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Witness:	James Owen
Sponsoring Party:	Renew Missouri Advocates
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MISSOURI PUBLIC SERVICE COMMISSION

EA-2019-0181

REBUTTAL TESTIMONY

OF

JAMES OWEN

ON BEHALF OF

RENEW MISSOURI ADVOCATES

July 15, 2019



TABLE OF CONTENTS

<u>Testimony</u>	<u>Page</u>
Introduction	1
Purpose and summary of testimony	2
Benefits of the Outlaw Wind Project	3

1 **I. Introduction**

2 **Q: Please state your name, title, and business address.**

3 A: James Owen, Executive Director, Renew Missouri Advocates d/b/a Renew Missouri
4 ("Renew Missouri"), 409 Vandiver Dr. Building 5, Suite 205, Columbia, MO 65202.

5 **Q: Please describe your education and background.**

6 A: I obtained a law degree from the University of Kansas as well as a Bachelor of Arts in
7 Business and Political Science from Drury University in Springfield.

8 **Q: Please summarize your professional experience in the field of utility regulation.**

9 A: Before becoming Executive Director of Renew Missouri, I served as Missouri's Public
10 Counsel, a position charged with representing the public in all matters involving utility
11 companies regulated by the State. While I was Public Counsel, I was involved in several
12 rate cases, CCN applications, mergers, and complaints as well as other filings. As Public
13 Counsel, I was also involved in answering legislators' inquiries on legislation regarding
14 legislation impacting the regulation of public utilities. In my role as Executive Director at
15 Renew Missouri, I continue to provide information and testimony on pieces of proposed
16 legislation that may impact how Missouri approaches energy efficiency and renewable
17 energy. Most recently, Renew Missouri staff and myself have been developing and offering
18 educational programs on topics related to energy law and policy in Missouri on topics
19 including demand response aggregation, accounting authority orders, and our year-end
20 update covering state and federal rulemakings, PSC appeals, and energy
21 efficiency/renewable energy updates.

22 **Q: Have you been a member of, or participant in, any workgroups, committees, or**
23 **other groups that have addressed electric utility regulation and policy issues?**

1 A: In May 2016 I attended the National Association of Regulatory Utility Commissioners
2 (“NARUC”) Utility Rate School. In the Fall of 2016, I attended Financial Research
3 Institute’s 2016 Public Utility Symposium on safety, affordability, and reliability. While I
4 was Public Counsel, I was also a member of the National Association of State Utility
5 Consumer Advocates (“NASUCA”) and, in November of 2017, the Consumer Council of
6 Missouri named me the 2017 Consumer Advocate of the Year.

7 **Q: Have you testified previously, participated in cases, or offered testimony before the**
8 **Missouri Public Service Commission (“Commission”)?**

9 A: In my prior role as Acting Public Counsel, I participated in a number of PSC cases as an
10 attorney and director of the office. During that time period I also offered testimony in
11 rulemaking hearings before the Commission. Since becoming Executive Director of
12 Renew Missouri I contributed to Renew Missouri’s filed testimony in a number of matters.
13 Attached as **Schedule JO-1** is a list of my case participation.

14 **II. Purpose and summary of testimony**

15 **Q: What is the purpose of your testimony?**

16 A: To respond to and support Ameren Missouri’s Certificate of Convenience and Necessity
17 (“CCN”) application that will permit the construction of the 299 MW Outlaw Wind Project
18 in Atchison County, Missouri.

19 **Q: What is Renew Missouri’s interest in this application?**

20 A: Renew Missouri advocates for energy efficiency and renewable energy policy. As a state-
21 wide advocate, Renew Missouri has an interest in Ameren Missouri increasing the wind
22 energy used to satisfy Missouri’s Renewable Energy Standards (“RES”) and provide its
23 customers cost-effective, renewable energy.

1 **Q: What is your recommendation to the Commission in this case?**

2 A: The Commission should grant Ameren Missouri's request for a CCN pursuant to Section
3 393.170.1 RSMo to construct and own a wind generation facility to be constructed in
4 Atchison County Missouri and grant Ameren Missouri authority to merge the Outlaw
5 project entity into Ameren Missouri - with Ameren Missouri to be the surviving entity -
6 pursuant to Section 393.190.1 RSMo.

7 With the Commission's approval, this project will be completed in time to realize
8 the benefits of the federal production tax credits and gives customers the best value for a
9 project that can aid Ameren Missouri in complying with Missouri's RES. In addition to
10 allowing customers to benefit from economic, renewable generation, these wind projects
11 create a variety of other benefits that includes: payments to landowners, construction jobs,
12 and increased state and local tax revenues. Moreover, a growing number of customers want
13 more access to renewable energy resources to meet their own sustainability metrics. This
14 is evidenced by the dozens of major companies that have signed on to support the Corporate
15 Renewable Energy Buyers' Principles.¹ Governmental bodies in Missouri are also
16 beginning to establish their own clean energy goals. With this pressure from large utility
17 customers that are industry leaders and local governments, the utilities in Missouri -
18 including Ameren Missouri - must continue to look to renewable generation to meet
19 customers' need and preferences. The Commission should grant the requested CCNs in
20 this case to allow Ameren Missouri to meet those needs and preferences.

21 **III. Benefits of the Outlaw Wind Project**

22 **Q: Briefly describe the Outlaw Wind Project.**

¹ <https://buyersprinciples.org/about-us/>.

1 A. The Outlaw Wind project is the third Wind CCN application by Ameren Missouri in the
2 past few years complimenting the already-approved High Prairie and Brickyard Hills
3 projects. As I understand, this is the final project as a part of Ameren Missouri's plans to
4 comply with the increase in RES requirements that will happen in 2021 (an increase from
5 10% to 15%). The Outlaw Project will be in the northwest part of the state, primarily in
6 Atchison County. This project will be built by a developer and then immediately
7 transferred to Ameren Missouri upon completion. In prior cases, this has been described as
8 a build transfer agreement or "turnkey" project.

9 **Q: You have previously testified that the Commission should encourage investments in**
10 **wind generation. Why do you support investment in wind generation?**

11 A: As I have testified in prior cases, Renew Missouri supports the addition of wind generation
12 for a variety of reasons including customer demand for renewable energy, improved
13 economics of wind, and lower costs for customers. Among the general benefits of wind
14 generation are lower fuel costs, lower operation and maintenance ("O&M") expenses, and
15 lower emissions. Besides lower costs for energy, there are further considerations advanced
16 by developing wind generation in Missouri. Increased employment opportunities
17 associated with wind energy development is a significant benefit and consistent with the
18 findings by the U.S. Department of Labor - Bureau of Labor Statistics that the role of wind
19 turbine technician among the fastest growing occupations in the country.²

20 Beyond adding jobs, developing wind generation will bring benefits to rural and
21 low-income areas. More than 99% of wind power capacity is located in rural areas, with
22 most located in low-income counties.³ This installed capacity is often associated with lease

² See <https://www.bls.gov/ooh/fastest-growing.htm>

³ <https://www.awea.org/wind-101/benefits-of-wind/economic-development>

1 payments, including more than \$289 million annually in landowner lease payments to local
2 farmers and ranchers in areas of development.⁴ Additional local economic benefits include
3 property tax payments, payments in lieu of taxes, and increased local spending and
4 economic development.

5 **Q: Ameren Missouri is pursuing this project to comply with the Renewable Energy**
6 **Standard. Are there other reasons this project is beneficial to Missourians?**

7 A: In addition to providing customers cost-effective renewable energy, this wind project will
8 generate the kind of significant economic benefits I mentioned above. Specifically, the
9 Outlaw project is expected to bring more than 300 construction jobs, 5-8 permanent jobs,
10 increased state and local tax revenues, and other benefits to Missouri businesses.⁵ With all
11 of this in mind, the project aligns with Renew Missouri's mission and affirms my belief
12 that pursuing renewable resources benefits all Missourians and is good public policy

13 **Q: Do you have an estimate of the property tax and landowner payments this project will**
14 **generate?**

15 A: In response to a data request by the Commission's Staff, Ameren Missouri provided a
16 presentation the project developer gave to the Atchison County Commission describing the
17 project's economic benefits.⁶ Below is a table included showing the expected value of the
18 project:

⁴https://www.awea.org/Awea/media/Resources/Publications%20and%20Reports/Market%20Reports/AWEA_AMR2018_ExecutiveSummary.pdf

⁵ Arora Direct, p. 30; Ameren Missouri Response to MPSC DR 0018.

⁶ Ameren Missouri response to MPSC DR 0012.

Direct Local Econ. Impact	Annual Average	20 Year Totals
County Property Tax	\$1,600,000	\$32,000,000
New Annual Payroll (8 – 10 new jobs)	\$50,000	\$10,000,000
Landowner Payments	\$1,700,000	<u>\$34,000,000</u>
		\$76,000,000

As you can see, this project - if approved by the Commission and allowed to move forward - will have a significant impact on the county revenues and landowner income.

Q: Given that level of financial benefit, have local officials expressed support for the project?

A: Yes, Ameren has provided letters of support from a variety of local officials. The Atchison County Development Association wrote that its Board and staff “fully support the construction of the Outlaw Wind Project” and that “Atchison County as a whole supports wind energy projects[.]”⁷ The Mayor of the City of Tarkio offered full support, stating “[t]here have been many towers erected in Atchison County in the past 10 plus years. The economic impact for the entire county has been very favorable.”⁸ The Atchison County Commission and the Fairfax R-III School District also provided letters of support for the Outlaw Project.⁹ This level of local support is wonderful to see for a project and demonstrates that, once people experience the benefits of having wind projects nearby firsthand, their support for this cost-effective renewable resource increases.

Q: Do you have any final thoughts you’d like to share with the Commission?

⁷ Ameren Missouri response to MPSC DR 0012, ACDC Letter of Support.

⁸ Ameren Missouri response to MPSC DR 0012, City of Tarkio Letter of Support.

⁹ Id.

1 A: Yes. This project – from the BTA transaction structure to the economic benefits – is very
2 similar to the two Ameren Missouri Wind projects the Commission has recently approved.
3 In each of those other dockets, the parties agreed to a general framework of conditions that
4 balance the interests of the company, customers, and need to protect wildlife. Ameren
5 Missouri has recognized that many of these conditions can be applied to the Outlaw Project
6 as well. The Conditions outlined in the Company’s application reflect these projects and
7 ensure Missourians realize the many benefits offered by this project.¹⁰

8 **Q: Does this conclude your testimony?**

9 A: Yes.

¹⁰ Application, pp. 13-14.

**CASE PARTICIPATION OF
JAMES OWEN**

<u>Date</u>	<u>Proceeding</u>	<u>Docket No.</u>	<u>On Behalf of:</u>	<u>Issues</u>
10/20/2017	In the Matter of a Working Case to Explore Emerging Issues in Utility Regulation	EW-2017-0245	Renew Missouri Advocates	Comments: Distributed Energy Resources
2/7/2018	In the Matter of the Application of The Empire District Electric Company for Approval of Its Customer Savings Plan	EO-2018-0092	Renew Missouri Advocates	Rebuttal: Customer savings plan, wind generation, Asbury retirement, federal tax changes
Rebuttal 7/27/2018 Surrebuttal (9/4/2018)	In the Matter of KCP&L Greater Missouri Operations Company's Request for Authority to Implement a General Rate Increase for Electric Service In the Matter of Kansas City Power & Light Company's Request for Authority to Implement a General Rate Increase for Electric Service	ER-2018-0145/ER-2018-0146	Renew Missouri Advocates	Rebuttal: Demand Response Program Surrebuttal: Demand Response Program
6/8/2018	In the Matter of the Application of Union Electric	ET-2018-0063	Renew Missouri Advocates	Surrebuttal: Eligibility parameters, wind generation

	Company d/b/a Ameren Missouri for Approval of 2017 Green Tariff			
9/17/2018	In the Matter of Union Electric Company d/b/a Ameren Missouri's 3rd Filing to Implement Regulatory Changes in Furtherance of Energy Efficiency as Allowed by MEEIA	EO-2018-0211	Renew Missouri Advocates	Surrebuttal: Statutory Requirements of MEEIA
9/28/2018	In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for Permission and Approval and a Certificate of Public Convenience and Necessity Authorizing it to Construct a Wind Generation Facility	EA-2018-0202	Renew Missouri Advocates	Surrebuttal: Second Non-unanimous Stipulation and Agreement; Need for the project; Conservation conditions
11/16/2018	In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for	ET-2018-0132	Renew Missouri Advocates	Surrebuttal: Charge Ahead Programs

	Approval of Efficient Electrification Program			
1/15/2019	In the Matter of a Workshop Docket to Explore the Ratemaking Process	AW-2019-0127	Renew Missouri Advocates	Comments: Ratemaking Process
1/22/2019	In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for Permission and Approval and a Certificate of Convenience and Necessity Authorizing it to Construct a Wind Generation Facility	EA-2019-0021	Renew Missouri Advocates	Surrebuttal: Conservation conditions; Tax revenue; Benefits of wind generation
1/28/2019	In the Matter of Kansas City Power & Light Company's Notice of Intent to File an Application for Authority to Establish a Demand-Side Programs Investment Mechanism	EO-2019-0132	Renew Missouri Advocates	Rebuttal: PAYS Program
3/5/2019	In the Matter of the Application of The Empire	EA-2019-0010	Renew Missouri Advocates	Surrebuttal: Benefits of wind generation;

	District Electric Company for Certificates of Convenience and Necessity Related to Wind Generation Facilities			Conservation conditions; OPC's CCN standard
3/27/2019	In the Matter of the Joint Application of Invenergy Transmission LLC, Invenergy Investment Company LLC, Grain Belt Express Clean Line LLC and Grain Belt Express Holding LLC for an Order Approving the Acquisition by Invenergy Transmission LLC of Grain Belt Express Clean Line LLC	EM-2019-0150	Renew Missouri Advocates	Rebuttal: Commission standard; Benefits of transaction