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- Importance of

Renewables

Witness: Robert B. Dixon
Type of Exhibit: Surrebuttal Testimony
Sponsoring Party: Union Electric Company

File No.: EA-2022-0245

Date Testimony Prepared: January 18, 2023

## MISSOURI PUBLIC SERVICE COMMISSION FILE NO. EA-2022-0245

**SURREBUTTAL TESTIMONY** 

**OF** 

**ROBERT B. DIXON** 

ON

**BEHALF OF** 

UNION ELECTRIC COMPANY

d/b/a Ameren Missouri

St. Louis, Missouri January 18, 2023

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#### SURREBUTTAL TESTIMONY

#### **OF**

#### **ROBERT B. DIXON**

#### **FILE NO. EA-2022-0245**

1	Q.	Please state your name and business address.				
2	A.	Robert B. Dixon, Union Electric Company d/b/a Ameren Missouri ("Ameren				
3	Missouri" or	"Company"), One Ameren Plaza, 1901 Chouteau Avenue, St. Louis, Missouri 63103.				
4	Q.	Did you file Direct Testimony in this proceeding?				
5	A.	No, I did not.				
6	Q.	By whom are you employed and what is your position?				
7	A.	I am employed by Ameren Missouri as Senior Director, Economic, Community and				
8	Business Development.					
9	Q.	Please describe your educational background and employment experience.				
10	A.	For approximately the last 15 years, my career has focused on driving economic				
11	growth in Mi	ssouri by advancing efforts in economic, community, workforce, and infrastructure				
12	development.	In October 2021, I became Ameren Missouri's Director of Economic and				
13	Community Development, leading our coworkers and strategy in these areas to serve our					
14	customers and communities. In December 2022, the Company expanded my responsibilities to					
15	include our business development team. In my current role, I lead Ameren Missouri's economic					
16	community, and business development efforts.					
17	Prior	to joining Ameren Missouri, I served as the Director of the Missouri Department of				
18	Economic Development ("DED") from July 2017 until October 2021. As a Senate-confirmed					
19	member of th	ne Governor's cabinet, I was responsible for leading the state agency that oversaw				

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1 economic and community development, portions of the state's workforce development, and 2

tourism, among other areas. During the Covid-19 pandemic, I helped lead the state's economic

recovery efforts and other initiatives.

During my time as DED director, I led one of the largest reorganizations in Missouri state government history to bring renewed focus on Missouri's economic development efforts. During this period, DED helped bring approximately 3,000 economic, community, and workforce development projects to fruition, securing approximately \$5 billion in major investments and the creation or retention of more than 26,000 jobs in Missouri. Three of the most prominent projects that were initiated and announced during my tenure include the General Motors plant expansion in Wentzville, the Nucor Steel mill in Sedalia, and the U. S. Department of Agriculture agency relocations to Kansas City.

Prior to joining the DED, I served as the President and CEO of the Missouri Community College Association, a professional association of Missouri's 12 community colleges and in various leadership roles at the Springfield and Hollister, Missouri chambers of commerce. I am a U.S. Marine Corps veteran, who served in Afghanistan immediately after the 9/11 terrorist attacks. I was honorably discharged as a Sergeant after five years of service in 2003. I earned a Bachelor of Arts in political science from the University of Missouri – St. Louis and a master's degree in public administration from Missouri State University.

#### Q. What are your responsibilities in your current position?

A. In my current position, my primary duties and responsibilities include leadership and execution of strategy in Ameren Missouri's economic, community, and business development efforts. In economic development, Ameren Missouri assists existing customers and prospective new customers that are considering new or expanded operations in our service territory. We work

1 alongside state, regional, and local economic development officials to compete with other 2 locations around the country for new jobs and capital investment in the communities we serve. Our community development team serves as the primary point of contact for county and municipal 3 4 governments to assist them with a variety of issues. Our business development teams focus on 5 customer engagement and electrification strategies. 6 **PURPOSE OF TESTIMONY** I. 7 Q. What is the purpose of your Surrebuttal Testimony in this proceeding? 8 My surrebuttal testimony explains the critical connection between Missouri's A. 9 economic development and the need to approve Ameren Missouri's Renewable Solutions Program. 10 It also further supports why the Boomtown Project is needed and is in the public interest. My 11 testimony will demonstrate the following: 12 1. That demand for clean, reliable, and affordable energy is an increasingly important 13 factor in determining where businesses locate new jobs and investment, 14 2. That Missouri is already competing for new jobs and investment from businesses 15 that have a large energy demand and a need for renewable energy sources, 3. That Missouri is competing for jobs and investment against other states that are 16 17 currently implementing renewable energy generation programs to attract economic 18 development, and 19 4. That customer preferences and their corporate sustainability goals are important signals from Missouri's large employers about their energy needs that should not 20 21 be dismissed. 22 Do you have any schedules supporting your Surrebuttal Testimony? Q. 23 A. No.

#### II. ECONOMIC DEVELOPMENT GENERALLY

#### Q. Please generally describe economic development.

A. Economic development refers to the discipline of growing the overall economy in a particular geographic area by generating net new jobs and capital investment. In modern practice, economic development is a global competition. Communities in Missouri are competing with others around the country and around the world to bring the benefits of a thriving, growing economy here rather than somewhere else. New jobs created, existing jobs retained, new payroll, and new capital investment are the traditional metrics of success. For energy service companies like Ameren Missouri, load growth, better utilization of infrastructure, and customer affordability are also important metrics of our economic development efforts.

The core strategies in economic development include expansion and retention of existing businesses, attracting new businesses, and entrepreneurship. The expansion and retention of existing businesses is often credited as being the most effective method to grow and keep the jobs and investment that already exist in a community or a state. Business attraction includes efforts to bring new firms that do not yet exist in a particular area. Entrepreneurship include strategies to help start and support new or fledgling businesses.

Much of the work of economic development includes preparing a community or a state for the limited opportunities to attract a new business or to win a significant expansion from an existing business. Thus, for example, economic developers focus on efforts to ensure there is an available and skilled workforce and that the area's physical infrastructure can meet the needs of new industry. Similarly, policymakers focus on improvements to public policy and laws that affect business and development issues.

Economic development is an inherently competitive activity. As business needs are constantly evolving, states and communities must constantly evolve their own economic development strategies. Failing to do so only ensures that other locations will benefit from the job creation, capital investment, and economic growth that could have happened here.

#### Q. Why is economic development important?

A. In economic development, we often refer to the concept of a "multiplier effect." That is, when a business locates a new operation or expands an existing facility in a community, it brings substantial benefits that ripple through the economy. These benefits improve the quality of life for individual Missourians, and they provide additional resources to our communities, regardless of whether it happens in rural, suburban, or urban areas.

New jobs bring opportunities for employees to increase their personal earnings potential and to better provide for their families. Those newly employed will be better able to purchase homes, vehicles, and engage in recreational activities, for example. By nature, these purchases create additional jobs and investment by the firms that provide the goods and services. Additionally, these activities generate additional tax revenue for public agencies without the need to levy additional taxes on businesses and individuals. Again, as economic development is inherently competitive with other locations, it is important to bring these benefits to our own state or community, rather than somewhere else.

While there may be differing opinions on how to achieve economic development, public officials generally agree that it is certainly an important pursuit. In recent years, Missouri made strides in changing public policy to help bring greater benefits of economic development to our state. Improvements to workforce development, education, and infrastructure polices along with increased funding for these areas have received broad and bi-partisan support because they drive

economic development. Changes to energy-related economic development policy received this same broad support. The Missouri General Assembly approved Senate Bill 564 in 2018, which created Ameren Missouri's Economic Development Incentive ("EDI") Rider, and last year they expanded and improved it in Senate Bill 745. These legislative enactments reflect the General Assembly's recognition that electric utilities and the Commission should play a role in attracting new or expanded business in the state. Supporting the development of renewable generation in the state is one important way that the Commission can play that role.

Economic development is a high priority for Ameren Missouri. Our teams work alongside state, regional, and local economic development professionals on nearly every significant job creation and investment opportunity in our service territory. As a company, we know these economic development opportunities are important to our state and community partners because they bring important benefits to Missouri citizens, to the state of Missouri, and to its communities. There are also significant benefits to Ameren Missouri's customers because of increased economic development.

## Q. You describe benefits to the state of Missouri, but what are the benefits of economic development to other Ameren Missouri customers?

A. Economic development is an important customer affordability strategy, and it is included in Ameren Missouri's annual business plan. By attracting new customers and helping our existing customers grow their operations here, we can expand our customer base and better utilize our infrastructure, including by spreading our fixed costs over the additional electricity sales economic development creates. This ultimately keeps rates lower than they otherwise would be for all customers.

#### III. DEMAND FOR CLEAN, RELIABLE, AND AFFORDABLE ENERGY IS AN

#### INCREASINGLY IMPORTANT FACTOR IN DETERMINING WHERE

#### BUSINESSES LOCATE NEW JOBS AND INVESTMENT

- Q. In working with large, non-residential customers who are evaluating whether they want to locate in or expand their operations in Ameren Missouri's service territory, what factors do those customers focus on?
- A. When considering where to locate a new facility, businesses will often conduct a formal site selection process to evaluate and compare different geographic areas to identify the best location for their operation. Generally, that process begins with extensive research by the business and/or its professional external site selection consultants to determine a broad region in which to begin their search. This may include several states (e.g., Missouri, Kansas, Arkansas, or Illinois), a region (e.g., the Midwest or the Southeast U.S.), or even national or international areas (e.g., the entire U.S. or North America). Having established their initial search parameters, they will then contact state and/or local economic development agencies to solicit information about the communities or specific sites within them.

As they conduct this site selection process, businesses are evaluating each location on a variety of factors, primarily related to issues involving a location's workforce, infrastructure, real estate, overall business climate, impact on business operations, and incentives – and increasingly, as I will discuss shortly, related to access to renewable energy. In economic development, a state or a region's goal is to avoid being eliminated from a selection process by demonstrating that it is the best overall location for a particular business to meet its business objectives and succeed compared to the other possible locations it could have chosen. The states and regions that are successful in attracting new jobs and investment are those that continue to enhance their

competitiveness across a range of factors that impact site selection and business growth year after year.

The stakes are high for Missouri's citizens and communities, and we must continue to enhance our competitiveness as an attractive location for new jobs and investment. Missouri's competitor locations around the country continue to adapt and evolve their economic development offerings to keep up with the evolving business priorities in the economy. Missouri cannot afford to fall behind by disregarding the factors that drive job growth and investment. This is especially true of emerging factors like access to renewable energy that are increasingly top of mind for customers, and which may be differentiators between states and service territories in how quickly they make the progress needed to meet customers' expectations.

These site selection factors are summarized by *Area Development Magazine*, a prominent economic development trade publication that annually surveys both corporate decision makers and site selection consultants on site selection criteria. Generally published in the first quarter of each year, the Annual Corporate Survey<sup>1</sup> is now in its 36<sup>th</sup> year, and the Annual Consultants Survey<sup>2</sup> is now in its 18<sup>th</sup> edition. The next edition is expected in the first quarter of 2023.

Not surprisingly, issues related to energy and access to renewables are prominent in *Area Development's* examination of site selection decision-making factors because they are important business priorities. "Energy availability and costs" was ranked as the third-most important factor influencing site selection decisions for the last two-years in the Corporate Survey. Site selection consultants ranked "Energy availability and costs" as the 7<sup>th</sup> most important factor in 2021 and 4<sup>th</sup> in 2020. As I will discuss later, the category of "energy availability" reflected in the survey is

 $<sup>{}^{1}\,\</sup>underline{https://www.areadevelopment.com/Corporate-Consultants-Survey-Results/q1-2022/36th-annual-corporate-survey.shtml}$ 

<sup>&</sup>lt;sup>2</sup> https://www.areadevelopment.com/Corporate-Consultants-Survey-Results/q1-2022/18th-annual-consultants-survey.shtml

- starting to become closely associated with "clean energy availability" for many of the largest
- 2 employers and energy consumers. These surveys' top ten factors for the last two years are
- 3 summarized in Table 1 and Table 2.

Table 1: Area Development Magazine Annual Corporate Survey				
Published Q1 2022				
	2021 Rankings	2020 Rankings		
1	Labor costs	1	Availability of skilled labor	
2	Availability of skilled labor	2	Highway accessibility	
3	Energy availability and costs	3	Energy availability and costs	
4	Inbound/outbound shipping costs	4	Quality of life	
5	Highway accessibility	5	Labor costs	
6	Raw material availability	6	Occupancy/construction costs	
7	Corporate tax rate	7	Corporate tax rate	
8	State and local incentives	8	Tax exemptions	
9	Environmental regulations	9	State and local incentives	
10	Tax exemptions	10	Inbound/outbound shipping costs	

Source: 36th Annual Corporate Survey, Area Development Magazine

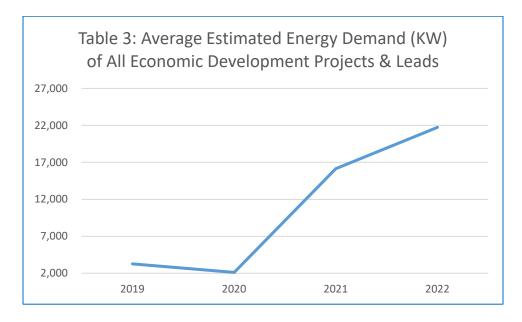
Table 2: Area Development Magazine Annual Consultants Survey				
Published Q1 2022				
	2021 Rankings		2020 Rankings	
1	Proximity to major markets	1	Labor costs	
2	Availability of skilled labor	2T	Availability of skilled labor	
3	Highway accessibility	2T	Highway accessibility	
4T	State and local incentives	4	Energy availability and costs	
4T	Proximity to suppliers	5	State and local incentives	
4T	Available land	6	Tax exemptions	
7	Energy availability and costs	7	Proximity to suppliers	
8	Expedited or "fast track" permitting	8	Proximity to major markets	
9	Occupancy/construction costs	9	Available land	
10T	Tax exemptions	10	Available buildings	
10T	Available buildings			
10T	Inbound/outbound shipping costs			

Source: 18th Annual Consultants Survey, Area Development Magazine

The national trends highlighted by *Area Development Magazine* also reflect the experiences of Missouri-based economic development professionals. Because energy is such a critical factor in driving site selection decisions, Ameren Missouri is involved in nearly every significant economic development project within its service territory. The important role that energy plays in economic development has only grown in recent years as these projects are increasingly seeking supply for a large energy demand.

For example, Table 3 shows the significant increase in energy demand by businesses that have engaged economic development assistance to evaluate a new location or to consider

- 1 expanding their existing operations within Ameren Missouri's service territory. The increased
- 2 energy demand is largely being driven by changes in the electric vehicle, battery, renewable energy
- 3 industries, etc., which are actively considering locations around the world, and they require
- 4 significant amounts of energy to power their operations.



Source: Ameren Missouri Economic & Community Development Department

Ameren Missouri has also seen a significant increase in the estimated energy demand by the very largest businesses considering new or expanded operations in its service territory as well. Table 4 shows the increasing energy demand of the largest two economic development projects or leads in each year. This table is a subset of those discussed above in Table 3, and it demonstrates that the largest projects are getting significantly larger in terms of their estimated energy demand.<sup>3</sup>

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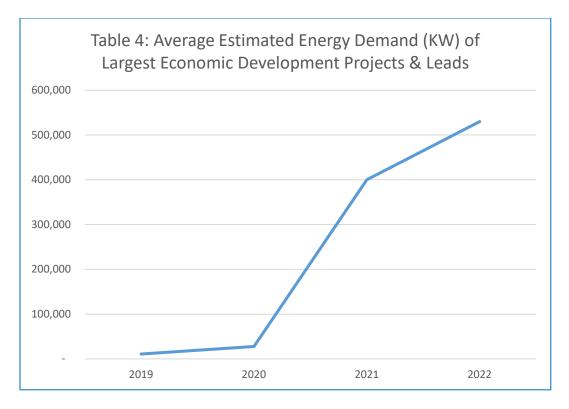
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<sup>&</sup>lt;sup>3</sup> Tables 3 and 4 represent projects and leads in Ameren Missouri's economic development project pipeline that were opened during the year indicated. Their energy demand, if known, was estimated at the time their project was opened or the lead was received. Some of these projects and leads ultimately selected locations within the Ameren Missouri service territory; some are still active and have not finalized location decisions; some have decided to locate elsewhere; and some projects did not materialize anywhere or have changed their plans.



Source: Ameren Missouri Economic & Community Development Department

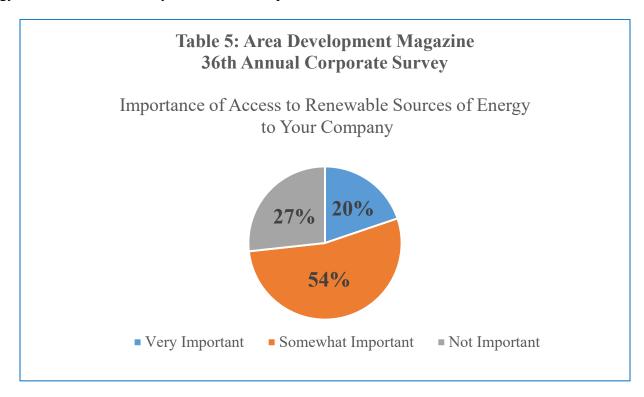
To be clear, Tables 3 and 4 represent the active project "pipeline," not a list of the projects that committed to Missouri. It is important to note that just because Missouri is receiving interest from these projects and leads, it does not mean that they have or will ultimately select our state as their final location. In fact, most do not. As is highlighted throughout this testimony, Missouri has strong competition for attracting new jobs and investment. We need every edge we can get.

## Q. In your experience with attracting large customers to Missouri and Ameren Missouri's service territory, how important is renewable generation?

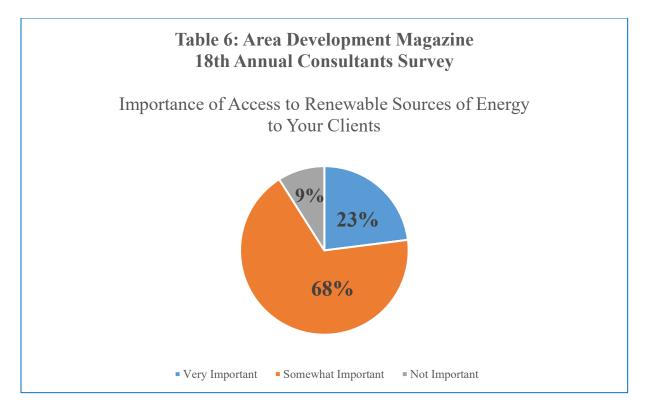
A. Access to renewable energy generation is increasingly vital to a region's competitiveness in economic development. Renewable energy is becoming deeply intertwined with economic development. There is clear data to illustrate this trend across the country. In the same surveys noted above, *Area Development* asked follow-on questions specifically related to access to renewable energy sources. Approximately 74% of the corporate respondents indicated

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- 1 that access to renewable energy sources was either very or somewhat important to their company.
- 2 Approximately 91% of the site selection consultant respondents indicated that access to renewable
- 3 energy sources was either very or somewhat important in their clients' location decisions.



Source: 36th Annual Corporate Survey, Area Development Magazine. Total may not equal 100% due to rounding.



Source: 18th Annual Consultants Survey, Area Development Magazine. Total may not equal 100% due to rounding.

## IV. MISSOURI IS ALREADY COMPETING FOR NEW JOBS AND INVESTMENT FROM BUSINESSES THAT HAVE A LARGE ENERGY DEMAND AND A

#### NEED FOR RENEWABLE ENERGY SOURCES

- Q. Have you observed large customers who were evaluating where to expand or locate in Missouri, prioritized renewable generation options, and chose another state and investor-owned utility's service territory?
- A. Yes. The preferences noted in the surveys above are not simply opinion polls. Real business investment decisions are being made accordingly, and states that can provide access to renewables are succeeding in some of the largest economic development opportunities in the country. Our economic development team regularly hears this firsthand from customers. As an example of a large economic development opportunity that prioritized renewables, in 2021, Ford Motor Company and the states of Tennessee and Kentucky announced the creation of Blue Oval

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1 City and Blue Oval SK Battery Park, a massive electric vehicle and battery production operation,

2 bringing \$11.4 billion of capital investment and nearly 11,000 jobs to the local communities. As

part of their plant design, Ford aspires to carbon neutrality in the production of these vehicles,

including "the potential to use local renewable energy sources." \*\*

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Beyond Blue Oval City, Ford has a corporate goal to "use 100 percent carbon-free electricity in all manufacturing by 2035." To accomplish this, DTE Energy announced it will add "650 megawatts of solar energy, increasing the total amount of installed solar in Michigan by 70%, making this the largest renewable energy purchase ever made in the U.S. from a utility." DTE is primarily accomplishing this through their subscriber renewables program, called MIGreenPower. Michigan's governor noted that this partnership is "the reason Michigan had the best job growth for energy-sector jobs in the country last year, which will help to advance our state's decarbonization goals, create good-paying jobs and strengthen our economy." What Ameren Missouri is proposing to do with Renewable Solutions Program is similar to what DTE Energy has done in Michigan.

Similarly, in November 2022, the state of Kansas joined Panasonic Energy to break ground on a \$4 billion electric vehicle production facility in De Soto, adding 4,000 new manufacturing jobs. The Kansas Department of Commerce positions their state to attract economic growth by actively promoting that wind is their state's top source of electricity generation. As can be seen in Panasonic Energy's statements, they took note of this when deciding where to invest. The public

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<sup>&</sup>lt;sup>4</sup> https://corporate.ford.com/articles/electrification/blue-oval-city.html

<sup>&</sup>lt;sup>5</sup> https://corporate.ford.com/operations/blue-oval-city/sustainability.html

<sup>&</sup>lt;sup>6</sup> https://corporate.ford.com/articles/sustainability/carbon-free-electricity.html

<sup>&</sup>lt;sup>7</sup> https://solutions.dteenergy.com/dte/en/Products/DTE-CleanVision-MIGreenPower/p/MIGPGREEN

<sup>&</sup>lt;sup>8</sup> https://www.kansascommerce.gov/2022/11/governor-laura-kelly-joins-panasonic-energy-to-break-ground-on-4b-4000-job-electric-vehicle-battery-plant/

<sup>&</sup>lt;sup>9</sup> https://www.kansascommerce.gov/industry/energy-natural-resources/

1	press release explained: "Panasonic Energy plans to expand its production of EV batteries, as the
2	automotive industry shifts to more sustainable electric technologies[T]he planned facility in
3	Kansas supports the company's commitment to contribute to society by reducing global carbon
4	emissions We appreciate Kansas' dedication to sustainability and its commitment to and growth
5	in the clean and renewable energy space. 10 **
6	**
7	Combined, Ford and Panasonic located \$15 billion and 15,000 new jobs in our neighboring
8	states, but there are other large-scale projects under consideration. **
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12	** Based on the
13	current trend, the demand for renewable energy generation is only increasing and becoming an
14	even more important factor in determining whether Missouri is selected for similar economic
15	development opportunities.
16	Q. Have you observed other states and/or utilities who have been successful in
17	attracting large customers, and if so, how are they incorporating renewable energy
18	generation into their economic development strategies?
19	A. Yes. While utilities are not often considered to be in a competitive business because
20	customers generally have no choice on who provides their energy at a particular location, the
21	economic development aspect of energy generation is very much competitive because customers

can choose among many possible locations around the world. Thus, economic development and

<sup>&</sup>lt;sup>10</sup> https://news.panasonic.com/global/press/data/2022/07/en220714-3/en220714-3-1.pdf

1 energy policy are important not just for their impact within our state or our service territory, but

2 also based on how they position our communities relative to others around the country. Currently,

some of the top states in economic development are using energy policy to position their

communities in the most favorable way to attract new jobs and investment.

Missouri often competes with states in the U.S. Southeast for the largest economic development opportunities in the nation. The Southeast has historically been at the forefront of economic development by constantly creating and updating their policies and programs to keep their region at the top of the site selection lists as the needs in the economy change over time. Their consistent innovation in economic development ranges from workforce training to business climate issues to renewable energy generation, among other factors. As a result, many states in the Southeast U.S. rank among the most attractive for economic development.

The following are several examples of how Missouri's economic development competitors are innovating or proposing to innovate on renewable generation programs, in addition to the Ford Motor Company and Panasonic Energy projects described above. To be clear, these examples are included here not necessarily as an endorsement of the specific type of program they are considering, but rather to demonstrate that many other states and/or utilities are actively pursuing and utilizing renewable energy generation programs to advance the public interest through economic development. Missouri risks being left behind without similar innovation in our state.

**Entergy, Mississippi.** In November 2021, Entergy Mississippi announced the planned expansion of 1,000 MW of solar and other renewable energy generation to create a new program called EDGE or "Economic Development with Green Energy." Their press release touted: "One of the biggest advantages a state can have in attracting jobs and economic development today is a significant amount of renewable power. In fact, states that cannot provide ample renewable energy

are typically eliminated from site searches by companies looking to locate or expand. To meet that 1 2 demand and increase Mississippi's competitiveness, Entergy Mississippi is making its largest-ever 3 commitment to renewable resources. The company plans to replace some aging natural gas plants with 1,000 megawatts of renewable energy, such as solar, over the next five years." <sup>11</sup> Brandon 4 5 Presley, northern district commissioner on the Mississippi Public Service Commission, was quoted 6 as follows: "... economic development across the nation is moving faster by the day toward states 7 that harness and develop clean, renewable energy," and "... we can't expect to compete in the 8 modern economy without a strategy for providing the business community with clean, renewable power." <sup>12</sup> In May 2022, Entergy completed a 100 MW solar power station, <sup>13</sup> and Entergy shows 9 a list of renewable generation projects "in development" as of November 2022 on its website. 14 10 11 **Duke Energy, South Carolina.** In October 2022, Duke Energy Carolinas, LLC and Duke 12 Energy Progress, LLC filed plans with the Public Service Commission of South Carolina to create 13 new customer renewable programs with the goal of helping customers achieve 100 percent renewable energy. 15 The public press release stated: "A majority of South Carolina's leading 14 15 employers have explicit decarbonization goals, and the carbon intensity of electricity suppliers is top-of-mind for economic development prospects too,' said Mike Callahan, Duke Energy's South 16 Carolina state president. 'Recruiting the next big employer to South Carolina may hinge on helping 17 18 achieve their corporate sustainability goals. We believe these programs and the stakeholder

 $<sup>{}^{11}\,\</sup>underline{\text{https://www.entergynewsroom.com/news/entergy-mississippi-announces-largest-expansion-renewable-power-instate-history/}$ 

<sup>12</sup> https://www.utilitydive.com/news/entergy-mississippi-readies-big-push-into-renewable-power-with-plans-to-add/609868/

<sup>13</sup> https://www.entergynewsroom.com/news/entergy-mississippi-bring-sunflower-solar-station-online/

<sup>&</sup>lt;sup>14</sup> See list at: https://www.entergy.com/renewable-energy.%20

<sup>&</sup>lt;sup>15</sup> As of January 11, 2023, a procedural schedule had not been set yet for the Application by the Public Service Commission of South Carolina, Docket, Number 2022-326-E.

feedback that helped create them will be critical in attracting and retaining companies in the 21st century."<sup>16</sup>

Tennessee Valley Authority ("TVA"), Tennessee. In July 2022, TVA issued a request for proposals to generate 5,000 megawatts of carbon-free energy. In their announcement, they not only cited the environmental benefits of this move, but they also specifically noted the critical connection to economic development. TVA's press release explained: "TVA is pursuing a clean energy future that stimulates economic growth and positions the region as a national leader in decarbonization technologies – battery storage, electric vehicles and new nuclear. TVA is creating a carbon-free future with a holistic approach, ensuring no one is left behind in the clean energy economy." Proposals were due in December 2022 with energy generation to begin in June 2026.

**Dominion Energy, Virginia.** In October 2022, Dominion Energy filed plans with the State Corporation Commission of Virginia to provide 800 MW of solar and energy storage projects. From their release, "'These projects are another big step in delivering clean, affordable and reliable energy to our customers,' said Ed Baine, President of Dominion Energy Virginia. 'The clean energy transition is bringing jobs and economic opportunity to communities across Virginia, and it's reducing fuel costs for our customers. That's a win-win for our customers and the communities we serve.' Construction of the projects is projected to support nearly 4,800 clean energy jobs and will generate more than \$920 million in economic benefits across Virginia."

 $<sup>^{16}</sup>$  https://news.duke-energy.com/releases/duke-energy-proposes-new-programs-to-help-grow-south-carolina-economy-by-helping-customers-use-100-renewable-energy

<sup>&</sup>lt;sup>17</sup> https://www.tva.com/newsroom/press-releases/tva-issues-one-of-the-nation-s-largest-requests-for-carbon-free-energy

<sup>18</sup> https://www.tva.com/Information/Doing-Business-with-TVA

<sup>&</sup>lt;sup>19</sup> https://news.dominionenergy.com/2022-10-17-Dominion-Energy-Proposes-New-Solar-and-Energy-Storage-Projects-for-Virginia-Customers

Missouri's competitor states are not resting on their laurels when it comes to renewable programs and economic development. Because economic development is a competitive business and because the energy demand across the economy is rapidly changing, Missouri cannot afford to maintain the status quo or to delay the needed Renewable Solutions Program. The above examples show that even in just the last few months, other states are proceeding with renewable energy generation plans. Missouri will compete head-to-head against those states for new and expanding businesses, and they are advancing their plans to meet this growing customer demand. Missouri will be left behind if we do not continue to innovate as well.

# V. CUSTOMER PREFERENCES AND THEIR CORPORATE SUSTAINABILITY GOALS ARE IMPORTANT SIGNALS FROM MISSOURI'S LARGE EMPLOYERS ABOUT THEIR ENERGY NEEDS, AND SHOULD NOT BE

Q. In Staff witnesses J Luebbert's and Cedric Cunigan's Rebuttal Testimonies, Staff dismisses the desires of large, non-residential customers for renewable generation sources.<sup>20</sup> Do you take issue with such dismissal?

**DISREGARDED** 

A. Yes, it is short-sighted to dismiss the desire for renewable generation sources and, as Ameren Missouri witness Steven Wills explains in his Surrebuttal Testimony, Staff's view of need and public interest is far too narrow. Anyone that is concerned about the future of Missouri's economy should consider our renewable energy generation policies and the implications of these corporate priorities as a signal of future investment decisions. Based on my observations in economic development, these corporate priorities are not paper exercises by a generic list of "corporations." Instead, these are some of the leading employers in Missouri and around the

<sup>&</sup>lt;sup>20</sup> J Luebbert Rebuttal Testimony, at p. 19; Cedric E. Cunigan, P.E. Rebuttal Testimony, at p. 5, ll. 15-21

1 country who are competing on a global stage in their own right, and they are expressly

2 communicating their energy preferences that they believe will help them succeed. Business and

industry are clearly transitioning their energy profiles. In doing so, they will evaluate locations

based on their ability to help meet their own goals.

Energy customers are expressing their changing preferences, and they should not be dismissed. A December 2022 study conducted by The Edison Foundation's Institute for Electric Innovation found that there is increasing interest from customers to expand the pursuit of their sustainability goals to further reduce carbon across the energy grid by shifting from the use of purchase power agreements and renewable energy credits to seek "24/7 carbon free energy solutions." An additional example, in Iowa, SSAB Americas, a Sweden-based steel producer, touted a "fossil-free" initiative that will allow the mill to use 100 percent renewable energy generated by MidAmerican Energy in its manufacturing processes by 2026. The examples cited above in the previous section show how many of Missouri's competitor states are responding to – not dismissing – these customer preferences.

Dismissing the preferences expressed by our customers sets Missouri on a risky trajectory away from economic growth. We should make efforts to improve on our trajectory, like approving the proposed Renewable Solutions Program, not raise additional barriers to growth. Decisions that are made today will reverberate for decades to come. A long-term view of the public interest suggests that we must prepare our state and its communities to succeed by listening to our customers and improving our competitiveness on the factors that we know will attract jobs and investment.

<sup>&</sup>lt;sup>21</sup> <a href="https://www.edisonfoundation.net/-/media/Files/IEI/publications/IEI\_Designing-100-Carbon-Free-Energy-Solutions">https://www.edisonfoundation.net/-/media/Files/IEI/publications/IEI\_Designing-100-Carbon-Free-Energy-Solutions</a> December-2022.pdf

Solutions December-2022.pdf

22 https://www.desmoinesregister.com/story/money/business/2019/12/18/ssab-says-can-make-fossil-free-steel-iowa-2026/2685077001/

Q.	From your economic development perspective, what is the significance of
Ameren Mi	ssouri having large, non-residential customers who have executed binding 15-
year agreen	nents for the Renewable Solutions Program?

A. Providing a renewable energy generation program to so many prominent businesses in our state is critically important to the vitality of our economy, and the proposed Renewable Solutions Program should be approved. As has been noted above, businesses are constantly comparing locations against each other. This applies not only to new business attraction opportunities, but also to the existing businesses within our state. Often, existing business expansions are competitive with other locations where the business operates. From an economic development perspective, protecting existing jobs and attracting future investment from those existing businesses is even more important that attracting new ones.

With the commitment shown by our existing large customers who have executed agreements for our Renewable Solutions Program, Missouri and our communities can demonstrate to these customers that we are aligned with their priorities. Thus, the Renewable Subscription Program is an "open for business" sign that helps makes Missouri an attractive location for our existing customers to grow here.

#### VI. CONCLUSION

## Q. How do you recommend the Commission regard the desires of large customers for renewable generation and the Renewable Solutions Program?

A. The Commission should approve Ameren Missouri's proposed Program and should recognize the economic development benefits that the Program and the Boomtown Solar Project will provide. Missouri's economy, which certainly includes the energy sector, does not operate in a vacuum nor does it stay neatly tucked within the borders of our state. Rather, our state, from our

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1 smallest communities to our largest metro areas, is competing on a global stage for jobs and

investment. Today's economy and its energy needs are vastly different from that of over 100 years

ago when our company was first formed, and vastly different from even just a decade ago. Our

economic development efforts must keep pace with what the economy is demanding because there

are real consequences for individual Missourians.

Clearly, our large customers and other businesses around the country desire renewable energy generation programs. These customers are some of the largest employers in our state. They provide jobs for literally hundreds of thousands of Missourians, they bring capital investment to communities, and they allow utilities to more efficiently use their infrastructure and cover their large, fixed costs benefitting other Ameren Missouri's customers and people across the state.

Many of these customers have established corporate goals to pursue clean energy and other sustainability initiatives. We know that access to clean, reliable, and affordable energy is a driving factor in where they will make future investments of capital and create jobs. Approving Ameren Missouri's requests in this case helps to bring those jobs and investment to our communities here in Missouri.

- Q. Does this conclude your Surrebuttal Testimony?
- 17 A. Yes, it does.

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

In the Matter of the Applicat Company d/b/a Ameren Mis of a Subscription-Based Ren	souri for Approval	) )	File No.: EA-2022-0245
	AFFIDAVIT OF ROBER	T B. D	IXON
STATE OF MISSOURI	)		
CITY OF ST. LOUIS	) ss )		
Robert B. Dixon being first of	duly sworn on his oath, stat	es:	
My name is Robert B	. Dixon and hereby declare	on oath	that I am of sound mind and lawful
age; that I have prepared the	e foregoing Surrebuttal Tes	timony	; and further, under the penalty of
perjury, that the same is true	and correct to the best of n	ıy knov	vledge and belief.
	· · · · · · · · · · · · · · · · · · ·	<i>Robert</i> . bert B. ]	<u>B. Dixon</u> Dixon

Sworn to me this 18th day of January, 2023.