DEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

| In the Matter of the Consideration of Adoption of the PURPA Section 111(d)(12) Fuel Sources Standard as Required by Section 1251 of the Energy Policy Act of 2005 |))) | Case No. EO-2006-0494 |
|--|-------------|-----------------------|
| In the Matter of the Consideration of Adoption of the PURPA Section 111(d)(13) Fossil Fuel Generation Efficiency Standard as Required by Section 1251 of the Energy Policy Act of 2005 |)) | Case No. EO-2006-0495 |

POSITION STATEMENTS OF EXPERT APPEARING ON BEHALF OF THE EMPIRE DISTRICT ELECTRIC COMPANY

In accordance with the "Order Establishing a Procedural Schedule for On-the-Record Presentations" issued on March 15, 2007, by the Missouri Public Service Commission, The Empire District Electric Company ("Empire"), hereby files the attached written position statements of David W. Gibson, who will appear on Empire's behalf at the on-the-record presentations scheduled for April 27, 2007, in the above-captioned dockets.

Respectfully submitted,

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ATTORNEYS FOR THE EMPIRE DISTRICT ELECTRIC COMPANY

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

| In the Matter of the Consideration of |) | |
|--|---|-----------------------|
| Adoption of the PURPA §111(d)(12) Fuel |) | |
| Sources Standard as Required by §1251 |) | Case No. EO-2006-0494 |
| Of the Energy Policy Act of 2005 |) | |

POSITION STATEMENT OF DAVID W. GIBSON ON BEHALF OF THE EMPIRE DISTRICT ELECTRIC COMPANY

- 1 The purpose of the EPAct Standard for fuel sources was designed to reduce a
- 2 utilities dependence on a single fuel source and to insure that electricity the utility
- 3 provides to its customers comes from as diverse a range of fuel sources and technologies
- 4 as practicable.
- 5 The current fuel source standard that is contained in 4 CSR 240-22.040 and used in
- 6 Missouri by Empire has resulted in a diverse mix of fuel generation by Empire. In
- 7 addition, the current IRP rule, 4 CSR 240-22.060, provide interested parties with input
- 8 into the companies resource plan. There have been no concerns expressed about fuel mix
- 9 other than the need for more baseload coal generation during these meetings. The
- following table shows the results for the years 1990, 2005 and 2006.

Generation By Fuel Type

| | 2006 | | 2005 | | 1990 | |
|-----------|----------------|-------------|----------------|-------|------------|-------|
| | <u>MWh</u> | | <u>MWh</u> | | <u>MWh</u> | |
| Coal | 2,435,760 | 43.7% | 2,278,706 | 41.3% | 2,235,971 | 73.6% |
| Pet Coke | 134,447 | 2.4% | 145,909 | 2.6% | - | 0.0% |
| Nat Gas | 959,815 | 17.2% | 1,431,017 | 25.9% | 37,878 | 1.2% |
| Oil | 1,314 | 0.0% | 26,982 | 0.5% | 4,406 | 0.1% |
| Hydro | 22,673 | 0.4% | 65,581 | 1.2% | 59,551 | 2.0% |
| Tires | 14,596 | 0.3% | 17,311 | 0.3% | - | 0.0% |
| Wind PPA | 515,970 | 9.3% | 74,074 | 1.3% | - | 0.0% |
| Coal PPA | 1,154,577 | 20.7% | 1,242,234 | 22.5% | - | 0.0% |
| Other PPA | <u>331,321</u> | <u>5.9%</u> | <u>237,388</u> | 4.3% | 700,837 | 23.1% |

| | 5,570,473 | 100.0% | 5,519,202 | 100.0% | 3,038,643 | 100.0% |
|-----------|-------------|--------|------------------|--------|---------------------------|--------------|
| | y Fuel Type | | | | | |
| | 2006 | | 2005 | | 1990 | |
| | <u>MW</u> | | \underline{MW} | | $\underline{\mathbf{MW}}$ | |
| Coal | 380 | 30.1% | 382 | 30.2% | 383 | 46.6% |
| Nat Gas** | 704 | 55.8% | 704 | 55.7% | 279 | 33.9% |
| Hydro | 16 | 1.3% | 16 | 1.3% | 16 | 1.9% |
| Coal PPA | 162 | 12.8% | 162 | 12.8% | - | 0.0% |
| Other PPA | Ξ | 0.0% | = | 0.0% | <u>145</u> | <u>17.6%</u> |
| | 1,262 | 100.0% | 1,264 | 100.0% | 823 | 100.0% |

^{**} Some natural gas units can also burn fuel oil

- 1 As can be seen, the mix of generation has become more diverse since 1990.
- 2 Some parties have suggested that there be a requirement for certain types of resources
- 3 such as renewable energy resources. The EPAct does not mandate this and it could have
- 4 an impact on such things as costs, reliability issues etc.
- 5 This above table would tend to indicate that the current rules in effect are
- 6 adequate and are therefore in compliance with the intent of the EPAct Standard.

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the following this 13TH day of April, 2007:

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