

**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-2022-0057
Company in its Next Triennial Compliance)
Filing or Next Annual Update Report)

LIBERTY’S OBJECTIONS TO SUGGESTED ISSUES

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

1. On August 26, 2021, 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”) triennial compliance filing due April 1, 2022.

2. Pursuant to the *Order*, suggestions regarding SCIs for Liberty to address in its next triennial filing were submitted herein by the Staff of the Commission (“Staff”), the Office of the Public Counsel (“OPC”), and Renew Missouri.

3. Liberty’s specific objections to the issues suggested by Staff, OPC, and Renew Missouri are attached hereto.

4. 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 to Suggested Issues and requests such relief as is just and proper under the circumstances.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that the above document was filed in EFIS on this 1st day of October, 2020, and sent by electronic transmission to all counsel of record.

/s/ Diana C. Carter

Liberty's Objections to Staff's Suggested SCIs

Staff Issue 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.

Objection: This issue is not appropriate for a 20-year integrated resource planning (“IRP”) analysis and should not be an ordered special contemporary issue (“SCI”) for Liberty’s next IRP filing. 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 are to be contained in filings made pursuant to RSMo. §§393.1700-393.1715.

Staff Issue 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 Regarding 2020 Integrated Resource Plan in Case No. EO-2021-0021 for Ameren Missouri.

Objection: This suggestion from Staff references a Commission Order regarding the 2020 Ameren Missouri (“Ameren”) IRP. In that case, Ameren was required to perform an analysis *following the review of its triennial IRP filing*. Liberty’s fundamental objection to this suggested SCI is that it is being proposed for Liberty as an SCI, prior to the filing of the triennial IRP when none of its 2022 IRP resource plans have even been put forth. This suggested SCI presupposes that there is a concern or alleged deficiency in a forward looking study before one even exists.

Additionally, 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 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.

With the direction that already exists within the Commission’s IRP rules and the fact that the Company has not yet filed its 2022 triennial IRP, the Company objects to this type of SCI.

Staff Issue 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 issue seems to be requesting operational and emergency plans. The IRP is a 20-year resource planning study guided by a set of comprehensive rules. The IRP is not the appropriate venue for publishing and discussing emergency plans.

Liberty’s Objections to OPC’s Suggested SCIs

OPC Issue 1: Generation added due to projected favorable “Economics”

Suggestion 1: In its upcoming annual update, Empire should, using actual information from the past five years as a basis for estimates of market prices in the resource planning period, provide a detailed analysis comparing future ratepayer risks and shareholder risks for the generation resources it has acquired, which were not required to meet federal, state, or Southwest Power Pool requirements, but were acquired based on projections that they would provide positive revenue streams for Empire’s customers. The analysis should show, for each resource, the estimated annual costs and revenues estimated so the Commission and ratepayers will understand when Empire estimates these PPAs will start providing benefits to its customers.

Objection: Liberty will develop market prices for the future 20-years of the IRP planning horizon that are consistent with the other IRP assumptions. Using actual data from the past five years as an estimate for market prices is counterintuitive to an IRP study and certainly not best practices. Additionally, the OPC suggestion does not specify how to use the past five years of market prices. Moreover, developing and utilizing other sets of hourly market prices for twenty years would be unduly burdensome and require resources that could detract from the focus of the primary IRP study.

The Company’s triennial IRP will cover the period 2022-2041. The IRP is a forward looking analysis, not a backward looking analysis. Therefore, the Company objects to this OPC suggestion.

Suggestion 2: In its upcoming triennial filing, Empire should provide the detailed analysis required of Ameren Missouri by Commission order in EO-2021-0021, comparing ratepayer risks and shareholder risks for additional generation resources, which are not required to meet federal, state, or Southwest Power Pool requirements.

Objection: This OPC issue is essentially the same as Staff’s proposed SCI B. Please refer to the objection to that proposed SCI.

OPC Issue 2: Additive Manufacturing (“AM” or “3D Printing”)

Suggestion: Empire should explore this technology within its Distribution, Transmission and Supply Side Generation Chapters as an approved Special Contemporary Topic for its IRP modeling.

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 suggest 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.

Liberty's Objections to Renew Missouri's Suggested SCIs

Renew Missouri Issue 1. Analyze and document the current Effective Load Carrying Capacity ratings when evaluating forecasts for utility-scale solar facilities.

Objection/Clarification: The Company does not object to using Effective Load Carrying Capacity (ELCC) ratings for renewable resources in the IRP. The Company's objection is that this should not be considered an SCI and should not be ordered as such, since it will be completed in the normal course of the IRP, subject to the limitation noted below. The IRP requires load and capability tables, and the ELCC method is planned to be the way renewable resources are rated in the Southwest Power Pool (SPP) beginning in the summer of 2023.

It should be noted that Renew Missouri's specific proposal is to "analyze and document the current Effective Load Carrying Capacity ratings..." At this time, there are no *current* ELCC ratings in SPP. If this suggested SCI is ordered by the Commission, the Company will need to use estimated ELCC ratings for renewable resources based on preliminary estimates that SPP has provided for informational purposes.

Renew Missouri Issue 3. Analyze and document the reliability benefits associated with additional transmission investments identified.

Objection/Clarification: This high-level suggestion seems to be incorporated into the basic requirements of section 045 Transmission and Distribution Analysis in the Missouri IRP rule. Therefore, it does not seem to rise to the level of an SCI.

Renew Missouri Issue 4. Analyze and document the projected interconnection costs when evaluating additional supply side options.

Objection/Clarification: The Company does not object to analyzing and documenting projected interconnection costs when evaluating supply-side options. The Company's objection is that this issue should not be considered an SCI, since it will be performed in the normal course of the IRP study.