12/2011	NAR-REC-99-MO-12-2011-3381-1 to 10622	10,622	10622	13277.5	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	11/2011	NAR-REC-99-MO-11-2011-3206-1 to 6222	6,222	6222	7777.5	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	10/2011	NAR-REC-99-MO-10-2011-3205-1 to 3556	3,556	3556	4445	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	09/2011	NAR-REC-99-MO-09-2011-3204-1 to 4279	4,279	4279	5348.75	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	08/2011	NAR-REC-99-MO-08-2011-3203-1 to 1025	1,025	1025	1281.25	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	05/2011	NAR-REC-99-MO-05-2011-3202-1 to 11	11	11	13.75	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	04/2011	NAR-REC-99-MO-04-2011-3201-1 to 5045	5,045	5045	6306.25	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	03/2011	NAR-REC-99-MO-03-2011-3200-1 to 5750	5,750	5750	7187.5	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	02/2011	NAR-REC-99-MO-02-2011-3199-1 to 4820	4,820	4820	6025	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	01/2011	NAR-REC-99-MO-01-2011-3198-1 to 7641	7,641	7641	9551.25	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN99	Ozark Beach - Ozark Beach Hydro	Hydroelectric Water	01/2012	NAR-REC-99-MO-01-2012-3467-1 to 7204	7,204	7204	9005	Yes	No	Yes	No	No	No
<input type="checkbox"/>	DefaultACT	269	GEN97	Elk River Wind - Elk River Wind	Wind	01/2012	NAR-REC-97-KS-01-2012-3465-1 to 62381	62,381	62381	62381	Yes	No	Yes	No	No	Yes
<input type="checkbox"/>	DefaultACT	269	GEN97	Elk River Wind - Elk River Wind	Wind	11/2010	NAR-REC-97-KS-11-2010-1745-33820 to 64237	30,418	30418	30418	Yes	No	Yes	No	No	Yes
<input type="checkbox"/>	DefaultACT	269	GEN97	Elk River Wind - Elk River Wind	Wind	12/2011	NAR-REC-97-KS-12-2011-3350-7 to 49653	49,647	49547	49647	Yes	No	Yes	No	No	Yes
<input type="checkbox"/>	DefaultACT	269	GEN97	Elk River Wind - Elk River Wind	Wind	11/2011	NAR-REC-97-KS-11-2011-3196-1 to 60205	60,205	60205	60205	Yes	No	Yes	No	No	Yes

<input type="checkbox"/>	DefaultACT	269	GEN97	Elk River Wind - Elk River Wind	Wind	02/2011	NAR-REC-97-KS-02-2011-1752-8882 to 47118	38,235	38235	38235	Yes	No	Yes	No	No	Yes
<input type="checkbox"/>	DefaultACT	269	GEN97	Elk River Wind - Elk River Wind	Wind	10/2011	NAR-REC-97-KS-10-2011-2494-1 to 51937	51,937	51937	51937	Yes	No	Yes	No	No	Yes
<input type="checkbox"/>	DefaultACT	269	GEN97	Elk River Wind - Elk River Wind	Wind	03/2011	NAR-REC-97-KS-03-2011-2435-1 to 59495	59,495	59495	59495	Yes	No	Yes	No	No	Yes
<input type="checkbox"/>	DefaultACT	269	GEN97	Elk River Wind - Elk River Wind	Wind	01/2011	NAR-REC-97-KS-01-2011-1365-34001 to 46549	12,549	12549	12549	Yes	No	Yes	No	No	Yes

21 - 40 : 50



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<input type="checkbox"/>	Sub-Account	Sub-Account ID	NAR ID	Asset	Fuel/Project Type	Certificate Vintage	Certificate Serial Numbers	Quantity	Transfer Quantity	MO Compliance Equivalency	MO	NC	KS	NY	IL	Green-Energy Eligible
<input type="checkbox"/>	DefaultACT	269	GEN97	Elk River Wind - Elk River Wind	Wind	04/2011	NAR-REC-97-KS-04-2011-2430-1 to 6	6	6	6	Yes	No	Yes	No	No	Yes
<input type="checkbox"/>	DefaultACT	269	GEN97	Elk River Wind - Elk River Wind	Wind	09/2011	NAR-REC-97-KS-09-2011-2428-1 to 3263	35,263	<input type="text" value="35263"/>	35263	Yes	No	Yes	No	No	Yes
<input type="checkbox"/>	DefaultACT	269	GEN97	Elk River Wind - Elk River Wind	Wind	08/2011	NAR-REC-97-KS-08-2011-2401-1 to 32576	32,576	<input type="text" value="32576"/>	32576	Yes	No	Yes	No	No	Yes
<input type="checkbox"/>	DefaultACT	269	GEN97	Elk River Wind - Elk River Wind	Wind	07/2011	NAR-REC-97-KS-07-2011-2398-1 to 36336	36,336	<input type="text" value="36336"/>	36336	Yes	No	Yes	No	No	Yes
<input type="checkbox"/>	DefaultACT	269	GEN97	Elk River Wind - Elk River Wind	Wind	06/2011	NAR-REC-97-KS-06-2011-1755-1 to 61168	61,168	<input type="text" value="61168"/>	61168	Yes	No	Yes	No	No	Yes
<input type="checkbox"/>	DefaultACT	269	GEN97	Elk River Wind - Elk River Wind	Wind	02/2011	NAR-REC-97-KS-02-2011-1752-1 to 8881	8,881	<input type="text" value="8881"/>	8881	Yes	No	Yes	No	No	Yes
<input type="checkbox"/>	DefaultACT	269	GEN97	Elk River Wind - Elk River Wind	Wind	05/2011	NAR-REC-97-KS-05-2011-1742-1 to 58483	58,483	<input type="text" value="58483"/>	58483	Yes	No	Yes	No	No	Yes
<input type="checkbox"/>	DefaultACT	269	GEN97	Elk River Wind - Elk River Wind	Wind	04/2011	NAR-REC-97-KS-04-2011-1741-1 to 59341	59,341	<input type="text" value="59341"/>	59341	Yes	No	Yes	No	No	Yes
<input type="checkbox"/>	DefaultACT	269	GEN97	Elk River Wind - Elk River Wind	Wind	10/2010	NAR-REC-97-KS-10-2010-1119-44001 to 45523	1,523	<input type="text" value="1523"/>	1523	Yes	No	Yes	No	No	Yes
<input type="checkbox"/>	DefaultACT	269	GEN97	Elk River Wind - Elk River Wind	Wind	09/2010	NAR-REC-97-KS-09-2010-1118-35351 to 42075	6,725	<input type="text" value="6725"/>	6725	Yes	No	Yes	No	No	Yes

41 - 50 : 50

ATTACHMENT 2:
SOLAR EXEMPTION AFFIDAVIT

MEMORANDUM

DATE: January 7, 2009
TO: Brad Beecher Blake Mertens
Harold Colgin
FROM: Tim Wilson
SUBJECT: Missouri Renewable Energy Initiative Solar Exemption

The Missouri Renewable Energy Initiative has been voted on and was certified by the Secretary of State on December 2, 2008. The initiative essentially calls for the following:

- (a) 2% of sales to come from renewable energy sources for calendar years 2011 through 2013;
- (b) 5% of sales to come from renewable energy sources for calendar years 2014 through 2017;
- (c) 10% of sales to come from renewable energy sources for calendar years 2018 through 2020;
- (d) 15% of sales to come from renewable energy sources for calendar years beginning in 2021;

Further, the Missouri Renewable Energy Initiative contains the following requirement:

At least 2% of each portfolio requirement shall be derived from solar energy....

Senate Bill 1181 was also passed by the Missouri legislature and signed into law by the Governor in 2008 which contained the following provision:

Section 1. Notwithstanding any other provision of law, any electrical corporation as defined by subdivision 15 of section 386.020, RSMo, which, by January 20, 2009, achieves an amount of eligible renewable energy technology nameplate capacity equal to or greater than fifteen percent of such corporation's total owned fossil-fired generating capacity, shall be exempt thereafter from a requirement to pay any installation subsidy, fee, or rebate to its customers that install their own solar electric energy system and shall be exempt from meeting any mandated solar renewable energy standard requirements.

In other words, if Empire has a renewable energy nameplate capacity of greater than 15% of its total owned fossil-fired generating capacity by January 20, 2009, Empire does not have to meet the solar requirement of "At least 2% of each portfolio requirement shall be derived from solar energy" contained in the Missouri Renewable Energy Initiative. Furthermore, Empire will be exempt thereafter as well.

Empire's renewable energy nameplate capacity as of January 1, 2009 is 255 megawatts (MW). This number is derived from the 150 MW of capacity related to the Elk River Windfarm (with commercial operation date of December 15, 2005) and the 105 MW Meridian Way Wind Farm (with a commercial operation date of December 23, 2008). Empire's total owned fossil-fired generating capacity in operation as of January 1, 2009 is as follows:

Asbury Power Plant	210 MW
Energy Center Power Plant	269 MW
Iatan Power Plant	80 MW
Riverton Power Plant	286 MW
State Line Power Plant	<u>396 MW</u>

1/7/2009

Total

1,241 MW

As such, when one divides the 255 MW of renewable energy nameplate capacity by the 1,241 MW of owned fossil-fired generating capacity one gets 20.5% meaning, according to the Section 1 provision of Senate Bill 1181, Empire, "...shall be exempt thereafter from a requirement to pay any installation subsidy, fee, or rebate to its customers that install their own solar electric energy system and shall be exempt from meeting any mandated solar renewable energy standard requirements" such as that provided in the Missouri Renewable Energy Initiative.

In summary, due to Empire achieving an amount of eligible renewable energy technology nameplate capacity equal to or greater than fifteen percent of our total owned fossil-fired generating capacity by January 20, 2009 we are thereby exempt from the 2% solar requirement stated in the Missouri Renewable Energy Initiative and will continue to be exempt thereafter.

We, the Strategic Projects Department, will continue to monitor any effects this may have on our ability to market and sell the Renewable Energy Credits we receive via the Elk River and Meridian Way purchased power contracts. Based on previous conversations with Green-e representatives, it is our current understanding that Empire's invoking of this provision will NOT affect the status of our Renewable Energy Certificates; however, in this ever evolving renewable energy market continued due diligence is required. Since compliance with the Missouri Renewable Energy Initiative is not required until 2011, Empire still has time to act in regards to the 2% solar requirement if Green-e brings forth any concerns.

ATTACHMENT 3:
AFFIDAVIT OF COMPLIANCE WITH 2011 COMPLIANCE PLAN

On April 15, 2011, The Empire District Electric Company filed a Compliance Plan outlining our plan to comply with the Renewable Energy Standard for the years of 2011-2013.

In accordance with that document, EDE stated that the company would utilize the generation from contracts with Elk River Windfarm, Cloud County Windfarm and/or generation from its Ozark Beach Hydroelectric facility. EDE retired 68,786 2008 and 2009 vintage RECs from the Ozark Beach facility in order to fully meet the 2011 compliance requirements.

The 2011 RES Compliance Plan states that EDE will continue to utilize RECs generated by the Ozark Beach facility and Elk River or Cloud County Windfarm if needed.

The total costs for meeting the 2011 annual MoRES are as follows:

Resource	Cost
Ozark Beach Generation	-0-
NAR Administration	\$63,170