BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of KCP&L Greater Missouri Operations Company for Permission and Approval of a Certificate of Public Convenience and Necessity Authorizing It to Construct, Install, Own, Operate, Maintain and Otherwise Control and Manage Solar Generation Facilities in Western Missouri.	)))))))	Case No. EA-2015-0256

POST-HEARING BRIEF
OF
KCP&L GREATER MISSOURI OPERATIONS COMPANY

KCP&L Greater Missouri Operations Company ("GMO" or "Company") submit its Post-Hearing Brief ("Brief") pursuant to 4 CSR 240-2.140 and in accordance with the Missouri Public Service Commission's ("Commission" or "PSC") *Order Adopting Procedural Schedule* issued January 27, 2016.

I. INTRODUCTION

The Company greatly appreciates the Commission's willingness to hear this matter on an expedited basis. Frankly, given past expressions of interest in the development of solar technology by the State of Missouri[1] and the Commission in the recent *O'Fallon Solar* proceeding[2], the Company was surprised that it found it necessary to litigate this case.

A 3 MW utility-scale solar project was also included in the Company's Preferred Resource Plan in its last triennial Integrated Resource Plan (Tr. 196-97) The Commission found

[1] See Missouri Comprehensive Energy Plan, Ex. 2, Executive Summary, pp. 1-2, 7-9.
[2] In particular, *Order Approving Amended Non-Unanimous Stipulation And Agreement*, Re Union Electric Company d/b/a Ameren Missouri, File No. EA-2014-0136 (April 14, 2014).

this IRP which contained this solar facility complied with the Commission's IRP rule.[3] (Tr. 259) Unfortunately, in this proceeding, Staff and the Office of the Public Counsel ("OPC") are now opposing the completion of GMO's Preferred Resource Plan.

Notwithstanding the ill-advised opposition of Staff and OPC in this proceeding, the Company believes that the State of Missouri and the Commission itself have started down the right path for a more sustainable future, and the Company respectfully requests that the Commission stay the course, and allow GMO to develop the Greenwood Solar Project, as discussed below.

II. BACKGROUND

In this proceeding, the Company is requesting approval of a Certificate of Public Convenience and Necessity ("CCN") for the construction of a new solar electrical production facility (the "Greenwood Solar Project" or "Project") to be built in an unincorporated portion of Jackson County, near Greenwood, Missouri. The 300-acre site already owned by the Company is located within GMO's certificated service territory approximately 2.5 miles south of Highway 50 on Smart Road. The site includes the existing Greenwood Energy Center consisting of four General Electric 7B combustion turbines, along with associated fuel oil tanks and switchyard. The proposed site of the solar plant will be on farmland just to the north of the existing combustion turbines. (Application, p. 2-3; Tr. 13-14)

The proposed electrical production facility will consist of the solar panels and support structures, transformer/inverter skids, switchgear, physical security (including fencing, lighting, and cameras), and a communications shelter. The total plant nameplate capacity is

[3] *See Order Finding Compliance,* Re Resource Plan of KCP&L Greater Missouri Operations Company, Case No. EO-2015-0252 (December 16, 2015).

approximately 3 megawatts ("MW") AC. The on-site switchgear will be connected to the distribution line at the station. (Application, p. 3)

Construction of the facility is planned to be completed by the end of July, 2016. (Tr. 14; 168) When in production, the facility will produce approximately 4,700 megawatt-hours annually, enough to serve approximately 440 homes. (Application, p. 3; Tr. 13-14; 74) Building the solar plant within this timeframe takes advantage of the currently available Investment Tax Credit for solar and equipment prices at a time where the market is potentially more reasonable, rather than waiting until a time when the market prices itself against new mandates under the EPA's Clean Power Plan ("CPP"). (Application, p. 3; Tr. 237-39)

A cost estimate for the Project has been prepared by Sungevity, the design engineer for the facility. The total estimated cost for the facility is approximately *[redacted]* (pre-applicable tax grants and credits). The Greenwood Solar Project will be financed using general GMO funds and it is anticipated that the Project will qualify for one of the three federal tax credits under Section 45 or Section 48 of the Internal Revenue Code or Section 1603 of the American Recovery and Reinvestment Act of 2009. (Application, p. 3; Tr. 33)

A. GMO's Solar Strategy

Mr. Darrin Ives, KCP&L's Vice President—Regulatory Affairs, explained the Company's strategy as it has considered entering to solar markets. He testified that the Company supports the development of renewable energy. GMO believes solar energy offers a host of environmental and local economic benefits. The Company also thinks over the long-term it will achieve grid parity in terms of price as an energy resource. (Tr. 170-71)

However, there are a host of policy and operational issues that accompany renewable distributed solar generation. There are operational uncertainties caused by intermittency of the

resource. In addition, there are a host of uncertainties about how a utility-scale solar station will work on any electrical distribution grid. In particular, the Company is concerned with how it will work on GMO's own distribution system. (Tr. 169)

Early in 2014, KCP&L convened a cross-functional team from across the Company to consider solar energy and make suggestions on how the Company should approach this emerging energy resource. (Tr. 169-70) KCP&L wanted to develop a strategy that would meet several goals:

1) Understand when and to what extent solar energy would begin to play a major role in the Company's service territory. Determine what the sign posts are that would indicate it was going to be a significant energy resource in the Company's service territory. (Tr. 170)

2) Develop a view regarding when solar energy was likely to reach price parity with other more traditional energy resources. (Tr. 170-71)

3) Understand to what extent customers were interested in solar as an energy resource-both from an environmental and cost standpoint. (Tr. 171)

4) Understand what types of customers were interested in solar, and develop customer offerings to meet those needs. (Tr. 171-73)

5) Develop a viewpoint into what types of solar offerings could advance renewable and cleaner energy for customers while making sense under the current regulatory construct and not exposing shareholders to undue risk. (Tr. 171)

The Company's cross-functional team, including twenty (20) employees from many different areas of the Company, decided that as long as federal tax credits and other incentives remain in place, solar would reach price parity in GMO's service territory by 2020. (Tr. 169-70) Continued price decreases for solar installations, both central and distributed, coupled with the

CPP and other federal and state environmental policies, led the Company to the conclusion that solar energy is going to play a significant role over the next 10-20 years in energy policy and resource considerations. (Tr. 171-72)

In addition, the passage of Proposition C and continued emphasis on renewable supply resources in the recent Missouri Comprehensive State Energy Plan process, as well as customer research with residential customers and multiple conversations with commercial and industrial customers informed the Company's view that customers are interested in solar energy for a variety of reasons. (Tr. 171-72)

Customers want reliable, low-cost energy options, and economics will be the primary driver of customer solar adoption. Customers also want a cleaner and more diverse energy supply. Solar energy is one way to diversify and de-carbonize the generation mix. GMO's customers continually reach out to the Company for information regarding solar energy. Some customers would like information on policy, advice and information on distributed generation, and other customers want to better understand what the Company's plans are regarding solar and if the Company will ever have a community solar program. According to Mr. Ives, the bottom line is that customers want a trusted source for solar information. (Tr. 172)

Presently, given GMO's limited experience in this area, the Company is not well equipped to provide that information. The evidence indicates that solar is here to stay and rate parity is anticipated within 3-5 years. Primary drivers of rate parity include:

- Transformative technologies (storage, more efficient and/or less expensive panels);
- Policy changes (111d, rebates or other subsidies and/or mandates); and
- Changing rate dynamics (i.e. higher utility rates, higher customer charges).

Once solar is economic in the Company's territory, national players will target the Company's territory aggressively quickly driving increased operational and policy concerns if the Company does not tackle this emerging energy resource proactively. GMO has already seen the solar market explode when solar rebates drove costs to price parity. More than 2,300 solar rebates in the amount of $50 million were claimed in just four years through the solar rebate program in Proposition C. (Tr. 48; 222-23)

The solar team made several recommendations regarding the best strategy to pursue solar. (Tr. 173-74) First, the team decided that for all stakeholders to get the most value and information regarding the role and impact of solar energy on customers and GMO's distribution system, the utility needed to gain additional hands-on experience with solar energy. In the end, the team recommended that the Company pursue pilot projects in three areas:

1) Utility-scale solar that was located at an existing Company facility. This would be rate-based like any other generation investment and used to serve all customers.

2) Rooftop solar on commercial and industrial customer roofs. This would also be rate-based and used to serve all customer loads.

3) Community solar program allowing access to solar energy for those customers interested, with less capital or credit requirements, as well as those customers with zoning or building restrictions baring their access to solar energy. (Tr. 174)

As explained by Mr. Ives, the Company knows that residential customers overwhelmingly support solar and renewables. More than 80% of those customers surveyed supported the Company putting more renewables and solar on the grid. In addition, price parity and sustainability are the top motivators for customers with respect to renewables and solar. Also, the Company often receives questions and requests from commercial and industrial

customers on a regular basis wanting to know what the Company has available in this area. (Tr. 20, 172)

B. The Greenwood Solar Project will provide Hands-On Information Needed Related to Utility-Scale Solar Facilities

Mr. Emeka Anyanwu, GMO's Director of Asset Management Planning and Design, testified that the Company needs to develop significant hands-on experience with utility-scaled solar facilities. (Tr. 71-87) Mr. Anyanwu has more than 13 years' experience with KCP&L as a distribution engineer, distribution planner, and related management positions. (Tr. 73) The Greenwood Solar Project provides a significant opportunity for the Company's engineering and technical staff to work closely with consultants and vendors with extensive expertise and experience in designing, constructing, and operating utility-scale solar stations. The proposed Greenwood Solar Project would be a unique opportunity to develop internal expertise on this important, emerging renewable distributed resource.

The Company has never designed an interconnection to its distribution system for a utility-scale solar facility of this size. (Tr. 75) It is prudent to evaluate integration of a solar system at the utility-scale level to assess the possibilities and potential for additional and/or larger utility-scale solar resources. The Company wants to study the impacts of the Project on voltage and system stability and how that impacts the planning of future distribution systems. (Tr. 80) Customers will benefit from the Company's experience gained in the area of the need for and optimal placement of voltage regulators and other equipment needed to minimize irregularities on the distribution system that could be caused by a solar facility. (Tr. 534) This knowledge is beneficial to customers as the Company will have the knowledge necessary to plan, design and operate its systems from a quality and reliability perspective if widespread adoption of solar systems connected to the distribution system becomes reality. (Tr. 86) In addition, the

Company believes it will be significantly more difficult to learn about the integration of a solar facility in the middle of a period of mass adoption. (Tr. 86) If the Company waits until the mass adoption of solar facilities, there will be greater exposure to customers in terms of the potential negative impacts such as voltage instability and disturbances. (Tr. 87)

The Company does have some experience with significantly smaller scale solar installations at Paseo High School and Kaufman Stadium (28.8 kilowatts). However, both the much smaller size of those facilities and the fact that neither of those facilities are connected to the distribution grid at the primary side of a distribution transformer means that those installations do not provide much information to the Company on how to integrate a utility-scale solar installation, like the Greenwood Solar Project, to its distribution system. (Tr. 79)

From an engineering perspective, there are many other things to be learned from the construction of the Greenwood Solar Project. (Tr. 80-95) These include:

1) Better first-hand knowledge around the design and construction of utility-scale solar facilities.

2) Are there benefits to locating utility-scale solar facilities near existing power plants? (Tr. 14, 77-78)

3) Can existing Company employees for natural gas and coal plants be trained to successfully operate and maintain utility-scale solar facilities? (Tr. 82)

4) What is the impact of a facility like the Greenwood Solar Project on GMO's existing electrical distribution grid? (Tr. 147)

5) From a grid perspective, is it better to maximize total kilowatt-hour production or production during peak hours? (Tr. 100)

6) What is the real cost and maintenance profile of a GMO utility-scale solar facility? (Tr. 80, 83-84)

7) What positive impacts can a utility-scale solar facility reliably be expected to provide to the distribution system? (Tr. 84)

8) Opportunity to study community solar facilities and issues (Tr. 85, 116-17)

9) Diversification benefits of adding a new generation technology to the generation portfolio. (Tr. 85)

Construction of the Greenwood Solar Project would be an additional renewable energy resource in GMO's generation portfolio, furthering GMO's commitment to renewable energy. GMO currently has no utility-scale solar in its generation portfolio. Construction of the Project will allow GMO to gain hands-on solar operation and maintenance skills. (Tr. 80; 83-84)

Evaluation of a utility-scale solar station impact on voltage stability is of particular interest, given the nature of solar power which is intermittent and fluctuates due to weather conditions and time of the year. The Company's ability to assess this impact is of interest to determine the practicality of utility-scale solar power connected at the distribution level.

The Company also intends to study the actual output from the proposed Greenwood solar station over time in order to get an understanding of what can realistically be expected in terms of output supplied at various times of the year and in different weather conditions when using utility-scale solar as a distributed resource. While the Company can study the outputs of existing facilities, the different locations and sun exposures of these existing facilities mean that those outputs will not necessarily be the same for the Project. (Tr. 82)

The supply characteristics of utility-scale solar generation are different not only from normal fossil fuel-based supply but even from other intermittent renewables such as wind; and

thus those unique characteristics of the technology can be studied. Additionally, the effects of utility-scale installations on system dynamics are different than those of smaller installations such as rooftop systems, which likely explain why the technical community takes note of these larger solar stations as a distinct category – hence the descriptor "utility-scale".

The Greenwood Solar Project will give the Company the opportunity to assess the benefits of locating utility-scale solar facilities next to existing generation plants since it is located next to GMO's existing Greenwood Energy Center.

For, example, since the Greenwood Solar Project will be located at the existing Greenwood Energy Center, GMO will be able to ascertain whether the employees that are located there now can be able to be successfully trained to operate solar facilities and do the required maintenance on them. (Tr. 82-83)

C. The Greenwood Solar Project Is Needed To Address Uncertainties of the CPP

Mr. Paul Ling, KCP&L's Director of Compliance, described the CPP and why the uncertainty regarding the CPP supports GMO's request for a CCN for the solar generation facilities near Greenwood, Missouri. (Tr. 123-24)

As explained by Mr. Ling, the CPP is a federal rule promulgated by the United States Environmental Protection Agency ("EPA") to reduce CO_2 emissions from existing, affected electric generating units. The CPP guidance was finalized and the states implement through a state plan. The initial state plan was to be submitted in 2016 with a final plan submitted in 2018 if an extension is granted. The state plan generally can be either a mass or rate-based plan. (Tr. 124) It is not known whether the Missouri Department of Natural Resources will finalize a mass or rate-based program, or none at all, which would mean the EPA would implement a federal plan which could also be either type of plan. (Tr. 124-26) Due to that uncertainty, GMO needs

to continue to take actions assuming either approach could become the compliance plan. The construction of the Greenwood Solar Project, as requested in this proceeding, would be beneficial in preparing for the eventual implementation of a state or federal plan under the CPP. (Tr. 123-34, 231-32)

The CPP will require about a 29% reduction in CO_2 emissions from affected generation units based on a mass-based program or 37% reduction based on a rate-base program. (Tr. 123; 130; 139-40) Compliance with the stringency of this reduction will require GMO to diversify its generation mix from coal-fired to low or no CO_2 emitting sources. Renewable energy such as solar is one means to reduce CO_2 from generation. (Tr. 92) While the first compliance period begins in 2022, it will take time to aggregate sufficient solar installations to off-set the CO_2 generation from GMO coal-fired generation units.

A mass-based program measures compliance by requiring the CO_2 emissions from affected electric generating units to have one allowance for each ton of CO_2 emitted. Renewable energy such as solar can be used to comply with the CPP by generating electricity with no CO_2 emissions that offsets generation from affected electric generating units.

A rate-based program measures compliance by measuring both the CO_2 emissions from affected electric generating units divided by generation. Renewable energy such as solar can be used to comply with the rule by generating an Emission Rate Credit ("ERC") for each MW of generation. These ERCs can be used by affected electric generating units to show compliance. (Tr. 125-26)

Mr. Ling also explained how the Greenwood Solar Project helps comply with either the mass or rate-based plan. The Project under a mass-based approach would offset the amount of generation needed by GMO's affected electric generating units reducing the CO_2 emissions to

comply. On the other hand, the Project under a rate-base approach would generate ERCs that GMO could use to comply with the rate required at the affected electric generating unit. (Tr. 125-26)

Mr. Ling also testified that it makes sense to build the Greenwood Solar Project in Missouri rather than relying upon facilities in other states. According to Mr. Ling, there is some uncertainty in the CPP that implementation would not allow trading of ERCs or allowances with other states. Therefore, relying on out-of-state renewable energy could cause non-compliance if the credits or allowances cannot be used in Missouri for compliance. (Tr. 125-26) He also indicated that the first compliance period commences in 2022. (Tr. 144) There are three interim compliance periods until the final target is reached in 2030. (Tr. 127)

He also explained that the recent stay of the CPP by the United States Supreme Court stays the compliance obligations while the merits of the litigation is completed. The litigation on the merits will take place this year. However, the Supreme Court did not vacate the CPP and the Company needs to continue to prepare for its likely implementation in the future. (Tr. 135-38) The initial plan submittal was to occur in 2016. It is likely the Supreme Court stay will still be in effect for 2016 delaying that submittal date. The final state plan is to be filed, assuming an extension is requested and granted, in 2018. It is unknown how the stay will impact the final plan submittal date. The final plan will provide details how GMO must comply with the CPP. (Tr. 127-29)

It is possible the stay and litigation regarding the substantive merits ("merits litigation") could delay the final state plan submittals. This will delay the time when GMO will know the compliance requirement details of the state plan. EPA may not extend the first compliance period commencing in 2022. This could significantly reduce the time from when GMO knows

the compliance requirement to when it will have to comply. (Tr. 129) This is an important point that suggests to the Company that it may need to be prepared to act quickly in implementing its CPP compliance strategy. (Tr. 129)

Some parties have suggested that the Company could benefit from the CPP's clean energy incentive plan ("CEIP") for early renewable resource installation. Such installations need to occur after submittal of the final state plan that and generate electricity in 2020 and 2021. However, there is significant uncertainty regarding the CPP's CEIP. EPA is still soliciting comments on the CEIP so it currently is not clear what the incentive plan will entail. In addition, it is expected the Supreme Court stay and merits litigation will delay the final state plan submittal date. If EPA holds the initial compliance date, the period for this incentive could be substantially reduced. (Tr. 129)

Under the CPP, the first interim compliance period ends in 2024. By that time GMO will need to have made the CO_2 reductions to comply. If GMO does not attain the rate or mass-based targets, it will be in noncompliance. (Tr. 132) In the event of noncompliance, GMO would have to surrender the credits or allowance required for compliance, and additional penalties may be assessed. (Tr. 132)

As explained by Mr. Ling, due to the stringency of the CO_2 reductions sought by the CPP, GMO needs to diversify its generation mix. There is uncertainty regarding relying on out-of-state wind for compliance because of potential issues regarding the trading of allowance or credits between the states. In addition, GMO needs diversity of renewable generation to insure that one or the other is available even when the sun does not shine or when it is not windy. (Tr. 201, 206-07, 262-63)

From the Company's perspective, it would not be wise to rely only upon wind generation for CPP compliance. The Company cannot afford to rule out any generation compliance option because of the stringency of the reduction sought by EPA. The Company needs to diversify its fuel mix in order to comply with the CPP. In addition, there is the possibility that the Company could not use wind based in Kansas to comply with the CPP mandates. By building the Greenwood Solar Project now, the Company will gain the expertise and knowledge needed to understand if solar is a compliance option. (Tr. 133)

For the reasons stated above, the Company believes that the construction of the Greenwood Solar Project is needed now, and would substantially promote the Company's ability to prepare for a future with a significant solar component in its generation portfolio.

III. ARGUMENT

In this section of the brief, the Company will address the specific issues raised in the *Joint Statement Of Contested Issues* filed with the Commission on February 4, 2016:

Issue 1: ***Does the evidence establish that the Solar Generation project as described in GMO's application in this docket and for which GMO is seeking a CCN, is "necessary or convenient for the public service" within the meaning of section 393.170, RSMo?***

The competent and substantial evidence in the record clearly establishes that the Greenwood Solar Project as described in GMO's applications is "necessary or convenient for the public service" within the meaning of section 393.170, RSMo. Section 393.170 states in part:

> 393.170. 1. No gas corporation, electrical corporation, water corporation or sewer corporation shall begin construction of a gas plant, electric plant, water system or sewer system without first having obtained the permission and approval of the commission.
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> * * *
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> 3. The commission shall have the power to grant the permission and approval herein specified whenever it shall after due hearing determine that such construction or such exercise of the right, privilege or franchise is necessary or convenient for the public service. The commission may by its order impose such condition or conditions as it may deem reasonable and necessary. Unless

> exercised within a period of two years from the grant thereof, authority conferred by such certificate of convenience and necessity issued by the commission shall be null and void. (*emphasis added*)

As used in the Public Service Commission Law, necessity means the improvement is "highly important to the public convenience and desirable for the public welfare…" State ex rel. Missouri Kansas and Oklahoma Coach Lines, Inc., et al. v. Public Service Commission, 179 S.W.2d 132, 136 (Mo. App. 1944). Necessity does not require that the improvement be "essential or absolutely indispensable." *Id*. Moreover, if the granting of the authorization serves a genuine and reasonable public interest in promptness and economy of service, then the public 'convenience and necessity' or 'public need' is served. In the Matter of Applications of Churchill Truck Lines, Inc., et al., 27 Mo.P.S.C. (N.S.) 430 (June 20, 1985), (*citing* State ex rel. Beaufort Transfer Co. v. Clark, 504 S.W.2d 216, 219 (Mo. App. 1973)).

In State ex rel. Intercon Gas, Inc. v. Public Service Commission, 848 S.W.2d 593, 597-98 (Mo. App. 1993), the Court explained the legal standard as follows:

> The PSC has authority to grant certificates of convenience and necessity when it is determined after due hearing that construction is "necessary or convenient for the public service." § 393.170.3. The term "necessity" does not mean "essential" or "absolutely indispensable," but that an additional service would be an improvement justifying its cost. State ex rel. Beaufort Transfer Co. v. Clark, 504 S.W.2d at 219. . . . The safety and adequacy of facilities are proper criteria in evaluating necessity and convenience as are the relative experience and reliability of competing suppliers. State ex rel. Ozark Elec. Coop. v. Public Serv. Comm'n, 527 S.W.2d 390, 394 (Mo.App.1975). Furthermore, it is within the discretion of the Public Service Commission to determine when the evidence indicates the public interest would be served in the award of the certificate. Id. at 392. (*emphasis added*)

In evaluating applications for CCNs in recent years, the Commission has used the following factors from its 1994 Report and Order in the case, In Re Tartan Energy, GA-94-127, 3 Mo.P.S.C.3d 173, 177 (1994). These factors are:

- There must be a need for the service;
- The applicant must be qualified to provide the proposed service;

- The applicant must have the financial ability to provide the service;
- The applicant's proposal must be economically feasible; and
- The service must promote the public interest.

In light of the Commission's practice, GMO will specifically address each of these factors below:

Issue 1a: ***Does the evidence establish that there is a need for the Project?***

The competent and substantial evidence demonstrates that there is a need for the Greenwood Solar Project at this time. As explained above, the Company needs and desires to build this facility to obtain hands-on experience with a utility-scale solar facility. (Tr. 182-83) There is a great deal of information that the Company can glean from this Greenwood Solar Project. As discussed above, some of the important areas that the Company hopes to better understand include the following:

1) Better first-hand knowledge around the design and construction of utility-scale solar facilities particularly as it relates to voltage issues. (Tr. 80, 174) The Company needs to know what impact the intermittent nature of solar generation might have on its distribution system. (Tr. 80-81) The Company will need to learn about voltage anomalies that could be introduced onto the distribution system by a solar facility and how those anomalies can be managed and or mitigated. (Tr. 81) Some of this knowledge can be obtained from industry sources but there is no substitute for the Company doing its own engineering and monitoring firsthand at its own facility. (Tr. 81)

2) Are there benefits to locating utility-scale solar facilities near existing power plants? (Tr. 14, 77-78)

3) Can existing KCP&L/GMO employees for natural gas and coal plants be trained to successfully operate utility-scale solar facilities and do the required maintenance on them? (Tr. 82)

4) What is the impact of a facility like this on GMO's existing electrical distribution grid? (Tr. 81)

5) From a grid perspective, is it better to maximize total kilowatt hour production or production during peak hours? (Tr. 100)

6) What is the real cost and maintenance profile of a GMO utility-scaled solar facility? (Tr. 80)

7) Can the Company design a cost-competitive and otherwise acceptable community solar program for some or all of the installations like the one proposed at the Greenwood Energy Center? (Tr. 85) A community solar facility would look much like the Greenwood Solar Project and learning about the impact of the Project on the distribution grid would prepare the Company for a future where the community can undertake this kind of project independently. (Tr. 85)

8) Is utility-scale solar an option for the Company to utilize for CPP compliance? (Tr. 133)

Based upon this need, the Commission should approve GMO's application since it will better position the Company and its customers for a future that will include utility-scaled solar facilities. Other stakeholders, including the Missouri Department of Economic Development – Division of Energy ("DE"), Earth Island Institute d/b/a Renew Missouri ("Renew"), and Brightergy, LLC ("Brightergy"), also support this finding. (DE Position Statement, p. 2, Renew Position Statement, p. 2; Brightergy Position Statement, pp. 1-2)

Both Staff and OPC downplay the learnings and experience that GMO and KCP&L will receive from the Project. Staff witness Beck testified that although he believes that the Company would gain experience from designing building and operating the Project, he did not believe that the experience would be "valuable". (Tr. 300) Mr. Beck is not an electrical engineer and has no

experience in designing electrical distribution systems. (Ex. 3; Tr. 354-355) In fact, none of the witnesses presented by Staff or OPC are electrical engineers or have experience in designing electrical distribution systems. (Tr. 408, 517) By contrast, Company witness Anyanwu is an electrical engineer responsible for the design of Company electrical distribution systems and testified that there is no substitute for hands-on knowledge and experience when integrating a utility-scale solar generation facility to the Company's distribution system. (Tr. 81)

OPC will likely contend that the Company has already modeled the impact of the effect of the Project on its distribution system. As indicated by Company witness Anyanwu, solar generation is notoriously difficult to simulate and the modeling program will not give the Company all of the information it needs to best design a distribution system. (Tr. 120) The best approach is first hand observation and it is incorrect, according to the only electrical engineer to testify in this case, to rely on simulations. (Tr. 120)

Staff also claims that rooftop solar panels already on the Company's system as well as the fluctuating load of large industrial users gives the Company all the experience it needs in terms of voltage irregularities caused by the integration of a solar facility. Rooftop solar is different than the Project as each rooftop facility is much smaller and is not connected on the load side of the system. (Tr. 533) The effect of the Project will be different on distribution system dynamics than rooftop solar projects. (Tr. 533) Similarly, large industrial loads do not simulate the impact of a utility-scale solar project because it is not a source or supply. (Tr. 533) The Company has experience in unilateral source to load flow. However, the Project will involve distributed energy onto the distribution system which is different than what happens with fluctuations caused by changes in an industrial customer's load. (Tr. 115)

As shown above there is a real need for the hands on experience that will be provided by the Greenwood Solar Project. Energy will be entering the distribution system at two different points as opposed from one point and flowing directly to load. (Tr. 116) Introducing another energy source changes the dynamics of the distribution grid. The Company does not have a lot of experience with this type of change and needs to study it to ensure that solar generation can meet the needs of its customers in terms of quality of service and reliability. (Tr. 116)

Issue 1b: Is GMO qualified to provide the proposed Project services?

GMO has been constructing and operating generation facilities, including coal, gas, and oil generation facilities for over one hundred (100) years. (Tr. 85, 183) The Company also has experience with small scale solar facilities. There is simply no issue that GMO is qualified to construct and operate a 3 MW utility-scaled solar facility.

Staff witness Dan Beck also confirmed that the Company is qualified to develop the proposed Greenwood Solar Project. (Tr. 269) DE, Renew, and Brightergy also indicate that GMO is qualified to provide the proposed project services. (DE Position Statement, pp. 1-2, Renew Position Statement, pp. 1-2; Brightergy Position Statement, p. 2)

Only the Office of the Public Counsel ("OPC") (and possibly United for Missouri, Inc. ("UFM")) raised any questions regarding the qualifications of GMO, relying principally upon GMO's statements that it needs additional hands-on experience with a utility-scale solar facility to meet its obligations to serve the public in the future. (OPC Position Statement, pp. 2-3; UFM Position Statement, p. 2) OPC and UFM imply that since GMO desires to develop hands-on experience with a utility-scale solar facility, GMO is not qualified to construct and operate a 3 MW solar facility. That is simply not the case. These parties are grasping at straws to suggest

that GMO is not qualified in light of GMO's years of vast experience as a public utility that owns and operates many mega-watts of coal, gas, and oil generation in Missouri.

Issue 1c.: Does GMO have the financial ability to provide the Project services?

There is no issue that GMO is financially qualified to construct and operate a 3 MW solar facility. Staff witness Dan Beck also confirmed that GMO is financially qualified to construct and own the proposed Greenwood Solar Project. (Tr. 299) No other party raised a substantial issue related to GMO's financial ability to provide the project services, although OPC indicated that it did not want the customers to pay for the Greenwood Solar Project. (OPC Position Statement, p. 3; UFM Position Statement, p. 2; DE Position Statement, p. 2; Brightergy Position Statement, p. 2; Renew Position Statement, p. 2)

Both Staff and OPC claim that GMO does not have the financial ability to provide the Project Services because GMO will pay for the Greenwood Solar Project but KCP&L employees will operate and maintain the Greenwood Solar Project. Both argue that it is not fair that GMO customers will be paying for the knowledge that KCP&L will receive concerning the design, operation and maintenance of a solar facility. As the Commission is aware, there are no GMO employees; all work is done by KCP&L employees. (Tr. 233) However, this situation is no different from other types of system knowledge and experience that KCP&L customers paid for that GMO customers have benefited from. For example, KCP&L introduced AMI meters in its territory. KCP&L employees performed that work and gained knowledge and experience with the meter technology. These employees are using that knowledge and experience in the current rollout of the same meter technology in the GMO territory today. (Tr. 234) The same thing happened when KCP&L introduced dynamic voltage control in its territory in advance of GMO. (Tr. 234) This type of knowledge sharing is common and beneficial for both sets of customers.

The fact that the information is shared between the two companies is not a reason for the Commission to deny the CCN.

Issue 1d: Is GMO's proposed Project economically feasible?

A. The Greenwood Solar Project Is Economically Feasible

While solar technology is not currently the least expensive generation technology available, the costs are declining and the Company anticipates that solar will reach price parity in our service territory with other technologies by 2020, but perhaps as early as 2017, assuming the federal tax credits and other incentives remain in place. Continued price decreases for solar installations, both utility-scaled and distributed, coupled with the Clean Power Plan and other federal and state environmental policies, has led the Company to the conclusion that solar energy is going to play a significant role over the next 10-20 years in energy policy and resource considerations. (Tr. 171-72)

The Company has used a robust bidding process (Request For Proposals) to select its preferred supplier and ensure that it acquired the solar facilities at a market-based price. In addition, the Company will utilize the Investment Tax Credit available from the federal government which will ultimately reduce the cost of the plant to consumers. (Tr. 17, 184, 236) In addition, the desires of GMO's customers to move to a sustainable resource, all were factors influencing the Company's conclusion that the Greenwood Solar Project is economically feasible. (Tr. 184)

The decision to construct a 3 MW utility-scaled solar facility was not based on least-cost compliance with the Missouri Renewable Energy Standard ("RES") either. Rather, GMO is constructing the proposed utility-scaled solar plant for a variety of reasons, including but not limited to:

1) Potential future compliance with the Clean Power Plan;

2) Greater experience with utility-scaled solar facilities;

- Energy and capacity production and optimization
- Maintenance activities and cost
- Reliability and grid resiliency impacts
- Production under different weather conditions
- General additional experience with solar energy production

3) Opportunities to explore issues related to the use of community solar facilities;

4) Further diversification of the Company's generation fleet.

While compliance with the Missouri RES is not the primary reason for pursuing a utility-scale solar facility, it could and would be used for compliance with the Missouri RES standard and its solar carve-out. (Tr. 159)

Mr. Ives testified that the Greenwood Solar Project was economically feasible and a viable project. (Tr. 183-85) In fact, he testified that if the benefits of the Greenwood Solar Project did not clearly outweigh the costs, then GMO would not be proposing to build it. (Tr. 184-85)

B. The Commission Should Reject Staff's and OPC's Argument that Economic Feasibility Means "Least Cost."

Staff and OPC have argued that the Greenwood Solar Project is not economically feasible because it is not the "least cost" alternative. (Staff Position Statement, pp. 4-5; OPC Position Statement, pp. 3-4; Tr. 355-56, 406) As explained above, GMO has never asserted that the Greenwood Solar Project is the "least cost" alternative. (*See* GMO Position Statement, p. 2; Tr. 20, 135-36) However, the Greenwood Solar Project is clearly economically feasible. As

testified throughout these proceedings, the benefits from the Greenwood Solar Project to the Company and its ratepayers exceed the Greenwood Solar Project costs. (Tr. 184-85)

The Commission should reject the Staff and OPC's ill-advised attempt to kill the Greenwood Solar Project by equating the "economically feasible" standard with a "least cost" standard. As the courts and the Commission have held, the appropriate legal standard is whether the project is "necessary or convenient for the public service." Section 393.170, RSMo. See State ex rel. Missouri Kansas and Oklahoma Coach Lines, Inc., et al. v. Public Service Commission, 179 S.W.2d 132, 136 (Mo. App. 1944); In the Matter of Applications of Churchill Truck Lines, Inc., et al., 27 Mo.P.S.C. (N.S.) 430 (June 20, 1985), (citing State ex rel. Beaufort Transfer Co. v. Clark, 504 S.W.2d 216, 219 (Mo. App. 1973)).

As explained above, the Company has also demonstrated that (1) the Greenwood Solar Project is needed; (2) the Company is qualified to construct the facility; (3) GMO has the financial ability to complete the Greenwood Solar Project; (4) the Greenwood Solar Project benefits exceed the project costs ("economically feasible"); and (5) the Greenwood Solar Project is in the public interest.

Staff witness Dan Beck first points to the Table 15 of the Company Integrated Resource Planning Report to demonstrate that a Solar PV-Fixed technology is more expensive than other available technologies, including coal and wind generation. (Ex. 4HC; Tr. 342) However, this analysis is beside the point. Again, GMO has never contended that solar technology is the least cost technology. And that is not the reason the Company is proposing to build the Greenwood Solar Project. Staff witness Claire Eubanks also testified that GMO already has met its needs for Solar-Renewable Energy Credits ("S-RECs") and therefore the Greenwood Solar Project is not needed or the least cost alternative. (Tr. 376; Ex. 7HC, 8 HC, 9HC and 10HC) Again, this is not

an issue with the Company. The Company agrees that it has met its minimum renewable energy standard statutory requirements. Again, this is not the reason the Company is proposing to build the Greenwood Solar Project.

The fundamental disagreement between the Company and Staff is over Staff's unfortunate view of the role of renewable generation facilities in the future. During cross-examination, both staff witnesses Dan Beck and Claire Eubanks clearly stated that Staff is in favor of renewables, only if the renewable technology is the least cost or "nearly least cost" alternative. (Tr. 355-56; 406)

> [Fischer]: Q. So just to clarify, is it the Staff position that renewables are in the public interest above the RES standard only if they are at or near the least-cost alternative?
>
> [Eubanks]: A. I think that's fair. (Tr. 406)

In the past, Staff has utilized a much different standard when analyzing the need for and economic feasibility of utility-scale solar facilities in Missouri. In Re Union Electric Company d/b/a Ameren Missouri for Permission And Approval and a Certificate of Public Convenience and Necessity Authorizing It to Construct, Install, Own, Operate, Maintain, and Otherwise Control and Manage Solar Generation Facilities in O'Fallon Missouri, File No. EA-2014-0136 ("*O'Fallon*"), the Staff supported Ameren Missouri's request to build a utility-scale solar facility in O'Fallon Missouri. (Tr. 406) Staff supported Ameren Missouri's request even though it would have been significantly less expensive for Ameren Missouri to have purchased S-RECs from out-of-state than to build a solar facility in Missouri. (Tr. 341-42; 346-47l; 405-06) In fact, there was no question that purchasing S-RECs was the "least cost" alternative to meeting Ameren Missouri's needs for compliance with the solar requirements of the RES standard. In Ameren Missouri's case, the costs of the plant were eventually reflected in rate base. (Tr. 407)

The difference between this case and the *O'Fallon* case, from the Company's perspective, is that Staff has now had an apparent change of position regarding whether solar facilities are "economically feasible" if they are not the least cost alternative. (Tr. 371-72) Now, according to Staff, such solar facilities must also be the "least cost" or "near least cost" alternative. (Tr. 355-56; 406)

Perhaps more importantly, in the *O'Fallon* case, the Commission itself made the following findings and conclusions:

> Based on the Commission's impartial and independent review of Ameren Missouri's Application, Staff's rebuttal testimony, and the Amended Stipulation, the Commission finds that the proposed solar facility is necessary and convenient for the public service. Therefore, the Commission shall grant Ameren Missouri's application, subject to the conditions agreed upon by the parties.[4]

The Commission should reject the Staff's change of heart in how it approaches the "economic feasibility" standard in this case, and instead rule consistently with its previous ruling in the *O'Fallon* case, and approve the Greenwood Solar Project.

Similarly, OPC witness Dr. Michael Proctor attempted to determine the levelized cost comparison of solar technology to wind generation in Missouri and Kansas. He concluded that wind generation in Kansas was the least cost alternative, followed by wind generation in Missouri. (Tr. 466-75; Ex. 18HC) Again, this part of OPC's analysis is beside the point. GMO has never contended that solar technology is a lower cost technology (at least at this time) when compared to wind generation in Missouri or Kansas. (Tr. 541)

Secondly, Dr. Proctor has argued that solar costs are falling dramatically, and it would be better to delay the completion of solar projects. In fact, Dr. Proctor provided the Commission

[4] *Order Approving Amended Non-Unanimous Stipulation And Agreement*, Re Union Electric Company d/b/a Ameren Missouri, File No. EA-2014-0136 (April 14, 2014).

with a complicated economic analysis apparently designed to show that it would be economically optimal to delay construction of a solar facility until 2020. (Ex. 21HC; Tr. 519)

Mr. Ives testified that under the approach suggested by Dr. Proctor, a public utility would never deploy a new emerging technology that was in a declining cost mode until it was a mature technology, from a cost perspective. (Tr. 544) Such an approach would forego the benefits of the new technology in the meantime and the immediate ability to study how the new technology could bring benefits to the electric system and its customers in the future.

The competent and substantial evidence also indicates that any purported savings of delaying deployment until 2020 would not be material to the Company. During cross-examination, Dr. Proctor conceded that the annual savings that would result from his proposed delay amounted to only **[redacted]** (Tr. 519) **[redacted]** (Tr. 520) Mr. Ives testified that this small amount was not material from an accounting perspective. (Tr. 542)

Third, Dr. Proctor presented a cost-benefit analysis of operations and maintenance ("O&M") experience from early implementation of the solar project. (Ex. 22HC) Under Proctor's analysis which focused only on O&M costs, he assumed costs of early implementation included the levelized cost of the 2016 project with fixed O&M costs at a high level for first four years, and at low levels for the remaining life of the project. Revenue offsets from sales of output from the project at **[redacted]** and higher price levels were subtracted from these costs. He testified that his analysis showed that by constructing the solar facility in 2016 instead

of 2020, it would cost the Company approximately **[redacted]**. (Tr. 508; 520-21)

However, Dr. Proctor conceded during cross-examination that his conclusion regarding the level of savings seemed illogical on its face (Tr. 521) when the model was indicating that early implementation of a *[redacted]* Project would cost the Company **[redacted]** (Tr. 521)

In addition, Dr. Proctor's analysis was based only upon O&M savings, and apparently did not consider other non-quantifiable benefits—such as the knowledge that the Company will obtain from the hands-on experience with the Project, economic development benefits from the Project, or public health benefits from utilizing the clean technology. (Tr. 513-14)

For all of these reasons, the Commission should reject the attempt of Staff and OPC to kill the Greenwood Solar Project by arguing that the project is not "economically feasible" because it is admittedly not the "least cost" alternative. The Company has a broader long-term view of its need to prepare for the future with significant renewable generation in its generation portfolio, and so should the Commission.

Issue 1e: ***Does GMO's proposed Project promote the public interest?***

The Company has also demonstrated that (1) the Greenwood Solar Project is needed; (2) the Company is qualified to construct the facility; (3) GMO has the financial ability to complete the Greenwood Solar Project; and (4) the Greenwood Solar Project benefits exceed the project costs ("economically feasible"). Due to the widespread interest in renewable resources in Missouri, it is in the public interest for the Company to build the Project so that it can continue to look at and evaluate solar energy in order to make sure that it can meet its reliability and regulatory compliance needs in the future. (Tr. 185) Moreover, aside from its ability to

determine that a distributed solar facility will not have a negative impact on the Company's distribution system, the Company can also validate if a solar facility will result in positive system benefits such as reactive power support and the possibility of the deferral or elimination of certain infrastructure investments. (Tr. 112) Without the ability to construct the Project, none of these benefits will ever materialize. (Tr. 113) For all these reasons, GMO's proposed project promotes the public interest. (Tr. 86, 185)

Issue 2: ***If GMO's CCN Application does not meet the criteria set forth by Tartan, is there an exception that would still permit the Commission to grant the CCN?***

GMO believes that its CCN Application meets the criteria discussed above. However, in the event the Commission finds otherwise, the Commission should nevertheless approve the Application since it is clearly in the public interest. The Commission is not bound to any particular standard except that the project be "necessary or convenient for the public service" within the meaning of section 393.170, RSMo. The Greenwood Solar Project is necessary and convenient for the public service, and should therefore be approved.

Issue 3: ***Should the impact on rate payers be considered by the Commission when weighing GMO's CCN application?***

In the past, the Commission has reserved decisions in CCN cases about ratemaking to future ratemaking proceedings. However, as explained below, the Commission should determine whether the Company decision to proceed with the Greenwood Solar Project is prudent and in the public interest. In other words, the Commission should make a determination on the issue of decisional prudence. (Tr. 18, 21-23, 191, 196)

The competent and substantial evidence in the record demonstrates that there are significant customer benefits from the development of utility-scale solar facilities. These include (1) the diversification of renewable supply options in which customers have expressed a definite

interest (Tr. 15, 41, 85, 139, 153, 273), health benefits from a emission-free generation source while reducing other pollutants (Tr. 37, 214), and local economic development benefits (Tr. 37, 176-77) in addition to benefits of adding additional capacity to produce energy for GMO's customers. (Application, p. 5)

Issue 3a: ***If so, does the evidence establish that the project will have an impact on rate payers?***

In the hearing in this case, Staff witness Karen Lyons was asked to estimate the revenue requirement impact of an *[redacted]* rate base addition to the Company's revenue requirement. Based upon certain rule of thumb assumptions related to cost of capital, taxes, and related matters, Ms. Lyons estimated that the impact upon revenue requirement (and hence on ratepayers) of this facility would be approximately **[redacted]** (Tr. 447-48) The Company believes that this cost would be outweighed by the many benefits that customers would receive including: Company readiness to meet its future environmental compliance targets in a way that does not impact the level of reliable service (Tr. 185) and a diversification of the Company's energy supply (Tr. 268).

Issue 3b: ***If rate payer impact is an appropriate issue, does the effect violate the public interest?***

As the Company has testified throughout this proceeding, the benefits of the Greenwood Solar Project to the public clearly outweigh its costs. (Tr. 184-85) When this minimal rate payer impact is considered compared to the benefits received by the public, it is clearly in the public interest to approve the Greenwood Solar Project.

Issue 4: ***Who will benefit from any tax credits extended by the U.S. government should the Project be approved?***

This is not an issue in this proceeding. Any tax credits extended by the U.S. government will help to reduce the overall cost of this project, and make it more economically feasible to construct solar facilities that will benefit the public. (Tr. 17, 182-84)

Staff has argued that the Company will not receive the benefits of investment tax credits ("ITC") for several years in the future. (Tr. 325-26, 421-22) This delay in the use of ITCs is not a reason for the Commission to deny the CCN. As explained by Company witness Ives, after the Project goes into service, the Company will set up a regulatory liability for customers and a deferred tax asset. (Tr. 237, 238) If, for example, the ITC is utilized in 2021, the full value of the ITC would start flowing back to customers, as a reduction to the cost of service, at that point and would flow ratably between 2021 and the end of the estimated life of the Project. (Tr. 238)

Issue 5: ***If the* Commission *approves the CCN, should it impose any conditions?***

Staff witnesses have suggested several conditions that should be added to the Commission's order, in the event the Commission grants the Company's application. With the exception of the "Economic Conditions", the Company witnesses have testified that GMO has already complied with Staff operational conditions, or will take additional steps to do so. (Tr. 188-91)

The Staff recommended the Commission include the following operational conditions.

1) GMO will file with the Commission a list of all electric and telephone lines of regulated and nonregulated utilities, railroad tracks, or any underground facility the proposed construction will cross as required by 4 CSR 240-3.105(1)(B)1 or a statement that there are no electric and telephone lines, railroad tracks, or underground facilities on the project site.

GMO response: Mr. Ives testified that there are no electric or telephone lines of regulated and nonregulated utilities, railroad tracks or any underground facilities on the Greenwood Solar Project site. (Tr. 187-88)

2) The complete plans and specifications for construction of the proposed Greenwood solar facility that GMO has developed shall be filed with the Commission as required by 4 CSR 240-3.105(1)(B)2.

GMO response: The Company has already provided plans and specifications for construction of the proposed Greenwood Solar Project on December 15, 2016. To the extent more elaborate plans provided to Staff are required to be filed in EFIS, the Company will do so. (Tr. 188)

3) GMO will file with the Commission all required approvals 4 CSR 240-3.105(1)(D) or seek an appropriate waiver prior to the granting of the authority sought, as provided by 4 CSR 240-3.105(2).

GMO response: The Company has already provided evidence of all required approvals on December 15, 2016 (Tr. 188), with the exception of the CNN requested herein.

4) GMO will perform and file with the Commission an Interconnection Study demonstrating the Greenwood Solar Project will not cause an adverse impact to the Company's distribution system prior to commencing construction. The major components of this study should include: an executive summary, description of the Solar PV equipment and point of interconnection, the projected distribution system conditions, load flow analysis, and fault analysis.

GMO Response: GMO is willing to perform and file with the Commission an Interconnection Study demonstrating the project will not cause an adverse impact to the

Company's distribution system prior to the completion of the construction of the Greenwood Solar Project. (Tr. 188-89, 190-91)

5) GMO will develop and file with the Commission a plan outlining its learning objectives for the Greenwood Solar Project and a description of how GMO will evaluate those objectives prior to commencing construction.

GMO Response: GMO is willing to develop and file with the Commission a plan outlining its learning objectives for the Greenwood Solar Project and a description of how GMO will evaluate those objections prior to the operation of the Greenwood Solar Project. (Tr. 189-90)

6) GMO will file with the Commission an evaluation of its Plan required by Condition 5 after the Greenwood Solar Project has operated for a period of 5 years or prior to GMO's application for a CCN for its next utility-scale solar facility.

GMO Response: GMO is willing to file with the Commission an evaluation of its Plan required by Condition 5 after the Greenwood Solar Project has operated for a period of 5 years. However, in the event the Company decides to construct additional utility-scale facilities during the next five years, the Company is willing to file an evaluation of the Greenwood Solar Project as soon as reasonably practical after its decision to build additional solar facilities has been approved. (Tr. 190)

Economic Conditions Proposed By Staff

Staff also proposes the Commission adopt one of the following economic conditions:

Economic Alternative 1: If the Commission were to grant a CCN, Staff recommends that, as GMO has admitted that the Project "is not the least cost option for the generation" and is an opportunity for GMO to gain "hands-on experience," the Commission find that the Project be

allowed, "but solely at the risk of the shareholders" of GMO. If GMO were to request recovery of the project costs in its next rate case, the Commission should disallow the costs from being recovered in rates.

Economic Alternative 2: If the Commission were to grant a CCN, and decide to allow recovery of costs from ratepayers in GMO's next rate case, Staff recommends that the Commission allow a recovery of not more than the amount of the least cost alternative to provide the same service as the Project. All costs above the least cost alternative would be borne by GMO's shareholders. In either instance, Staff recommends that the Commission make no finding or determination as to the prudence or specific ratemaking treatment to be given to the project and its associated costs. (Staff Position Statement, p. 10)

Economic Alternative 3: At the hearing, the Staff added a third economic alternative which is similar to Economic Alternative 2, except that all costs above the least cost alternative would be subject to being sold as shares to the public in a manner like a community solar project. (Tr. 51)

GMO Response to Staff's Proposed Economic Alternatives

As explained by GMO counsel in the opening statement, and Mr. Ives during the hearings, none of the Economic Alternative Conditions being proposed by Staff are acceptable to the Company. (Tr. 17-18, 23-24, 191-92) In the event any of these conditions are adopted, the Company will not construct the Greenwood Solar Project. (Tr. 191-92, 544-45) The Company does not believe that its shareholders should fund generation investments for the benefit of ratepayers and contends that shareholders are entitled to earn a return on prudently incurred generation investment. (Tr. 192)

Staff witness Eubanks testified that she was not aware of any disallowances related to the *O'Fallon Solar Project* in the recent Ameren Missouri rate case. (Tr. 407) It would be unfortunate if the Commission added the onerous Economic Conditions suggested by Staff in this CCN case when it has fully reflected the costs of similar facilities in rate base of another public utility under similar circumstances.

In light of the Staff and OPC positions in this case that the project is not needed, economically feasible or in the public interest, the Company requests that the Commission make a determination of the decisional prudence related to its decision to construct the Greenwood Solar Project. In the event the Commission does not believe the Company has made a prudent decision to move forward with the development of solar facilities, then the Company needs to know this decision now so that it will not expend time, effort, resources, and capital in pursuing solar facilities in the future. (Tr. 17-18, 21-24; 191)

IV. CONCLUSION

As indicated above, the Company requests the Commission make a determination of the decisional prudence of the Company's decision to construct the Greenwood Solar Project. The Company believes that the time has come to move forward with the development of a 3 MW solar facility at Greenwood, Missouri. The competent and substantial evidence demonstrates that the Project is "necessary or convenient for the public service" within the meaning of section 393.170, RSMo. In addition, the Project is needed, economically feasible, and in the public interest. GMO is clearly qualified and has the financial wherewithal to complete the Project.

WHEREFORE, for the reasons stated herein, GMO's Application should be approved, as described above.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was served upon all counsel of record on this 18th day of February 2016, by either e-mail or U.S. Mail, postage prepaid.

/s/ Roger W. Steiner

Roger W. Steiner