

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

In the Matter of the Petition of The Empire District )  
Electric Company d/b/a Liberty to Obtain a )  
Financing Order that Authorizes the Issuance of ) Case No. EO-2022-0040  
Securitized Utility Tariff Bonds for )  
Qualified Extraordinary Costs )

In the Matter of the Petition of The Empire District )  
Electric Company d/b/a Liberty to Obtain a )  
Financing Order that Authorizes the Issuance of ) Case No. EO-2022-0193  
Securitized Utility Tariff Bonds for Energy )  
Transition Costs Related to the Asbury Plant )

**Renew Missouri’s Position Statements**

COMES NOW Renew Missouri Advocates d/b/a Renew Missouri (“Renew Missouri”) and for its Position Statements states:

**Issues:**

1. *What amounts should the Commission authorize Liberty to finance using securitized utility tariff bonds?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

a. *What amounts of qualified extraordinary costs should the Commission authorize Liberty to finance for Winter Storm Uri?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

b. *What amounts of energy transition costs should the Commission authorize Liberty to finance for Asbury?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

2. *Storm Uri*

a. *What amount of costs, if any, that Liberty is seeking to securitize would Liberty recover through customary ratemaking?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

*b. What is the appropriate method of customary ratemaking absent securitization?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

*c. Under RSMo. 393.1700.2(2)(e), what is the “customary method of financing”? What are the costs that would result “from the application of the customary method of financing and reflecting the qualified extraordinary costs in retail customer rates”?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

*d. Should Liberty’s recovery include more than 95% of fuel and purchased power costs?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

*e. Should Liberty’s recovery reflect an offset based on certain higher than normal customer revenues received by Liberty during Winter Storm Uri?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

*f. Should Liberty’s recovery reflect an offset based on revenues that Liberty’s Riverton 11 unit would have generated during Winter Storm Uri, and if so how much?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

*g. Should Liberty’s recovery reflect a disallowance based on Liberty’s resource planning?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

*h. Should Liberty’s recovery reflect a disallowance for income tax deductions for Winter Storm Uri costs?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

*i. What are the appropriate carrying costs for Winter Storm Uri?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

j. *What is the appropriate discount rate to use to calculate the net present value of Winter Storm Uri costs that would be recovered through customary ratemaking?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

3. *Asbury*

a. *How much of the amounts, if any, that Liberty is seeking to securitize for Asbury would Liberty recover through traditional ratemaking?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

b. *What is the appropriate method of customary ratemaking absent securitization?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

c. *Under RSMo. 393.1700.2(1)(f), what is the “traditional method of financing”? What are the costs that would result “from the application of the traditional method of financing and recovering the undepreciated investment of facilities that may become securitized utility tariff costs from customers.”*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

d. *What is the net book value of the retired Asbury plant?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

e. *Was it reasonable and prudent for Liberty to retire Asbury?*

Yes. Liberty’s decision to retire Asbury was reasonable and prudent, as well as serving the public interest as contemplated by Section 393.1700, RSMo (the “securitization statute”). Importantly, while the “just and reasonable and in the public interest” language of the securitization statute closely resembles the “just and reasonable” language of the Commission’s general ratemaking authority<sup>1</sup>, the Commission has broad discretion under this statute and may exercise these powers separately. In fact, Renew Missouri’s position is that the Legislature passed the securitization provisions in order to confer on the Commission a new and separate authority that can be exercised independently of its other powers.

The reasonableness and prudence of the decision to retire Asbury is not a new issue. Liberty introduced the proposed early retirement of Asbury in 2017, and subsequently found through its 2019 IRP modeling that retiring Asbury early would result in significant customer savings. This

---

<sup>1</sup> Section 393.150.2, RSMo.

was in large part due to the costly environmental upgrades still needed to keep the plant compliant with EPA regulations. But it was also largely attributed to high non-fuel operations and maintenance costs that overwhelmed the plant's energy margins. These issues were coupled with the cost-effectiveness of obtaining wind resources in Asbury's place. Renew Missouri's position is that, regardless of the reasons, these issues were previously resolved by the Commission and should not be re-litigated as to whether they are just, reasonable, and/or in the public interest.

Finally, Liberty's course of action is not an outlier in comparison to national and global trends. Coal is increasingly uncompetitive as compared to more cost-effective renewable resources, especially when community health and environmental benefits are considered. Renew Missouri believes that the replacement of uneconomic coal resources with cleaner and cheaper renewables is not only reasonable and prudent, but also furthers the public interest. This should not be overlooked, as a finding that the issuance of securitized utility tariff bonds and the imposition and collection of a securitized utility tariff charge is in the public interest is baked into the language of the securitization statute. The Commission has found that the public interest is served by the development of economical renewable resources that provide affordable, safe, and reliable service while improving the environment and reducing carbon dioxide emissions. The decision to retire Asbury early and its replacement with wind resources furthers this interest and provides other public benefits such as job creation and revenue from landowner lease agreements. The cost savings delivered to customers through Asbury's retirement, as well as the range of benefits to the public associated with the replacement of coal resources with renewables, demonstrates that this decision was reasonable, prudent, and in the public interest and further justifies using securitization to dispatch with expenses realized from this plant closure.

*f. What is the value of the Asbury environmental regulatory assets?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

*g. What is the value of the Asbury fuel inventories?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

*h. What are the values of the Accumulated Deferred Income Tax (ADIT) and Excess ADIT?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

*i. What is the value of the Asbury AAO regulatory liability?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

*j. What are the likely Asbury decommissioning costs?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

*k. What are the likely Asbury retirement obligations?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

*l. What is the appropriate amount for Cash Working Capital?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

*m. Should Liberty's recovery reflect a disallowance of the remaining cost of the Air Quality Control System (AQCS), and if so how much?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

*n. Should Liberty's recovery reflect a disallowance for income tax deductions for Asbury abandonment?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

*o. Should Liberty's recovery reflect a disallowance for labor at Asbury?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

*p. Should Liberty's recovery include amounts for abandoned environmental capital projects?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

*q. Should Liberty's recovery include basemat coal at Asbury?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

*r. Should Liberty recovery include non-labor Asbury retirement costs?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

*s. What is the amount of depreciation expense?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

*t. What are the appropriate carrying costs for Asbury?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

*u. What is the appropriate rate(s) of return that should be used to calculate the amount of recovery?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

*v. What is the appropriate discount rate to use to calculate the net present value of Asbury costs that would be recovered through traditional ratemaking?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

*4. What are the estimated upfront and ongoing financing costs associated with securitizing qualified extraordinary costs associated with Winter Storm Uri and the energy transition costs associated with Asbury?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

*5. Would issuance of securitized utility tariff bonds and imposition of securitized utility tariff charges provide quantifiable net present value benefits to customers as compared to recovery of the securitized utility tariff costs that would be incurred absent the issuance of bonds?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

*a. What is the appropriate discount rate to use to calculate net present value of securitized utility tariff costs that would be recovered for Winter Storm Uri and Asbury through securitization?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

6. *Regarding any designated staff representatives, who may be advised by a financial advisor or advisors, what provisions or procedures should the Commission order to implement the requirements of Section 393.1700.2(3)(h)?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

7. *What other conditions, if any, are appropriate and not inconsistent with Section 393.1700, RSMo (Supp. 2021), to be included in the financing order?*

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

WHEREFORE, Renew Missouri respectfully submits its Position Statements.

Respectfully,

**/s/ Alissa Greenwald**

Alissa Greenwald, Mo. Bar No. 73727  
P.O. Box 413071  
Kansas City, MO 64141  
T: (913) 302-5567  
alissa@renewmo.org

**/s/ Andrew Linhares**

Andrew Linhares, Mo. Bar No. 63973  
3115 Grand Blvd, Suite 600  
St. Louis, MO 63118  
T: (314) 471-9973  
andrew@renewmo.org

Attorneys for Renew Missouri

**Certificate of Service**

I hereby certify that copies of the foregoing have been emailed to all counsel of record this 6<sup>th</sup> day of June 2022:

**/s/ Alissa Greenwald**