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Witness: Michael L. Stahlman
Sponsoring Party: MoPSC Staff
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MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

TARIFF/RATE DESIGN DEPARTMENT

SURREBUTTAL TESTIMONY

OF

MICHAEL L. STAHLMAN

**UNION ELECTRIC COMPANY,
d/b/a Ameren Missouri**

CASE NO. EA-2022-0245

*Jefferson City, Missouri
January 2023*

1 **SURREBUTTAL TESTIMONY**

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4 **UNION ELECTRIC COMPANY,**
5 **d/b/a Ameren Missouri**

6 **CASE NO. EA-2022-0245**

7 Q. Please state your name and business address.

8 A. My name is Michael L. Stahlman, and my business address is Missouri Public
9 Service Commission, P.O. Box 360, Jefferson City, Missouri, 65102.

10 Q. Are you the same Michael L. Stahlman that previously provided rebuttal
11 testimony in this docket?

12 A. Yes I am.

13 Q. What is the purpose of your testimony?

14 A. I will respond to Union Electric Company, d/b/a Ameren Missouri (“Ameren
15 Missouri”) witness’ Rebuttal Testimony and Schedule of Maurice E. Brubaker and provide one
16 correction to my rebuttal testimony.

17 Q. What is the correction to your rebuttal testimony?

18 A. On page 9, line 17, the confidential number should be “***
19 ***” instead of “**** ****”.

20 Q. What does Mr. Brubaker recommend in his rebuttal testimony?

21 A. Mr. Brubaker recommends lowering the Renewable Resource Rates by five
22 percent.¹

23 Q. What would the impact of this change be?

¹ Rebuttal Testimony and Schedule of Maurice Brubaker, p. 2, ll. 12-13.

1 A. Using the same scenario and workpaper that I used in rebuttal that Ameren
2 Missouri provided, the net subscriber contribution would go from less than *** [REDACTED]
3 [REDACTED] *** to less than *** [REDACTED] ***, a reduction of *** [REDACTED] ***.
4 Over the term of the Renewable Solutions Program (“RSP”), a five percent reduction in
5 the Renewable Resource Rate would reduce Ameren Missouri’s expected net
6 participant contribution from the RSP from slightly less than *** [REDACTED] *** to
7 approximately *** [REDACTED] ***.

8 Q. Why would a five percent change in the Renewable Resource Rate have such a
9 large change in the net participant contribution?

10 A. The net participant contribution includes the revenues Ameren Missouri expects
11 to receive from the participants (i.e. the revenues from the Renewable Resource Rate) and the
12 cost of projected credits provided to subscribers (i.e. the Renewable Benefits Rate). Staff cautions
13 the Commission that reducing the Renewable Resource Rate without also reducing the
14 Renewable Benefit Rate shifts additional costs to non-participating customers. For example, a
15 *** [REDACTED] *** reduction in the Ameren Missouri’s proposed Renewable Resource Rate would
16 reduce the expected net participant contribution from the RSP to approximately zero, based upon
17 the assumptions used in Ameren Missouri’s model.

18 Q. Are the benefits described in the schedule² to Mr. Brubaker’s rebuttal testimony
19 known at this time?

20 A. No. Mr. Brubaker’s schedule only considers one of the scenarios contemplated
21 in Ameren Missouri’s analysis. The economics of the Boomtown project are dependent on the
22 type of tax credit utilized, actual energy production and the associated revenues. The actual

² Schedule MEB-1.

1 energy production and the associated revenues are uncertain. Furthermore, based upon Staff's
2 understanding at this time, the expected costs of the Boomtown project have increased since
3 Ameren Missouri filed supplemental direct testimony and Ameren Missouri has not finalized its
4 decision on the type of tax credit that will be utilized.

5 Q. Were the proposed participants to the RSP required to enter agreements in order
6 to continue to receive electric service from Ameren Missouri?

7 A. No. The participants voluntarily signed contracts,

8 Q. If the Renewable Resource Rate does not change as the costs of the Boomtown
9 Solar project increase, what is the result?

10 A. Without Staff's recommended conditions as discussed by Staff expert witness
11 Cedric Cunigan, non-participating ratepayers are left to shoulder the increase³.

12 Q. Does Staff recommend Mr. Brubaker's recommendation?

13 A. No. While Staff continues to recommend that the Commission reject the RSP, if
14 the Commission were to approve an RSP, Staff also recommends rejection of a five percent
15 reduction to Ameren Missouri's proposed Renewable Resource Rate.

16 Q. Does this conclude your testimony?

17 A. Yes it does

³ Specifically, "All costs of the renewable generation facilities in the program shall be borne by the subscribers and/or shareholders while the RSP phase is in effect." (Rebuttal Testimony of Cedric E. Cunigan, P.E., p. 6 ll. 11-13.)

