BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Evergy Missouri West, Inc. d/b/a Evergy Missouri West for Permission and Approval of a Certificate of Public Convenience and Necessity Authorizing It to Purchase, Own, Operate, Maintain and Otherwise Control and Manage an Existing Wind Generation Facility in Oklahoma	)	**File No. EA-2022-0328**

STAFF STATEMENT OF POSITION

COMES NOW, as for its *Staff Statement of Position* states as follows:

A. Does the evidence establish that granting an Operating Certificate of Convenience and Necessity ("CCN") to Evergy Missouri West, Inc. ("EMW") to own, operate, and maintain the 198.6 MW wind generation facility located in Woodward, Ellis and Dewey Counties in Oklahoma ("Persimmon Creek" or the "Project") is necessary or convenient for the public service, pursuant to Section 393.170.2-.3, RSMo, and 20 CSR 4240-20.045(2)-(3)?

1. Is there a need for EMW to operate Persimmon Creek?

No. The bases of need alleged by Evergy are claimed to be supported by EMW's IRP analysis, which it characterizes as an energy need, and a capacity need. Evergy also represents that the project is supportive of its own corporate carbon reduction goals. The need for Persimmon Creek is not demonstrated by the IRP in that Persimmon Creek is inconsistent with the generic wind resource studied in the June 2022 IRP annual update, and Persimmon Creek was an input, not an output of the analysis supporting the September 2022 updated preferred plan.

While corporate renewable goals of Evergy Inc. may be laudable, they should not be misconstrued as a need to be paid for by all Evergy Missouri West ratepayers. Evergy Inc. is an entity that is not regulated by the Commission and is the parent company of Evergy Missouri West. Achievement of Evergy Missouri West's parent company's corporate renewable goals should not be shouldered by Missouri ratepayers unless ratepayer's needs are being fulfilled economically.[1]

Allowing a monopoly utility to add generating assets to rate base untethered to ratepayer needs could result in substantial increases in rates and unnecessary risk for ratepayers, and unwarranted profits for utility shareholders. Demonstration of need can act as an upper limit to the amount of rate base additions of generating resources and the associated costs that ratepayers are expected to bear. This upper limit is necessary since Evergy Missouri West's shareholders do not carry the risk that the Persimmon Creek Wind project is ultimately uneconomic. Again, that risk is borne by ratepayers. Absent this upper limit tethered to the demonstration of ratepayer needs, Evergy Missouri West may continue to add costs to its rate base, increasing shareholder returns as well as ratepayer risk.[2]

The "Energy Need" is not a reasonable consideration

Ms. Messamore clarifies that the energy need is "not generally referring to a need for physical energy (i.e. electrons produced at the time EMW needs them) per se, but to the need for economic generation sources to mitigate exposure to market energy

[1] Luebbert Rebuttal p 51
[2] Luebbert Rebuttal p 11-12.

costs."[3] Staff discusses the lack of credibility of the Evergy analysis of the sufficiency of Persimmon Creek to meet an "energy need" in the discussion of the economic feasibility of the project. Mitigation of market energy costs is not equivalent to a physical need for energy production. If a given resource is not necessary to meet a physical need, ratepayers run the risk that the resource is ultimately uneconomic without the opportunity to realize physical benefits. Reliance on mitigation of market energy costs to justify a given project magnifies the importance of the accuracy and reliability of the assumptions underlying the economic analysis of the project.[4] Due to Evergy Missouri West's participation in SPP, the Company will be responsible for market energy costs to serve the load of ratepayers regardless of the acquisition of Persimmon Creek. While it is possible for generating resources to act as a hedge against high market energy prices under the right circumstances, Persimmon Creek does not appear to be very well suited to do so for Evergy Missouri West. Ideally, in order to maximize the mitigation of exposure to market energy costs, the energy production of a resource would be highest when nodal market prices are high and ratepayer demand is high.[5]

The production of Persimmon Creek is relatively low when the load of Evergy Missouri West's ratepayers is relatively high. Market prices are generally elevated during periods of peak consumption in the summer months, in part, due to the increased demand for electricity for air-conditioning.[6] When Evergy Missouri West's demand and SPP real-time market prices are relatively high, the market cost to serve

[3] Kayla Messamore supplemental direct testimony page 5, lines 9-15.
[4] Luebbert Rebuttal p 12-13.
[5] Luebbert Rebuttal p 47-48.
[6] Luebbert Rebuttal p 47-48.

load follows. Persimmon Creek is unlikely to provide a good hedge against high market costs to serve load due to the historically low energy production during the periods of highest demand and market prices.[7]

The "Capacity Need" is not supported by the IRP as alleged by Evergy

On June 10, 2022, EMW filed its 2022 IRP annual update in Case No. EO 2022 0202 in accordance with 20 CSR 4240-22. EMW's 2022 IRP annual update contained its preferred resource plan as required by 20 CSR 4240-22.070(1). The preferred resource plan included 150 MW of wind generation in 2024 and 72 MW of wind generation in 2026. Additionally, 48 MW of solar generation in 2028 and 72 MW of solar generation in each of the years 2029 to 2035. The preferred resource plan also included a 237 MW combustion turbine ("CT") in 2036 and another 237 MW CT in 2040.[8] 10 of the 11 alternative resource plans included 150 MW of renewable wind resources in 2024, thus the inclusion of a generic wind resource was essentially a foregone conclusion.[9]

In Ms. Messamore's supplemental testimony in this case, she states the adjustments to the first three years (through 2025) of the 2021 preferred resource plan made in the 2022 IRP annual update were made manually as opposed to using capacity expansion modeling. [10] On September 26, 2022, EMW submitted its 2022 updated preferred resource plan[11] stating the plan was based on acquisition of Persimmon

[7] Luebbert Rebuttal p 49.
[8] Fortson Rebuttal p 2-3.
[9] Fortson Rebuttal p 9.
[10] Fortson Rebuttal p 12, Supplemental Direct Testimony of Kayla Messamore, pg. 17, Case No. EA-2022-0328.
[11] Case No. EO-2023-0115 in accordance with 20 CSR 4240-22.080(12).

Creek.[12] Therefore, there is no integrated resource analysis that actually considers the characteristics of Persimmon Creek, rather there is an abandoned plan that included virtually certain selection of generic wind resources, and a new preferred plan that assumed acquisition of a wind resource named Persimmon Creek, but modeled without key characteristics, as discussed in the section below concerning economic feasibility.

Based on Evergy's IRP, when looking at the combined Evergy with no new wind additions, the first capacity need is in 2033.[13] If considering EMW on a stand-alone basis, EMW projects it has a capacity need of 170 MW in 2024. [14] Even if EMW does need capacity, this project is a poor solution to a capacity problem, in that EMW estimates approximately 10% of Persimmon Creek's capacity will be accredited by SPP (i.e. approximately 20 MW).[15] Further, EMW has not updated its studies in light of changes in SPP capacity accreditation to find the prudent solution. [16]

The IRP is a modeling exercise partially formalized by the Commission's Chapter 22 rules. The rule provides loose guidelines and objectives, but the process should not be the sole or primary basis for the "necessity" of a given project. The Commission's Chapter 22 rules acknowledge this within the policy objectives of the rule by stating:[17]

> (1) *The commission's policy goal in promulgating this chapter is to set minimum standards to govern the scope and objectives of the resource planning process* that is required of electric utilities subject to its jurisdiction in order to ensure that the public interest is

[12] Fortson Rebuttal p 2-3.
[13] Eubanks Rebuttal p 3-4.
[14] Eubanks Rebuttal p 3-4.
[15] Eubanks Rebuttal p 5
[16] Eubanks Rebuttal p 6
[17] *Rebuttal Testimony of Brad J. Fortson,* pg. 19.

> adequately served. *Compliance with these rules shall not be construed to result in commission approval of the utility's resource plans, resource acquisition strategies, or investment decisions.*[18] *[Emphasis added.]*

IRPs are based on generalizations and typically do not account for locational specifics and systematic condition changes that would be expected from the addition of a specific generating asset. The analyses are based upon projections, estimates, and assumptions, most of which are unlikely to be accurate during the course of the useful lives of assets.[19]

In EMW witness Ms. Messamore's supplemental direct testimony[20] **in this CCN proceeding, EMW states that Persimmon Creek is needed as part of EMW's potential 2024 capacity requirement. Staff emphasizes "part," since it is our understanding that Persimmon Creek alone does not meet a real capacity need for EMW. Instead, "As identified in EMW's [2022 updated preferred resource plan], EMW was forecasted to need 150 MW of nameplate capacity in addition to Persimmon Creek in order to meet its 2024 capacity requirements… In this Preferred Plan, Persimmon Creek was assumed to provide 20 MW of accredited capacity, which means that EMW's capacity need is at least 170 MW in 2024."**[21] **It is also important to note that the build or acquisition of any renewable resource has a real cost to ratepayers, with only a perceived, or yet to be determined, benefit that may never be realized. Conversely, that same renewable build or acquisition provides shareholders with a real benefit: a return of and on the investment.**[22]

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[18] 20 CSR 4240-22.010.
[19] *Rebuttal Testimony of Brad J. Fortson,* pg. 20.
[20] *Supplemental Direct Testimony of Kayla Messamore,* pg. 10.
[21] Ibid.
[22] *Rebuttal Testimony of Brad J. Fortson,* pg. 15.

2. Does EMW have the financial ability to operate Persimmon Creek?

Yes. [23]

EMW has the financial ability to purchase, operate, manage, maintain, and control Persimmon Creek Wind Farm.

3. Is EMW qualified to operate Persimmon Creek?

Yes, based on Evergy Missouri West being able to utilize expertise and knowledge from its affiliated jurisdictions, Staff concludes that Evergy Missouri West is qualified to own, operate, maintain, and otherwise control and manage the project.[24]

4. Is EMW's proposed operation of Persimmon Creek economically feasible?

No competent evidence has been provided that EMW's request to acquire and operate Persimmon Creek is economically feasible. To evaluate the economics of the decision to acquire the Persimmon Creek Wind asset Evergy Missouri West primarily relied upon the results of:

A. the Company's IRP,

B. the levelized cost of energy ("LCOE"), and

C. the cost per kW of nameplate capacity.[25]

A. Evergy's IRP analysis does not provide competent support for the acquisition and operation of Persimmon Creek in that the IRP assumptions for a generic wind project are inconsistent with the operational characteristics of Persimmon Creek.

[23] Won Rebuttal p 2-3
[24] Hull Rebuttal p 4
[25] Luebbert Rebuttal 30-31.

Evergy's IRP analysis relies upon an assumed wind capacity factor, which is demonstrably higher than the experienced capacity factor of the Persimmon project.[26] Evergy's IRP analysis relies upon a set of market price scenarios for the value of energy generated at Persimmon Creek, however those pricing scenarios drastically underestimate the propensity for the negative LMPs at the Persimmon Creek SPP node.[27] The Persimmon Creek SPP pricing node has historically realized negative pricing intervals substantially more frequently than the assumed "generic wind build node" utilized in Evergy Missouri West's IRP analysis that the Company relies upon in an attempt to justify the CCN for Persimmon Creek.[28] Evergy's IRP analysis relied on unreasonable assumptions concerning generation and negative pricing.[29]

B. Evergy's LCOE analysis does not provide competent support for the acquisition and operation of Persimmon Creek in that it relies on unreasonable assumptions, and Evergy's request is premised on the concept that that the energy need is "not generally referring to a need for physical energy (i.e. electrons produced at the time EMW needs them) per se, but to the need for economic generation sources to mitigate exposure to market energy costs."[30]

LCOE does not account for differences in the value of energy produced. Since SPP LMPs vary by time and location, the subsequent market revenues also vary by those same factors. Furthermore, capacity factors change overtime, especially for

[26] Luebbert Rebuttal p 36-39.
[27] Luebbert Rebuttal p 31.
[28] Luebbert Rebuttal p 58-59.
[29] Luebbert Rebuttal p 33-35.
[30] Kayla Messamore supplemental direct testimony page 5, lines 9-15.

renewable resources with PTC eligibility that does not extend for the life of the asset. Evergy Missouri West's LCOE estimations do not account for these variables, but the results of the market revenues from any project will ultimately decide the economic outcome of the decision from the ratepayers' perspective.[31]

Reliance on mitigation of market energy costs to justify a given project's economic feasibility magnifies the importance of the accuracy and reliability of the assumptions underlying the economic analysis of the project. [32] Exposure to market energy costs to serve load is necessarily related to the ratepayer demand and the market prices that occur at a given point in time. The mitigation of this exposure by a given supply-side resource is then also related to the timing of energy generated and market prices at the generation node. Therefore, the value of energy produced by supply-side resources also varies based upon time, location, and other variables. Persimmon Creek has historically produced more energy during the overnight hours when Evergy Missouri West's load is relatively low. Conversely, the energy production of Persimmon Creek is relatively low during the periods of time when Evergy Missouri West's load is relatively high. As Staff's analysis is done on a particular project or resource basis, the premise that supply-side resources in general could hypothetically mitigate exposure to market energy costs is outweighed by the fact that this specific supply-side resource does not mitigate exposure to market energy costs when Evergy Missouri West's demand and market prices are highest. The Persimmon Creek wind project is not likely to be a reasonable hedge

[31] Luebbert Rebuttal p 43-44.
[32] Luebbert Rebuttal p 12-13.

against market costs to serve load and Evergy Missouri West's supportive economic analysis is flawed and unreliable. [33]

Evergy Missouri West LCOE analysis relied on overstated assumed production from Persimmon Creek. [34] **Evergy Missouri West's capacity factor assumption is overstated, especially in the years that Persimmon Creek is no longer eligible for PTCs.**[35] **Evergy assumed consistent energy production throughout the asset life to evaluate the LCOE of multiple projects associated with the response to the Company's request for proposals. However, Persimmon Creek is an asset that has already been operating more than four years and the eligibility window for PTCs is relatively shorter than several other projects reviewed meaning that the actual capacity factor for Persimmon Creek is likely to reduce much sooner than other projects.** [36]

C. Evergy's cost per kW of nameplate capacity analysis does not provide competent support for the acquisition and operation of Persimmon Creek.

Evergy's study of the cost per kW of installed capacity relies on a capacity value of the Persimmon Creek wind farm of $1,247/kW. However, this does not account for the expected asset life, or the accredited capacity of the resource, as a small percentage of the nameplate capacity is expected to be accredited by SPP for resource adequacy purposes. When accounting for the capacity accreditation assumptions and expected life, the capacity cost of the project increases.[37] **Staff**

[33] Luebbert Rebuttal p 12-13.
[34] Luebbert Rebuttal p 26-27.
[35] Luebbert Rebuttal p 40-41.
[36] Luebbert Rebuttal p 42-43.
[37] Luebbert Rebuttal p 44-45.

does not have the most recent responses to Evergy Missouri West's capacity RFP, however, the Company currently purchases capacity and that price is available for reference.[38]

Based on Staff's review of plant operational data,[39] Staff's knowledge of environmental concerns,[40] and Staff's knowledge of EMW's integrated resource planning process,[41] Staff cannot conclude that acquisition and operation of Persimmon Creek would be an improvement justifying its cost.[42] It is unlikely that the Project is an economically efficient means of adding accredited capacity or hedging market energy costs.

5. Does EMW's proposed operation of Persimmon Creek promote the public interest?

[38] Luebbert Rebuttal p 44-45.

[39] The historical revenue of Persimmon Creek indicates that the market revenues are unlikely to exceed the revenue requirement associated with the project. This means that if the asset is included in rates, ratepayers are expected to pay more for the asset through rates than the offsetting market revenues from Persimmon Creek. The SPP node for Persimmon Creek has experienced increased hours of negative market prices since 2018, which will result in negative market revenue, or added costs, if the asset generates in those hours. Evergy Missouri West's economic analyses of Persimmon Creek are flawed and unreliable. If additional capacity is necessary to meet SPP resource adequacy needs of Evergy Missouri West, Persimmon Creek is likely a poor solution on a dollar per kW-accredited basis. Persimmon Creek is not likely to be a good hedge against exposure to market energy costs. Energy production from Persimmon Creek is relatively low when the load of Evergy Missouri West's ratepayers is relatively high. Market prices are generally elevated during periods of peak consumption in the summer months, in part, due to the increased demand for electricity for air-conditioning. Persimmon Creek is unlikely to provide a good hedge against high market costs to serve load during these periods. Luebbert Rebuttal, p 50.

[40] See highly confidential discussion in Shawn Lange Rebuttal pages 4-7.

[41] iv. In Ms. Messamore's supplemental testimony in this case, she states the adjustments to the first three years (through 2025) of the 2021 preferred resource plan made in the 2022 IRP annual update were made manually as opposed to using capacity expansion modeling. Fortson Rebuttal p 12, Supplemental Direct Testimony of Kayla Messamore, pg. 17, Case No. EA-2022-0328.

[42] See State ex rel. Intercon Gas, Inc. v. Pub. Serv. Commn. of Missouri, 848 S.W.2d 593, 597–98 (Mo. App. W. Dist. 1993), citing, State ex rel. Beaufort Transfer Co. v. Clark, 504 S.W.2d at 219.

No. As proposed by Evergy, nearly all risks for the failure of the project to perform as assumed fall on ratepayers, and Evergy is insulated from not only those risks, but also any risk or cost associated with regulatory lag.

i. **The historical revenue of Persimmon Creek indicates that the market revenues are unlikely to exceed the revenue requirement associated with the project. This means that if the asset is included in rates, ratepayers are expected to pay more for the asset through rates than the offsetting market revenues from Persimmon Creek.** [43]

ii. **The SPP node for Persimmon Creek has experienced increased hours of negative market prices since 2018, which will result in negative market revenue, or added costs, if the asset generates in those hours.**[44]

iii. **If capacity is necessary to meet SPP resource adequacy needs of Evergy Missouri West, Persimmon Creek is a poor solution on a dollar per kW-accredited basis.**[45]

iv. **Persimmon Creek is not likely to be a good hedge against exposure to market energy costs. Energy production from Persimmon Creek is relatively low when the load of Evergy Missouri West's ratepayers is relatively high. Market prices are generally elevated during periods of peak consumption in the**

[43] Luebbert Rebuttal p 50.
[44] Ibid.
[45] Ibid.

summer months, in part, due to the increased demand for electricity for air-conditioning. [46]

Evergy's analysis of the economics of the Project are flawed, and deciding to move forward with the acquisition based upon the results of such analysis introduces unnecessary risk for ratepayers.[47]

i. **Evergy Missouri West's primary justification for this project is to hedge market energy-costs with Persimmon Creek revenues. Thus it is imperative to review the revenues and costs to determine if it will be a good hedge since there is no physical need for this acquisition. [48]**

ii. **Evergy Missouri West's IRP analysis drastically underestimates the propensity for the negative LMPs at the Persimmon Creek SPP node.[49]**

iii. **Evergy Missouri West's utilization of the capacity factor in the IRP and LCOE analyses do not take into account the fact that after the asset is no longer Production Tax Credit eligible, the asset should no longer be generating during periods of negative pricing.[50]**

iv. **Evergy Missouri West's reliance on the installed cost of capacity is not a particularly useful metric when considering options to**

[46] Ibid.
[47] Luebbert Rebuttal p 53.
[48] Luebbert Rebuttal p 21.
[49] Luebbert Rebuttal pp 31-35.
[50] Luebbert Rebuttal pp 36-39.

meet potential resource adequacy capacity needs.[51] The installed cost of capacity does not account for the expected asset life or capacity accreditation of SPP.

v. **The Inflation Reduction Act of 2022 ("IRA") potentially magnifies the capacity factor assumption flaw issue because additional resources are eligible for full PTC value over a longer period of time. The IRA also includes modifications to the tax code related to solar resources, namely the availability of PTCs for solar resources. The changes that have and will continue to occur as a result of the IRA, in addition to the various assumption flaws identified by Staff, warrant additional analysis by Evergy Missouri West prior to building or acquiring another generating resource.[52]**

vi. **Since the IRP modeling was not consistent with the known capacity factor and energy prices experienced by Persimmon under its current ownership, Staff recommends that Evergy Missouri West delay the addition, rescind the CCN application, and reevaluate utilizing reasonable assumptions, including evaluation of the impacts on potential market revenues and the effects of the recently passed Inflation Reduction Act of 2022 should also be part of the decision making process.[53]**

[51] Luebbert Rebuttal p 44.
[52] Luebbert Rebuttal p 43.
[53] Luebbert Rebuttal p 39-40.

vii. **To lock ratepayers into paying for assets that are primarily justified by faulty economic analysis, which does not fulfill a clearly identified need, is an unnecessary risk to ratepayers and a benefit to Evergy Missouri West's shareholders.**[54]

viii. **System needs, both at the utility level and the regional transmission organization ("RTO") level, will undoubtedly change over time. SPP requirements and the SPP market dynamics are reasonably expected to change. The costs and capabilities of various supply-side technologies, including battery storage, will change. Tax benefits of various supply-side technologies are likely to change. The ultimate results of all of these variables almost certainly differs from the assumptions relied upon in Evergy Missouri West's IRP.**[55]

The acquisition of the Project is unlikely to result in the load of Evergy Missouri West being served by cleaner renewable resources or lead to a reduction in the dispatch of Evergy Missouri West's existing fossil-fuel resources, all else being equal.

i. **Evergy Missouri West and Persimmon Creek both currently participate in SPP. The electricity needed to serve the load of Evergy Missouri West's ratepayers is purchased through SPP markets regardless of the generation resource mix owned.**

[54] Luebbert Rebuttal p 14.
[55] Ibid.

ii. **Since Persimmon Creek is already operational, the change in ownership will have very little, if any, effect on the generation fleet serving the SPP footprint and Evergy Missouri West's customers, and if Evergy Missouri West is granted the CCN for the Persimmon Creek wind project Evergy Missouri West ratepayers will not be served by cleaner generating resources.**[56]

B. If the Commission grants an Operating CCN for the Project, what conditions, if any, should the Commission impose on the CCN?

Staff recommends that the Commission reject Evergy Missouri West's application for a CCN, and recommends that the Commission not make a decision on the determination of decisional prudence of the Persimmon Creek Wind project if it approves Evergy Missouri West's request, and recommends the following conditions if the CCN is granted:[57]

Staff recommends that the Commission order that the in-service criteria contained in Schedule SEL-r2 attached to Shawn Lange's rebuttal testimony **are appropriate for use in a future case to determine whether the Persimmon Creek project is in-service. This condition is appropriate and necessary as Section 393.135, RSMo. 2000 provides that any charge incurred by an electrical corporation before the asset is fully operational and used for service is prohibited**[58]**. Any CCN granted, the criteria provided in SEL-r2 should be used to determine whether the facility is fully operational and used for service.**

[redacted]

[56] Luebbert Rebuttal p 22
[57] Luebbert Rebuttal p 56-58
[58] Shawn E. Lange Rebuttal Pg. 3 lines 4-13.

[redacted] . ** This condition is necessary due to ** [redacted] [redacted] . **[59] ** [redacted] [redacted] .** [60]

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1. Staff recommends that the Commission hold Evergy Missouri West's ratepayers harmless if the costs of Persimmon Creek exceed the market revenues and ratepayer realized benefits.

Staff believes this condition is appropriate to provide some level of safeguard for ratepayers and adequately share risk between ratepayers and EMW.

C. Should a production tax credit tracker be established?

Yes. EMW is protected from regulatory lag by the Missouri statutes authorizing Plant in Service Accounting (PISA) and a property tax tracker. The deferral of cost increases under these mechanisms more than offsets the adverse regulatory lag EMW would experience even without consideration of Production Tax Credits (PTC). If the Commission approves the purchase of Persimmon Creek, deferring PTCs for ratemaking consideration in EMW's next rate case is an equitable approach to balance the deferral of costs and the deferral of benefits.

D. Should the Commission order that EMW track revenues produced by Persimmon Creek for ratemaking purposes?

[59] Shawn E. Lange Rebuttal Pg. 4 lines 22-24
[60] Shawn E. Lange Rebuttal Pg. 5 lines 11-13

Staff takes no position on tracking revenues at this time but expects Persimmon Creek to impact EMW's fuel adjustment clause. Staff reserves the right to take a position based on further information presented at hearing.

E. Should the Commission Order EMW to provide resource-specific economic analysis utilizing reasonable assumptions beyond the IRP results, LCOE estimates, and installed capacity costs in support of future CCN applications?

Yes. Staff recommends that the Commission order Evergy Missouri West to provide resource specific economic analysis utilizing reasonable assumptions beyond the IRP results, LCOE estimates, and installed capacity costs in support of future CCN applications. The analysis should address concerns including but not limited to, differences in energy production and market prices based upon time and location as well as expected changes to capacity factors after PTC eligibility. References to generic IRP analysis, LCOE estimates, and installed capacity costs are not sufficient to support a CCN application for assets that cost in excess of $100 million.[61]

F. What, if any, additional project-specific analysis requirements should the Commission Order from EMW for future CCN requests?

The analysis should include but be not limited to, an analysis of the range of probable revenue requirement increases and offsets over the life of the asset, including but not limited to offsets to revenue requirement such as tax credits, market energy value, market capacity value, and renewable energy credits, and cost variables such as production degradation, and the impact of any tax equity arrangements, if

[61] Luebbert Rebuttal p 50-51

applicable. The analysis should provide sufficient support and documentation regarding the economics of the project to justify the specific project for which a CCN is requested, as opposed to generic assumptions as may be used for IRP purposes. The analyses should also include comparisons of alternative resources that could be utilized to fulfill specified ratepayer needs, with each need to be fulfilled specifically identified.

G. Does the evidence establish that authorizing EMW under Section 393.190.1 to complete the asset transfer and merger described in the Application so that it may own and operate Persimmon Creek is not detrimental to the public interest?

No, it does not.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned certifies by her signature below that on February 15, 2023, she filed the above document in the EFIS file of the Missouri Public Service Commission.

/s/ Nicole Mers