

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Union Electric Company d/b/a)
Ameren Missouri’s Tariff to Increase its) Case No. ER-2014-0258
Revenues for Electric Service)

SIERRA CLUB INITIAL POST-HEARING BRIEF

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I. Introduction.¹

Sierra Club urges the Commission to deny Ameren Missouri's ("Ameren" or the "Company") request for rate recovery of depreciation of the Labadie electrostatic precipitators ("ESPs"), as well as any return on this investment, unless or until the Company presents the Commission with an adequate justification for the prudence of these expenditures. In contrast to the Company's back-of-the-envelope analysis, an adequate justification must contain a net present value analysis that includes an unbiased treatment of possible environmental compliance costs across a full range of probable scenarios and an evaluation of the economics of retiring each Labadie unit individually. Specifically, Ameren's analysis must present an unbiased evaluation of the impacts that possible compliance with the United States Environmental Protection Agency's ("EPA") proposed Clean Power Plan and other existing or forthcoming environmental regulatory requirements will have on Ameren's coal-fired generation fleet. Sierra Club further urges the Commission to make clear that all future environmental retrofits of this magnitude (or even greater magnitudes) must be supported by a net present value analysis in the Company's direct filing. Without such an analysis, these multi-million dollar expenditures will continue to occur with no meaningful transparency and, consequently, no meaningful stakeholder input—with harm to ratepayers as a likely result.

¹ Prior to the evidentiary hearing, Sierra Club took a position on two issues in this case—(1) the amount of depreciation expense for the Meramec Energy Center retirement that should be included in the Company's revenue requirement, and (2) whether the electrostatic precipitators installed at the Labadie Energy Center should be included in Ameren Missouri's rate base. During the hearing, the former issue settled; accordingly, this brief will focus on the Labadie ESPs issue.

II. Factual background.²

Through this rate case, Ameren requests to recover over \$150M in costs for the installation of ESPs at Labadie Units 1 and 2.³ Ameren retrofitted these Labadie units with new air pollution controls to comply with the EPA’s Mercury and Air Toxics Standards (“MATS”).⁴ To support the prudence of its ESP retrofits, Ameren simply relied on the existence of MATS. Further, Ameren’s position is that no prudence analysis was necessary; rather, “the only issues regarding the Labadie ESP [sic] that are relevant to this case are whether the amount of Ameren Missouri’s investment is reasonable and whether the precipitators are currently used and useful.”⁵ Sierra Club witness Dr. Ezra Hausman pointed out that Ameren did not complete a net present value analysis—or seemingly any analysis—to determine if avoiding the retrofit costs at individual units through curtailed or suspended operations, expanded demand-side resources, or other resource alternatives would be the least-cost option for its ratepayers.⁶ On rebuttal, Ameren witness Matt Michels referred to the Company’s Integrated Resource Plan (“IRP”). Mr. Michels confirmed Dr. Hausman’s understanding that Ameren only modeled in its IRP two scenarios evaluating the near-term retirement of Labadie, both of which looked solely at retiring all units at

² One resolved issue is notable: Ameren, in its case-in-chief, neglected to provide a justification for assigning a must-run status to certain resources. *See* Exhibit 900, Direct Testimony of Ezra Hausman, p. 13, l. 5 – p. 17, l. 6. After Sierra Club witness Dr. Hausman brought this to the Company’s attention in his Direct Testimony, Ameren witness Jaime Haro provided an analysis on rebuttal. *See* Exhibit 14, Rebuttal Testimony of Jaime Haro, p. 9, l. 15 – p. 14, l. 16. Dr. Hausman responded on surrebuttal that the parties could have avoided this entire issue if Ameren had simply provided its justification in its initial filing. Exhibit 901, Surrebuttal Testimony of Ezra Hausman, p. 3, ll. 10-11. Dr. Hausman’s testimony also emphasized the need for transparency around this issue and requested that the Commission make clear that Ameren should provide support for any decision to treat its units as “must run” for modeling purposes in any future rate case applications. *See id.*, p. 3, ll. 11-22.

³ Exhibit 28, Direct Testimony of Michael Moehn, p. 12, ll. 17-19. *See also* Tr. p. 1924, ll. 18-25.

⁴ *Id.*

⁵ Tr. p. 1928, ll. 22-25 and p. 1929, l. 1.

⁶ Exhibit 900, Direct Testimony of Ezra Hausman, p. 10, ll. 1-7.

the plant in the year 2023.⁷ Ameren’s referenced IRP analysis here is decidedly not a relevant net present value analysis, as there was no direct comparison of various MATS compliance options—including retirement—over a period of time for Labadie Units 1 and 2, which are the specific units at issue in this rate case.⁸ Rather, Ameren chose the year 2023—a year far outside the compliance deadline for MATS—as a possible plant-wide retirement date due to the likelihood of scrubber retrofits at the plant.⁹

MATS retrofits are just the tip of a rapidly melting iceberg. According to Ameren’s IRP, Ameren intends to seek recovery from its ratepayers for hundreds of millions of dollars in retrofits at Labadie alone over the next twenty years.¹⁰ In addition to the retrofit costs that Ameren has already identified, Ameren faces future costs in greenhouse gas mitigation, which Sierra Club witness Dr. Ezra Hausman discusses at length in his Direct and Surrebuttal Testimony. Here, Ameren readily acknowledges that its IRP is not compliant with EPA’s Clean Power Plan as proposed.¹¹ Further, Ameren estimates that there is an 85% chance of no carbon costs whatsoever affecting its units moving forward.¹² In fact, during cross-examination, Mr. Michels testified that Ameren believes that Labadie, a coal-fired power plant that emits millions of tons of carbon dioxide annually, is likely to *benefit* from greenhouse gas regulation.^{13,14}

⁷ Exhibit 26, Amended Rebuttal Testimony of Matt Michels, p. 11, ll. 16-17. *See* Exhibit 900, Direct Testimony of Ezra Hausman, p. 10, ll. 10-12.

⁸ Exhibit 901, Surrebuttal Testimony of Ezra Hausman, p. 10, ll. 1-19.

⁹ Case No. EO-2015-0084, Dkt. No. 1, Ameren 2014 IRP, Chapter 9, p. 4 (“In the case of Labadie, the expected need for a scrubber in the 2020-2025 timeframe was the primary driver for the alternative retirement date.”).

¹⁰ Exhibit 900, Direct Testimony of Ezra Hausman, p. 6, ll. 5-13 (citing Ameren’s IRP).

¹¹ *See* Case No. EO-2015-0084, Dkt. No. 1, Ameren 2014 IRP, Chapter 10, p.18.

¹² Exhibit 900, Direct Testimony of Ezra Hausman, p. 8, l. 3.

¹³ Tr. p. 1938, ll. 13-17.

The deficiencies in Ameren’s IRP are not confined to the Company’s greenhouse gas assumptions. Ameren inadequately addresses the effect of increasingly stringent environmental regulations on its fleet, with Ameren in particular completely failing to evaluate whether new Flue Gas Desulfurization systems (“FGDs”) or Selective Catalytic Converter systems (“SCRs”) will be needed during the planning period at a number of units at Labadie and Rush Island to comply with environmental regulations.¹⁵ Nor is there a discussion of unit-by-unit repowering or retirement options as a means of compliance.¹⁶ Instead, Ameren’s analysis assumes that entire plants can only retire on the same or similar timeframes.¹⁷ Still, Mr. Michels somehow insists that the continued operation of all four Labadie units, including all costs of environmental compliance, would save customers over \$3B.¹⁸

III. Argument.

A. Legal standard.

Ameren is obliged under Missouri law to provide electric service that is “safe and adequate and in all respects just and reasonable,” including just and reasonable rates.¹⁹ In determining whether particular costs and expenses can be passed through to customers as part of just and reasonable rates, the Commission employs a prudence standard.²⁰ Consequently, the

¹⁴ For the 15% probability that Ameren estimated there could be carbon costs, Ameren referenced and then misapplied a carbon cost report generated by Synapse Energy Economics, as summarized in footnote 44.

¹⁵ See Case No. EO-2015-0084, Dkt. No. 45, Comments on Ameren Missouri’s 2014 Integrated Resource Plan (IRP) by Ezra D. Hausman, pp. 8-11.

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ Exhibit 26, Amended Rebuttal Testimony of Matt Michels, p. 5, l. 11.

¹⁹ Section 393.130.1 RSMo.

²⁰ *Office of Pub. Counsel v. Missouri Pub. Serv. Comm’n*, 409 S.W.3d 371, 376 (Mo. 2013).

Commission reviews “whether the utility's conduct was reasonable at the time, under all of the circumstances.”²¹ Specifically, in the ratemaking context, a utility’s costs are presumed to be incurred prudently until a party provides evidence that creates a serious doubt as to the expenditure’s prudence.²² Upon this showing of serious doubt, the burden shifts to the utility to prove the expenditure’s prudence.²³ Finally, to disallow recovery, the Commission must find both that Ameren acted imprudently and that its imprudence harmed ratepayers.²⁴

B. Sierra Club provided evidence creating a serious doubt as to the ESP retrofits’ prudence and the potential harm to ratepayers.

Pursuant to Missouri law, Ameren enjoys a presumption that its multi-million dollar capital expenditures on the Labadie ESPs are prudent.²⁵ And for good reason—utilities cannot, from the outset, anticipate every possible argument that could be asserted by stakeholders regarding why a particular expenditure may be imprudent. Thus, in its rate case application, Ameren glossed over any prudence analysis governing the ESP retrofits at Labadie Units 1 and 2. Instead, Ameren simply stated that the retrofits were required to comply with MATS.²⁶ Yet, when a party raises serious doubts about the prudence of a utility expenditure, the utility’s

²¹ *State ex rel. GS Technologies Operating Co., Inc. v. Pub. Serv. Comm'n of State of Mo.*, 116 S.W.3d 680, 694 (Mo.App. W.D. 2003).

²² *Office of Pub. Counsel v. Missouri Pub. Serv. Comm'n*, 409 S.W.3d at 376.

²³ *Id.*

²⁴ *Associated Natural Gas Co. v. Pub. Serv. Comm'n of State of Mo.*, 954 S.W.2d 520, 529-530 (Mo.App. W.D. 1997).

²⁵ *See id.*

²⁶ Exhibit 28, Direct Testimony of Michael Moehn, p. 12, ll. 17-19. *See also* Tr. p. 1924, ll. 18-25.

presumption of prudence disappears and, consequently, the burden shifts to the utility to support the expenditure's prudence.²⁷

Sierra Club provided the Company with two major factors that create a serious doubt about the prudence of the ESP retrofits. First, Dr. Hausman discussed the absence of any analysis ascertaining whether avoiding the retrofit costs at individual units through various options would be the least-cost option for the Company's ratepayers.²⁸ Second, Sierra Club noted that Ameren held—and continues to hold—the unreasonable position that there is an 85% chance of no carbon costs affecting its units.²⁹ Given the hundreds of millions of dollars at stake here, either one of these factors alone would create a serious doubt as to the prudence of the ESP retrofits. Additionally, if Ameren imprudently incurred these investments, ratepayers would detrimentally suffer by paying for the Company's improvidence.

C. Ameren fundamentally failed to justify the prudence of its ESP retrofits.

Because Sierra Club provided ample evidence regarding why Ameren's ESP retrofits may be imprudent, Ameren bears the burden of supporting the prudence of the investments.³⁰ Ameren's response to the serious doubt raised by Sierra Club is neither reasonable nor does it provide adequate evidence that the ESP retrofits were prudent.

1. Ameren appears to be mistaken about the relevant legal standard.

In an opening statement during the evidentiary hearing on March 6, 2015, Ameren's attorney, Russ Mitten, stated that “the Commission must determine two things: First, whether the cost of the investment is reasonable, and second, whether the investment is used and useful in

²⁷ *Office of Pub. Counsel v. Missouri Pub. Serv. Comm'n*, 409 S.W.3d at 376.

²⁸ Exhibit 900, Direct Testimony of Ezra Hausman, p. 10, ll. 1-7.

²⁹ Exhibit 900, Direct Testimony of Ezra Hausman, p. 8, l. 3.

³⁰ *Office of Pub. Counsel v. Missouri Pub. Serv. Comm'n*, 409 S.W.3d at 376.

providing service.”³¹ Mr. Mitten was insistent upon this standard, closing his opening statement with the following: “The only issues regarding the Labadie ESP [sic] that are relevant to this case are whether the amount of Ameren Missouri’s investment is reasonable and whether the precipitators are currently used and useful.”³² Both of these determinations, of course, are also necessary, but in light of the serious doubt of prudence raised by Sierra Club, Ameren is required to carry the additional burden of proof of demonstrating that these investments are prudent.³³

2. Ameren’s reliance on its IRP does not justify the prudence of its ESP retrofits.

Because Ameren’s rate case application included no actual analysis regarding the prudence of its ESP retrofits, Ameren witness Matt Michels referenced the Company’s IRP in his rebuttal testimony in an attempt to deflect Sierra Club’s assertions of possible imprudence.³⁴ Ameren’s attorney took the position that “[q]uestions regarding the long-term viability of Labadie are relevant to and are already under consideration in the current IRP case, and they need not be and should not be issues in this rate case as well.”³⁵ Although the parties should not litigate the IRP in this docket, Ameren itself introduced its IRP into the record in this case; accordingly, the relevant IRP deficiencies are germane to this discussion.

a. Ameren’s IRP includes no relevant analysis of prudence.

In response to Sierra Club’s assertion that the Company failed to include a net present value analysis supporting its Labadie ESP retrofits, Ameren witness Matt Michels responded that

³¹ Tr. p. 1925, ll. 12-16.

³² Tr. p. 1928, ll. 21-25, p. 1929, l. 1 (emphasis added).

³³ *Office of Pub. Counsel v. Missouri Pub. Serv. Comm’n*, 409 S.W.3d at 376.

³⁴ See, e.g., Exhibit 26, Amended Rebuttal Testimony of Matt Michels, p. 11, ll. 11-17.

³⁵ Tr. p. 1927, ll. 10-14.

the Company conducted modeling in its IRP that reflected the retirement of Labadie at the end of 2023.³⁶ This line of testimony is both mismatched to the rate case and a red herring. Ameren's analysis focused solely on the retirement of *all* four units at Labadie at the same time, rather than only looking at the specific units at issue in this rate case.³⁷ Further, Ameren's analysis considered retirement in 2023 rather than 2016,³⁸ which is the operative year for the MATS investments at issue in this case.³⁹ This mismatch is predictable given Ameren's attempt to fashion its IRP into a makeshift prudency analysis. To correct for this years-long gap in the Company's analysis, Mr. Michels then described a back-of-the-envelope calculation concluding that the Company's ratepayers would still benefit by not retiring the entire plant in 2016.⁴⁰ This analysis is superficially appealing, but it did not look at Labadie Units 1 and 2 individually to directly compare the avoided cost of present and likely future environmental requirements with the cost of alternative resources.⁴¹ This critical piece of evidence is required to determine whether the investments were prudent, and Ameren has simply not provided it to the Commission.⁴² In other words, Ameren has not provided the Commission with the proper analysis to allow the Commission and the parties to make an "apples-to-apples" comparison between retrofit and retirement of Labadie Units 1 and 2 along a timeframe relevant to the

³⁶ Exhibit 26, Amended Rebuttal Testimony of Matt Michels, p. 11, ll. 16-17.

³⁷ *See id.*; *see also* Case No. EO-2015-0084, Dkt. No. 1, Ameren IRP, Chapter 9.

³⁸ Exhibit 26, Amended Rebuttal Testimony of Matt Michels, p. 11, ll. 16-17.

³⁹ *Id.* at p. 17, ll. 6-8.

⁴⁰ Exhibit 26, Amended Rebuttal Testimony of Matt Michels, p. 16, ll. 3-20.

⁴¹ *See id.* *See also* Exhibit 901, Surrebuttal Testimony of Ezra Hausman, p. 10 (noting that "it is entirely possible, for example, that a single unit could be retired without requiring any investment in replacement generation or transmission upgrades, even if the entire plant could not.").

⁴² Exhibit 901, Surrebuttal Testimony of Ezra Hausman, p. 10, ll. 1-7.

investments at issue in this case. Accordingly, Ameren has not met its burden of demonstrating that the Labadie ESP investments are prudent, even if all of the other assumptions in its IRP are reasonable (which they are not, as discussed below).

b. Ameren’s IRP is premised upon unreasonable environmental regulatory risk assumptions.

Ameren’s IRP does not take into account a reasonable range of risks from future environmental regulatory requirements, including greenhouse gas regulations. Although Ameren purports to account for greenhouse gas regulation, the Company effectively assumes an 85% chance that Labadie will face zero costs from carbon regulation.^{43,44} This fundamental flaw in Ameren’s IRP leads to a huge bias in Ameren’s analysis. At the same time that Ameren assumes a \$0 carbon cost for Labadie, Ameren assumes that other utilities will retire their coal-fired power plants in response to carbon regulations, somehow bearing all the costs of compliance and leaving Labadie unaffected.⁴⁵ These assumptions lead to the perverse result in the IRP modeling that Labadie actually *benefits* from greenhouse gas regulations by being able to continue to operate unaffected while other utilities’ power plants bear the costs.⁴⁶

⁴³ Exhibit 900, Direct Testimony of Ezra Hausman, p. 8, l. 3.

⁴⁴ Ameren accounts for a 15% probability that there will be a long-term carbon price *greater than* \$0 and an 85% probability that there will be a long-term carbon price *of* \$0. Ameren utilized a Synapse Energy Economics report to develop three possible cost scenarios accounting for the 15% probability space. The recommended carbon prices in Synapse’s report were designed to represent the full range of possible future carbon price trajectories. Thus, Ameren’s usage of the Synapse report to account for a mere 15% of the probability space for carbon regulations was faulty, leading the Synapse report’s co-author to label Ameren’s implementation of the price trajectories a “gross misapplication.” Exhibit 900, Direct Testimony of Ezra Hausman, p. 8.

⁴⁵ Tr. p. 1938, ll. 1-12.

⁴⁶ Tr. p. 1938, ll. 13-25, p. 1939, ll. 1-2.

Further, Ameren’s coal plant retrofit and retirement IRP analysis inadequately considers the likelihood of increasingly stringent environmental regulations directly affecting the Company’s fleet.⁴⁷ For example, Ameren fails to describe and document why FGDs will not be required at two Labadie units and both Rush Island units, as well as why the Company’s assumptions have changed since its 2011 IRP when FGD technology was planned at all six units at those plants under both “moderate” and “aggressive” environmental scenarios.⁴⁸ Similarly, the Company also failed to describe and document why SCRs will not be required at any Labadie and Rush Island units, even as Ameren assumes that Sioux will need a SCR in 2020.⁴⁹ Again, while Ameren’s IRP is not being litigated in this case, Ameren is nonetheless relying on its IRP as its sole evidence that its ESP retrofits are prudent. Unfortunately, the IRP’s abundant deficiencies and unreasonable assumptions underscore the lack of evidence Ameren has proffered regarding the prudence of its ESP retrofits.

Finally, Ameren’s coal plant retirement and retrofit analysis fails to analyze the possibility of accelerated retirement of individual generating units at different plants as one possible means to avoid costs of compliance with greenhouse gas and other environmental requirements.⁵⁰ Rather, the Company’s IRP assumes that all units at a particular plant—as described above with Labadie—will retire on the same or a similar timeframe without providing any analysis to support that assumption.⁵¹ Ameren’s multiple unreasonable assumptions

⁴⁷ See Case No. EO-2015-0084, Dkt. No. 45, Comments on Ameren Missouri’s 2014 Integrated Resource Plan (IRP) by Ezra D. Hausman, pp. 8-11.

⁴⁸ *Id.* at 9-10.

⁴⁹ *Id.* at 10.

⁵⁰ See Case No. EO-2015-0084, Dkt. No. 45, Comments on Ameren Missouri’s 2014 Integrated Resource Plan (IRP) by Ezra D. Hausman, pp. 8-11.

⁵¹ See *id.*

regarding regulatory risk biases its analyses towards costly capital expenditures⁵² and fails to satisfy Ameren's burden to support the prudence of its ESP retrofits.

D. Ameren's Labadie cost assumptions are misleading.

Ameren has not presented any analyses that incorporate the aforementioned, reasonably foreseeable costs to comply with regulatory requirements. It is against this backdrop of glaring deficiencies and unreasonable assumptions that the Commission must interpret Ameren's assertion that the continued operation of Labadie saves customers over \$3B and that Labadie's production costs are among the lowest of all coal generators in the United States.⁵³ Ameren pointed to Exhibit 65HC in an attempt to show that Labadie is efficient and cheap to operate compared to 250 gigawatts of other coal generation.⁵⁴ Superficially, Exhibit 65HC seems compelling. The problem is that many coal-fired power plants nationally have already installed FGDs, SCRs, and other air and water controls to curb their pollution—the same or similar controls that Ameren will likely need to install if the Company wishes to continue operating Labadie over the next twenty years. It is misleading for Ameren to compare production costs from Labadie against power plants that have already installed these pollution controls, which once installed will make Labadie more expensive to operate. Further, any assertion from Ameren that Labadie compares favorably nationally will continue to be misleading until Ameren provides an “apples-to-apples” analysis that presents Labadie against similarly situated power plants. Presently, Ameren has provided literally no information to allow the Commission to put Exhibit 65HC into context. Moreover, the coal production cost numbers presented on Exhibit 65HC depict a period predating even the installation of the ESPs at Labadie that are at issue in this

⁵² See, e.g., Exhibit 901, Surrebuttal Testimony of Ezra Hausman, p. 6, ll. 3-11.

⁵³ Tr. p. 1952, ll. 9-10.

⁵⁴ Tr. p. 1952, ll. 16-24.

case. Ameren has provided to the Commission no information that would allow it to evaluate the current operating costs at Labadie, with the ESPs in service, let alone the operating costs after additional pollution controls are installed.

It appears that the Company is simply avoiding the reality that Labadie will face hundreds of millions, if not billions, of dollars in additional capital expenditures over the next twenty years, including expenditures that are not accounted for in the IRP. These capital expenditures will substantially increase Labadie's production costs. Ameren has not presented to this Commission any on-point analysis of whether the retirement of individual units at Labadie would lower Ameren's revenue requirement by avoiding these costs.

E. The Commission should order Ameren to conduct a net present value analysis justifying its million-dollar expenditures.

In this case, Sierra Club provided evidence creating a serious doubt regarding the prudence of the Labadie ESP retrofits and identified the subsequent harm that could result to ratepayers. In response—and with ample opportunity—Ameren failed to justify the prudence of these retrofits. Given Ameren's inability to provide a reasonable response, the Commission should deny recovery of those investments unless or until Ameren presents a complete and transparent net present value analysis that accounts for a reasonable range of environmental costs and risks.

Ameren spent over \$150M upgrading just two of its generating units at Labadie to comply with a single environmental regulation. The Company's failure to provide adequate information to justify the retrofit costs in this case raises concerns that the same problem will repeat itself in future rate cases where Ameren may seek recovery of environmental retrofits of even greater magnitude as the Company invests millions and possibly billions of dollars in its

aging coal-fired fleet.⁵⁵ Ameren’s failure to proactively provide information regarding the dispatch status of its “must-run” resources is similarly troubling.⁵⁶ Accordingly, the Commission should make clear that future environmental retrofits sought by Ameren and other utilities at any of Missouri’s fossil fuel-fired power plants must be supported by a comprehensive net present value analysis.⁵⁷ Meaningful transparency and stakeholder participation can only occur if utilities provide sufficient information in future rate case applications. With this information provided in a utility’s case-in-chief, the Commission and interested parties can conduct a thorough review of the prudence of forthcoming retrofits and dispatch decisions.

IV. Conclusion

Ameren is asking this Commission to place Missouri ratepayers at risk for imprudent investments that ignore existing and forthcoming environmental regulations. Prior to approving ratepayer funding for extending the life of fossil fuel-burning infrastructure, the Commission should require the Company to demonstrate that such investments are prudent. This would entail analyzing the net present value costs of the retrofit vs. early replacement options under a reasonable range of future carbon and environmental cost assumptions and the possibility of curtailed or terminated unit operations.

No matter how the Commission addresses the specific ESP investments at issue in this case, Sierra Club respectfully requests that the Commission make clear that every environmental retrofit of this magnitude requires a net present value analysis that takes into account a

⁵⁵ See, e.g., Exhibit 28, Direct Testimony of Michael Moehn, p. 12, ll. 5-23, p. 13, ll. 1-18 (explaining that “Ameren Missouri faces a bow wave of capital investment needs over the next 15-20 years that will be unprecedented for the Company.”).

⁵⁶ See *supra* footnote 2.

⁵⁷ Relatedly, the Commission should direct Ameren to provide an analysis—in the Company’s case-in-chief—justifying its dispatch status for all must-run units in all future rate cases.

reasonable ranges of costs and risks facing the investment for which recovery is sought. Without a thorough net present value analysis, there can be no meaningful transparency and no meaningful stakeholder participation in the ratemaking process.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct PDF version of the foregoing was filed on EFIS and electronically mailed to all counsel of record on this 31st day of March, 2015.

/s/ Sunil Bector
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