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MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

TARIFF/RATE DESIGN DEPARTMENT

REBUTTAL TESTIMONY

OF

J LUEBBERT

**UNION ELECTRIC COMPANY,
d/b/a AMEREN MISSOURI**

CASE NO. EA-2022-0245

Jefferson City, Missouri
December 2022

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1 **INTRODUCTION**

2 Q. What is the purpose of this rebuttal testimony?

3 A. My testimony identifies the Staff witnesses that are filing rebuttal testimony in
4 this case on behalf of Staff and the topics that the testimony of each witness will address.
5 My testimony also includes a summarization of Staff’s recommendations and provides
6 additional context to Staff’s position based upon the analyses of various Staff witnesses.

7 **SUMMARY OF STAFF’S POSITIONS**

8 Q. Please provide an overview of the various Staff witnesses that are providing
9 rebuttal testimony in this case as well as a brief overview of the topics covered by each witness.

10 A. Staff’s position in this case is discussed throughout the testimony of eight
11 witnesses. The bulleted list below includes the other Staff witnesses that are providing rebuttal
12 testimony in this case as well as brief introductions to the topics covered by each witness:

- 13 • Shawn E. Lange’s testimony provides an overview of the Boomtown Solar
14 project, discusses the Tartan criteria of need, and recommends certain
15 conditions.
- 16 • Michael L. Stahlman’s testimony discusses the implications of Ameren
17 Missouri’s participation in the Mid-continent Independent System Operator
18 (“MISO”) and the Renewable Solutions Program (“RSP”) including
19 consideration of the public interest.
- 20 • Brad J. Fortson’s testimony discusses Ameren Missouri’s integrated resource
21 planning process.
- 22 • Dr. Seoung Joun Won’s testimony discusses the financial ability of Ameren
23 Missouri to construct, operate, and maintain the Boomtown Solar Project.

- 1 • Cedric E. Cunigan’s testimony discusses the CCN application requirements,
2 provides recommendations, and explains why the RSP tariff sheets should be
3 rejected.
- 4 • Jordan Hull’s testimony concludes that Boomtown Solar LLC is qualified to
5 construct and install this project, and Ameren Missouri is qualified to own,
6 operate, maintain, and otherwise control and manage the project.
- 7 • Jane C. Dhority’s testimony responds to Ameren Missouri’s request for approval
8 of a tracker, provides Staff’s general recommendation regarding Plant-In-
9 Service accounting (“PISA”), and provides a recommendation regarding
10 recording on Ameren Missouri’s books and records of all revenues, investments,
11 and expenses associated with the Boomtown Project and the Renewable
12 Solutions Program (RSP or “Program”) if they are approved.
- 13 • The purpose of my testimony is discussed in more detail below.

14 **SUMMARY OF STAFF RECOMMENDATIONS**

15 Q. Please provide a summary of Staff’s recommendations in this case.

16 A. Staff recommends that the Commission reject Ameren Missouri’s application
17 for a Certificate of Convenience and Necessity (“CCN”) and reject the tariff sheets associated
18 with the Renewable Solutions Program.

19 If the Commission determines that approval of the CCN is appropriate, Staff
20 recommends that the Commission not make a decision in this case regarding Ameren
21 Missouri’s decisional prudence of the Boomtown Solar Project¹ and include the following
22 conditions in the order approving the CCN:

- 23 1. Ameren Missouri shall file with the Commission all as-built drawings for the
24 project no later than 60 days after the site is commercially operational.²

¹ Rebuttal testimony of J Luebbert.

² Rebuttal testimony of Cedric E. Cunigan.

- 1 2. Ameren Missouri shall file with the Commission the final version of the plans
2 for restoration of safe and adequate service no later than 60 days after the site
3 is commercially operational.³
- 4 3. Progress Reports: Ameren Missouri shall file with the Commission quarterly
5 progress reports on the plans and specifications for the Project, and the first
6 report shall be due on the first day of the first calendar quarter beginning after
7 the CCN is issued.⁴
- 8 4. Proper ratemaking with regards to PISA to be determined in Ameren
9 Missouri's next general rate case.⁵
- 10 5. Ameren Missouri specifically delineate within each FERC account with unique
11 general ledger coding and/or record into sub-accounts, all revenues,
12 investments, and expenses associated with the Boomtown Solar Project as well
13 as the Renewable Solutions Program. ⁶
- 14 6. Ameren Missouri shall notify the Commission and provide an updated
15 economic analysis if the upgrade cost exceeds those outlined in the Generator
16 Interconnection Agreement (GIA) more than 15%.⁷
- 17 7. Ameren Missouri shall accept that the in-service criteria contained in
18 Confidential Attachment SEL-3 and Confidential Attachment SEL-4 are
19 appropriate for use in a future case to determine whether the Boom Town
20 solar project is in-service.⁸
- 21 8. Ameren Missouri shall use sound engineering judgement and commercially
22 reasonable efforts to meet the IEEE standard P2800 for the Boomtown project
23 and future transmission interconnected solar projects.⁹

³ Ibid.

⁴ Ibid.

⁵ Rebuttal testimony of Jane C. Dhority.

⁶ Ibid.

⁷ Rebuttal testimony of Shawn E. Lange, PE.

⁸ Ibid.

⁹ Ibid.

1 9. Ratepayers that do not participate in the Renewable Solutions Program shall be
2 held-harmless during any rate review period if the costs of the Boomtown Solar
3 facility exceeds the revenues from the facility.¹⁰

4 In the event that the Commission approves the project and the RSP, Staff recommends the
5 Commission add the following conditions to protect ratepayers:

- 6 1. All costs of the renewable generation facilities in the program shall be borne by
7 the subscribers and/or shareholders while the RSP phase is in effect.¹¹
- 8 2. In addition to an in-service evaluation at the time the facility is initially placed
9 into rates, Ameren Missouri shall demonstrate the facility is fully operational at
10 the time the RSP program ends.¹²
- 11 3. Proper ratemaking with regard to Ameren Missouri's proposed tracking
12 mechanism for the Renewable Solutions Program be determined in Ameren
13 Missouri's next general rate case.¹³
- 14 4. The costs of the generation facilities to be placed on ratepayers will be
15 determined at the time the RSP program ends. The valuation of the facility will
16 take into account the current book cost, the state of the facilities, depreciation,
17 degradation over time, and current market prices for similar sized assets. The
18 least cost option will be chosen.¹⁴

19 **EXECUTIVE SUMMARY**

20 Q. Please provide a summary of your testimony?

21 A. Staff recommends that the Commission reject Ameren Missouri's application
22 for a CCN. Ameren Missouri's application and the supporting testimony do not justify the
23 Boomtown Solar project based upon clearly identified needs, which is a critical component of

¹⁰ Rebuttal testimony of J Luebbert.

¹¹ Rebuttal testimony of Cedric E. Cunigan.

¹² Ibid.

¹³ Rebuttal testimony of Jane C. Dhority.

¹⁴ Rebuttal testimony of Cedric E. Cunigan.

1 the Tartan factors.¹⁵ The Boomtown Solar project is likely a poor choice to resolve the
2 identified system needs for a variety of reasons including location, resource type, and timing of
3 expected generation. My testimony discusses the interrelation of the Tartan factors, policy
4 considerations, recommends that the Commission reject Ameren Missouri's application for a
5 CCN, and recommends that the Commission not make a decision on the determination of
6 decisional prudence of the Boomtown Solar project if it approves Ameren Missouri's request.

7 Q. Is Staff generally opposed to additions of renewable resources to the generation
8 fleets of Missouri investor-owned utilities?

9 A. No. Staff recognizes that the electric utilities that provide service in Missouri
10 should be evaluating the move to more renewables as generation needs are identified; however,
11 Staff is opposed to utilities continuing to add generating assets to rate base without proper
12 justification.

13 Q. Which of the Tartan factors will be discussed within your testimony?

14 A. I will discuss the interrelation of the factors regarding need and public interest.

15 Q. How is the remainder of your testimony organized?

16 A. The remainder of my testimony is broken into four sections.

17 Section I. explains the importance of the demonstration of need prior to approval of a
18 CCN application. Section I. includes subsections that explain why demonstration of need is an

¹⁵ In the Matter of the Application of Tartan Energy Company, LLC, d/b/a Southern Missouri Gas Company, 3 Mo P.S.C.3d 173, 177 (1994), the Commission identified five criteria to consider in determining whether granting the requested CCN is "necessary or convenient for the public service." Those factors are:

1. Is the service needed?
2. Is the applicant qualified to provide the service?
3. Does the applicant have the financial ability to provide the service?
4. Is the applicant's proposal economically feasible? and
5. Does the service promote the public interest?

1 important consideration in the context of a CCN application due to the monopoly status of
2 Ameren Missouri, policy implications, and the promotion of public interest.

3 Section II. Discusses the implications of Ameren Missouri’s MISO participation.

4 Section III. Explains why corporate renewable goals should not be misconstrued as a
5 system need to be funded by ratepayers.

6 Section IV. Provides reasons for the Commission to not a make a decision on the
7 determination of decisional prudence of the Boomtown Solar project if the CCN is approved.

8 **I. IMPORTANCE OF THE DEMONSTRATION OF NEED**

9 Q. Why is the demonstration of need a critical piece of the evaluation of a CCN for
10 an electric generating resource?

11 A. Generally speaking, it is imperative that any new project that is going to be paid
12 for by captive customers only be undertaken if there is an actual need of the asset in providing
13 electric service to those customers. To expand on this thought, demonstration of the need of a
14 given project is important to consider for several key reasons including: monopoly status of
15 Ameren Missouri, policy implications, and determination that the project promotes the public
16 interest. My testimony expands on each of these reasons in more detail below.

17 Ameren Missouri should be able to clearly articulate and demonstrate the physical needs
18 of the ratepayers to be fulfilled through the purchase of the Boomtown solar project (or any
19 project) prior to being granted approval of the CCN. In contrast to the integrated resource plan
20 (“IRP”) modeling exercise,¹⁶ in its CCN application, Ameren Missouri is requesting approval
21 of a specific generating asset, in a specific location, at a time that Ameren Missouri and MISO

¹⁶ Staff witness Brad J. Fortson’s rebuttal testimony discusses the IRP in more detail.

1 have identified concerns with system reliability.¹⁷ All of these factors should be included in
2 the analysis and justification that demonstrate that the Boomtown solar facility is the best
3 solution to meet the identified needs of Ameren Missouri ratepayers at this time.

4 Q. Has Ameren Missouri demonstrated that the Boomtown Solar project is needed?

5 A. No. As discussed in the rebuttal testimony of Staff witness Shawn E. Lange,
6 Ameren Missouri has not demonstrated that this project is necessary to continue to serve
7 ratepayers.

8 **Monopoly Status of Ameren Missouri**

9 Q. Please explain why Ameren Missouri's monopoly status is an important
10 consideration when determining whether the applicant has demonstrated the need for the
11 project.

12 A. Ameren Missouri has been granted monopoly status for its service territory.
13 The ratepayers are captive because they do not generally have a choice of their electric provider
14 and are required to pay the Commission approved tariffed rates for use of the service. In return,
15 Ameren Missouri is tasked with building and maintaining generation that is sufficient to serve
16 the needs of the ratepayers. Ameren Missouri will ultimately seek recovery of and a return on
17 the initial investment for the Boomtown project. A majority of these costs will be borne by its
18 captive ratepayers who do not have a say in the generation procurement plans of the company.
19 Due to its status as a monopoly, once the solar plant is included in Ameren Missouri's rates,
20 shareholders will be insulated from the risk that the revenues from the solar facility do not
21 exceed the costs. That risk is borne by the captive ratepayers.

¹⁷ Staff witness Shawn E. Lange's rebuttal testimony discusses system reliability in more detail.

1 Q. How do the economic risks of Ameren Missouri compare to an independent
2 power producer (“IPP”)¹⁸ when deciding to add generating facilities?

3 A. One of the fundamental differences between investments in supply-side
4 resources by an investor-owned utility (“IOU”) and an IPP is the assumption of risk. When an
5 IPP makes a decision to purchase or build a resource based upon assumed revenues in excess
6 of costs of the facility, the IPP owners carry the risk that the investment decision is uneconomic.
7 The IPP is subject to competition and does not have a captive set of ratepayers from which to
8 recover the investment. The IPP relies solely on revenues generated by the plant through market
9 sales or contractual agreements. The economic risk may act as an upper limit on the amount of
10 investment that an IPP is willing to assume.

11 When supply-side investments, such as the Boomtown Solar project, of an IOU are
12 included in the company’s base rates, the risk of cost recovery shifts from the shareholders of
13 the IOU to the captive ratepayers. At this point, shareholders can anticipate recovery of and
14 return on¹⁹ the initial investment. If the assumptions relied upon to make the decision to build
15 or purchase the resource prove to be incorrect or inaccurate, ratepayers will continue to pay for
16 the resource throughout the life of the asset through Commission approved rates while
17 shareholders are shielded from the negative consequences of management’s decision.

18 Q. How does the demonstration of need relate to the economic risks of the IOUs
19 and its ratepayers?

20 A. When any utility is building or purchasing an electric generating asset, there are
21 risks inherent in the decision. When the asset addition is necessary to serve the load of

¹⁸ Independent power producers own/operate electric generating units with the intention to sell the electricity produced to utilities, end-users, or within RTO integrated markets.

¹⁹ Through Commission approved return on equity.

1 ratepayers, there is a risk that costs exceed the revenues from the asset. Once the utility clearly
2 establishes that the resource addition is necessary to meet the needs of ratepayers, a decision
3 must be made by the IOU to ensure that the utility can continue to serve the customer's load.
4 Then the economic efficiency of the decision and promotion of the public interest of the
5 decision to build or purchase a specific asset is necessary to ensure that the choice of asset is
6 sound. Once the need is established and the project is determined to promote the public interest
7 based upon the best information available at the time, it is reasonable for the ratepayers to
8 assume the risk that the project selected is uneconomic. This assumption of risk is justified
9 because absent the load of the ratepayers, the utility would not be obligated to invest in
10 additional resources.

11 Q. Does that same principle hold when a given project is either not necessary to
12 serve the needs of ratepayers, is not an economically efficient use of resources, or is not in the
13 public interest?

14 A. No. Captive ratepayers should not be expected to shoulder the risk that an
15 electric generating plant, built beyond the energy and capacity needs of the ratepayers being
16 served, is uneconomic.

17 Q. Are there solutions to avoid this unnecessary risk to ratepayers?

18 A. Yes. The Commission's role as the regulator of the monopoly is a key protection
19 against the introduction of unnecessary risk, by utility management, on behalf of ratepayers.
20 The Commission has typically exercised this role through the application of the Tartan factors
21 when considering the request to build new generating facilities. By ensuring that all of the
22 Tartan factors are met by the utility and ensuring that the utility provides all crucial supporting
23 analysis that establishes needs, economic feasibility, and promotion of the public interest.

1 If the Commission determines that adding additional renewable resources is appropriate but
2 recognizes that the potential risk of uneconomic outcomes should not be borne solely by
3 ratepayers, it is within the Commission's discretion to condition approval of the CCN. One
4 potential solution is for the Commission to condition any potential approval of an asset with a
5 hold harmless provision that would shift some of the risk of an uneconomic outcome back to
6 shareholders and away from the captive customers.

7 **Policy Implications**

8 Q. Are there policy implications of approving a CCN for electric generating assets
9 that exceed the needs of ratepayers?

10 A. Yes. Allowing a monopoly utility to add generating assets to rate base untethered
11 to ratepayer needs could result in substantial increases in rates and unnecessary risk for
12 ratepayers, and unwarranted profits for utility shareholders. Demonstration of need can act as
13 an upper limit to the amount of rate base additions of generating resources and the associated
14 costs that ratepayers are expected to bear. This upper limit is necessary since Ameren
15 Missouri's shareholders do not carry the risk that the Boomtown Solar project is ultimately
16 uneconomic. Again, that risk is borne by ratepayers. Absent this upper limit tethered to the
17 demonstration of ratepayer needs, Ameren Missouri may continue to add costs to its rate base,
18 increasing shareholder returns as well as ratepayer risk.

19 Q. Are there policy implications of approving a CCN for electric generating assets
20 for ratepayer needs that will not occur until the assets have been depreciated for several years?

21 A. Yes. Allowing a monopoly utility to add generating assets to rate base well in
22 advance of the ratepayer needs could result in ratepayers paying multiple times for solutions to
23 the same identified need and lead to unwarranted duplication of profits for utility shareholders.

1 Adding large amounts of generating resources well ahead of an identified ratepayer need
2 increases the likelihood that the resource is not the optimal resource to meet the actual needs of
3 ratepayers.

4 All electric generating plants have a finite life expectancy. If resources are added too
5 far in advance of an actual ratepayer need, the length of time that the specific resource will be
6 able to fulfill that need is reduced. In other words, ratepayers run the risk that another resource
7 will need to be added to rate base sooner than would have been necessary and Ameren
8 Missouri's shareholders would benefit.

9 The energy production of renewable resources, including those similar to the Boomtown
10 Solar project, degrade over time. This means that by the time the Boomtown Solar project is
11 capable of fulfilling a ratepayer need, the resource is expected to produce less energy than it
12 will in the near-term.²⁰ This risk will be borne by ratepayers and benefit Ameren Missouri's
13 shareholders.

14 Locking ratepayers into paying for assets that do not fulfill a clearly identified need or
15 doing so well in advance of the need identified is an unnecessary risk to ratepayers and a benefit
16 to Ameren Missouri's shareholders. System needs, both at the utility level and the regional
17 transmission organization ("RTO") level, will undoubtedly change over time. MISO
18 requirements and the MISO market dynamics are reasonably expected to change. The costs
19 and capabilities of various supply-side technologies, including battery storage, will change.
20 Tax benefits of various supply-side technologies are likely to change. The ultimate results of
21 all of these variables almost certainly differs from the assumptions relied upon in Ameren
22 Missouri's IRP. Actual results may very well make the decision to acquire the Boomtown Solar

²⁰ Ameren Missouri's analysis assumes degradation of the energy production over time.

1 project a poor economic choice for ratepayers, but Ameren Missouri's shareholders are all but
2 guaranteed to benefit from the costs being included in rate base.

3 Q. How does requiring the identification of need for a given project protect
4 ratepayers?

5 A. Requiring a utility to identify the need being fulfilled prior to approval of a CCN
6 acts as a necessary backstop for the amount of generation that can be added in a given period
7 of time based upon the needs of the ratepayers. Bypassing the demonstration of need could
8 result in utilities that build far beyond the needs of their ratepayers based on speculation that
9 the revenues will exceed those costs. By requiring the utility to demonstrate the need of
10 ratepayers that a project will fulfill, the Commission can continue to effectively ensure that
11 generation additions are being made based upon serving the needs of ratepayers.

12 Withholding approval of a CCN until a point in time that is closer to the identified
13 ratepayer needs also increases the likelihood that the investment can be optimized, based upon
14 the realities present at that time, to meet those needs in an economically efficient manner. This
15 would also decrease the likelihood that additional assets must be added to rate base to meet the
16 actual need.

17 **Promotion of the Public Interest**

18 Q. Does this project promote the public interest?

19 A. No.

20 Q. Why is the identification of need important for the determination that a given
21 project promotes the public interest?

22 A. The identified need provides a basis from which a given project should be
23 compared. Given the monopoly status of the utility, Ameren Missouri has a perverse incentive

1 to increase rate base additions beyond ratepayers' needs, or in an inefficient manner, so long as
2 it can expect to receive recovery of those costs. A key role of the Commission is to thwart this
3 incentive through regulation. The need being fulfilled necessarily drives the comparison to
4 other resources and resource types when determining if the project is an economically efficient
5 solution to the meet the identified needs of ratepayers. In short, in order to find the appropriate
6 solution, the first step is to identify the problem or need. The criteria and review of the economic
7 efficiency from the ratepayers' perspective will necessarily vary based upon the attributes
8 sought and the needs that must be fulfilled by the resource.

9 Some generating resource types are best suited to produce energy with low variable
10 costs, but may not be dispatchable as needed. Other assets can provide capacity benefits at a
11 low capacity cost, but the variable fuel costs may make those same assets inefficient on an
12 energy production basis. Each resource type has benefits and drawbacks, both physical and
13 financial, which should be carefully considered prior to resource selection by the utility and
14 approval of the CCN by the Commission. Without a clearly identified need for a given project,
15 the economic efficiency, and thus the promotion of the public interest, of a given solution
16 cannot be reasonably established.

17 Q. Please elaborate on how the promotion of the public interest is related to the
18 demonstration of need and the economic efficiency for a generating asset?

19 A. When additions of generating assets are tied to the physical needs of ratepayers,
20 and the economic efficiency of fulfilling the identified ratepayer need of that asset is
21 demonstrated, the public interest is promoted. The utility has an obligation to ensure that its
22 customers receive safe and adequate service and because ratepayers receive use of the asset
23 which fulfills the identified need, in return, the utility receives recovery of and a return on the

1 required investment. Both sides of the equation stand to benefit from the addition of the asset.
2 At the end of the useful life of the asset, ratepayers can expect to have received the physical
3 benefits perceived prior to construction of the asset even if it does not end up being the most
4 economically beneficial choice of assets.

5 However, when the asset is not necessary, ratepayers carry the unnecessary risk that the
6 asset is uneconomic without the guarantee of physical benefits. When the asset is not an
7 economically efficient solution to the identified need, ratepayers carry the risk of paying for
8 multiple assets to meet the same identified need. In these instances, the IOU still stands to
9 benefit from the additional rate base. This potential outcome is one-sided and should be avoided
10 if possible.

11 Q. Is it economically efficient to add generation assets that are poorly suited to meet
12 identified ratepayer needs?

13 A. No. As discussed in the rebuttal testimonies of Michael L. Stahlman and
14 Shawn E. Lange, PE, solar resources are not dispatchable nor expected to provide much
15 accredited capacity during the winter season system peak.

16 Q. What types of needs exist for a new electric generating resource?

17 A. There are a variety of types of needs that may be identified that will be unique
18 to the utility and its system. For example, utilities may be required to build or attain additional
19 assets to meet requirements of state and federal laws and regulations. A utility may require an
20 asset in order to improve system reliability or avoid outages. If the utility is a member of

1 an RTO, there may be fines or penalties for not being able to demonstrate the ability to meet
2 the RTO resource adequacy requirements.²¹

3 Q. Does Ameren Missouri have a need for capacity?

4 A. The need for the project is addressed in Shawn E. Lange's rebuttal testimony.

5 Q. Should the Boomtown solar project be considered an improvement justifying
6 its cost?

7 A. No. The potential ratepayer benefits of the Boomtown solar project are largely
8 uncertain and based upon variables beyond the control of Ameren Missouri or its ratepayers.
9 It is a risky proposition to approve a project when the perceived "improvement" is reliant on
10 potential benefits that are uncertain and premised on sales to users of electricity beyond the
11 service territory of the incumbent utility. The revenues from the project are unknown, uncertain,
12 and largely depend on the MISO market results over the life of the asset. MISO market
13 revenues are volatile and variable based on time, location, dispatchability of a resource,
14 transmission losses, and congestion.²² This fact is further supported by Ameren Missouri²³ and
15 the inclusion of market revenues in Ameren Missouri's Commission approved Fuel Adjustment
16 Clause. However, the costs of the project and recovery of those costs from ratepayers, including
17 a return on the investment, are relatively certain. The project does not address several identified
18 system needs²⁴ and is not particularly well suited to meet the relatively near-term winter
19 capacity need.

²¹ These typically include a comparison of the expected load during system peaks compared to available capacity of utility during a given period of time.

²² Staff witness Michael L. Stahlman discusses this more thoroughly in his rebuttal testimony.

²³ Direct testimony of Andrew Meyer in Case No. ER-2022-0337.

²⁴ As discussed in the testimony of Staff witness Shawn E. Lange, PE.

1 Q. If the Boomtown Solar project revenues exceed the costs over its useful life, do
2 ratepayers stand to benefit?

3 A. Yes, but not without risk that Ameren Missouri's projections are incorrect.
4 Again, Ameren Missouri's shareholders do not assume that risk but stand to benefit regardless
5 of the actual economics of decision. The chance that the project may be economic over the
6 next 30 years should not be relied upon as justification of the need of the project and the
7 assumption of risk on behalf of ratepayers.

8 Q. Please summarize your testimony regarding the importance of the demonstration
9 of need within the context of a CCN application.

10 A. Ameren Missouri is a monopoly and its purpose is to serve the needs of its
11 captive ratepayers. In return for the ratepayer use of Ameren Missouri's assets, the company
12 expects recovery of and a return on its investment in those assets. One key part of the
13 Commission's role as regulator of the monopoly utility is to ensure that the utility does not
14 abuse its power. Allowing a monopoly utility to add generating assets to rate base well in
15 advance to the ratepayer needs could result in ratepayers paying multiple times for solutions to
16 the same identified need and lead to unwarranted profits for utility shareholders. The
17 Commission can prevent the introduction of unnecessary ratepayer risk and the recovery of
18 unwarranted shareholder profits by requiring clear demonstration of ratepayer need being met
19 through the project in concert with demonstration that the other Tartan factors are met.

20 **II. RTO PARTICIPATION IMPLICATIONS**

21 Q. How does Ameren Missouri's MISO participation relate to the CCN
22 application?

1 A. Due to Ameren Missouri’s participation in MISO, its proposed “sustained
2 transition to renewables”²⁵ is more accurately described as a dilution of Ameren Missouri’s
3 existing fossil-fueled fleet through massive rate base additions of renewable resources. Ameren
4 Missouri’s load will continue to be served by various resources within the MISO footprint based
5 upon the SCED. Renewable resources can provide low variable cost energy, but the production
6 is dependent on weather as opposed to market prices and system needs. Furthermore, as
7 penetration of renewable generation increases and dispatchable generation retirements are
8 accelerated, the market prices to serve that load is likely to become more volatile over time.
9 Staff witness Michael L. Stahlman’s rebuttal testimony discusses the implications of Ameren
10 Missouri’s MISO participation more thoroughly.

11 **III. CORPORATE RENEWABLE GOALS**

12 Q. Should corporate renewable goals be construed to rise to the level of a
13 requirement necessary to meet the needs of all ratepayers?

14 A. No. While corporate renewable goals²⁶ may be laudable, they should not be
15 misconstrued as a need to be paid for by all ratepayers. Ameren Corporation²⁷ is an entity that
16 is not regulated by the Commission and is the parent company of Ameren Missouri.^{28,29}
17 Achievement of Ameren Missouri’s parent company’s corporate renewable goals should not be
18 shouldered by Missouri ratepayers unless ratepayer’s needs are being fulfilled economically.

²⁵ Ameren Missouri’s CCN application and the Direct testimony of Ameren Missouri witness Ajay Aurora.

²⁶ both at the utility level and individual customer level.

²⁷ Ameren Missouri’s parent company.

²⁸ Ameren is also the parent company to the following legal entities: Ameren Development Company, Ameren EIP Investment, LLC, Ameren Illinois Company, Ameren Missouri Renewables Holdco, LLC, Ameren Services Company, Ameren Transmission Company of Illinois, Ameren Transmission Company, LLC, and AmerenEnergy Medina Valley Cogen, L.L.C.

²⁹ Ameren Missouri response to Staff Data Request No. 0014 in Case No. ER-2022-0337.

1 Similarly, the corporate renewable goals of a handful of Ameren Missouri customers
2 should not be funded by ratepayers as a whole. Based upon Ameren Missouri’s analysis, the
3 expected contribution of participants of the Renewable Solutions Program is only about 5% of
4 the total cost of the Boomtown Solar project. The remaining balance of the Boomtown Solar
5 project will be paid by all Ameren Missouri ratepayers.

6 Q. Isn’t Ameren Missouri required to meet the Missouri Renewable Energy
7 Standard (“RES”) requirements?

8 A. Yes, but the renewable energy credits generated from this project will not be
9 eligible for RES compliance.³⁰

10 Q. Don’t Ameren Missouri ratepayers desire to be served through more renewable
11 generation?

12 A. It is likely that a subset of Ameren Missouri ratepayers would like to be served
13 by more renewable generation and less fossil-fueled generating resources. However, I expect
14 that it is unlikely for most of those ratepayers to understand the implications of Ameren
15 Missouri’s MISO participation on the generation fleet serving their load, the dispatchability of
16 resource types, or the cost implications of adding substantial investments in renewables to rate
17 base without offsetting retirements.³¹

18 Q. Are there customers that would prefer to be served exclusively by fossil-fueled
19 resources that are dispatchable to meet market prices and system needs?

³⁰ Staff witness Shawn E. Lange, PE discusses this more thoroughly in his testimony.

³¹ As discussed in Staff witness Michael L. Stahlman’s rebuttal testimony in the Section titled “RTO participation implications”.

1 A. Probably. However, it would also not be appropriate for Ameren Missouri to
2 justify the addition of a large coal-fired plant, to be paid by all ratepayers, based primarily on
3 that subset of ratepayers' desires.

4 Q. Do all customers want to have safe and reliable service when they need it?

5 A. Yes.

6 **IV. REASONS TO NOT MAKE A DECISION ON THE PRUDENCY OF THE**
7 **PROJECT**

8 Q. If the CCN application is approved, should the Commission make a finding of
9 decisional prudence on the acquisition of the Boomtown project in this case?

10 A. No. The determination of the prudence of a given project has typically been
11 reserved for general rate cases. General rate cases include several advantages for Commission
12 consideration when compared to the proceedings in a CCN docket. First, the case timeline for
13 a general rate case is much longer which allows for a more thorough discovery process for all
14 parties. Next, general rate cases typically include additional interveners with a wide variety of
15 interests. Finally, and most importantly, in a general rate case all parties to the case are provided
16 the opportunity to file Direct, Rebuttal, and Surrebuttal testimony which affords a more
17 substantial record for the Commission to consider all factors and costs prior to making a
18 prudence determination on a plant that costs hundreds of millions of dollars which will be
19 recovered from ratepayers for 20+ years. In contrast, Staff and other parties to this case are
20 limited to filing rebuttal testimony, which is responsive to the application and direct testimony
21 of the Ameren Missouri, and surrebuttal which will only respond to the rebuttal testimony of
22 the other parties.

1 Q. Are there other reasons for the Commission to not make a decision on the
2 prudence of this decision in this case?

3 A. Yes. The Commission does not need to make this determination in the context
4 of this case. As stated in the various Staff witness' testimony:

- 5 1. A general rate case provides the Commission with a better opportunity to
6 consider all factors and costs for the prudence determination;
- 7 2. The Boomtown solar facility does not address several needs that have been
8 identified for the Ameren Missouri system;³²
- 9 3. Ameren Missouri has not clearly identified the need being fulfilled through this
10 purchase;
- 11 4. The Boomtown solar facility is not particularly well-suited to meet winter
12 capacity needs;
- 13 5. Ameren Missouri's lack of identified need calls into question the economic
14 efficiency of the project;
- 15 6. Ameren Missouri's lack of identified need calls into question the promotion of
16 public interest of the project;³³
- 17 7. The timing of the Boomtown Solar project may result in additional resource
18 acquisitions to meet future ratepayer needs and may be a suboptimal resource
19 for fulfilling those needs.

20 **CONCLUSION**

21 Q. Please briefly summarize your testimony and provide the Staff
22 recommendations discussed throughout your testimony.

23 A. Staff recommends that the Commission reject Ameren Missouri's application
24 for a CCN. Ameren Missouri's application and the supporting testimony do not justify the
25 Boomtown Solar project based upon clearly identified needs, which is a critical component of

³² Rebuttal testimony of Shawn E. Lange, PE.

³³ Rebuttal testimony of Michael L. Stahlman.

1 the Tartan factors.³⁴ The Boomtown Solar project is likely a poor choice to resolve the
2 identified system needs for a variety of reasons including location, resource type, and timing of
3 expected generation. One key part of the Commission's role as regulator of the monopoly
4 utility is to ensure that the utility does not abuse its power. While corporate renewable goals³⁵
5 may be laudable, they should not be misconstrued as a need to be paid for by all ratepayers.

6 The Commission can prevent the introduction of unnecessary ratepayer risk and
7 the recovery of unwarranted shareholder profits by requiring clear demonstration of ratepayer
8 need being met through the project in concert with demonstration that the other Tartan factors
9 are met.

10 If the Commission determines that approval of the CCN is appropriate, Staff
11 recommends that the Commission order includes a condition that holds non-participants of the
12 RSP harmless from costs that exceed the revenues of the project.

13 If the Commission determines that approval of the CCN is appropriate, it does not need
14 to make a determination on the decisional prudence of the project. As stated in the various Staff
15 witness' testimony:

- 16 1. A general rate case provides the Commission with a better opportunity to
17 consider all factors and costs for the prudence determination;
- 18 2. The Boomtown solar facility does not address several needs that have been
19 identified for the Ameren Missouri system;³⁶

³⁴ In the Matter of the Application of Tartan Energy Company, LLC, d/b/a Southern Missouri Gas Company, 3 Mo P.S.C.3d 173, 177 (1994), the Commission identified five criteria to consider in determining whether granting the requested CCN is "necessary or convenient for the public service." Those factors are:

1. Is the service needed?
2. Is the applicant qualified to provide the service?
3. Does the applicant have the financial ability to provide the service?
4. Is the applicant's proposal economically feasible? and
5. Does the service promote the public interest?

³⁵ Both at the utility level and individual customer level.

³⁶ Rebuttal testimony of Shawn E. Lange, PE.

- 1 3. Ameren Missouri has not clearly identified the need being fulfilled through this
- 2 purchase;
- 3 4. The Boomtown solar facility is not particularly well-suited to meet winter
- 4 capacity needs;
- 5 5. Ameren Missouri's lack of identified need calls into question the economic
- 6 efficiency of the project;
- 7 6. Ameren Missouri's lack of identified need calls into question the promotion of
- 8 public interest of the project;³⁷
- 9 7. The timing of the Boomtown Solar project may result in additional resource
- 10 acquisitions to meet future ratepayer needs and may be a suboptimal resource
- 11 for fulfilling those needs.

- 12 Q. Does this conclude your rebuttal testimony?
- 13 A. Yes it does.

³⁷ Rebuttal testimony of Michael L. Stahlman.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Union)
Electric Company d/b/a Ameren Missouri for) Case No. EA-2022-0245
Approval of a Subscription-Based Renewable)
Energy Program)
)

AFFIDAVIT OF J LUEBBERT

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

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

Further the Affiant sayeth not.

J LUEBBERT 

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 19th day of December 2022.

D. Suzie Mankin
Notary Public

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

**Case Participation of
J Luebbert**

Case Number	Company	Issues
EO-2015-0055	Ameren Missouri	Evaluation, Measurement, and Verification
EO-2016-0223	Empire District Electric Company	Integrated Resource Planning Requirements
EO-2016-0228	Ameren Missouri	Utilization of Generation Capacity, Plant Outages, and Demand Response Program
ER-2016-0179	Ameren Missouri	Heat Rate Testing
ER-2016-0285	Kansas City Power & Light Company	Heat Rate Testing
EO-2017-0065	Empire District Electric Company	Utilization of Generation Capacity and Station Outages
EO-2017-0231	Kansas City Power & Light Company	Utilization of Generation Capacity, Heat Rates, and Plant Outages
EO-2017-0232	KCP&L Greater Missouri Operations Company	Utilization of Generation Capacity, Heat Rates, and Plant Outages
EO-2018-0038	Ameren Missouri	Integrated Resource Planning Requirements
EO-2018-0067	Ameren Missouri	Utilization of Generation Capacity, Heat Rates, and Plant Outages
EO-2018-0211	Ameren Missouri	Avoided Costs and Demand Response Programs
EA-2019-0010	Empire District Electric Company	Market Protection Provision
GO-2019-0115	Spire East	Policy
GO-2019-0116	Spire West	Policy
EO-2019-0132	Kansas City Power & Light Company	Avoided Cost, SPP resource adequacy requirements, and Demand Response Programs
ER-2019-0335	Ameren Missouri	Unregulated Competition Waivers and Class Cost Of Service
ER-2019-0374	Empire District Electric Company	SPP resource adequacy
EO-2020-0227	Evergy Missouri Metro	Demand Response programs
EO-2020-0228	Evergy Missouri West	Demand Response programs
EO-2020-0262	Evergy Missouri Metro	Demand Response programs
EO-2020-0263	Evergy Missouri West	Demand Response programs

Case Number	Company	Issues
EO-2020-0280	Evergy Missouri Metro	Integrated Resource Planning Requirements
EO-2020-0281	Evergy Missouri West	Integrated Resource Planning Requirements
EO-2021-0021	Ameren Missouri	Integrated Resource Planning Requirements
EO-2021-0032	Evergy	Renewable Generation and Retirements
GR-2021-0108	Spire Missouri	Metering and Combined Heat and Power
ET-2021-0151	Evergy	Capacity costs
ER-2021-0240	Ameren Missouri	Market Prices, Construction Audit, Smart Energy Plan, AMI
ER-2021-0312	Empire District Electric Company	Construction Audit, Market Price Protection, PISA Reporting
EO-2022-0193	Empire District Electric Company	Retirement of Asbury
EO-2022-0129	Evergy Missouri Metro	MEEIA annualization
EO-2022-0130	Evergy Missouri West	MEEA annualization, Schedule SIL revenue and incremental costs
EF-2022-0155	Evergy Missouri West	Customer event balancing
EC-2022-0315	Evergy Missouri West	Compliance with Stipulation and Agreement, Commission Order, and Schedule SIL
GR-2022-0179	Spire Missouri	Compressed Natural Gas
EA-2022-0244	Ameren Missouri	Huck Finn Solar CCN