

# Exhibit No. 5

Exhibit No.:  
Issue: Special High Load Factor  
Market Rate  
Witness: Mark Stombaugh, MO DED  
Type of Exhibit: Direct Testimony  
Sponsoring Party: Evergy Missouri West  
Case No.: EO-2022-0061  
Date Testimony Prepared: November 2, 2021

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO.: EO-2022-0061**

**DIRECT TESTIMONY**

**OF**

**Mark Stombaugh, Director Regional Engagement Division  
Missouri Department of Economic Development**

**ON BEHALF OF**

**EVERGY MISSOURI WEST, INC. D/B/A EVERGY MISSOURI WEST**

**Kansas City, Missouri  
November 2, 2021**

**DIRECT TESTIMONY**

**OF**

**MARK STOMBAUGH**

**Case No. EO-2022-0061**

1 **Q: Please state your name and business address.**

2 A: My name is Mark Stombaugh. The business address for the Department of Economic  
3 Development is 301 W. High St., Suite 720, Jefferson City, MO 65101.

4 **Q: By whom and in what capacity are you employed?**

5 A: I am employed by the State of Missouri's Department of Economic Development ("DED").  
6 I serve as the Director of the Regional Engagement Division.

7 **Q: On whose behalf are you testifying?**

8 A: I am testifying on behalf of Evergy Missouri West.

9 **Q: What are your responsibilities?**

10 A: My responsibilities include leading the organizations business and community outreach  
11 and business development functions. This encompasses our general support, technical  
12 assistance, and negotiation of program specific financial incentives to support business  
13 growth.

14 **Q: Please describe your education, experience and employment history.**

15 A: I received a Bachelor of Science in Finance from Bradley University in 2003. While  
16 employed in the field of economic development, I received graduate degrees from William  
17 Woods University, Master of Business Administration in 2011, and from the University of  
18 Missouri, Masters of Public Affairs in 2021. I have worked in economic development for  
19 16 years and have professional certifications from the National Development Council

1 (“NDC”) and International Economic Development Council (“IEDC”). My experiences  
2 began with the Department of Economic Development in program administration and  
3 regional project management. After five years at the state level, I led multiple public-  
4 private partnerships, and non-profit organizations, and worked for municipal governments  
5 in support of community economic development for seven years before returning to  
6 statewide economic development in 2018.

7 **Q: Have you previously testified in a proceeding at the Missouri Public Service**  
8 **Commission (“MPSC” or “Commission”) or before any other utility regulatory**  
9 **agency?**

10 A: Yes. I have provided direct testimony in case EO-2019-0244 on behalf of then KCP&L  
11 Greater Missouri Operations Company for its Special Rate for Incremental Load tariff used  
12 to serve the Nucor facility in Sedalia, Missouri.

13 **Q: Please describe your organization.**

14 A: The DED seeks to create solid, high-paying jobs and to boost economic development  
15 across the state to help local communities grow and prosper. DED and its collective boards,  
16 councils, commissions, and divisions aspire to transform Missouri into the best state in the  
17 Midwest for businesses and talent.

18 **Q: Please describe your organization’s mission.**

19 A: DED works to create an environment that encourages economic growth by supporting  
20 Missouri’s businesses and diverse industries, strengthening our communities, developing  
21 a talented and skilled workforce, and maintaining a high quality of life.

1 **Q: What is the purpose of your direct testimony?**

2 A: The purpose of my direct testimony is to address the impact, partnership, and support the  
3 Department has provided for the investment planned by Velvet Tech Services, LLC and  
4 Diode Ventures, LLC in “Golden Plains Technology Park” and to emphasize the  
5 importance the proposed rate and tariff have on the projects' success. Company Witness  
6 Jill McCarthy discusses Velvet, Diode, and the Technology Park in more detail in her  
7 testimony.

8 **Q: Please describe the Velvet Tech Services, LLC project.**

9 A: The Velvet Tech Services, LLC project is a hyperscale data center. As presented to the  
10 Department, the park plans call for the construction of up to 5.5 million square feet of new  
11 facilities for a data center campus to be built in multiple phases. The full development is  
12 anticipated to support more than 1,000 construction jobs on average. Velvet Tech Services,  
13 LLC initial investment and project plan calls for more than 50 new full-time positions  
14 paying in excess of 150% of county average wage.

15 **Q: Please describe the Golden Plains Technology Park.**

16 A: Additional information on Golden Plains Technology Park can be found here:  
17 <https://www.diodeventures.com/projects/gptp>.

18 **Q: Discuss how Velvet Tech Services, LLC came to decide on Missouri as a viable  
19 location.**

20 A: The project site is evaluated against multiple locations with a variety of critical factors. The  
21 analysis contemplates the company’s partnership with state, regional, and local partners  
22 and the incentive programs to support this type of project and whether those sufficiently  
23 contribute to make a site viable. The availability of a highly skilled workforce and ability

1 to provide a clearly defined timeline for development approvals represent additional  
2 considerations.

3 In many instances, a pivotal component to success is the availability of highly  
4 reliable and redundant electrical power. More specifically, reliability and costs of electric  
5 service are critical components for data center operations that have constant operations and  
6 consistent utility consumption. More and more companies are also increasingly seeking,  
7 and in some cases requiring by internal policy, facilities to be supplied by renewable  
8 energy. There are a growing number of opportunities where renewable energy is an initial  
9 determinant in any site analysis and feasibility.

10 **Q: Are there any specific tools that make Missouri competitive for projects like Golden  
11 Plains Technology Park?**

12 **A:** Yes. The public policy of the state as established by the Legislature is to attract data centers.  
13 The state offers an economic development incentive tool exempting data center operations  
14 from certain sales and use taxes, including those for utilities and for purchases of qualifying  
15 equipment and personal property. The Program was enacted in 2015 through the General  
16 Assembly's passage of Senate Bill 149. The authorization for the program lies in Section  
17 144.810, RSMo.

18 This tool is one of a series of exemptions targeting sales and use taxes associated  
19 with key project inputs like materials used in the construction of facilities, the acquisition  
20 of eligible personal property, and usage of electricity. There exist separate and unique local  
21 incentive opportunities with independent approval processes that could be authorized in  
22 support of investments of this scale. This regularly occurs in conjunction with the states  
23 incentives tools.

1 **Q: Do you support approval of the Market Tariff?**

2 A: Yes. The tariff will provide a tool for Evergy to meet the needs of customers bringing  
3 desirable data center projects to Missouri.

4 **Q: Does this conclude your testimony?**

5 A: Yes, it does.

