

Exhibit No.:
Issue(s): Policy Summary
Witness: Jamie S. Myers
Sponsoring Party: MoPSC Staff
Type of Exhibit: Surrebuttal Testimony
Case No.: EA-2018-0202
Date Testimony Prepared: September 28, 2018

MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

SURREBUTTAL TESTIMONY

OF

JAMIE S. MYERS

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

CASE NO. EA-2018-0202

*Jefferson City, Missouri
September 2018*

1 Q. Have you previously testified before the Commission?

2 A. Yes. I testified before the Commission in Case Numbers GR-2017-0215,
3 GR-2017-0216, and GR-2018-0013.

4 **EXECUTIVE SUMMARY**

5 Q. What is the purpose of your testimony?

6 A. The purpose of my testimony is to present a summary of Staff's response to
7 OPC witness Dr. Geoff Marke's statement in rebuttal that it is not clear the Commission
8 should grant Ameren Missouri's request for a certificate of convenience and necessity
9 (CCN) in this case. I will also summarize Staff's response to Dr. Marke's statement
10 that Ameren Missouri should be denied a Renewable Energy Standard Rate
11 Adjustment Mechanism (RESRAM) if Ameren Missouri elects Plant-in-Service Accounting
12 (PISA) treatment.

13 Q. Please describe Ameren Missouri's request.

14 A. On May 21, 2018, Ameren Missouri filed its Application seeking a CCN
15 authorizing it to construct, install, own, operate, maintain, and otherwise control and manage
16 a wind generation facility ("Project") to be constructed in Schuyler and Adair Counties,
17 Missouri, pursuant to a build transfer agreement (BTA) with the special-purpose entity,
18 TG High Prairie Holdings, LLC. Ameren Missouri is also seeking authority to merge
19 the special-purpose entity into Ameren Missouri. As part of the Application,
20 Ameren Missouri is requesting approval of a RESRAM and certain variances from the
21 Commission's RESRAM rules.

1 On August 17, 2018, Ameren Missouri and Staff filed a non-unanimous
2 *Stipulation and Agreement*, which contained terms and conditions agreed upon that would
3 resolve the issues in this case. Several of the terms and conditions of the *Stipulation and*
4 *Agreement* require Ameren Missouri to work with Staff and file additional information with
5 the Commission, including quarterly progress reports on plans and specifications of the
6 Project and an update on permits obtained; work with Staff to develop and file in-service
7 criteria; and meet with Staff's Auditing Department while developing the accounting
8 process for the RESRAM to ensure costs are tracked appropriately. Renew Missouri filed in
9 support of the *Stipulation and Agreement*, whereas OPC, MIEC and MDC filed objections.
10 MIEC has since joined a *Second Non-Unanimous Stipulation and Agreement*, with Ameren
11 Missouri, Staff, and Renew Missouri, filed on September 24, 2018. The *Second Non-*
12 *Unanimous Stipulation and Agreement* contains all of the terms and conditions in the non-
13 unanimous *Stipulation and Agreement* but adds explicit terms on how Ameren Missouri will
14 reflect Production Tax Credits (PTCs) in the RESRAM and additional terms, conditions, and
15 commitments Ameren Missouri has made regarding Wildlife.

16 OPC witness Dr. Geoff Marke filed rebuttal testimony cautioning the Commission
17 against granting a CCN in this case, and stating if Ameren Missouri elects PISA treatment
18 under Section 393.1400 then Ameren Missouri's request for a RESRAM should be denied.¹
19 Staff continues to support the terms and conditions of the *Second Non-Unanimous*
20 *Stipulation and Agreement*, and Staff's surrebuttal testimony supports those terms and
21 conditions that have been objected to or rebutted in testimony.

¹ Ameren Missouri filed its *Notice of PISA Election* on September 1, 2018, in File No. EO-2019-0044.

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1 Q. What is Staff's recommendation on the Application?

2 A. Staff recommends the Commission grant Ameren Missouri's request for a
3 CCN in this case, consistent with the terms and conditions agreed in *Second Non-*
4 *Unanimous Stipulation and Agreement*. Staff has concluded that Ameren Missouri's
5 application sufficiently meets the elements of the Tartan Criteria,² and the Commission's
6 rule on CCN application requirements, 4 CSR 240-3.105, as noted by the following Staff
7 witnesses sponsoring surrebuttal testimony:

- 8 • Cedric E. Cunigan: Need
- 9 • Claire M. Eubanks: Ability to Construct, Own, Operate; Public Interest;
10 4 CSR 240-3.105
- 11 • Jason Kunst: Economic Feasibility
- 12 • David Murray: Financial Ability

13 Staff also supports the Commission approving Ameren Missouri's request to merge the
14 special purpose entity, TG High Prairie Holdings, LLC, into Ameren Missouri, with Ameren
15 Missouri being the surviving entity. Staff witness David Murray's testimony confirms the
16 BTA between Ameren Missouri and TG High Prairie Holdings, LLC reduces Ameren
17 Missouri's financing risk associated with the Project.

18 On advice of Staff Counsel, Staff does not read any provision of Senate Bill 564 to
19 prohibit Ameren Missouri from electing PISA treatment under Section 393.1400 while also
20 establishing a RESRAM for the remainder of the Renewable Energy Standard (RES)
21 compliance costs that are not being deferred in the PISA regulatory asset. As such, Staff
22 supports the Commission approving Ameren Missouri's request to establish a RESRAM and

² *In Re Tartan Energy*, GA-94-127, 3 Mo.P.S.C.3d 173, 177 (1994).

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1 granting Ameren Missouri certain variances, as set forth in the *Second Non-Unanimous*
2 *Stipulation and Agreement* and explained by the following Staff witnesses sponsoring
3 surrebuttal testimony:

- 4 • Lisa M. Ferguson: RESRAM Variance
- 5 • Jason Kunst: RESRAM Accounting
- 6 • Sarah L.K. Lange: Variances

7 Q. Does this conclude your testimony?

8 A. Yes.

