

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of a Determination of Special)
Contemporary Resource Planning Issues to be)
Addressed by The Empire District Electric) File No. EO-2023-0102
Company in its Next Triennial Compliance)
Filing or Next Annual Update Report)

LIBERTY’S OBJECTIONS AND RESPONSES TO SUGGESTED ISSUES

COMES NOW The Empire District Electric Company d/b/a Liberty (the “Company” or “Liberty”) and provides its Objections and Responses to Suggested Issues. In this regard, Liberty respectfully states as follows to the Missouri Public Service Commission (“Commission”):

1. On September 13, 2022, the Commission issued its *Order Opening a File Regarding Special Contemporary Resource Planning Issues and Offering an Opportunity to File Suggestions*. This file was opened to facilitate the process established by Commission Rule 20 CSR 4240-22.080(4) regarding evolving electric resource planning issues – or special contemporary issues (“SCIs”) – for Liberty to analyze and document in its integrated resource planning (“IRP”) compliance filing (an annual update) due April 1, 2023.

2. The Company filed its most recent triennial IRP on April 1, 2022 (Case No. EO-2021-0331), and Liberty’s next triennial compliance filing will be made in 2025 based on the specified three-year filing cycle.

3. There are important distinctions between the IRP triennial compliance filing and the IRP annual update report that will be submitted by Empire in 2023. The triennial filing, made every three years, is a major study that is subject to the Commission’s Chapter 22 electric utility resource planning rule. Pursuant to Rule 22.080(2), the triennial filing must demonstrate compliance with all provisions of Chapter 22. The IRP annual update report, on the other hand, is

designed to provide an update to stakeholders and allow them to have input on IRP issues on an annual basis, between the comprehensive triennial filings. Pursuant to Rule 22.080(3)(B), “the depth and detail of the annual update report” shall be commensurate with the changes since the last IRP filing.

4. As noted, the Company filed its most recent triennial IRP this year (Case No. EO-2021-0331), and the case remains active. There were no alleged deficiencies, but Liberty and the other stakeholders are working toward an agreement to resolve any concerns. While the filings are related, the scope of the triennial filing and the scope of the annual update are very different, and the SCIs from this docket should be within the scope of an IRP annual update.

5. Pursuant to the *Order*, suggestions regarding SCIs for Liberty to address in its next annual update filing were submitted herein by the Staff of the Commission (“Staff”), the Office of the Public Counsel (“OPC”), and Renew Missouri Advocates (“Renew Missouri”). Liberty’s specific objections and responses to the issues suggested by Staff, OPC, and Renew Missouri are attached hereto.

6. In general, Liberty urges the Commission to apply a reasonableness standard in arriving at its list of SCIs. Pursuant to Rule 20 CSR 4240-22.020(55), SCIs ordered by the Commission shall be “evolving new issues, which may not otherwise have been addressed by the utility or are continuations of unresolved issues from the preceding triennial compliance filing or annual update filing.” The list of SCIs ordered by the Commission for consideration and analysis by Liberty should be specific to Liberty and its particular planning process and appropriately limited in number and scope, so that the issues may be adequately analyzed and the Company’s resources used wisely. Ordered SCIs should not already be covered or contemplated by the IRP rules and should not conflict with the directives of the IRP rules.

WHEREFORE, Liberty submits its Objections and Responses to Suggested Issues and requests such relief as is just and proper under the circumstances.

Respectfully submitted,

/s/ Diana C. Carter

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CERTIFICATE OF SERVICE

I hereby certify that the above document was filed in EFIS on this 30th day of September, 2022, and sent by electronic transmission to all counsel of record.

/s/ Diana C. Carter

Staff's Suggested SCIs and Liberty's Responses

Staff Suggestion A. The Company shall provide details of its plans to utilize securitization. Details shall include but are not limited to: 1) type of items to be securitized; 2) explanation for need of securitization for each item; 3) how it plans to utilize securitization for each item; 4) estimated costs of securitized items; 5) comparison of ratepayer costs and benefits.

Response: Liberty does not believe this issue is appropriate for an integrated resource planning (“IRP”) analysis. This appears to be an issue for a different type of filing, such as a securitization filing or a ratemaking filing for specific resources. Specifically, securitization plans must be contained in filings made pursuant to RSMo. §§393.1700-393.1715. Liberty, however, does not object to addressing its current securitization plans, to the extent not covered by pending securitization dockets and to the extent known, in its upcoming IRP annual update.

Staff Suggestion B. The Company shall provide detailed analysis comparing ratepayer risks and shareholder risks for additional generation resources which are not required to meet federal, state, or RTO requirements. This is consistent with the Commission’s Order Establishing Special Contemporary Resource Planning Issues in Case No. EO-2022-0057.

Objection: First, the Company will be preparing an IRP annual update and will not making a triennial filing. At this time, the 2022 triennial IRP docket (EO-2021-0331) is still open. The stakeholders have submitted reports in EO-2021-0331 and have identified a limited number of concerns, but did not allege any deficiencies.

This suggestion from Staff does not meet the definition of an SCI, as it is not a new or evolving issue. A risk analysis phase is already required by the IRP rules. Further, the IRP rules specify the criteria for selecting a preferred resource plan. The rules set out the minimization of the present worth of long-run utility costs as the primary selection criterion in choosing the preferred resource plan, subject to the constraints in subsection (2)(C) of Rule 20 CSR 4240-22.010. The rules already instruct the utility to explicitly identify and, where possible, quantitatively analyze any other considerations which are critical to meeting the fundamental objective of the resource planning process, but which may constrain or limit the minimization of the present worth of expected utility costs. The utility shall describe and document the process and rationale used by decision-makers to assess the tradeoffs and determine the appropriate balance between minimization of expected utility costs and these other considerations in selecting the preferred resource plan and developing the resource acquisition strategy. Given the direction that already exists within the Commission’s IRP rules, the Company objects to this type of SCI.

Staff Suggestion C. Given the recent COVID pandemic and the Winter Storm Uri weather event, the Company shall provide details of its plan for handling future emergency events such as these. The details provided shall give a clear plan for maintaining supply-side resource generation and public welfare during emergency events.

Objection: This suggestion from Staff seems to be requesting Liberty’s operational and emergency plans. The IRP is a resource planning study guided by a set of comprehensive rules. In 2023, Liberty will be filing an IRP annual update, with a stated purpose of ensuring that members of the stakeholder group have the opportunity to provide input and to stay informed regarding (1) the utility’s current preferred resource plan, (2) the status of the identified critical uncertain factors, (3) the utility’s progress in implementing the resource acquisition strategy, (4) analyses and conclusions regarding any special contemporary issues, (5) resolution of any deficiencies or concerns from the prior IRP triennial or annual update filing, and (6) changing conditions generally.

The IRP annual update is not the appropriate venue for publishing and discussing a company’s operational and emergency plans.

OPC’s Suggested SCIs and Liberty’s Responses

OPC Suggestion 1: Modeling for Low, Medium, High Performance Base Accreditation of Existing and Planned Units

Response: The Company does not object to this issue. The Company will be developing an IRP annual update, but it is appropriate to discuss the proposed Southwest Power Pool (“SPP”) accreditation changes and updating the load and capability tables based on low, medium, high performance base accreditation of existing and planned units.

OPC Suggestion 2: Modeling for Low, Medium, High Participation of Aggregator of Retail Customer (“ARCs”)

Objection: The Company does not believe this request meets the definition of a special contemporary issue. The IRP load forecasts already include a range of forecasts to take into consideration the uncertainty in future peak load. Since Liberty will be developing an IRP annual update - and not a triennial filing, the Company does not plan to update models.

OPC Suggestion 3: Over-Reliance on SPP Market to Meet Energy Needs

Objection/Clarification: Since Liberty will be developing an IRP annual update and not a triennial filing, the Company does not plan to update models. Updating the 15 alternate plans modeled in the last IRP would be costly and well beyond the scope of an IRP annual update. Based on the Company’s interpretation of the OPC request, it is estimated to take several weeks with the help of a consultant to perform this type of analysis and it would be based on a hypothetical model that does not exist in reality, with an arbitrary limitation from the OPC proposal.

Liberty strenuously objects to this modeling exercise being ordered as a special contemporary issue herein.

However, the Company does agree with the OPC that updating the preferred plan's load and capability table from a 12% to a 15% planning reserve margin is appropriate for an IRP annual update.

OPC Suggestion 4: Inflation Reduction Act

Response: The Company agrees that it should address the Inflation Reduction Act within the IRP annual update. However, it should be addressed in a narrative form within the scope of the IRP annual update.

OPC Suggestion 5: Additive Manufacturing ("AM" or "3D Printing")

Objection: OPC's request in this issue describes a new and still emerging technology – namely, the use of 3-D printing for the creation of spare parts and tooling. OPC suggests that 3-D printing could enable construction of wind turbines (blades and tower segments) at the site of construction of a wind farm, which OPC alleges could result in increased financial savings. Given the early stages of this type of technology, it would be an unnecessary burden to direct the Company to perform the analysis as requested by OPC.

Renew Missouri's Suggested SCIs and Liberty's Responses

Renew Missouri Suggestion 1. Study and/or model various technologies and programs designed to reduce demand on the customer side of the meter.

Objection/Clarification: In general, the Company does not object to studying various technologies and programs designed to reduce demand on the customer side of the meter in a triennial IRP. The Company's objection is that this should not be considered an SCI and should not be ordered as such, since it is already included in the demand-side analysis of the Commission's Chapter 22 Resource Planning Rule and it is conducted within the normal course of the triennial IRP.

Further, Liberty will be developing an IRP annual update in 2023. This suggestion from Renew Missouri is out of scope for an IRP annual update. However, the Company recently performed a demand-side analysis for the 2022 IRP currently on file in Missouri (EO-2021-0331).

Renew Missouri Suggestion 2. Study and/or model the potential for utility-scale battery storage to meet current and future demand.

Objection/Clarification: In general, the Company does not object to studying the potential for utility-scale battery storage to meet current and future demand in a triennial IRP. The Company's objection is that this should not be considered an SCI and should not be ordered as such, since the Supply-Side Analysis of the Commission's Chapter 22 Resource Planning Rule already directs the utility to consider a wide range of candidate supply-side options that the utility

can reasonably expect to use, develop, implement, or acquire, for purposes of integrated resource planning.

Further, Liberty will be developing an IRP annual update in 2023. This is out of scope for an IRP annual update. The Company just completed the supply-side analysis in its 2022 IRP (EO-2021-0331) currently on file in Missouri. The stakeholder group reviewed the pre-integration supply-side options and commented on the filed IRP.