BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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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

Docket No. EA-2016-0256

STATEMENT OF POSITION OF BRIGHTERGY, LLC

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

Yes. Brightergy's position is that the proposed project is both necessary and convenient for the public service. Missouri is the number six state in terms of coal consumption nationally, for which it is heavily dependent on out-of-state imports. The fast majority of Missouri's energy supply is coal, followed by other non-renewable sources not produced in Missouri.

This situation is not sustainable long term. Utilities should be encouraged to invest in renewables and develop the expertise necessary to maintain and develop new sources of low-cost energy without the need for expensive imported fuel.

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

Yes. Although the Commission has yet to receive facts and evidence in this case, the situation in Missouri demonstrates the need for energy diversification. Missouri currently relies on coal for more than 80% of electric generation and has one of the least diversified generation portfolios in the United States. Relying heavily on coal poses significant financial risk for consumers. Demand for coal is slowly eroding due to competition from energy efficiency, renewables, and cleaner gas fired generation. Many companies in the coal industry are facing bankruptcy as institutional investors are abandoning coal in droves. This project represents a step in the right direction to diversify Missouri's energy mix.

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

Yes. Although the Company cites the experience it will acquire as a reason to permit the facility's construction, it is nonetheless a large utility provider with decades of experience in power generation and delivery.

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

Yes. There is no evidence to indicate that the Company does not have the resources to complete this project.

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

Yes. Impact to the average GMO ratepayer should be minimal, and the project can be constructed on a reasonable budget.

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

Yes. As noted above, Missouri is heavily dependant on a non-renewable, imported fuel source. The Commission should treat this, and future renewable projects, as opportunities to begin moving Missouri's energy future forward. This project promotes the public interest because it will have positive impacts on the Missouri economy, public health, welfare, and the environment.

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's Application does meet the <u>Tartan</u> standards as outlined above. Even if it did not, the <u>Tartan</u> standards are not statutory, but are instead a creation of the Commission. As such, the Commission, at its discretion, may modify or discount any of the factors listed above.

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

Yes, but that impact should not be the sole consideration. Additionally, the Commission should consider not just short-term rate impacts, but the positive results of long-term planning for a more diverse energy mix.

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

The ratepayers should ultimately benefit from federal tax credits. There are multiple ways this could be accomplished so the Commission should determine the best method with input from GMO. For example, ratepayers could benefit if the project utilized an investment structure where a third party essentially monetizes the tax credits, thereby reducing the total costs to GMO and ratepayers, or GMO could utilize the tax credits itself and pass the benefits to ratepayers.

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

Conditions are not necessary. This project is being constructed solely on Company owned property. The Company will be motivated to make prudent decisions in the construction process because its level of rate recovery will be determined in its upcoming rate case.

WHEREFORE, Brightergy respectfully submits its Statement of Positions in the above-styled case.

Respectfully submitted, <u>/s/ Andrew Zellers</u> Andrew Zellers MO. Bar No. 57884 General Counsel and Vice President for Regulatory Affairs Brightergy, LLC 1712 Main Street, 6th Floor, Kansas City, MO 64108 andy.zellers@brightergy.com office: +1.816.866.0555 fax: +1.888.511.0822

Attorney for Brightergy, LLC

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been served electronically this 8th day of February, 2016, to all parties on the Commission's service list in this case.

/s/ Andrew Zellers