

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

In the Matter of the 2009 Resource)	
Plan of KCP&L Greater Missouri)	Case No. EE-2009-0237
Operations Company)	
Pursuant to 4 CSR 240-22)	

DOGWOOD ENERGY, LLC'S BRIEF

COMES NOW Dogwood Energy, LLC ("Dogwood") and respectfully submits its Brief in this proceeding pursuant to 4 CSR 240-22 and Commission Order.

GMO's IRP was originally filed in this matter in August 2009. Pursuant to the Non-unanimous Stipulation and Agreement filed in April 2010, in order to address various deficiencies and concerns identified by the other parties, GMO agreed to file a revised IRP in December 2010. It obtained an extension from the Commission to January 2011, but it did not actually file its substitute IRP until July 2011. Pursuant to the newly adopted IRP rules, GMO must file its next IRP in April 2012.

Dogwood pragmatically recognizes that little can be gained from requiring GMO to make further changes to its 2009 IRP or its 2011 substitute IRP at this point. Given the briefing schedule in this matter, the earliest that the Commission could issue an order would seem to be October. Given the amount of time that it reasonably takes to conduct the analytical work of an IRP, GMO probably could not even complete any significant further work directed by the Commission before it has to start work on its 2012 IRP filing. Moreover, any such additional interim work product would have a shelf life of only a few months in any event, and would presumably be prepared under the auspices of a set of rules that would no longer otherwise apply.

Likewise, there would not seem to be much to be gained from accelerating the due date of GMO's next IRP filing by a few months from the current April 2012 deadline.

Accordingly, it would seem appropriate at this (presumably) final stage of this proceeding for the Commission to focus on some lessons learned herein and provide additional direction to GMO as it undertakes its next IRP analysis to meet the April 2012 filing deadline.

For its part, Dogwood remains concerned that its 650 MW combined cycle generation plant has not been given full and fair consideration in GMO's various IRP analyses. Because Dogwood is the only independent source of generation in GMO's service territory, such incomplete analysis should not be acceptable to the stakeholders or the Commission.

Under section 22.040 of the new rules, which will govern GMO's next IRP filing, the Commission has made plain that GMO will have to **reevaluate all existing** supply-side resources and **also consider potential new resources** which it can reasonably expect to use. Under the new rule, "all such supply-side resources shall be considered as potential supply-side resource options." (22.040(1)).

GMO will have to gather "information sufficient to fairly analyze and compare each of these potential supply-side resources." (22.040(1)).

GMO will have to "describe and document" its analysis. (22.040(2)-(5)).

If GMO uses preliminary screening to reduce the list of supply-side options it will have to identify any that are eliminated from further consideration and "explain ... the reasons for their elimination." (22.040(2)(C)2, (4)(B)).

Under the new rules, "All preliminary supply-side candidate resource options which are not eliminated shall be identified as supply-side candidate resource options." These

candidates “shall represent a wide variety of supply-side resource options with diverse fuel and generation technologies.” (22.040(4)).

Pursuant to 22.060 of the new rules, GMO’s analysis will have to “develop a set of alternative resource plans based on substantively different mixes of supply-side resources.”

Pursuant to 22.070 of the new rules, GMO will have to describe and document in detail the process used to select its preferred plan, the limits (relative to identified critical uncertain factors) within which that preferred plan is deemed to be appropriate, and the contingency resource plans that might take the place of the preferred plan if such limits are reached. Further, GMO will have to describe in detail the approved company implementation plan, including “competitive procurement policies to be used in the acquisition and development of supply-side resources”.

While the thrust of the new rules is similar to the prior set, the Commission has substantially tightened up the wording to make GMO’s planning obligations even more clear. Accordingly, submittals made in compliance with the new rules should look substantially different than GMO’s prior submittals under the old rules, with hopefully much less room for disputes over compliance with minimum requirements.

Thus, when it examines GMO’s April 2012 IRP submittal, the Commission should not allow GMO to repeat the errors of its 2011 substitute IRP, but rather should require GMO to:

- (a) consider a diverse set resource options, rather than a limited set of pre-selected options;¹

¹ GMO’s 2011 substitute IRP only considered 12 potential plans. Tr. 168. (Transcript references herein are to the 8-1-11 hearing transcript).

- (b) consider new long-term purchase power agreements as an alternative means of meeting generation needs, rather than purposefully disregarding such arrangements;²
- (c) fully document evaluation of the Dogwood plant and other available resources, and not eliminate any resource from consideration without a documented explanation;³
- (d) examine anew the purchase power agreement with the City of Clarksdale, Mississippi's Crossroads plant, rather than just presuming the continuation of that purchase power arrangement;⁴
- (e) use current information regarding the Dogwood plant and other resources, rather than relying on stale information concerning such supply-side resources;⁵
- (f) allow opportunities for reconsideration of various resource options down the road as circumstances may dictate, rather than foreclosing such opportunities;⁶
- (g) continue to improve analysis of the interactions among risk factors;⁷ and

² GMO excluded long-term PPAs in 2009 and intentionally left them out in 2011. Tr. 151. Such long-term agreements represent "steel in the ground" just as much as owned plants do (whether built by the company or acquired as built by others), and there is no basis for categorically preferring one solution over the other. Tr. 161, 199-200.

³ GMO's witness testified that there is no documentation of any consideration of the Dogwood plant for the 2011 substitute IRP. Tr. 187, HC 8.

⁴ GMO's lead witness was unsure, but there is no indication in the 2011 documentation that the Crossroads plant was reconsidered. Tr. 151-52.

⁵ GMO used 2008 and 2009 data from a 2009 screening analysis for the July 2011 substitute IRP filing, instead of available information that was more recent. See Vol. 6, Section 1, p. 1, Tr. 143-44, 168, HC5-6.

⁶ The 2011 documentation does not allow for such opportunities. Tr. 153.

⁷ GMO witness Okenfuss indicated that the stakeholder process was valuable in this regard and had led to improvements. Tr. 170.

- (h) follow the new requirement in the rules for truly competitive bidding, using RFPs that seek real solutions and are not biased towards pre-determined actions.

Finally, the Commission and the parties should make certain that the process of resolving concerns and deficiencies in GMO's next IRP filing is completed as expeditiously as possible so that the final product actually has a useful planning life.

WHEREFORE, Dogwood respectfully requests that the Commission accept this Brief and take such action in this proceeding as the Commission deems just and proper.

Respectfully submitted,

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CERTIFICATE OF SERVICE

A true and correct copy of the foregoing was emailed, faxed or mailed by U.S. Mail, postage paid, this 8th day of September, 2011, to the persons shown on the attached list.

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