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February 1, 2022
Data Center
Missouri Public
Service Commission

# Exhibit No. 101

Staff – Exhibit 101
Claire M. Eubanks
Surrebuttal/Cross-Surrebuttal Testimony
File No. EO-2022-0061

*Exhibit No.:*
*Issue(s):* *Renewable Energy Standard Rate Adjustment Mechanism*
*Witness:* *Claire M. Eubanks, PE*
*Sponsoring Party:* *MoPSC Staff*
*Type of Exhibit:* *Surrebuttal/ Cross-Surrebuttal Testimony*
*Case No.:* *EO-2022-0061*
*Date Testimony Prepared:* *January 14, 2022*

# MISSOURI PUBLIC SERVICE COMMISSION

## INDUSTRY ANALYSIS DIVISION

## ENGINEERING ANALYSIS DEPARTMENT

## SURREBUTTAL/CROSS-SURREBUTTAL TESTIMONY

## OF

## CLAIRE M. EUBANKS, PE

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

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

***Jefferson City, Missouri***
***January 2022***

**SURREBUTTAL/CROSS-SURREBUTTAL TESTIMONY**

**OF**

**CLAIRE M. EUBANKS, PE**

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

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

Q. Please state your name and business address.

A. Claire M. Eubanks 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 Manager of the Engineering Analysis Department, Industry Analysis Division.

Q. Please describe your educational background and experience.

A. Please refer to Schedule CME-s1.

Q. Have you previously testified before the Commission?

A. Yes. A summary of my case participation is attached as Schedule CME-s1.

Q. What is the purpose of this testimony?

A. I am responding to the Rebuttal Testimony of Office of the Public Counsel ("OPC") witness Dr. Geoff Marke regarding OPC's proposed revisions to the Special High Load Factor Market Rate tariff ("Schedule MKT") related to the Renewable Energy Standard Rate Adjustment Mechanism ("RESRAM") charge.

Q. What is the Renewable Energy Standard Rate Adjustment Mechanism?

A. The RESRAM allows for recovery of prudently incurred costs or pass-through of benefits received as a result of compliance with the Renewable Energy Standard (RES),

provided the average annual impact on retail customer rates does not exceed one percent over a ten-year period.

Q. What concerns did OPC witness Marke raise with Schedule MKT as it relates to the cost of renewable energy standard compliance?

A. Generally, OPC witness Marke recommends that the participating customer "should bear all incidental cost increases occasioned by their addition to Evergy's system and all non-participating customers should be held harmless."[1] OPC witness Marke proposed several modifications to Schedule MKT to ensure other ratepayers are not negatively impacted by Schedule MKT including that participating customers will be subject to the RESRAM charge.

Q. Should a customer served under Schedule MKT be subject to the RESRAM charge?

A. Yes. All customers should be subject to the RESRAM charge because the charge is directly related to compliance with a statutory requirement. The Missouri Renewable Energy Standard, specifically Section 393.1030.1 RSMo, requires that the electric utilities provide electricity from renewable energy resources constituting 15% of each electric utility's sales beginning in calendar year 2021. Compliance with the standard is demonstrated by retiring renewable energy credits[2] (RECs), i.e. a retired REC can no longer be sold or utilized for another purpose. An electric utility's total retail electric sales, expressed in megawatt hours (MWh) of electricity, is used to calculate its annual RES requirements. In other words, a utility's RES compliance obligation will increase when it sells more energy.

[1] Rebuttal Testimony of Dr. Geoff Marke, Page 11.
[2] A REC represents that one (1) megawatt-hour of electricity has been generated from renewable energy resources.

Q. Are there instances where a customer served by Schedule MKT would not incrementally cause additional RES compliance costs?

A. Yes. Any customer qualifying under Schedule MKT will increase Evergy Missouri West's (Evergy) retail electric sales and RES compliance obligations. However, based on recent projections, Evergy has an annual supply of RECs well in excess of its RES compliance obligations[3] therefore a new customer would not necessarily cause additional incremental costs related to RES compliance. An increase in the Missouri RES standard above 15% may alter Evergy's compliance position.

Q. Does Velvet intend to support additional renewable resources outside of the RESRAM charge?

A. Yes. According to Evergy, Velvet intends to include a voluntary charge (referred to as a Renewable Energy Support charge) as an adder to the Capacity Charge in its proposed contract with Evergy.[4] Staff recommends a change in the proposed tariff be made to ensure all customers served under Schedule MKT are obligated to contribute to renewable energy standard compliance costs. It is important to note that Evergy is not requesting approval of the Velvet contract in this case; therefore, Staff has not evaluated whether the value of the Renewable Energy Support charge appropriately covers renewable energy standard compliance costs.

Q. Are there other ways, other than the RESRAM charge, to ensure customers under Schedule MKT contribute to RES compliance costs?

[3] *Staff Report on Evergy Missouri West's 2021 Annual Renewable Energy Standard Compliance Plan.* Case No. EO-2021-0348, Page 3.
[4] Response to Staff Data Request No. 0002 attached as Schedule CME-s2.

A. Yes. As stated before it is Staff's position that all customers should be subject to the RESRAM charge. However, Staff recommends the following language as an alternative to subjecting Schedule MKT customers to the RESRAM charge:

> Any provisions of Evergy Missouri West's RESRAM tariff to the contrary notwithstanding, customer will not be subject to RESRAM charges if its contribution through a Renewable Energy Support Charge meets or exceeds the incremental RES compliance costs attributable to the Customer.

Q. At what time will the Commission review the appropriateness of the Renewable Energy Support Charge?

A. Staff intends to address the rates and terms of the contract, including the Renewable Energy Support Charge, when and if the contact is finalized and appropriately filed for approval with the Commission. Additionally, the continued appropriateness of the Renewable Energy Support charge would be subject to review during a future general rate case.

Q. Does this conclude your testimony?

A. Yes.

**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 Approval of a Wholesale Energy Market Rate for a Data Center Facility in Kansas City, Missouri | ) ) ) ) ) | Case No. EO-2022-0061 |

**AFFIDAVIT OF CLAIRE M. EUBANKS, PE**

STATE OF MISSOURI )
) ss.
COUNTY OF COLE )

**COMES NOW CLAIRE M. EUBANKS, PE,** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Surrebuttal/Cross-Surrebuttal Testimony of Claire Eubanks;* and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Claire M Eubanks
**CLAIRE M. EUBANKS, PE**

**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 14th day of January, 2022.

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2023
Commission Number: 15207377

Dianna L. Vaught
Notary Public

**CLAIRE M. EUBANKS, PE**

**PRESENT POSITION**:

I am the Manager of the Engineering Analysis Department, Industry Analysis Division of the Missouri Public Service Commission.

**EDUCATIONAL BACKGROUND AND WORK EXPERIENCE:**

I received my Bachelor of Science degree in Environmental Engineering from the University of Missouri – Rolla, now Missouri University of Science and Technology, in May 2006. I am a licensed professional engineer in the states of Missouri and Arkansas. Immediately after graduating from UMR, I began my career with Aquaterra Environmental Solutions, Inc., now SCS Aquaterra, an engineering consulting firm based in Overland Park, Kansas. During my time with Aquaterra, I worked on various engineering projects related to the design, construction oversight, and environmental compliance of solid waste landfills. I began my employment with the Commission in November 2012 and was promoted to my current position in April 2020.

**CASE HISTORY:**

| Case Number | Utility | Type | Issue |
|---|---|---|---|
| EA-2012-0281 | Ameren | Rebuttal | Certificate of Convenience and Necessity |
| EC-2013-0379<br>EC-2013-0380 | KCP&L<br>KCP&L<br>GMO | Rebuttal | RES Compliance |
| EO-2013-0458 | Empire | Memorandum | RES Compliance Plan & Report |
| EO-2013-0462 | Ameren | Memorandum | RES Compliance Report |
| EO-2013-0503 | Ameren | Memorandum | RES Compliance Plan |
| EO-2013-0504 | KCPL | Memorandum | RES Compliance Plan & Report |
| EO-2013-0505 | GMO | Memorandum | RES Compliance Plan & Report |
| ET-2014-0059 | KCP&L<br>GMO | Rebuttal | RES Retail Rate Impact |
| ET-2014-0071 | KCP&L | Rebuttal | RES Retail Rate Impact |
| ET-2014-0085 | Ameren | Rebuttal | RES Retail Rate Impact |
| ER-2014-0258 | Ameren | Cost of Service Report, Surrebuttal | RES, In-Service |
| EO-2014-0151 | KCP&L<br>GMO | Memorandum | RESRAM |
| EO-2014-0357 | Electric | Memorandum | Solar Rebates Payments |

| Case Number | Utility | Type | Issue |
|---|---|---|---|
| EO-2014-0287 | KCPL | Memorandum | RES Compliance Plan |
| EO-2014-0288 | GMO | Memorandum | RES Compliance Plan |
| EO-2014-0289 | KCPL | Memorandum | RES Compliance Report |
| EO-2014-0290 | GMO | Memorandum | RES Compliance Plan |
| ER-2014-0370 | KCP&L | Cost of Service Report | RES |
| EX-2014-0352 | N/A | Live Comments | RES rulemaking |
| EC-2015-0155 | GMO | Memorandum | Solar Rebate Complaint |
| EO-2015-0260 | Empire | Memorandum | RES Compliance Plan & Report |
| EO-2015-0263 | KCPL | Memorandum | RES Compliance Report |
| EO-2015-0264 | GMO | Memorandum | RES Compliance Report |
| EO-2015-0265 | KCPL | Memorandum | RES Compliance Plan |
| EO-2015-0266 | GMO | Memorandum | RES Compliance Plan |
| EO-2015-0267 | Ameren | Memorandum | RES Compliance Plan & Report |
| EO-2015-0252 | GMO | Staff Report | Integrated Resource Plan – Renewable Energy Standard |
| EO-2015-0254 | KCPL | Staff Report | Integrated Resource Plan – Renewable Energy Standard |
| EA-2015-0256 | KCP&L GMO | Live Testimony | Greenwood Solar CCN |
| EO-2015-0279 | Empire | Memorandum | RES Compliance Plan & Report |
| ET-2016-0185 | KCP&L | Memorandum | Solar Rebate Tariff Suspension |
| EO-2016-0280 | KCPL | Memorandum | RES Compliance Report |
| EO-2016-0281 | GMO | Memorandum | RES Compliance Report |
| EO-2016-0282 | KCPL | Memorandum | RES Compliance Plan |
| EO-2016-0283 | GMO | Memorandum | RES Compliance Plan |
| EO-2016-0284 | Ameren | Memorandum | RES Compliance Plan & Report |
| ER-2016-0023 | Empire | Report | RES |
| ER-2016-0156 | KCP&L GMO | Rebuttal | RESRAM Prudence Review |
| EA-2016-0208 | Ameren | Rebuttal | Certificate of Convenience and Necessity |
| ER-2016-0285 | KCPL | Cost of Service Report | In-Service, Greenwood Solar |

| Case Number | Utility | Type | Issue |
|---|---|---|---|
| ER-2016-0179 | Ameren | Rebuttal | In-Service, Labadie Landfill |
| EW-2017-0245 | Electric | Report | Working Case on Emerging Issues in Utility Regulation |
| EO-2017-0268 | Ameren | Memorandum | RES Compliance Plan & Report |
| EO-2017-0269 | KCPL | Memorandum | RES Compliance Report |
| EO-2017-0271 | KCPL | Memorandum | RES Compliance Plan |
| GR-2017-0215 & GR-2017-0216 | Spire | Rebuttal & Surrebuttal | CHP for Critical Infrastructure |
| GR-2018-0013 | Liberty Utilities (Midstates Natural Gas) | Rebuttal | CHP Outreach Initiative for Critical Infrastructure Resiliency |
| EO-2018-0287 | Ameren | Memorandum | RES Compliance Plan & Report |
| EO-2018-0288 | KCPL | Memorandum | RES Compliance Report |
| EO-2018-0290 | KCPL | Memorandum | RES Compliance Plan |
| EA-2016-0207 | Ameren | Memorandum | Certificate of Convenience and Necessity |
| ER-2018-0146 | GMO | Cost of Service Report | RESRAM Prudence Review |
| ER-2018-0145 ER-2018-0146 | KCPL GMO | Class Cost of Service Report, Rebuttal | Solar Subscription Pilot Rider, Standby Service Rider |
| EA-2018-0202 | Ameren | Staff Report | Certificate of Convenience and Necessity |
| EE-2019-0076 | Ameren | Memorandum | Variance Request – Reliability Reporting |
| EA-2019-0021 | Ameren | Staff Report | Certificate of Convenience and Necessity |
| EA-2019-0010 | Empire | Staff Report | Certificate of Convenience and Necessity |
| EX-2019-0050 | N/A | Live Comments | Renewable Energy Standard |
| EO-2019-0315 | KCPL | Memorandum in Response to Commission Questions | Renewable Energy Standard |
| EO-2019-0316 | GMO | Memorandum | Renewable Energy Standard |

| Case Number | Utility | Type | Issue |
|---|---|---|---|
| EO-2019-0317 | KCPL | Memorandum in Response to Commission Questions | Renewable Energy Standard |
| EO-2019-0318 | GMO | Memorandum | Renewable Energy Standard |
| ER-2019-0335 | Ameren | Cost of Service Report | Renewable Energy Standard, In-Service Criteria |
| EA-2019-0371 | Ameren | Staff Report | Certificate of Convenience and Necessity |
| EO-2020-0329 | Evergy Missouri Metro | Memorandum | Renewable Energy Standard |
| EO-2020-0330 | Evergy Missouri West | Memorandum | Renewable Energy Standard |
| EE-2021-0237 | Evergy Missouri Metro | Memorandum | Cogeneration Tariff |
| EE-2021-0238 | Evergy Missouri West | Memorandum | Cogeneration Tariff |
| EE-2021-0180 | Ameren Missouri | Memorandum | Electric Meter Variance |
| ET-2021-0151 and 0269 | Evergy | Memorandum, Rebuttal Report | Transportation Electrification |
| AO-2021-0264 | Various | Staff Report | February 2021 Cold Weather Event |
| EW-2021-0104 | n/a | Staff Report | RTO Membership |
| EW-2021-0077 | n/a | Staff Report | FERC Order 2222 |
| EO-2021-0339 | Evergy Missouri West | Memorandum | Territorial Agreement |
| GR-2021-0108 | Spire | Rebuttal | Automated Meter Reading Opt-out Tariff |
| EA-2021-0087 | ATXI | Rebuttal Report | Certificate of Convenience and Necessity |
| ER-2021-0240 | Ameren Missouri | Cost of Service Report Rebuttal | In-Service Bat Mitigation |
| ER-2021-0312 | Empire | Cost of Service Report | Construction Audit – Engineering Review, In-service |

Evergy Missouri West
Case Name: 2021_EMW_Wholesale Energy Market Rate
Case Number: EO-2022-0061

Requestor Dindarloo Saaid -
Response Provided November 30, 2021

Question:0002
Please provide supporting documentation for the proposed Renewable Energy Support Charge value under Section 3.3 of the Special High-Load Factor Market Rate Contract; more specifically, provide justification that this value is appropriate to cover new renewable energy resources. DR request by Saeid Dindarloo (saeid.dindarloo@psc.mp.gov).

RESPONSE: (do not edit or delete this line or anything above this)

**Confidentiality:** PUBLIC
**Statement:** This response is Public. No Confidential Statement is needed.

**Response:**
The Renewable Energy Support Charge is an additional amount proposed voluntarily by Velvet to be added to the Capacity Charge. The Renewable Energy Support Charge is meant to be a contribution to Company efforts to deploy additional renewables to all customers and reduce the cost to other customers for those resources. As a voluntary contribution, the amount does not have any particular basis and is not intended to cover any particular resource investment. Future customers have the option but are not obligated to offer the same charge.

**Information provided by:** Brad Lutz

**Attachment(s):**

**Missouri Verification:**
I have read the Information Request and answer thereto and find answer to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my



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knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signature /s/ *Brad Lutz*
Director Regulatory Affairs





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