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MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

ENERGY RESOURCES DEPARTMENT

REBUTTAL TESTIMONY

OF

BRAD J. FORTSON

EVERGY MISSOURI WEST, INC.,
d/b/a Evergy Missouri West

CASE NO. EA-2022-0328

Jefferson City, Missouri
January 2023

** Denotes Confidential Information **

REBUTTAL TESTIMONY

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EVERGY MISSOURI WEST, INC.,
d/b/a Evergy Missouri West

CASE NO. EA-2022-0328

Q. Please state your name and business address.

A. My name is Brad J. Fortson, and my business address is Missouri Public Service Commission, P. O. Box 360, Jefferson City, Missouri 65102.

Q. By whom are you employed and in what capacity?

A. I am employed by the Missouri Public Service Commission ("Commission") as the Regulatory Compliance Manager of the Energy Resources Department.

Q. What is your educational background and work experience?

A. Please refer to the attached Schedule BJF-r1.

Q. Have you previously filed testimony before this Commission?

A. Yes. Please refer to the attached Schedule BJF-r2 for a list of cases in which I have previously filed testimony.

Q. What is the purpose of your rebuttal testimony?

A. My rebuttal testimony will discuss Evergy Missouri West, Inc., d/b/a Evergy Missouri West's ("EMW" or "Company") reliance on its 2022 integrated resource plan ("IRP") annual update filed in Case No. EO-2022-0202 and its *Notice of Change in Plan* ("2022 updated preferred resource plan") filed in Case No. EO-2023-0115 as part of its justification for the need of the Persimmon Creek wind addition ("Persimmon Creek").

Q. Does the Company rely on its 2022 IRP annual update filing, and its subsequent 2022 updated preferred resource plan filing, in an attempt to justify the need for Persimmon Creek?

A. Yes, in part. As stated in EMW witness Ms. Kayla Messamore's direct testimony in this case, "The Persimmon Creek Wind Farm is being acquired as part of Evergy Missouri West's executing on the Preferred Plan identified in its IRP where it was shown to produce economic benefits for customers."

Q. Does the Company rely on any other reasons in its attempt to justify the need for Persimmon Creek?

A. Yes. Other reasons are stated by EMW for the need of Persimmon Creek and responses to those perceived needs are addressed in Staff witnesses Mr. J Luebbert and Ms. Claire M. Eubanks' rebuttal testimonies.

2022 IRP Annual Update and 2022 Updated Preferred Resource Plan

Q. Please describe EMW's 2022 IRP annual update.

A. On June 10, 2022, EMW filed its 2022 IRP annual update in Case No. EO-2022-0202 in accordance with 20 CSR 4240-22. EMW's 2022 IRP annual update contained its preferred resource plan as required by 20 CSR 4240-22.070(1). The preferred resource plan included 150 MW of wind generation in 2024 and 72 MW of wind generation in 2026. Additionally, 48 MW of solar generation in 2028 and 72 MW of solar generation in each of the years 2029 to 2035. The preferred resource plan also included a 237 MW combustion turbine ("CT") in 2036 and another 237 MW CT in 2040. On September 26, 2022, EMW submitted its 2022 updated preferred resource plan in Case No. EO-2023-0115 in accordance with 20 CSR 4240-22.080(12). EMW stated this conclusion was reached as a result of identifying a candidate wind resource acquisition, Persimmon Creek, which is comprised of 198.6 MW of nameplate capacity that is currently in operation, which EMW is expected to commence ownership and control of in January 2023, pending approval of the Company's requested Certificate of Need and Necessity ("CCN") in this case. The Persimmon Creek wind addition differs from the prior EMW preferred resource plan that included 150 MW in 2024.

Q. Did Staff raise any concerns with EMW's 2022 IRP annual update filing?

A. Yes. Staff raised the concern that the Company was influencing its IRP modeling to get the outputs it wants by manually adjusting the inputs.

Q. Did Staff make any recommendations in regards to its concern?

A. Yes. Due to Staff's concern that the Company is influencing its capacity expansion modeling to get the outputs it wants by manually adjusting the inputs, Staff recommended the Company allow its capacity expansion model to develop an optimized resource plan by selecting from an inventory of resource options, including both supply-side and demand-side resources. Staff further recommended the Company provide further clarification of how the Plexos capacity expansion model is being used to both develop and test Alternative Resource Plans ("ARPs"). Also, if the Company is pre-determining Demand-Side Management ("DSM") levels, retirements, and renewable additions it should identify which ARPs use pre-determined inputs and which ARPs were derived either wholly, or in part, through the Plexos capacity expansion optimization process. Finally, the Company should also provide this information in future triennial compliance filings and IRP annual updates.

Q. How did the Company respond to Staff's recommendation?

A. The Company stated that the 2022 IRP annual update used a combination of discrete resource plan changes, which were tested incrementally starting from the 2021 triennial compliance filing preferred plan, and capacity expansion, which was primarily used to develop plans with optimal resource additions given the Company's execution changes, and to test various early retirements. The Company further stated that the use of capacity expansion was helpful in reducing the number of plans that needed to be tested. As this was an annual update and not a triennial compliance filing, the Company did not re-test all possibilities evaluated in the 2021 triennial compliance filing. The Company also stated in its response that in future IRPs it will work to better describe which resource options were selected through discrete testing versus allowing capacity expansion to choose.[1]

Q. Did the Commission take any action regarding Staff's concern and recommendation and the Company's response?

A. No. The Commission cited its rule regarding annual updates that it does not contemplate any action by the Commission to either approve or reject any of those filings and, consequently, since no further action by the Commission was required, it closed the annual update file.

Q. Did Staff raise any concerns with EMW's 2022 updated preferred resource plan?

A. No. While EMW's 2022 updated preferred resource plan changed in a substantial enough way from EMW's 2022 IRP annual update to necessitate an update to its preferred resource plan, Staff's concern remained the same as it was with EMW's 2022 IRP annual update, as EMW's 2022 IRP annual update and EMW's 2022 updated preferred resource plan were only filed roughly three months apart. Given the outcome of Staff's concern raised in EMW's 2022 IRP annual update, and its concern remaining the same, Staff ultimately

[1] *Response to Intervenor Comments*, filed on September 15, 2022, in Case No. EO-2022-0202.

decided it was better to raise that concern through another avenue, such as this CCN case. However, the Office of the Public Counsel ("OPC") raised a concern.

Q. What concern did OPC raise in EMW's 2022 updated preferred resource plan?

A. OPC was concerned that the timing of the Persimmon Creek acquisition gives EMW an avenue to greatly increase the earnings of shareholders with a minimal increase in costs to shareholders while increasing the cost to its customers.[2]

Q. How did the Company respond to OPC's concern?

A. In short, the Company stated any issues related to EMW's earnings should be addressed in a subsequent EMW general rate case.

Q. Did the Commission take any action in regards to OPC's concern and the Company's response?

A. No. The Commission cited its rule that requires the utility to file notice of its new preferred resource plan, but does not require the Commission to approve, reject, or take any other action regarding the plan therefore, consequently, no action by the Commission was required and it closed the file.

Q. Has the Commission historically taken no action in IRP filings?

A. The Commission has often taken no action in IRP filings. As mentioned above, the Commission rules do not require the Commission take action on IRP annual update filings or updated preferred resource plan filings. Further, the 20 CSR 4240-22.080(16) states that:

> The commission will issue an order which contains its findings regarding at least one (1) of the following options:
>
> (A) That the electric utility's filing pursuant to this rule either does or does not demonstrate compliance with the requirements of this chapter,

[2] *Public Counsel Response to Evergy's Change in its Preferred Plan*, filed on October 7, 2022, in Case No. EO-2023-0115.

> and that the utility's resource acquisition strategy either does or does not meet the requirements stated in 4 CSR 240-22.
>
> (B) That the commission approves or disapproves the joint filing on the remedies to the plan deficiencies or concerns developed pursuant to section (9) of this rule;
>
> (C) That the commission understands that full agreement on remedying deficiencies or concerns is not reached and pursuant to section (10) of this rule, the commission will issue an order which indicates on what items, if any, a hearing(s) will be held and which establishes a procedural schedule; and
>
> (D) That the commission establishes a procedural schedule for filings and a hearing(s), if necessary, to remedy deficiencies or concerns as specified by the commission.

Therefore, there are no requirements for a hearing on triennial compliance filings and the Commission may dispose of this matter informally at its discretion, which it has often chosen to do.

Q. Why do you point out that the Commission has taken no action and closed the EMW 2022 IRP annual update filing, the EMW 2022 updated preferred resource plan filing, and other IRP filings?

A. Staff points this out to simply demonstrate that although deficiencies and concerns may be raised in IRP filings, no hearing is required per the Commission's Electric Utility Resource Planning rules found in 20 CSR 4240-22. Therefore, these concerns and deficiencies often need to be brought in front of the Commission through other avenues that require a hearing.

2022 IRP Annual Update Staff Concern

Q. You mentioned above that Staff raised a concern in the Company's 2022 IRP annual update. Can you speak more to that concern?

A. Yes. Ultimately, Staff was concerned that the Company was influencing its IRP modeling to get the outputs it wanted by manually adjusting its inputs.

Q. What led to that concern being raised by Staff?

A. It was not clear from Staff's review of the Company's 2022 IRP annual update how the Company was using its Plexos capacity expansion model to evaluate its Alternative Resource Plans ("ARPs"). The tables and discussion in the 2022 IRP annual update did not provide enough information to determine if the capacity additions in the ARPs tested were pre-determined resource plans or represented resource plans selected by Plexos through its optimization process.

Q. What is the difference between pre-determined resource plans and resource plans selected through a capacity expansion model's optimization process?

A. Pre-determined resource plans specify the type, timing, and amount of resource developments as inputs to a capacity expansion model. In contrast, capacity expansion models like Plexos can also be provided with an inventory of resource options, both specific resources and/or generic resources, which are then selected by the model through its optimization process based on their relative cost and operating characteristics. Resource plans derived in this manner are model outputs, rather than inputs.

Q. How does the Company explain its use of its capacity expansion model, in this case Plexos, for IRP modeling?

A. In its 2022 IRP annual update, the Company stated that through the implementation of Plexos, the Company is now able to complete capacity expansion modeling. In capacity expansion modeling, the model (Plexos) is able to generate an "optimized" (lowest cost) resource plan given a certain market scenario and a set of constraints and resource options. This new capability has created additional flexibility in the Company's modeling processes and was used in its 2022 IRP annual update process to supplement individual ARPs, which were used to test discrete decisions. It is Staff's understanding that capacity expansion modeling had not been done by the Company prior to the 2022 IRP annual update.

Q. Did the Company's capacity expansion modeling result in an optimized resource plan?

A. The Company's statement appears to indicate that Plexos was used to generate optimized capacity expansion plans. However, it is not clear from the narrative whether the type, amount, and schedule of development for the ARPs considered by the Company were inputs to the model or outputs from the model. Plexos can be used to "test discrete decisions" by estimating the Net Present Value of Revenue Requirement ("NPVRR") of a pre-determined set of resource plans (i.e., type, amount, and schedule) under a range of inputs (e.g., CO2 prices) and constraints (e.g., plant retirement assumptions). Alternatively, it can be used to develop resource plans under a range of inputs using the model's optimization logic to select the type, amount, and schedule of resource development. It should be noted that the modeling analysis results are only as good as the inputs provided and will not make up for faulty or unreasonable assumptions.[3] Given the similarities in ARPs (Demand-Side Management ("DSM") levels, retirements, and renewable additions), it appears these resources, retirements, and DSM levels were an input to Plexos as opposed to an output derived from the model's optimization process.

Q. What were the similarities in ARPs that led you to believe the resources, retirements and DSM levels were an input to the capacity expansion modeling as opposed to an output derived from the model's optimization process?

[3] Staff witness Luebbert discusses several assumption flaws in EMW's IRP analysis in his rebuttal testimony.

A. In total, eleven EMW ARPs were developed for the 2022 IRP annual update. Of those eleven ARPs, ten of them included 150 MW of renewable wind resources in 2024. One ARP differed in regard to wind by including 80 MW of renewable wind resources in 2025 and 80 MW of renewable wind resources in 2026. Another ARP included 24 MW of renewable wind resources in 2026 in addition to the 150 MW of renewable wind resources in each 2024 and 2025. Five of the ARPs included 72 MW of renewable wind resources in 2026 in addition to the 150 MW of renewable wind resources in each 2024 and 2025.

Of the eleven ARPs, ten of them either included 80 MW of renewable solar resources in each year from 2028 – 2032, 72 MW of renewable solar resources in each year from 2029 – 2035, or some slight variation from that.

Of the eleven ARPs, all eleven of them included a 237 MW CT in 2036 and another 237 MW CT in 2040.

A couple other things of note, of the eleven ARPs, all eleven of them included realistic achievable potential ("RAP")[4] plus demand-side rates ("DSR")[5] for the DSM level. All eleven of the ARPs included very similar generating unit retirements.

For a visual of this, I have included EMW's ARP overview from Table 24 of EMW's 2022 IRP annual update below.

[4] Per 20 CSR 4240-22, realistic achievable potential means energy savings and demand savings relative to a utility's baseline energy forecast and baseline demand forecast, respectively, resulting from expected program participation and realistic implementation conditions. Realistic achievable potential establishes a realistic target for demand-side savings that a utility can expect to achieve through its demand-side programs and involves incentives that represent a moderate portion of total program costs and longer customer payback periods when compared to those associated with maximum achievable potential.

[5] Per 20 CSR 4240-22, demand-side rate means a rate structure for retail electric service designed to reduce the net consumption or modify the time of consumption of a customer rate class.

Table 24: Evergy Missouri West Alternative Resource Plan Overview

Plan Name	DSM Level	Retire	Renewable Additions		Generation Additions (if needed)
West AAAAA	RAP + DSR	Lake Road 4/6: Dec 31, 2024 Jeffrey 3: Dec 31, 2030 Jeffrey 1 & 2: Dec 31, 2039 Iatan 1: Dec 31, 2039	80 MW Wind 2025 80 MW Wind 2026	120 MW Solar 2024 80 MW Solar 2028 80 MW Solar 2029 80 MW Solar 2030 80 MW Solar 2031 80 MW Solar 2032	1 CT (237 MW) in 2036 1 CT (237 MW) in 2040
West BBAAA	RAP + DSR	Lake Road 4/6: Dec 31, 2024 Jeffrey 3: Dec 31, 2030 Jeffrey 1 & 2: Dec 31, 2039 Iatan 1: Dec 31, 2039	150 MW Wind 2024	120 MW Solar 2026 80 MW Solar 2028 80 MW Solar 2029 80 MW Solar 2030 80 MW Solar 2031 80 MW Solar 2032	1 CT (237 MW) in 2036 1 CT (237 MW) in 2040
West CBAAA	RAP + DSR	Lake Road 4/6: Dec 31, 2024 Jeffrey 3: Dec 31, 2030 Jeffrey 1 & 2: Dec 31, 2039 Iatan 1: Dec 31, 2039	150 MW Wind 2024	120 MW Solar 2026 80 MW Solar 2028 80 MW Solar 2029 80 MW Solar 2030 80 MW Solar 2031 80 MW Solar 2032	1 CT (237 MW) in 2036 1 CT (237 MW) in 2040
West CBBAB	RAP + DSR	Lake Road 4/6: Dec 31, 2024 Jeffrey 2 & 3: Dec 31, 2030 Jeffrey 1: Dec 31, 2039 Iatan 1: Dec 31, 2039	150 MW Wind 2024	120 MW Solar 2026 80 MW Solar 2028 80 MW Solar 2029 80 MW Solar 2030 80 MW Solar 2031 80 MW Solar 2032 24 MW Solar 2033 72 MW Solar 2034 72 MW Solar 2035 150 MW Solar 2038	1 CT (237 MW) in 2036 1 CT (237 MW) in 2040
West CCBAA	RAP + DSR	Lake Road 4/6: Dec 31, 2024 Jeffrey 3: Dec 31, 2030 Jeffrey 1 & 2: Dec 31, 2039 Iatan 1: Dec 31, 2039	150 MW Wind 2024	48 MW Solar 2032 72 MW Solar 2033 72 MW Solar 2034 48 MW Solar 2035	1 CT (237 MW) in 2036 1 CT (237 MW) in 2040
West CCBAB	RAP + DSR	Lake Road 4/6: Dec 31, 2024 Jeffrey 2 & 3: Dec 31, 2030 Jeffrey 1: Dec 31, 2039 Iatan 1: Dec 31, 2039	150 MW Wind 2024 72 MW Wind 2026	48 MW Solar 2028 72 MW Solar 2029 72 MW Solar 2030 72 MW Solar 2031 72 MW Solar 2032 72 MW Solar 2033 72 MW Solar 2034 72 MW Solar 2035	1 CT (237 MW) in 2036 1 CT (237 MW) in 2040
West CCBAC	RAP + DSR	Lake Road 4/6: Dec 31, 2024 Jeffrey 3: Dec 31, 2030 Jeffrey 1 & 2: Dec 31, 2039 Iatan 1: Dec 31, 2039	150 MW Wind 2024 24 MW Wind 2026	72 MW Solar 2030 72 MW Solar 2031 72 MW Solar 2032 72 MW Solar 2033 48 MW Solar 2034 72 MW Solar 2035	1 CT (237 MW) in 2036 1 CT (237 MW) in 2040
West CCBAD	RAP + DSR	Lake Road 4/6: Dec 31, 2024 Jeffrey 3: Dec 31, 2030 Jeffrey 1 & 2: Dec 31, 2039 Iatan 1: Dec 31, 2039	150 MW Wind 2024 72 MW Wind 2026	24 MW Solar 2028 72 MW Solar 2029 72 MW Solar 2030 72 MW Solar 2031 72 MW Solar 2032 72 MW Solar 2033 72 MW Solar 2034 72 MW Solar 2035	1 CT (237 MW) in 2036 1 CT (237 MW) in 2040
West CCBAE	RAP + DSR	Lake Road 4/6: Dec 31, 2024 Iatan 1: Dec 31, 2029 Jeffrey 3: Dec 31, 2030 Jeffrey 1 & 2: Dec 31, 2039	150 MW Wind 2024 72 MW Wind 2026	24 MW Solar 2029 72 MW Solar 2030 72 MW Solar 2031 72 MW Solar 2032 72 MW Solar 2033 72 MW Solar 2034 72 MW Solar 2035	1 CT (237 MW) in 2036 1 CT (237 MW) in 2040
West CDAAA	RAP + DSR	Lake Road 4/6: Dec 31, 2024 Jeffrey 3: Dec 31, 2030 Jeffrey 1 & 2: Dec 31, 2039 Iatan 1: Dec 31, 2039	150 MW Wind 2024 72 MW Wind 2026	48 MW Solar 2028 72 MW Solar 2029 72 MW Solar 2030 72 MW Solar 2031 72 MW Solar 2032 72 MW Solar 2033 72 MW Solar 2034 72 MW Solar 2035	1 CT (237 MW) in 2036 1 CT (237 MW) in 2040
West CDAAF	RAP + DSR	Lake Road 4/6: Dec 31, 2030 Jeffrey 3: Dec 31, 2030 Jeffrey 1 & 2: Dec 31, 2039 Iatan 1: Dec 31, 2039	150 MW Wind 2024 72 MW Wind 2026	48 MW Solar 2028 72 MW Solar 2029 72 MW Solar 2030 72 MW Solar 2031 72 MW Solar 2032 72 MW Solar 2033 72 MW Solar 2034 72 MW Solar 2035	1 CT (237 MW) in 2036 1 CT (237 MW) in 2040

As you can see, all eleven ARPs evaluated were very similar which led to Staff's concern that the Company was influencing its IRP modeling to get the outputs it wanted by manually adjusting its inputs. Probability-weighting and risk analysis provides less of an impact when evaluating such similar ARPs. That said, all else being equal, the likelihood of the preferred resource plan including 150 MW of renewable wind resources in 2024 was 91% (10 divided by 11). Similar with renewable solar resources, there was a very high likelihood that the preferred resource plan was going to include either 72 MW or 80 MW in some slight variation of years 2028 – 2035. The likelihood was 100% that the preferred resource plan was going to include RAP + DSR as the DSM level. The likelihood was also 100% that the preferred resource plan was going to include a 237 MW CT in each year 2036 and 2040. These high likelihoods seem unlikely to be a natural outcome of the capacity expansion modeling's algorithms, leading Staff to believe the ARP's inputs were manually selected to produce a desired outcome.

Q. Do the Commission's Electric Utility Resource Planning rules found in 20 CSR 4240-22 require ARPs to include different mixes of resources and variations in the timing of resource acquisition?

A. Yes. 20 CSR 4240-22.060(3) states in part that:

> …The goal is to develop a set of alternative plans based on substantively different mixes of supply-side resources and demand-side resources and variations in the timing of resource acquisition to assess their relative performance under expected future conditions as well as their robustness under a broad range of future conditions.

Q. Does the Company's testimony in this case confirm any of Staff's concerns regarding the Company influencing its IRP modeling to get the outputs it wants by manually adjusting its inputs?

A. Yes. In Ms. Messamore's supplemental testimony,[6] she states the adjustments to the first three years (through 2025) of the 2021 preferred resource plan made in the 2022 IRP annual update were made manually as opposed to using capacity expansion modeling.

Q. What reason does Ms. Messamore give for making manual adjustments to those first three years instead of using capacity expansion modeling?

A. Ms. Messamore states that procurement activities had indicated that available wind projects were more mature and less risky than available solar projects. She also states this approach was only used for the first three years of the plan, which were already being implemented. Beginning in 2026, capacity expansion was utilized and resulted in the solar previously identified in 2026 being switched to wind. She further states that this hybrid approach of both discrete, manual moves and capacity expansion modeling is likely to be valuable in future IRPs as well.

Q. Does Staff have concerns with Ms. Messamore's reasoning?

A. Yes, there is quite a bit of concern with her reasoning. EMW's preferred resource plan changes at least annually, and it has even changed multiple times a year. EMW's preferred resource plan has changed at least every year since EMW has been required to do IRP analysis. Ms. Messamore's reasoning provides a further example of how often, and likely, IRP analysis is to change. As she notes, in just one year, from the 2021 triennial compliance filing to the 2022 IRP annual update, wind projects were determined to be more mature and less risky than available solar projects. A further example in her reasoning is that just three years from now, capacity expansion modeling now shows that the solar previously identified in 2026 has now switched to wind. This provides a great deal of concern in EMW's reliance on its IRP

[6] Supplemental Direct Testimony of Kayla Messamore, pg. 17, Case No. EA-2022-0328.

analysis to justify the need to pursue Persimmon Creek given that IRP analysis this year and/or in future years could render that decision wrong.

Staff has further concern with Ms. Messamore's justification that manual adjustments were only made in the first three years of the plan, which were already being implemented, and the idea that this hybrid approach of both discrete, manual moves and capacity expansion is likely to be valuable in future IRPs. EMW's preferred resource plan changes at least every year. If EMW makes manual adjustments in at least the first three years of every one of those plans, then EMW is ultimately influencing its IRP modeling to get the outputs it wants through manually adjusting the inputs of its preferred resource plan for every year of not only its implementation period,[7] but also its planning horizon.[8] For example, if EMW makes manual adjustments to its inputs and influences the outputs to the first three years of its 2023 IRP annual update, then manual adjustments to the first three years of its 2024 triennial compliance filing, then manual adjustments to the first three years of its 2025 IRP annual update, and so on and so forth, EMW will be influencing the outputs of its IRP analysis every year indefinitely.

Special Contemporary Issues

Q. You mentioned above that Staff raised concerns in the Company's 2022 IRP annual update filing and its 2022 updated preferred resource plan. Did Staff raise any concerns in EMW's 2021 triennial compliance filing?

A. Yes. One of the concerns Staff raised was the risk potentially borne by ratepayers from EMW's significant shift toward new renewable wind and solar generation. Staff's concern was on of a general nature. However, as a Special Contemporary Issue ("SCI")

[7] The time interval between the triennial compliance filings required of each utility pursuant to 20 CSR 4240-22.080.
[8] A future time period of at least twenty years' duration over which the costs and benefits of ARPs are evaluated.

in Case No. EO-2022-0056, Staff suggested EMW provide a detailed analysis comparing ratepayer risks and shareholder risks for additional generation resources which are not required to meet federal, state, or regional transmission organizations ("RTO") requirements. In its October 27, 2021, *Order Establishing Special Contemporary Resource Planning Issues,* the Commission ordered EMW to analyze and document Staff's suggested SCI in its 2022 IRP annual update.

Q. Did EMW analyze and document Staff's suggested SCI in its 2022 IRP annual update?

A. The Company provided some additional scenario analysis with some updated risk-informed assumptions.

Q. Did EMW's additional analysis alleviate Staff's concern from the 2021 triennial compliance filing?

A. No. EMW's additional analysis mostly reiterated discussion from its 2021 triennial compliance filing and attempted to further support its preferred plan from its 2022 IRP annual update and the risks of not implementing that plan.

Q. Is there anything that raised further concern for Staff from EMW's additional analysis?

A. There are a number of things that raised further concern from EMW's additional analysis. They are summarized as follows:

- The Company states, "The assessment of risk included in this document represents a point-in-time summary of the current understanding of the risk mitigation benefits associated with completing the fleet transition identified in Evergy's Preferred Plan as opposed to waiting to invest in renewables when they are required under the current regulatory and policy framework. The planning environment which Evergy operates within is continuing to become more dynamic so it is likely that our understanding of the drivers outlined in this document will evolve over time, as will the regulatory and policy framework." The Company further states, "In summary, Evergy believes that the current Preferred Plan represents an effective balance of both customer and shareholder risks as they are understood at this time…" As the Company itself acknowledges, the 2022 IRP annual update is a point-in-time view of the current environment and that its understanding of that environment will likely change. Based on EMW's own assessment here, it does not seem appropriate for EMW to rely on its preferred resource plan as the main reason for the need of Persimmon Creek.

- EMW uses the words "expected," "likely," and "potential" often throughout its additional analysis filing, just as it often does in its triennial compliance filings. Staff points this out since it furthers the fact that EMW's preferred resource plan, or any plan for that matter, is based on generic assumptions (solely made by the Company) which, as stated above, EMW itself acknowledges will likely change. It is also important to note that the build or acquisition of any renewable resource has a real cost to ratepayers, with only a perceived, or yet to be determined, benefit that may never be realized. Conversely, that same renewable build or acquisition provides shareholders with a real benefit: a return of and on the investment.

Q. The above discussion is based on EMW's 2021 triennial compliance filing and 2022 IRP annual update. Is any of it still relevant now that EMW has since filed its 2022 updated preferred resource plan?

A. Yes. EMW's 2022 updated preferred resource plan builds off of its preferred resource plan from the 2022 IRP annual update to include updated assumptions[9] for an actual project (Persimmon Creek) and further proves again what EMW previously acknowledged: that preferred resource plans often, if not always, change.

Integrated Resource Planning Analysis

Q. You have mentioned a few times now the preferred resource plan changing. Of what significance is that?

A. Speaking from firsthand experience, during the time I have been involved in the integrated resource planning ("IRP") process for all Missouri investor-owned electric utilities, I do not recall a triennial compliance filing where the preferred resource plan has not changed from the prior triennial compliance filing. In fact, as I previously mentioned, for EMW specifically, we see the preferred resource plan change at least annually, and have even seen it change multiple times a year. The preferred resource plan has changed at least every year since EMW has been required to do IRP analysis. This is important to note since, for example, in EMW witness Ms. Messamore's supplemental direct testimony[10] in this CCN proceeding, EMW states that Persimmon Creek is needed as **part** of EMW's potential 2024 capacity requirement. I emphasize "part," since it is my understanding that Persimmon Creek alone does not meet a real capacity need for EMW. Instead, "As identified in EMW's [2022 updated preferred resource plan], EMW was forecasted to need 150 MW of nameplate capacity in addition to Persimmon Creek in order to meet its 2024 capacity requirements…In this Preferred

[9] Staff witness Luebbert discusses a few issues that Staff has identified with these assumptions in his rebuttal testimony in this case.

[10] Kayla Messamore supplemental direct testimony, pg. 10, Case No. EA-2022-0328.

Plan, Persimmon Creek was assumed to provide 20 MW of accredited capacity, which means that EMW's capacity need is at least 170 MW in 2024."[11] Assuming the Commission approves Persimmon Creek, and also assuming EMW's preferred resource plan changes at least every year as it historically has, if any of those preferred resource plan changes determines any or all of EMW's renewable energy projects are no longer needed due to any number of reasons, Persimmon Creek will be in base rates being recovered by ratepayers for a renewable facility that is not meeting a capacity need and providing limited, if any, benefits to those ratepayers.

Q. As a part of EMW's 2022 updated preferred resource plan, was there any non-renewable resources included?

A. Yes, the addition of a 237 MW CT in 2036 and another 237 MW CT in 2040 was included.

Q. Is there any other dispatchable[12] resources included in the Company's 2022 updated preferred resource plan prior to the inclusion of these 237 MW CT in 2036 and 2040, respectively?

A. No. All new additional resources prior to the addition of the CTs are non-dispatchable[13][14] resources.

Q. The 2022 updated preferred resource plan still shows a need for CTs during the 20-year planning horizon even with the addition of 271 MW of wind generation and 552 MW of solar generation?

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[11] Ibid.

[12] A dispatchable source of electricity refers to an electrical power system, such as a power plant, that can vary the production of energy based upon market signals; in other words they can adjust their power output supplied to the electrical grid on demand.

[13] Renewable energy resources can be curtailed to reduce energy but cannot increase energy output more than what their inputs allow.

[14] Solar and wind power are non-dispatchable sources, since you cannot get electricity from them when their inputs are unavailable.

A. Yes. Even after the planned addition of 823 MW of renewables being added by 2036, the addition of a 237 MW CT is still expected to be needed in 2036 and another 237 MW CT in 2040.

Q. Is the need for dispatchable generation, such as a CT, new to an EMW preferred resource plan?

A. No. Starting in EMW's 2013 IRP annual update, filed in Case No. EO-2013-0538, there was a projected need for a 193 MW CT in 2031.[15] In its next IRP annual update, filed in Case No. EO-2014-0257, that same CT was moved back to 2033. In EMW's next IRP filing, a triennial compliance filing in Case No. EO-2015-0252, a 207 MW CT was projected to be needed in 2034. Starting in its next IRP annual update, filed in Case No. EO-2016-0233, no CT was projected needed through the planning horizon (2016 – 2035). However, in its most recent triennial compliance filing, filed in Case No. EO-2021-0036, a 233 MW CT was projected to be needed in each 2033, 2039, and 2040. Then, in its 2022 IRP annual update, filed in Case No. EO-2022-0202, a 237 MW CT was projected to be needed in both 2036 and 2040. Finally, in its 2022 updated preferred resource plan, filed in Case No. EO-2023-0115, a 237 MW CT continued to be projected needed in both 2036 and 2040.

Q. So there has been a projected need for dispatchable generation resources, such as a CT, at times during the roughly last ten years?

A. Yes, as far back as 2013 there was a projected need for a 193 MW CT in 2031 and as most recent as the 2022 updated preferred resource plan where there is a projected need for a 237 MW CT in 2036 (and another 237 MW CT in 2040). So as you can see, the size and

[15] In EMW's first triennial compliance filing in Case No. EO-2012-0324, there was a projected need for a 300 MW natural gas-fired combined cycle in 2021 and another 150 MW natural gas-fired combined cycle in 2028.

timing of a CT has not changed greatly from the projected need in 2013 to the projected need now, but it is now in combination with 823 MW of projected need (prior to 2036) from renewable resources as well.

Q. Has EMW modeled a plan that either only includes a CT or a combined cycle power plant at an earlier date, for example, prior to 2036, or a plan that includes a CT prior to 2036 with renewable additions after since it has continuously planned to need a CT?

A. Not to my knowledge.

Q. In this proceeding, Case No. EA-2022-0328, the Company seems to be putting a great deal of emphasis on its IRP process to justify Persimmon Creek. Should the results of the IRP be construed as justification for the necessity of an individual project?

A. No. The IRP is a modeling exercise partially formalized by the Commission's Chapter 22 rules. The rule provides loose guidelines and objectives, but the process should not be the sole or primary basis for the "necessity" of a given project. The Commission's Chapter 22 rules acknowledge this within the policy objectives of the rule by stating:

> (1) **The commission's policy goal in promulgating this chapter is to set minimum standards to govern the scope and objectives of the resource planning process** that is required of electric utilities subject to its jurisdiction in order to ensure that the public interest is adequately served. **Compliance with these rules shall not be construed to result in commission approval of the utility's resource plans, resource acquisition strategies, or investment decisions.**[1] **[Emphasis added.]**

The results of the IRP are based upon assumptions made by employees of the subject utility. As an investor-owned utility, EMW is financially incentivized to build rate base in order

[1] 4 CSR 4240-22.010.

to increase returns to shareholders. The IRP results typically align with the business plan of the subject utility. While the IRP does include certain "touch-points" for stakeholders to communicate with the subject utility, there is very little, if any, recourse for disputing the assumptions utilized, the results of the IRP analyses, and the selected preferred resource plans. This is further supported by the fact that the proposed joint resolutions for most IRP compliance filings is to attempt to address issues raised by specific parties in future filings. During periods of time when the IRP indicates that major decisions for additional generating resources are several years in the future, this type of resolution is a reasonable approach given the fact that nearly all parties acknowledge that circumstances will almost certainly change by the time the next triennial compliance filing is expected. However, recently Missouri investor-owned electric utilities are increasingly relying upon the results of the IRP analyses to justify near-term investments and the added emphasis on additional renewable generation resources in the near term based upon ratepayer needs that do not present themselves until years into the future.

Q. Does this mean that information derived from the IRP process is unusable from a regulatory perspective?

A. No, but the clear delineation lies in the details surrounding a given IRP analysis and the details of a given project subject to the CCN application. IRPs are based on generalizations and typically do not account for locational specifics and systematic condition changes that would be expected from the addition of a specific generating asset. Because IRPs are looking at potential generation and retirements that may not occur for decades, the use of these generalities is reasonable for the purpose of modeling the impacts of long term planning. The analyses are based upon projections, estimates, and assumptions, most of which are unlikely to be accurate during the course of the useful lives of assets.

Q. Why is discussion regarding the IRP process, the underlying assumptions, and the financial incentives of the utility relevant to the discussion of CCN cases?

A. The most significant reason that these facts are especially relevant is the recent practice of Missouri electric utilities' reliance on the results of the IRP analyses to justify large rate base additions prior to demonstrating that the additions are necessary to continue to serve their respective ratepayers physical electric needs.

Company-Owned and Purchased Power Agreement ("PPA") Wind Resources

Q. Is there anything you would like to add before you conclude your rebuttal testimony?

A. Yes. In Ms. Messamore's direct testimony in this case,[16] she states that "…both owned and PPA wind resources can provide benefits in reducing long-term customer costs…"

Q. Why is this worth noting?

A. EMW's PPAs have historically cost ratepayers a substantial amount. The PPAs that were included in Staff's most recent EMW fuel adjustment clause ("FAC") prudence review, Case No. EO-2022-0065, are in the table below:

Wind Facility	Contract Duration	Contract Type	Fixed Costs	Capacity	Date Entered
Gray County Wind	15 years	Take or Pay	N/A	60 MW	2001
Ensign Wind	20 years	Take or Pay	$27.65/MWh	98.9 MW	November 2012
Osborn Wind Energy	20 years	Take or Pay	$31.50/MWh	80 MW	December 2016
Rock Creek Wind Project	20 years	Take or Pay	$ 29.95/MWh	300 MW	August 2017
Pratt Wind	30 years	Take or Pay	$14.35/MWh	245 MW	November 2018
Prairie Queen Wind	20 years	Take or Pay	$14.75/MWh	200 MW	May 2019

[16] Direct Testimony of Kayla Messamore, pg. 6, Case No. EA-2022-0328.

To see the substantial net loss amount from these EMW PPAs, please refer to the attached Confidential Schedule BJF-r3 of my direct testimony in Case No. ER-2022-0130.[17]

Q. If this CCN proceeding is about a Company-owned wind resource, what significance is the PPA discussion?

A. It simply adds to Staff's concern about actual benefits being recognized by EMW ratepayers through EMW's acquisition of Persimmon Creek. In each instance where EMW signed into the above PPAs, EMW's own analysis each time showed benefits would be recognized by EMW ratepayers. However, for each EMW PPA (excluding the Prairie Queen PPA), that analysis has been proven wrong and resulted in significant losses. Even including the relatively small net gain from Prairie Queen, EMW's PPAs overall have resulted in a very large net loss to its ratepayers. Staff is concerned this trend will continue for Company-owned wind resources as well, even when EMW's own analysis shows benefits to its ratepayers. Furthermore, while the energy generation will not match exactly, the generation profile of EMW's PPAs and Persimmon Creek are likely to be similar. If EMW's analysis is wrong, as it has been for PPAs, the issue is now exacerbated since EMW shareholders will receive a return of and on Persimmon Creek, even if ratepayers never see a benefit from it.

Q. Does this conclude your rebuttal testimony?

A. Yes.

[17] Direct Testimony of Brad J. Fortson, pg. 4 of the confidential version, Case No. ER-2022-0130.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Evergy Missouri West, Inc. d/b/a Evergy Missouri West for Permission and Approval of a Certificate of Public Convenience and Necessity Authorizing It to Purchase, Own, Operate, Maintain and Otherwise Control and Manage an Existing Wind Generation Facility in Oklahoma	)))))))	Case No. EA-2022-0328

AFFIDAVIT OF BRAD J. FORTSON

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW BRAD J. FORTSON and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Rebuttal Testimony of Brad J. Fortson*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

Brad J. Fortson

BRAD J. FORTSON

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 11th day of January 2023.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070

D Suzie Mankin

Notary Public

Brad J. Fortson

Education and Employment Background

I am the Regulatory Compliance Manager of the Energy Resources Department, Industry Analysis Division of the Missouri Public Service Commission. Prior to my current position, I was employed at the Missouri Public Service Commission as a Regulatory Economist from December 2012 through March 2015 and August 2015 through February 2019.

I received an Associate of Applied Science degree in Computer Science in May 2003, Bachelor of Science degree in Business Administration in May 2009, and Master of Business Administration degree with an emphasis in Management in May 2012, all from Lincoln University, Jefferson City, Missouri.

Prior to first joining the Commission, I worked in various accounting positions within four state agencies of the State of Missouri. I was employed as an Account Clerk II for the Inmate Finance Section of the Missouri Department of Corrections; as an Account Clerk II for the Accounts Payable Section of the Missouri Department of Health and Senior Services; as a Contributions Specialist for the Employer Accounts Section of the Missouri Department of Labor and Industrial Relations; and as an Accountant I for the Payroll Section of the Missouri Office of Administration. From April 1 through July 31, 2015, I worked for the Missouri Office of Public Counsel before joining the Commission once again.

Brad J. Fortson			
Case Participation History			
Case Number	**Company**	**Issue**	**Exhibit**
HR-2014-0066	Veolia Energy Kansas City	Revenue by Class and Rate Design	Staff Report
GR-2014-0086	Summit Natural Gas of Missouri, Inc.	Large Volume Service Revenue	Staff Report
ER-2014-0258	Union Electric Company d/b/a Ameren Missouri	Revenue by Class and Rate Design	Staff Report
ER-2014-0258	Union Electric Company d/b/a Ameren Missouri	Revenue by Class and Rate Design	Staff Report, Rebuttal & Surrebuttal Testimony
ER-2014-0351	The Empire District Electric Company	Revenue by Class and Rate Design	Staff Report & Rebuttal Testimony
ER-2014-0351	The Empire District Electric Company	Revenue by Class and Rate Design	Rebuttal Testimony
EO-2015-0240	Kansas City Power & Light Company	Custom Program Incentive Level	Direct Testimony
EO-2015-0241	KCP&L Greater Missouri Operations Company	Custom Program Incentive Level	Direct Testimony
ER-2016-0023	The Empire District Electric Company	DSM Programs and MEEIA Filings	Staff Report
ER-2016-0023	The Empire District Electric Company	DSM Programs and MEEIA Filings	Staff Report, Rebuttal & Surrebuttal Testimony
EM-2016-0213	The Empire District Electric Company (merger case)	DSM Programs and MEEIA Filings	Rebuttal & Surrebuttal Testimony
ER-2016-0156	KCP&L Greater Missouri Operations Company	MEEIA summary and LED street lighting	Staff Report
EO-2016-0183	Kansas City Power & Light Company	MEEIA prudence review	Staff Report
EO-2016-0223	The Empire District Electric Company	Triennial compliance filing	Staff Report
ER-2016-0285	Kansas City Power & Light Company	LED street lighting	Staff Report
ER-2016-0179	Union Electric Company d/b/a Ameren Missouri	LED street lighting	Staff Report
ER-2016-0285	Kansas City Power & Light Company	Response to Commissioner questions	Staff Report
ER-2016-0179	Union Electric Company d/b/a Ameren Missouri	Response to Commissioner questions	Staff Report
EO-2017-0209	Kansas City Power & Light Company	MEEIA prudence review	Staff Report
EO-2017-0210	KCP&L Greater Missouri Operations Company	MEEIA prudence review	Staff Report
EO-2015-0055	Union Electric Company d/b/a Ameren Missouri	Flex pay pilot program	Rebuttal Testimony
GR-2018-0013	Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities	Red Tag Program and Energy Efficiency Program Funding	Staff Report, Rebuttal & Surrebuttal Testimony
ER-2018-0145	Kansas City Power & Light Company	LED street lighting, TOU rates	Rebuttal Testimony
ER-2018-0146	KCP&L Greater Missouri Operations Company	LED street lighting, TOU rates	Rebuttal Testimony
EO-2018-0211	Union Electric Company d/b/a Ameren Missouri	Program Design	Rebuttal Report & Surrebuttal Testimony
EO-2019-0132	Kansas City Power & Light Company	Program Design	Rebuttal Report & Surrebuttal Testimony
EO-2019-0376	Union Electric Company d/b/a Ameren Missouri	MEEIA prudence review	Direct Testimony
ER-2019-0374	The Empire District Electric Company	Hedging policy and EE/LI programs	Supplemental Testimony
EO-2020-0280	Evergy Metro	IRP Annual Update	Staff Report
EO-2020-0281	Evergy Missouri West	IRP Annual Update	Staff Report
ER-2020-0311	The Empire District Electric Company	Fuel Adjustment Clause	Rebuttal Testimony
EO-2020-0227	Evergy Metro and Evergy Missouri West	MEEIA prudence review	Direct Testimony
EO-2020-0262	Evergy Metro and Evergy Missouri West	FAC prudence review	Direct & Rebuttal Testimony
EO-2021-0021	Union Electric Company d/b/a Ameren Missouri	Triennial compliance filing	Staff Report
EO-2021-0035	Evergy Metro	Triennial compliance filing	Staff Report
EO-2021-0036	Evergy Missouri West	Triennial compliance filing	Staff Report
EO-2021-0416	Evergy Missouri West	MEEIA prudence review	Staff Report
EO-2021-0417	Evergy Metro	MEEIA prudence review	Staff Report
EO-2022-0061	Evergy Missouri West	Application for Special Rate	Rebuttal Testimony
EO-2022-0064	Evergy Missouri Metro	FAC prudence review	Direct Testimony
EO-2022-0065	Evergy Missouri West	FAC prudence review	Direct Testimony
EO-2022-0040	The Empire District Electric Company	Securitization	Rebuttal Testimony
EF-2022-0155	Evergy Missouri West	Securitization	Rebuttal & Surrebuttal Testimony
ER-2022-0129	Evergy Missouri Metro	FAC	Direct & Surrebuttal Testimony
ER-2022-0130	Evergy Missouri West	FAC	Direct & Surrebuttal Testimony
EA-2022-0245	Union Electric Company d/b/a Ameren Missouri	CCN	Rebuttal Testimony

Exhibit No.:
Issues: PPA cost-sharing
Witness: Brad J. Fortson
Sponsoring Party: MO PSC Staff
Type of Exhibit: Direct Testimony
Case Nos.: ER-2022-0129 and ER-2022-0130
Date Testimony Prepared: June 22, 2022

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

ENERGY RESOURCES DEPARTMENT

DIRECT TESTIMONY

OF

BRAD J. FORTSON

Evergy Metro, Inc., d/b/a Evergy Missouri Metro
Case No. ER-2022-0129

Evergy Missouri West, Inc., d/b/a Evergy Missouri West
Case No. ER-2022-0130

Jefferson City, Missouri
June 2022

** Denotes Confidential Information **

DIRECT TESTIMONY

OF

BRAD J. FORTSON

Evergy Metro, Inc., d/b/a Evergy Missouri Metro
Case No. ER-2022-0129

Evergy Missouri West, Inc., d/b/a Evergy Missouri West
Case No. ER-2022-0130

Q. Please state your name and business address.

A. My name is Brad J. Fortson, and my business address is Missouri Public Service Commission, P. O. Box 360, Jefferson City, Missouri 65102.

Q. By whom are you employed and in what capacity?

A. I am employed by the Missouri Public Service Commission ("Commission") as the Regulatory Compliance Manager of the Energy Resources Department.

Q. What is your educational background and work experience?

A. Please refer to the attached Schedule BJF-d1.

Q. Have you previously filed testimony before this Commission?

A. Yes. Please refer to the attached Schedule BJF-d2 for a list of cases in which I have previously filed testimony.

<u>EXECUTIVE SUMMARY</u>

Q. Please summarize your direct testimony in this proceeding.

A. The purpose of my direct testimony is to propose new language to Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("EMW") and Evergy Metro, Inc. d/b/a Evergy Missouri Metro's ("EMM") (collectively "Companies") Fuel Adjustment Clause ("FAC") in regards to Purchased Power Agreements ("PPAs").

Q. What modifications to EMM's and EMW's FAC tariff language does Staff recommend in regards to PPAs?

A. Staff recommends including language to the FAC tariffs in both EMM and EMW in regards to future PPAs that lead to costs in excess of revenues. These costs flow through the FAC, therefore charging ratepayers for the majority of losses in these contracted PPAs. Staff's recommendation would hold shareholders responsible for the net costs associated with PPAs entered into after May 2019 whose costs exceed its revenues resulting in a net loss.

Q. Why is this additional language necessary?

A. This language is necessary because EMM and EMW continue to enter into wind PPA contracts that have neither followed the fundamental objective of the resource planning process[1] nor have been necessary to meet Missouri renewable energy standard ("RES") requirements, which in turn have resulted in more costs than revenues flowing through the FAC for a majority of its PPAs. Because of this, ratepayers are bearing the majority of the costs[2] of these PPAs. Since the Companies are not following the fundamental objective of the resource planning process and exceed what is needed for the RES requirements, ratepayers should not be burdened with the bulk of the costs from the losses of future PPAs.

PURCHASE POWER AGREEMENTS (PPAs)

Q. What wind facilities are a part of EMW's PPAs, and what are the applicable terms of those PPAs?

[1] 20 CSR 4240-22.010(2) The fundamental objective of the resource planning process at electric utilities shall be to provide the public with energy services that are safe, reliable, and efficient, at just and reasonable rates, in compliance with all legal mandates, and in a manner that serves the public interest and is consistent with state energy and environmental policies.
[2] 95% of the costs of these PPAs are recovered from customers through the FAC.

A. The PPAs that were included in Staff's most recent EMW FAC prudence review, Case No. EO-2022-0065, are in the table below:

Wind Facility	Contract Duration	Contract Type	Fixed Costs	Capacity	Date Entered
Gray County Wind	15 years	Take or Pay	N/A	60 MW	2001
Ensign Wind	20 years	Take or Pay	$27.65/MWh	98.9 MW	November 2012
Osborn Wind Energy	20 years	Take or Pay	$31.50/MWh	80 MW	December 2016
Rock Creek Wind Project	20 years	Take or Pay	$ 29.95/MWh	300 MW	August 2017
Pratt Wind	30 years	Take or Pay	$14.35/MWh	245 MW	November 2018
Prairie Queen Wind	20 years	Take or Pay	$14.75/MWh	200 MW	May 2019

Q. What wind facilities are a part of EMM's PPAs, and what are the applicable terms of those PPAs?

A. The PPAs that were included in the Staff's most recent EMM FAC prudence review, Case No. EO-2022-0064, are in the table below:

Wind Facility	Contract Duration	Contract Type	Fixed Costs	Capacity	Date Entered
Cimarron 2 Wind Farm Project	20 years	Take or Pay	$31.50/MWh	131 MW	June 2012
Spearville 3 Wind Energy Facility	20 years	Take or Pay	$29.47/MWh	101 MW	October 2012
Slate Creek Wind Project	20 years	Take or Pay	$24.90/MWh	150 MW	November 2015
Waverly Wind Farm	20 years	Take or Pay	$26.25/MWh	200 MW	November 2015
Osborn Wind Energy	20 years	Take or Pay	$31.50/MWh	120 MW	December 2016
Rock Creek Wind Project	20 years	Take or Pay	$29.95/MWh	300 MW	August 2017
Pratt Wind	30 years	Take or Pay	$14.35/MWh	245 MW	November 2018
Prairie Queen Wind	20 years	Take or Pay	$14.75/MWh	200 MW	May 2019

Q. What was the net effect of the costs and revenues of the PPAs listed above during the review period of Staff's most recent prudence reviews (Case Nos. EO-2022-0064 and EO-2022-0065)?

A. The review period in Case No. EO-2022-0064 for EMM was January 1, 2020 through June 30, 2021, and the review period in Case No. EO-2022-0065 for EMW was December 1, 2019 through May 31, 2021. The net effect of the EMM PPAs during the review period was a loss of ** [redacted] **, and the net effect of the EMW PPAs during the review period was a loss of ** [redacted] **. In an 18-month period, the Companies' PPAs cost ratepayers a combined ** [redacted] **.[3] In fact, only Prairie Queen provided a net gain of ** [redacted] **; all other PPAs provided a net loss.

Q. Has the issue of PPA losses been raised previously?

A. Yes. In the eighth FAC prudence review for EMW (then known as KCP&L Greater Missouri Operations Company) and the second FAC prudence review for EMM (then known as Kansas City Power & Light Company), Case No EO-2019-0067 (consolidated with EO-2019-0068), Ms. Mantle raised the issue that there were approximately $104 million more costs than revenues from wind PPAs[4] in the review period.[5] However, OPC asked for a determination of imprudence only for losses from the Rock Creek and Osborn wind project PPAs because the imprudence of these two PPAs is the most obvious.

Q. What was Ms. Mantle's issue with the Rock Creek and Osborn wind project PPAs?

[3] This number grows exponentially higher for each previous review period collectively included.
[4] Rebuttal Testimony of Lena M. Mantle of the Office of the Public Council ("OPC") in Case Nos EO-2019-0067 and EO-2019-0068.
[5] December 1, 2016 – May 31, 2018 for EMM, and January 1, 2017 – June 30, 2018 for EMW.

A. On page 16, lines 3-13 of Ms. Mantle's rebuttal testimony in EO-2019-0067, she lists several reasons why these wind projects were imprudent. Those reasons are as follows:

1) KCP&L did not enter into these PPAs to meet Missouri renewable energy standard ("RES") requirements;
2) These PPAs were not identified as least-cost resources to meet customers' needs in resource planning analysis;
3) The forecasted market prices used to calculate the cost/benefit of these contracts used had been shown to be inaccurate;
4) KCP&L did not issue Request for Proposals ("RFP") prior to entering into these PPAs; and
5) The contract prices for wind PPAs were declining, yet these PPAs are priced at the same price of KCP&L earliest PPAs and much higher than KCP&L's next PPA.

Q. What was Staff's position in that case on the PPAs, particularly Rock Creek and Osborn?

A. At that time, Staff identified that the Rock Creek and Osborn wind PPAs were creating a significant amount of additional costs compared to the revenue received. Staff noted for both Rock Creek and Osborn that these were long-term PPAs, and the performance of these contracts should be viewed on a long-term basis and not just from the results during the review periods.[6] Staff did not recommend a disallowance related to the Rock Creek and Osborn losses at that time.

Q. What was the Commission's decision in regards to the Rock Creek and Osborn PPAs in that case?

[6] *Staff's Eighth Prudence Review Report*, EO-2019-0067, pages 32 – 33.

A. The Commission found that the Rock Creek and Osborn wind power PPAs were long-term investments made in contemplation of the long-term (20-year) ebb and flow of market and political forces. It was the Commission's decision that when made, the Companies' decisions to acquire Rock Creek and Osborn wind PPAs were not imprudent in light of the factors that they appropriately considered.[7]

Q. Did the Company sign into additional PPAs after Rock Creek and Osborn?

A. Yes. On December 16, 2019, the Companies filed a *Notice of Determination of Change* ("Notice") in Case Nos. EO-2018-0268 and EO-2018-0269.[8] In its Notice, EMW stated ** [redacted] ** Similarly, EMW's Notice stated the same with the only difference being that ** [redacted]." **

Q. Did Staff respond to the Companies' Notice in those cases?

A. Staff did not respond to the Companies' Notice in Case Nos. EO-2018-0068 and EO-2018-0069. However, on March 10, 2020, the Companies' filed the *Evergy Metro Integrated Resource Plan 2020 Annual Update* ("Evergy Missouri Metro 2020 Annual

[7] *Report and Order*, page 26, Case No. EO-2019-0067.
[8] EO-2018-0268 is the Evergy Missouri Metro 2018 IRP docket, and EO-2018-0269 is the Evergy Missouri West 2018 IRP docket.

Update") in Case No. EO-2020-0280 and the *Evergy Missouri West Integrated Resource Plan 2020 Annual Update* ("Evergy Missouri West 2020 Annual Update") in Case No. EO-2020-0281. In those dockets, on May 18, 2020, Staff filed its *Staff Report* responding not only to the Evergy Missouri Metro 2020 Annual Update and Evergy Missouri West 2020 Annual Update, but also to the Companies' Notices mentioned above. Staff voiced several concerns in regards to PPAs in its Staff Report. Some to note are as follows:

Page 2:

> The Companies have failed to meet the fundamental objective of the Commission's Chapter 22 Rules by entering into ** [redacted] ** MW of fixed price wind power purchase agreements (PPAs) based upon speculation of future SPP energy prices. Entering into a PPA based on speculated market revenues that could outweigh costs does not serve the public interest because flowing all of the costs of these PPAs through the Companies' fuel adjustment clauses creates a potentially large amount of risk to ratepayers and almost zero risk to shareholders at a point in time when the SPP Market Monitoring Unit states that "market prices have not been signaling new generation entry for some time." The Companies do not need to enter into the PPAs for SPP resource adequacy requirements, reliability needs, or Missouri Renewable Energy Standard requirements. The Companies state in the Annual Reports that the PPAs were entered into in part for the Renewable Energy Rider, however Staff cannot determine the accuracy of that statement at this time. Furthermore the economic feasibility analysis that was relied upon for the contracts blatantly ignore realities of the SPP markets, utilizes stale market price forecasts that are limited to only six potential outcomes, relies on developer estimates that are much greater than the actual outputs of the existing Evergy Metro and Evergy West PPAs, ** [redacted] [9] [redacted]. **

Page 3:

> ... The Companies did not need to enter into the PPAs to meet SPP resource adequacy needs, reliability needs, or Missouri RES compliance requirements.

[9] The footnote attached to this portion is for Company response to Staff Data Request No. 0033 in EO-2020-0280 and EO-2020-0281.

Since the Companies will be purchasing the energy generated by a third party, the Companies will not own, operate, control or manage the facilities. Further, the Companies' shareholders will not finance the purchase. Rather ratepayers will be required to finance the purchase for 15+ years through collection of costs through fuel adjustment clauses of the Companies… In the case of the wind PPAs entered into by the Companies, they are not in the public interest for several reasons. The PPAs are not needed, the economic analysis relied upon is extremely flawed, and nearly all of the risk is borne by ratepayers.

Staff requested for the Companies to demonstrate the need for the wind PPA additions in 2021 and 2022 in the preferred resource plans.[10] The Companies' response to this request simply referred to the Companies' December 16, 2019 Notice of Determination of Change in Case Nos. EO-2018-0268 and EO-2018-0269, in which the Companies notified the Commission that a decision had been made to enter into two PPAs totaling ** [redacted] ** MW that would be allocated to Evergy Missouri Metro and Evergy Missouri West. Staff requested supplemental responses to this data request that actually demonstrated the need to enter into the wind PPAs, to which the Companies continuously insisted that the original response was adequate. The notion that simply making a decision to enter into wind PPAs is an adequate demonstration of the need for the contracts is not only concerning, but insufficient. By that logic, the Companies could continually add the costs of an unlimited number of PPA contracts to Evergy West's and Evergy Metro's respective fuel adjustment clauses without any demonstration of a need to do so. In fact, the Companies' response to Staff data request 23 indicates that the Companies do not have an upper limit on the number of wind PPAs the Companies would consider entering into based on the capacity positions and customer loads of Evergy Metro and Evergy West. The Commission's regulatory oversight of the decision making of Evergy Metro and Evergy West would be significantly hindered by actions such as these… However, by entering into contracts for a large number of PPAs without demonstrating the need, relying upon speculated revenues outweighing expected costs, and not providing sound economic analysis at the time of entering the PPAs, the Companies have shifted all of the risk to ratepayers through the fuel adjustment clauses and shifted all of the burden of proof onto other stakeholders by making prudence reviews the process for initial in-depth analysis of the decision to enter into the PPAs.

[10] The footnote attached to this portion is for Company response to Staff Data Request No. 0001 in EO-2022-0280 and EO-2020-0281.

Pages 5 – 6:

> ** [redacted][11] [redacted] **

Page 6:

> ** [redacted] **

Pages 6 – 7:

> However, ratepayers should not have to bear all of the risk of PPAs which were entered into when there is not a need for capacity to meet minimum capacity requirements. Staff is of the opinion that in the case where PPAs are entered into when there is not a need for capacity to meet minimum capacity requirements that this risk could be addressed fairly in the Commission-approved fuel adjustment clauses of the Companies to mitigate ratepayer risk and to ensure that rates are fair and the public interest is served.

Page 7:

> Because of the long term uncertainty of energy prices in the SPP competitive marketplace, there exists a possibility – if not a probability – that the ** [redacted] ** MW of fixed price take-or-pay PPAs will result in an excessive level of costs that exceed the revenues associated with off-system sales over the term of the PPAs. The Annual Reports contain no assessment of potential long term rate increases which are possible if the energy prices in the SPP marketplace do not behave as modeled over the term of the PPAs. This consideration is required by rule, because this is a risk which ratepayers should not have to bear alone. Staff is of the opinion that this risk could be addressed fairly through the risk mitigation or risk sharing in the Commission-approved fuel adjustment clauses of the Companies.

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[11] The footnote attached to this portion is for Company response to Staff Data Request No. 0050 in EO-2020-0280 and EO-2020-0281.

Page 9:

> In summary, as previously stated, Staff understands that, due to the non-contested nature of the Annual Report review process, the Commission is not required to conduct a hearing, and Staff has no right to one. However, Staff would also suggest that the annual update is also not the proper time to include such significant resources without the benefit of the robust triennial process. This is further recognized by the notice of change of preferred plan process, which envisions a robust analysis. In short, the rules envision a robust integrated analysis and demonstration of such things as risk mitigation and uncertain factors, when considering changes of the magnitude and significance that were included in this annual update. To better ensure compliance with the rules as set forth in Chapter 22, Staff recommends the Commission order that the Companies, in future Chapter 22 filings, address Staff's issues and criticisms as outlined in this Staff Report.

Q. What was the outcome of Case Nos. EO-2020-0280 and EO-2020-0281?

A. On June 17, 2020, the Commission issued its *Order Closing Files* which stated that the Commission's rule does not require the Companies to respond to the concerns raised by the stakeholders, nor does it require any action by the Commission. The Commission did not require the Companies to respond to stakeholder concerns at that time. However, the Commission will expect the Companies to appropriately consider those concerns in future IRP filings.

Q. Has Staff made reference to the losses from PPAs in other FAC Prudence Reviews?

A. Yes. Staff has referenced the PPA issue and risk sharing in each prudence review since the 2020 Annual Reports. Below are the case numbers and references to that language.

1) On page 39, line 14, through page 40 line 5, of *Staff's Ninth Prudence Review Report* for EMW, Case No. EO-2020-0262 (Consolidated with EMM Case No. EO-2020-0263), Staff references the potential inclusion of additional FAC language in regards to PPAs;

    a. Evergy Missouri West had long-term purchased power contracts with six wind farms during the Review Period. A further description of these contracts can be found in Section III.N through S of this Report. Not included in these sections of Staff's Report is the new purchased power wind contracts that Evergy Missouri West has recently signed into because the associated costs and revenues have not yet been sought for recovery through the FAC. However, Staff is aware of these additional purchased power wind contracts and provided, as part of its Staff Report in the most recent Evergy Missouri West 2020 IRP Annual Update,[12] concerns with these additional purchased power wind contracts. Given that a majority of Evergy Missouri West's current wind PPAs are creating more costs for ratepayers than revenues and additional purchased power wind contracts could put ratepayers at greater risk, in its Staff Report in Case No. EO-2020-0281, Staff noted "that this risk could be addressed fairly through risk mitigation or risk sharing in the Commission-approved fuel adjustment clauses of the Companies."

2) On page 46, lines 6 – 18, in *Staff's Third Prudence Review Report* for EMM, Case No. EO-2020-0263 (Consolidated with EMW Case No. EO-2020-0262), Staff references the potential inclusion of additional FAC language in regards to PPAs;

    a. Evergy Missouri Metro had long-term purchased power contracts with eight wind farms during the Review Period. A further description of these contracts can be found in Sections III. N, O, P, Q, R, S, T, and U of this report. Not included in these sections of Staff's Report is the new purchased power wind contracts that Evergy Missouri Metro has recently signed into since the associated costs and revenues have not yet been sought for recovery through the FAC. However, Staff is aware of these additional purchased power wind contracts and provided as part of its Staff Report in the most recent Evergy Missouri Metro 2020 IRP Annual Update[13] concerns with these additional purchased power wind contracts. Given that a majority of Evergy Missouri Metro's current wind PPAs are creating more costs for ratepayers than revenues and additional purchased power wind contracts could put ratepayers at greater risk, Staff notes in its Staff Report in Case No. EO-2020-0280 "that this risk could be addressed fairly through risk mitigation or risk sharing in the Commission-approved fuel adjustment clauses of the Companies."[14]

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[12] Case No. EO-2020-0281.
[13] Case No. EO-2020-0280.
[14] Case No. EO-2020-0280, Staff Report, page 7.

3) On page 49, lines 5 – 23, of the *Staff Report* in Staff's fourth prudence review for EMM, Case No. EO-2022-0064, Staff references the potential inclusion of additional FAC language in regards to PPAs;

   a. Evergy Missouri Metro had long-term purchased power contracts with eight wind farms during the Review Period. A further description of these contracts can be found in Sections III. M, N, O, P, Q, R, S, and T of this report. Not included in these sections of Staff's Report is the new purchased power wind contracts that Evergy Missouri Metro has recently signed into since the associated costs and revenues have not been sought for recovery through the FAC. However, Staff is aware of these additional purchased power wind contracts and provided as part of its Staff Report in the most recent Evergy Missouri Metro 2020 IRP Annual Update[15] concerns with these additional purchased power wind contracts. Given that a majority of Evergy Missouri Metro's current wind PPAs are creating more costs for ratepayers than revenues and additional purchased power wind contracts could put ratepayers at greater risk, Staff notes in its Staff Report in Case No. EO-2020-0280 "that this risk could be addressed fairly through risk mitigation or risk sharing in the Commission-approved fuel adjustment clauses of the Companies." Subsequently, Staff's Report in the most recent Evergy Missouri Metro Triennial IRP Filing in Case No. EO-2021-0036 also stated, "Staff echoes its past comments in regards to Evergy Metro and PPAs, and that ratepayers should not have to bear all of the risk of PPAs which are entered into when there is not a need for capacity to meeting minimum capacity requirements. To remedy this concern, Staff suggests as it has before, that ratepayer risk mitigation or risk sharing could be addressed fairly in the Commission-approved fuel adjustment clause of Evergy Metro."

4) On page 46, line 16, through page 47, line 15, of the *Staff Report* in Staff's tenth prudence review for EMW, Case No. EO-2020-0065, Staff references the potential inclusion of additional FAC language in regards to PPAs;

   a. Evergy Missouri West had long-term purchased power contracts with six wind farms during the Review Period. A further description of these contracts can be found in Section III.M. through R of this Report. Not included in these sections of Staff's Report is the new purchased power wind contracts that Evergy Missouri West has recently signed into because the associated costs and revenues have not been sought for recovery through the FAC. However, Staff is aware of these additional purchased power wind contracts and provided, as part of its Staff Report in the most recent Evergy Missouri West 2020 IRP Annual Update,[16] concerns with these additional purchased power wind contracts. Given that a majority of Evergy Missouri West's current wind PPAs

[15] Case No. EO-2020-0280.
[16] Case No. EO-2020-0281.

> are creating more costs for ratepayers than revenues and additional purchased power wind contracts could put ratepayers at greater risk, in its Staff Report in Case No. EO-2020-0281, Staff noted "that this risk could be addressed fairly through risk mitigation or risk sharing in the Commission-approved fuel adjustment clauses of the Companies." Subsequently, Staff's Report in the most recent Evergy Missouri West Triennial IRP Filing in Case No. EO-2021-0035 also stated, "Staff echoes its past comments in regards to Evergy West and PPAs, and that ratepayers should not have to bear all of the risk of PPAs which are entered into when there is not a need for capacity to meeting minimum capacity requirements. To remedy this concern, Staff suggests as it has before, that ratepayer risk mitigation or risk sharing could be addressed fairly in the Commission-approved fuel adjustment clause of Evergy West."

Q. Has Staff made reference to the losses from PPAs in any other dockets?

A. Yes. In Case No. EO-2021-0032, in its *Staff Investigation Report*, Staff again stated, "In its 2020 IRP Staff Report, Staff stated that to address the concern of 20 CSR 4240-22.010(2)(C)1 that it is Staff's opinion that in the case where PPAs are entered into when there is not a need for capacity to meet minimum capacity requirements that this risk could be addressed fairly in the Commission-approved fuel adjustment clauses of Evergy to mitigate ratepayer risk and to ensure that rates are fair and the public interest is served. Further, Staff stated that to address the concern of 20 CSR 4240-22.010(2)(C)3 that it is Staff's opinion that this risk could be addressed fairly through risk mitigation or risk sharing in the Commission-approved fuel adjustment clauses of the Companies." In addition, in Case Nos. EO-2021-0035 and EO-2021-0036, the Companies' triennial IRP filings, Staff's "Concern C" states that the Companies issued an RFP in February 2021, soliciting offers from interested parties with the intent of securing proposals for the acquisition of long-term dispatchable renewable energy resources with a minimum size of 50 MW together with all associated environmental and renewable energy attributes. The RFP offers two business structure options: 1) Ownership based on construction services and asset purchase agreements; and 2) PPAs. Staff echoes its past comments in regards to the Companies and PPAs, and that ratepayers should not have to bear all of the risk of PPAs that are entered into when there is not a need for capacity to meet minimum capacity requirements. To remedy this concern, Staff suggested, as it has before, that ratepayer risk mitigation or risk sharing could be addressed fairly in the Commission-approved FAC of the Companies.

Q. Does Staff believe that given EMM's and EMW's history mentioned above regarding these new PPA contracts and the probability of the EMM and EMW entering into new PPA contracts, that its recommendation is reasonable?

A. Yes. When looking through the history of PPAs entered into by EMM and EMW, Staff believes the new PPA language in the FAC tariff is not only reasonable but necessary in order to be fair to EMM and EMW customers who have, to this point, had to bear a majority of the costs of these PPAs whose costs have exceeded its revenues.

Q. What do the Companies' current FAC tariff sheets state about the purchased power costs associated with PPAs?

A. Tariff sheet P.S.C MO. No 1 Original Sheet No. 50.23 in the EMM tariff states,

PP = Purchased Power Costs:

> The following costs or revenues reflected in FERC Account Number 555: Subaccount 555000: purchased power costs, energy charges from capacity purchases of any duration, insurance recoveries, and subrogation recoveries for purchased power expenses, broker commissions and fees (fees charged by an agent, or agent's company to facilitate transactions between buyers and sellers), charges and credits related to the SPP Integrated Marketplace ("IM") or other IMs, including energy, revenue neutrality, make whole and out of merit payments and distributions, over collected losses payments and distributions, Transmission Congestion Rights ("TCR") and Auction Revenue Rights ("ARR") settlements, virtual energy costs, revenues and related fees where the virtual energy transaction is a hedge in support of physical operations related to a generating resource or load, load/export charges, ancillary services including non-performance and distribution payments and charges and other miscellaneous SPP Integrated Market charges including uplift charges or credits, excluding (1) the amounts associated

> with purchased power agreements associated with the Renewable Energy Rider tariff and (2) the Missouri allocated portion of the difference between the amount of the bilateral contract for hydro energy purchased from CNPPID and the average monthly LMP value at the CNPPID nodes times the amount of energy sold to the SPP at the CNPPID nodes. The CNPPID nodes are defined as NPPD.KCPL.JFY1, NPPD.KCPL.JFY2, NPPD.KCPL.JHN1, NPPD.KCPL.JN11, NPPD.KCPL.JN12;

Similarly, tariff sheet P.S.C. MO. No. 7 Original Sheet No. 127.15 in the EMW tariff states:

> PP = Purchased Power Costs:
>
> The following costs or revenues reflected in FERC Account Number 555:
>
> Subaccount 555000: purchased power costs, energy charges from capacity purchases, insurance recoveries, and subrogation recoveries for purchased power expenses, broker commissions and fees (fees charged by an agent, or agent's company to facilitate transactions between buyers and sellers), and charges and credits related to the SPP Integrated Marketplace ("IM") or other IMs, excluding the amounts associated with purchased power agreements associated with the Renewable Energy Rider tariff.

Q. What additional language is Staff recommending be included to EMM's FAC tariff sheets?

A. For EMM's tariff sheet P.S.C MO. No 1 Original Sheet No. 50.23, Staff proposes the following:

> PP = Purchased Power Costs:
>
> The following costs or revenues reflected in FERC Account Number 555:
>
> Subaccount 555000: purchased power costs, energy charges from capacity purchases of any duration, insurance recoveries, and subrogation recoveries for purchased power expenses, broker commissions and fees (fees charged by an agent, or agent's company to facilitate transactions between buyers and sellers), charges and credits related to the SPP Integrated Marketplace ("IM") or other IMs, including energy, revenue neutrality, make whole and out of merit payments and distributions, over collected losses payments and distributions, Transmission Congestion Rights ("TCR") and Auction Revenue Rights ("ARR") settlements, virtual energy costs, revenues and related fees

> where the virtual energy transaction is a hedge in support of physical operations related to a generating resource or load, load/export charges, ancillary services including non-performance and distribution payments and charges and other miscellaneous SPP Integrated Market charges including uplift charges or credits, excluding (1) the amounts associated with purchased power agreements associated with the Renewable Energy Rider tariff; ~~and~~ (2) the Missouri allocated portion of the difference between the amount of the bilateral contract for hydro energy purchased from CNPPID and the average monthly LMP value at the CNPPID nodes times the amount of energy sold to the SPP at the CNPPID nodes. The CNPPID nodes are defined as NPPD.KCPL.JFY1, NPPD.KCPL.JFY2, NPPD.KCPL.JHN1, NPPD.KCPL.JN11, NPPD.KCPL.JN12; and (3) net costs associated with purchased power agreements entered into after May 2019 whose costs exceed its revenues resulting in a net loss.

Q. What additional language is Staff recommending be included to EMW's FAC tariff sheets?

A. For EMW's tariff sheet P.S.C. MO. No. 7 Original Sheet No. 127.15, Staff proposes the following:

PP = Purchased Power Costs:

The following costs or revenues reflected in FERC Account Number 555:

> Subaccount 555000: purchased power costs, energy charges from capacity purchases, insurance recoveries, and subrogation recoveries for purchased power expenses, broker commissions and fees (fees charged by an agent, or agent's company to facilitate transactions between buyers and sellers), and charges and credits related to the SPP Integrated Marketplace ("IM") or other IMs, excluding (1) the amounts associated with purchased power agreements associated with the Renewable Energy Rider tariff; and (2) net costs associated with purchased power agreements entered into after May 2019 whose costs exceed its revenues resulting in a net loss.

Q. What is the significance of May 2019?

A. The Prairie Queen wind farm contract is based on a fixed energy price that EMM and EMW began receiving in May 2019. Prairie Queen is the most recent PPA that EMM and EMW has passed the costs and revenues through the FAC. Since these costs and revenues flow through the FAC, they are reviewed in Staff's FAC prudence review. To date, Staff has not raised any concerns or recommended any disallowances for Prairie Queen. Therefore, since the Prairie Queen contract began in May 2019, and Staff has reviewed this PPA as part of its most recent FAC prudence review and did not raise any concerns or recommend any disallowances, Staff proposes any PPAs signed into after May 2019 whose costs exceed its revenues and are passed through the FAC, those net costs be borne by shareholders.

Q. Does this conclude your direct testimony?

A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Evergy Metro, Inc. d/b/a Evergy Missouri Metro's Request for Authority to Implement a General Rate Increase for Electric Service	))))	Case No. ER-2022-0129
In the Matter of Evergy Missouri West, Inc. d/b/a Evergy Missouri West's Request for Authority to Implement a General Rate Increase for Electric Service	))))	Case No. ER-2022-0130

AFFIDAVIT OF BRAD J. FORTSON

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW BRAD J. FORTSON and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Direct Testimony of Brad J. Fortson*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

Brad J. Fortson

BRAD J. FORTSON

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 21st day of June 2022.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070

D. Suzie Mankin

Notary Public

Brad J. Fortson

Education and Employment Background

I am the Regulatory Compliance Manager of the Energy Resources Department, Industry Analysis Division of the Missouri Public Service Commission. Prior to my current position, I was employed at the Missouri Public Service Commission as a Regulatory Economist from December 2012 through March 2015 and August 2015 through February 2019.

I received an Associate of Applied Science degree in Computer Science in May 2003, Bachelor of Science degree in Business Administration in May 2009, and Master of Business Administration degree with an emphasis in Management in May 2012, all from Lincoln University, Jefferson City, Missouri.

Prior to first joining the Commission, I worked in various accounting positions within four state agencies of the State of Missouri. I was employed as an Account Clerk II for the Inmate Finance Section of the Missouri Department of Corrections; as an Account Clerk II for the Accounts Payable Section of the Missouri Department of Health and Senior Services; as a Contributions Specialist for the Employer Accounts Section of the Missouri Department of Labor and Industrial Relations; and as an Accountant I for the Payroll Section of the Missouri Office of Administration. From April 1 through July 31, 2015, I worked for the Missouri Office of Public Counsel before joining the Commission once again.

Brad J. Fortson			
Case Participation History			
Case Number	**Company**	**Issue**	**Exhibit**
HR-2014-0066	Veolia Energy Kansas City	Revenue by Class and Rate Design	Staff Report
GR-2014-0086	Summit Natural Gas of Missouri, Inc.	Large Volume Service Revenue	Staff Report
ER-2014-0258	Union Electric Company d/b/a Ameren Missouri	Revenue by Class and Rate Design	Staff Report
ER-2014-0258	Union Electric Company d/b/a Ameren Missouri	Revenue by Class and Rate Design	Staff Report, Rebuttal & Surrebuttal Testimony
ER-2014-0351	The Empire District Electric Company	Revenue by Class and Rate Design	Staff Report & Rebuttal Testimony
ER-2014-0351	The Empire District Electric Company	Revenue by Class and Rate Design	Rebuttal Testimony
EO-2015-0240	Kansas City Power & Light Company	Custom Program Incentive Level	Direct Testimony
EO-2015-0241	KCP&L Greater Missouri Operations Company	Custom Program Incentive Level	Direct Testimony
ER-2016-0023	The Empire District Electric Company	DSM Programs and MEEIA Filings	Staff Report
ER-2016-0023	The Empire District Electric Company	DSM Programs and MEEIA Filings	Staff Report, Rebuttal & Surrebuttal Testimony
EM-2016-0213	The Empire District Electric Company (merger case)	DSM Programs and MEEIA Filings	Rebuttal & Surrebuttal Testimony
ER-2016-0156	KCP&L Greater Missouri Operations Company	MEEIA summary and LED street lighting	Staff Report
EO-2016-0183	Kansas City Power & Light Company	MEEIA prudence review	Staff Report
EO-2016-0223	The Empire District Electric Company	Triennial compliance filing	Staff Report
ER-2016-0285	Kansas City Power & Light Company	LED street lighting	Staff Report
ER-2016-0179	Union Electric Company d/b/a Ameren Missouri	LED street lighting	Staff Report
ER-2016-0285	Kansas City Power & Light Company	Response to Commissioner questions	Staff Report
ER-2016-0179	Union Electric Company d/b/a Ameren Missouri	Response to Commissioner questions	Staff Report
EO-2017-0209	Kansas City Power & Light Company	MEEIA prudence review	Staff Report
EO-2017-0210	KCP&L Greater Missouri Operations Company	MEEIA prudence review	Staff Report
EO-2015-0055	Union Electric Company d/b/a Ameren Missouri	Flex pay pilot program	Rebuttal Testimony
GR-2018-0013	Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities	Red Tag Program and Energy Efficiency Program Funding	Staff Report, Rebuttal & Surrebuttal Testimony
ER-2018-0145	Kansas City Power & Light Company	LED street lighting, TOU rates	Rebuttal Testimony
ER-2018-0146	KCP&L Greater Missouri Operations Company	LED street lighting, TOU rates	Rebuttal Testimony
EO-2018-0211	Union Electric Company d/b/a Ameren Missouri	Program Design	Rebuttal Report & Surrebuttal Testimony
EO-2019-0132	Kansas City Power & Light Company	Program Design	Rebuttal Report & Surrebuttal Testimony
EO-2019-0376	Union Electric Company d/b/a Ameren Missouri	MEEIA prudence review	Direct Testimony
ER-2019-0374	The Empire District Electric Company	Hedging policy and EE/LI programs	Supplemental Testimony
EO-2020-0280	Evergy Metro	IRP Annual Update	Staff Report
EO-2020-0281	Evergy Missouri West	IRP Annual Update	Staff Report
ER-2020-0311	The Empire District Electric Company	Fuel Adjustment Clause	Rebuttal Testimony
EO-2020-0227	Evergy Metro and Evergy Missouri West	MEEIA prudence review	Direct Testimony
EO-2020-0262	Evergy Metro and Evergy Missouri West	FAC prudence review	Direct & Rebuttal Testimony
EO-2021-0021	Union Electric Company d/b/a Ameren Missouri	Triennial compliance filing	Staff Report
EO-2021-0035	Evergy Metro	Triennial compliance filing	Staff Report
EO-2021-0036	Evergy Missouri West	Triennial compliance filing	Staff Report
EO-2021-0416	Evergy Missouri West	MEEIA prudence review	Staff Report
EO-2021-0417	Evergy Metro	MEEIA prudence review	Staff Report
EO-2022-0061	Evergy Missouri West	Application for Special Rate	Rebuttal Testimony
EO-2022-0064	Evergy Missouri Metro	FAC prudence review	Direct Testimony
EO-2022-0065	Evergy Missouri West	FAC prudence review	Direct Testimony