BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

In the Matter of an Investigation of the Cost to Missouri's Electric Utilities Resulting From Compliance with Federal Environmental Regulations.	)))	EW-2012-0065

Dogwood Energy LLC's Supplemental Comments Regarding SPP Responsive Comments

Dogwood Energy LLC ("Dogwood Energy" or "Dogwood") provides these supplemental comments in reply to the Responsive Comments submitted by Southwest Power Pool, Inc. (SPP) on or about October 13, 2014. Dogwood has previously submitted comments herein, including most recently its reply comments regarding the EPA's proposed Clean Power Plan on September 16, 2014. Dogwood remains focused on issues related to a reasonable implementation of the final version of EPA's proposed rules. These comments are solely Dogwood Energy's and not those of any other party with an ownership interest in the Dogwood Energy Facility.

Dogwood has been an active participant in SPP's stakeholder process regarding analysis of the potential impacts of the EPA's proposed CPP rules. Dogwood generally supports SPP's four recommendations set forth in the Responsive Comments and submits that the following conclusions should be drawn from SPP's studies:

- The EPA's implementation deadlines need to be relaxed and/or delayed
- A regional approach to compliance should be studied in depth

Many of the stakeholders have already commented herein on the problems surrounding the very aggressive compliance schedule proposed by the EPA. SPP's Responsive Comments provide more information demonstrating that a combination of more time and more flexibility will be required to realistically achieve the goals of the EPA in a cost-effective and responsible manner.

SPP has shown that it may be critical to allow the time and flexibility required to build adequate transmission facilities to the extent that such additional facilities ultimately turn out to be required. Sufficient time and planning should also make it possible to minimize the need for such additional expenditures. Most importantly, SPP has shown that more time will be needed for the essential process of examining regional alternatives to compliance. It is not clear yet what a regional plan might look like, but it is clear that further analysis would be worthwhile given the regional manner in which generation is dispatched and the grid is planned and operated. SPP has not yet begun to analyze specific potential regional solutions, but is in the planning stages of developing a "cost of compliance" study for the SPP region. At present, it does not appear that such information will be available until after June 2015. Accordingly, to ensure that such alternative plans can be given full consideration (and subsequently implemented) as a means of addressing many of the concerns expressed by Missouri stakeholders, the Commission should encourage the EPA to either relax the 2020 interim compliance goals and/or allow more time to achieve compliance with the Clean Power Plan goals after 2020.

In addition, the Commission should further encourage the EPA to recognize the regional nature of generation ownership in single-state compliance plans, and include provisions in the Clean Power Plan that provide the flexibility needed for all or a portion of a state to participate in one or more regional plans. As the Commission knows, Missouri is effectively divided into three distinct regions covered by two different RTOs and one non-RTO area, and has utilities that cross state borders. The ability to adequately recognize out-of-state generation in a single-state plan or to allow a state to effectively

participate in the compliance plans of multiple regions may be critical for Missouri to be able to develop the lowest reasonable cost compliance plan under the Clean Power Plan.

To this point, SPP's studies have been based upon: (a) assumptions regarding generating facility retirements included in the EPA's models supporting the proposed Clean Power Plan; and (b) generating resource addition plans of SPP Members that pre-date the issuance of the proposed Clean Power Plan. Dogwood is hopeful that the next round of SPP's studies will include the existing plans of SPP Members for generating unit retirements and fuel conversions through 2018, rather than EPA's modeling assumptions, in order to develop a more realistic assessment of the expected status of the SPP system in the years prior to 2020. Upon that foundation, SPP may be then able to provide information to this Commission in 2015 that incorporates the realities of Missouri utilities' existing resource plans and provide a better assessment of its members' ability to comply with the proposed Clean Power Plan.

Dogwood encourages the Commission to take this information into account as it completes its comments to the EPA and continues its work on this important topic. Dogwood will likewise continue to collaborate with the other stakeholders to assist the Commission in understanding, commenting on, and working with EPA proposals and regulations.

Respectfully submitted,

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CERTIFICATE OF SERVICE

A true and correct copy of the foregoing was served upon the parties identified on the attached service list on this 11th day of November, 2014, by email transmission.

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