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MISSOURI PUBLIC SERVICE COMMISSION
INDUSTRY ANALYSIS DIVISION

REBUTTAL TESTIMONY

OF

JAMES A. BUSCH

**UNION ELECTRIC COMPANY,
d/b/a AMEREN MISSOURI**

CASE NO. EA-2023-0286

Jefferson City, Missouri
October 2023

**** Denotes Confidential Information ****

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1 I am a member of the Adjunct Faculty of Columbia College. I have taught both graduate and
2 undergraduate classes in economics.

3 Q. What is the purpose of your Rebuttal Testimony?

4 A. The purpose of my Rebuttal Testimony is to:

5 1. Present and summarize Staff's overall recommendations and
6 conditions,

7 2. Summarize the testimony of each Staff witness, in the context of
8 Ameren Missouri's requests and direct testimony,

9 3. Provide context for CCN cases and the applicable standards for
10 their review and grant.

11 **STAFF RECOMMENDATION**

12 Q. What is Staff's overall recommendation in this proceeding?

13 A. Based on the evidence provided so far by Ameren Missouri through its direct
14 filed testimony and the workpapers provided to Staff from Ameren Missouri, Staff recommends
15 that the Commission reject the Company's request for authority to proceed with the four
16 requested solar projects¹ at this time.

17 Q. Does Staff have alternate recommendations?

18 A. Yes. Staff has alternatives for the Commission's consideration.

19 Q. Please provide Staff's initial alternative.

20 A. Staff is aware of the Commission's stated desire to increase the diversification
21 of electric generation portfolios for the electric utilities that are under PSC jurisdiction through
22 more renewable generation facilities. Staff is also generally supportive of this goal. However,
23 and as will be discussed in further Staff testimony, the movement towards more renewable

¹ The four solar projects in this case are commonly referred to as the Bowling Green project, the Vandalia project, the Split Rail project, and the Cass County project.

1 generation, or any new additional generation, must be supported by evidence from the
2 requesting utility. Therefore, Staff recommends that the Commission order Ameren Missouri
3 to file supplemental direct testimony, to present evidence concerning the level of detailed
4 analysis that Staff needs to reconsider its initial recommendation. Based on Ameren Missouri's
5 modeling, for all of the projects, the projected cost to ratepayers exceeds the potential value to
6 ratepayers, and as described in more detail in Staff's rebuttal testimony, Ameren Missouri does
7 not articulate what needs are to be addressed in its pre-filed testimony, and does not articulate
8 how these projects in particular would fit those needs, and its evidence does not show that the
9 cost of these projects is justified by the value the projects may provide to address whatever
10 needs do exist. However, Ameren Missouri's analysis (1) failed to recognize all value streams,
11 (2) is based on costs that were more uncertain at the time of direct filing than they are now or
12 will be in the future, and (3) Ameren Missouri's generation fleet plans for the future have
13 changed with its 2023 IRP filing. More mature evidence could demonstrate that some of the
14 projects do warrant issuance of a CCN. Please review the testimony of Staff expert Sarah Lange
15 for the detailed list of what Ameren Missouri should provide.

16 Q. Will an opportunity for rebuttal of this supplemental direct testimony
17 be necessary?

18 A. Yes. The information Staff is requesting as supplemental direct is necessary
19 information required to evaluate and provide an appropriate recommendation for the
20 Commission. Without this information, vital context to Ameren's application is missing, and,
21 therefore, renders the initial application as an inappropriate starting point to properly review
22 the case. Thus, the request for supplemental direct testimony should include a provision for an
23 opportunity for rebuttal testimony on behalf of non-utility parties, and a provision for additional

1 hearing dates and related filings, which will be subject to response from other parties and setting
2 by the Commission in a new procedural order. For these reasons, it is not appropriate for
3 Ameren Missouri to address these issues in its surrebuttal testimony.

4 Q. In general, what questions must be answered in supplemental direct testimony?

5 A. Supplemental direct testimony should unambiguously provide answers for
6 these questions:

7 Q. To what degree is some sort of generation plant necessary to meet
8 capacity, energy, or other requirements, and at what times?

9 Q. To what degree do these specific generation plants meet the
10 identified needs?

11 Q. To what degree do these projects provide such benefits that
12 granting permission to proceed with the project should be considered,
13 despite the low necessity or alternative means of meeting those needs?

14 Q. To what degree are the increases to the Ameren Missouri revenue
15 requirement caused by the project, over time, warranted by the value the
16 project provides to Ameren Missouri ratepayers, over time?

17 Supplemental direct will be of no benefit if the answers to these questions are
18 not provided.

19 Q. Does Staff have another alternative recommendation?

20 A. Yes. In the event that the Commission, in its desire to move forward with
21 renewable generation, decides to grant authority to move forward with one or more of the
22 projects, Staff recommends that a sharing mechanism be included within said authority. Please
23 review the testimony of Staff Expert Sarah Lange for more details on some of the basic
24 parameters of how the sharing mechanism should be developed.

25 Q. Is it Staff's position that a sharing mechanism makes any of the projects in the
26 public interest?

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1 A. No. Staff only offers the concept of a sharing mechanism as a way to help split
2 the risk between ratepayers and shareholders. As discussed more thoroughly in other
3 Staff Expert's rebuttal testimonies, the analysis conducted by Staff, based solely on the
4 information provided by Ameren Missouri, indicates that none of the four projects are such an
5 improvement as to justify or warrant the expense of making the investment. Generally stated,
6 the need for these projects is more for Ameren to meet its self-determined renewable goals than
7 to meet actual ratepayer need, the fact that these projects will not provide real economic benefit
8 to ratepayers should be shared by the shareholders as it is the shareholders who will be receiving
9 the economic benefits from these projects.

10 Q. Does Staff have a specific recommendation for the Cass County project, which
11 is to be built in Illinois?

12 A. Yes. Staff recommends that the Cass County project should be rejected outright.

13 Q. Why should the Illinois project be rejected?

14 A. The additional value streams associated with the Illinois project would not flow
15 to Ameren Missouri ratepayers (although some would flow to Ameren Illinois ratepayers); thus,
16 they would not improve the value proposition for inclusion of the cost of the Illinois project in
17 Ameren Missouri's revenue requirement. Ameren Missouri has represented that the costs of all
18 four projects are uncertain, but that the Illinois project costs are at this point the most firm. As
19 these project costs are the most certain, Staff is most comfortable in its conclusion that the
20 estimation of the revenue requirement impact of the project to ratepayers is not justified by the
21 value the project provides to ratepayers.

22 Q. What are some of the value streams that may improve the justification for other
23 projects, but would not be applicable to the Illinois project?

1 A. There are several:

2 1. The Illinois project is not geographically contiguous to Ameren
3 Missouri's load, which is relevant to its value as a market energy price
4 hedge,

5 2. The Illinois project is not contiguous to Ameren Missouri's load, which
6 is relevant to its value in depressing Ameren Missouri's cost of energy
7 to serve load. Rather, its location appears to be to the advantage of
8 Ameren Illinois for purposes of depressing the cost to serve the load of
9 Ameren Illinois.

10 3. The Illinois project is not considered an offset to load for MISO
11 purposes, unlike Vandalia and Bowling Green,

12 4. The Illinois project location, in that it is located in Zone 4 rather than
13 Zone 5, appears to be to the advantage of Ameren Illinois for purposes
14 of capacity pricing, which is not an appropriate burden to place on
15 Ameren Missouri customers.

16 Q. Why could it be reasonable to provide an additional opportunity to provide
17 evidence in the form of specified supplemental direct testimony for the Split Rail, Vandalia,
18 and Bowling Green projects, but not for the Illinois project?

19 A. By Ameren Missouri's evidence, the revenue requirement impact of the project
20 to ratepayers is not justified by the value the project provides to ratepayers, and the authority
21 requested for all four projects should be rejected. Project milestones for the Illinois project
22 have driven the case timeline in this case for all four project requests. While the pre-filed

1 Ameren Missouri direct testimony does not support proceeding with any of the projects,
2 rejection of the Illinois project allows additional time for Ameren Missouri to present evidence
3 that may demonstrate that the value of one or more of the other projects is more reasonably
4 aligned with a reasonable projection of the cost to ratepayers, and to provide additional facts
5 that may be relied on by the Commission concerning the need for the project and other issues
6 raised by Staff in its rebuttal testimony.

7 **Split Rail, Vandalia, and Bowling Green Projects**

8 Q. If the Commission does not order Ameren Missouri to file supplemental direct
9 testimony and if the Commission deems the introduction of a risk sharing mechanism
10 inappropriate, does Staff have another recommendation for the Commission?

11 A. Yes. If the Commission decides, after digesting all of the testimony provided
12 by Staff, to allow Ameren Missouri to go forward with one or more of the projects subject to
13 this case, Staff would recommend that the Commission only authorize Ameren Missouri to only
14 go forward with the Bowling Green and Vandalia projects as conditioned by Staff. These
15 projects have the lowest overall cost and greatest potential for offsetting benefit of the
16 four projects for which authority was requested in this CCN. Therefore, if the Commission
17 chooses to approve any projects, approval of the Bowling Green and Vandalia projects is the
18 least objectionable, as long as Staff's recommended conditions are required.

19 Q. Why would Staff not include Split Rail in this recommendation?

20 A. As the largest project, the Split Rail risks discussed in Staff's rebuttal testimony
21 are the greatest. Also, based on Staff's threshold valuation of costs to ratepayers versus value
22 to ratepayers over the life of the project, Split Rail does not provide sufficient value to
23 ratepayers to justify its costs to ratepayers, even under optimistic modeling.

1 Q. If Staff suggests the Bowling Green and Vandalia projects are the least
2 objectionable projects, why is Staff recommending the filing of supplemental direct testimony
3 concerning these projects?

4 A. As will be discussed throughout Staff's testimony, Ameren Missouri has not
5 filed adequate direct testimony to support its requested authority with respect to any of the four
6 projects. The distinction in value to ratepayers provided by the Bowling Green and
7 Vandalia projects compared to the Illinois and Split Rail projects is due largely to the siting of
8 these projects at the distribution level, which improves the value of the resource as an offset to
9 load within the MISO marketplace. Ameren Missouri did not recognize this or virtually any
10 other distinction in its testimony, schedules, or workpapers. Further, Ameren Missouri failed
11 to present facts necessary for the Commission to rely on in issuing a reasonable Report and
12 Order to approve its requests.

13 Q. Are conditions necessary for proceeding with the grant of authority requested
14 for these projects?

15 A. Yes.

16 **Summary of Recommended Conditions and Other Ordered Provisions**

17 Q. What conditions does Staff recommend for any grant of authority in this case?

18 A. Staff recommends several conditions for the issuance of any authority requested
19 in this case.

20 Conditions related to how these projects will be treated in future rate cases if constructed and
21 determined to be prudent investments in applicable general rate case:

- 22 • Risk sharing mechanism and Risk Sharing/Levelized Revenue Requirement
23 mechanism, discussed by Ms. Lange,

- 1 • Provision of restoration plans, discussed by Staff expert Brodrick Niemeier,
2 • IEEE Standard 2800™, as discussed by Staff expert Shawn Lange, P.E.
3 • In-Service criteria, as discussed by Mr. Lange,
4 • Retention of applicable curtailment information, as discussed by Mr. Lange,
5 • That Ameren Missouri notify Staff within this docket, if or when a decision
6 has been made by Ameren Missouri to pursue use of one or more of these
7 projects for future phases of the Renewable Solutions Program. For any
8 project used in the RSP, consistent with the Boomtown order, the
9 Commission should order that Ameren Missouri specifically delineate
10 within each Federal Energy Regulatory Commission “FERC” account with
11 unique general ledger coding and/or record into sub-accounts, all
12 investment, revenues, and expenses associated with the project, separated by
13 labor and non-labor. In addition, the specific delineation of the Project and
14 Program within the books and records must include a reasonable allocation
15 of all items related to the Project and Program in which the amount cannot
16 be directly determined to be directly attributable to the Project or Program.
17 Allocated items for these solar facilities would include property taxes
18 (Cass County), Payment in Lieu of Taxes (PILOT), insurance, income taxes,
19 and possibly other costs as discussed by Staff expert Benjamin Burton.
20 • Staff expert Jane Dhority recommends:
21 ○ For each Solar Project, Ameren Missouri should utilize the tax strategy that is
22 most beneficial to customers.
23 ○ Ameren Missouri is to notify Staff within this docket of which tax credit they
24 have elected to utilize for each Solar Project.
25 ○ Ameren Missouri is to provide Staff with an analysis during a rate case
26 proceeding demonstrating that the tax strategy ultimately chosen for each
27 Solar Project was indeed the most beneficial to customers.
28 ○ Ameren Missouri is to notify Staff within this docket if a decision is made that
29 one or more of the Solar Projects will be utilized for RES compliance, as this
30 determines the ultimate ratemaking treatment for the project(s).
31 Conditions concerning Ameren Missouri’s obligations in other dockets:
32 • IRP analysis and stakeholder input commitments, discussed by
33 Mr. Luebbert,
34 • MEEIA EO moratorium commitment, discussed by Ms. Lange,
35 and
36 • Future CCN filing requirements and commitments, discussed by
37 Ms. Lange.

IDENTIFICATION OF STAFF WITNESSES AND MAJOR AREAS OF CONCERN

Q. Could you identify the areas specific Staff witnesses address in its rebuttal testimony, and highlight other significant concerns?

A. Yes.

Staff expert Paul Amenthor describes the ongoing project impact on ratepayers, including PISA, RESRAM, property tax arrangements, and ongoing O&M.

Staff expert Benjamin Burton discusses the potential of a renewable solutions program and makes a recommendation that the Commission should order Ameren how to account for those costs and revenues.

Staff expert Cedric Cunigan, PE, discusses the Missouri Renewable Energy Standard, and Ameren Missouri's projected compliance position as it relates to Renewable Energy Credits (RECs) to be generated by the facilities for which permission is sought in this docket. Mr. Cunigan also describes program improvements that should be incorporated into the Renewable Solutions Program if it is expanded to include the projects for which permission is sought in this docket. He also discusses the selection criteria Ameren Missouri chose to use with regard to the projects for which permission is sought in this docket, ** [REDACTED]

[REDACTED] **. Mr. Cunigan also discusses various risks and uncertainties associated with the projects, including environmental risks and project cost uncertainties. He describes an ongoing issue at one of Ameren Missouri owned and operated renewable facilities to highlight the impact of environmental risk on potential reductions in energy production.

Staff expert Jane Dhority describes the Inflation Reduction Act, and discusses the applicability of various tax credit provisions to each of the solar projects. She also discusses

1 the applicability and interoperation of the IRA Tracker and the RESRAM, if applicable.
2 She discusses Ameren Missouri's potential tax strategies, and provides a recommendation to
3 the Commission.

4 Staff expert Brad Fortson discusses the 2020 Integrated Resource Plan filing and the
5 2022 Preferred Resource Plan update that Ameren Missouri heavily relies upon to support its
6 request for permission to proceed with the projects in this docket. He discusses the minimal
7 standards for Commission acceptance of these filings, the minimal opportunities of Staff and
8 other parties to provide meaningful input to modeling assumptions, and the susceptibility of
9 these filings to the preferences of utility management. Mr. Fortson's testimony notes that Staff
10 raised a concern, which the Commission acknowledged, that Ameren Missouri inherently
11 benefits its shareholders by investing in renewable energy while seeking a return on those
12 investments through future rates and that same investment may shift risk to ratepayers that
13 market revenues from the investments may not exceed the cost of the investments.² Mr. Fortson
14 also discusses that the utility selection of alternative resource plans limits the universe of
15 potential solutions to potential problems, such that an IRP or PRP analysis cannot reasonably
16 establish a least-cost solution to a given generation fleet design. Specifically, Mr. Fortson
17 testifies that while Ameren Missouri has identified a need for a combined cycle natural gas
18 generation since at least its 2011 planning cycle, that Ameren Missouri did not even model a
19 scenario in its 2020 IRP in which the combined cycle unit was considered for addition prior to
20 renewable generation, nor did Ameren Missouri reasonably and timely analyze alternative
21 resource plans that considered the early retirement of the Rush Island generation facility.
22 Mr. Fortson also highlights elements of Staff's early review of Ameren Missouri's recently

² *Order Regarding 2020 Integrated Resource Plan*, filed on August 18, 2021 in Case No. EO-2021-0021.

1 filed 2023 IRP and PRP, which reflected generic solar projects, as opposed to the four projects
2 for which permission is requested in this case, as hard inputs into each alternative resource plan.

3 Staff expert Sarah L.K. Lange discusses areas Mr. Michels failed to adequately address
4 in his economic modeling that undermine the reliability of that modeling, and explains how his
5 modeling demonstrates that these projects are detrimental to Ameren Missouri ratepayers. She
6 recommends conditions to improve future CCN filings, and conditions to mitigate the risks to
7 ratepayers if the Commission does grant permission for Ameren Missouri to proceed with any
8 of the projects as requested in this proceeding, including a condition that Ameren Missouri not
9 pursue MEEIA earnings opportunities if the projects for which permission is requested in this
10 docket is granted. She also provides background and context to metrics and areas discussed by
11 Ameren Missouri, particularly NPVRR, LOLE, and LCOE³. Ms. Lange explains that
12 Ameren Missouri's direct testimony in this case fails to demonstrate that these projects are
13 improvements that justify their costs, and fails to explain what deficiencies in its generation
14 fleet these projects reasonably address, in the context of the Commission's review
15 of CCN applications and the governing legal standards. She also explains how moving forward
16 with these projects is inconsistent with Ameren Missouri's requested regulatory treatment in
17 other dockets, particularly its pending MEEIA application, and how Ameren Missouri's
18 management is incentivized to pursue high-capital cost projects rather than to select projects
19 that meet customer needs at the lowest cost to ratepayers.

20 Staff witness J Luebbert explains why it is not appropriate to grant the authority
21 Ameren Missouri has requested based on its direct testimony filing, and why it would be

³ NPVRR – Net Present Value of Revenue Requirement, LOLE – Loss of Load Expectation, LCOE – Levelized Cost of Energy.

1 imprudent for Ameren Missouri to move forward with the acquisitions/development of the solar
2 projects. He explains, and recommends the Commission recognize, that the IRP results
3 referenced by Ameren Missouri in its direct testimony in this case fails to establish that the
4 projects for which permission is requested in this case are needed, economically feasible, or in
5 the public interest, despite Ameren Missouri's claims and implications to the contrary.
6 Mr. Luebbert will explain why the projects subject to this case introduce unnecessary and
7 unjustified ratepayer risk to the benefit of Ameren Missouri shareholders and how this
8 introduction of ratepayer risk contradicts the testimony of Ameren Missouri's witnesses. He
9 also provides recommendations for potential IRP process and CCN application improvements.
10 Staff expert Shawn Lange, P.E. explains that the evidence presented by Ameren Missouri is not
11 sufficient to demonstrate an energy need. He further explains that the four solar projects are not
12 a reasonable way to meet the near-term winter capacity need. Mr. Lange discusses Ameren
13 Missouri's failure to evaluate power purchase agreements in its evaluation of these solar
14 projects. Mr. Lange provides additional context to resource adequacy, loss of load expectation,
15 and the reliability analysis presented by Ameren Missouri. Additionally, Mr. Lange discusses
16 the interconnection studies and costs related to the four projects. Mr. Lange recommends and
17 provides support for three conditions related to in-service testing of the facilities, the use of
18 IEEE Standard 2800TM, and the provision of curtailment data to Staff.

19 Staff expert Brodrick Neimeier discusses the operational qualifications of
20 Ameren Missouri and its counterparties for each project, and recommends a condition that if
21 authority to proceed with a project is given, Ameren Missouri provide Restoration Plans
22 within 60 days of each project's in-service date.

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1 Staff expert Hari Poudel, PhD, addresses the reasonableness of the capacity factors
2 Ameren Missouri has used to predict the amount of energy each solar project for which
3 permission is sought in this case will produce. In response to Ameren Missouri's claims that
4 these solar projects are demonstrated to be economically efficient solutions in Ameren
5 Missouri's 2020 IRP and 2022 PRP, Dr. Poudel provides information showing that the solar
6 cost Ameren Missouri relied upon in the 2020 IRP and 2022 PRP was much lower than the cost
7 Ameren Missouri expects for the projects in this docket. Dr. Poudel's testimony demonstrates
8 that the costs of the projects for which permission was sought in this case are *** [REDACTED] ***
9 higher than Ameren Missouri modeled in those IRPs. Dr. Poudel also provides evidence
10 contradicting Ameren Missouri's arguments that solar costs are rising, which it uses to justify
11 urgency in granting it permission to proceed with the projects in this docket.

12 Staff expert Krishna Poudel, PhD, rebuts Ameren Missouri's claims related to
13 geographic diversity. Dr. Poudel testifies that these particular projects are not particularly
14 geographically diverse as it relates to the benefits of geographic diversity that Mr. Arora
15 discusses. Dr. Poudel testifies that even if these projects were geographically diverse, Ameren
16 Missouri does not provide evidence to establish that these particular projects will achieve the
17 benefits that Ameren Missouri associates with geographic diversity. He further testifies that
18 Mr. Arora's testimony concerning implementation risk fails to describe factual support
19 regarding reliability benefits to be provided by these particular projects, nor does it explain how
20 proceeding with these particular projects helps navigate the risks such as completion of power
21 generation projects nor lost economic opportunity.

22 Staff expert Michael Stahlman addresses the failure of Ameren Missouri to provide
23 evidence that the projects for which permission is requested in this docket provide

1 improvements to justify their costs, or to meaningfully demonstrate the “economic feasibility”
2 of these projects. Mr. Stahlman also discusses the ambiguity of Ameren Missouri’s asserted
3 “energy need” and provides testimony explaining how Ameren Missouri’s potential position as
4 a net energy purchaser in the MISO integrated energy market may demonstrate an economically
5 desirable outcome for ratepayers, in the absence of reasonable Ameren Missouri evidence to
6 the contrary. Mr. Stahlman also explains the operation of the MISO capacity market, and
7 explains how the addition of generation to the Ameren Missouri fleet may reduce the value
8 Ameren Missouri obtains for existing units. Mr. Stahlman provides context to
9 Ameren Missouri’s depiction of the impact of addition of the project on its daily energy
10 requirements by hour, which it unreasonably modeled as a single shape for all days and seasons
11 of the year. Mr. Stahlman also describes concerns with CRA’s⁴ modeling upon which
12 Ameren Missouri relies, and Ameren Missouri’s models. In particular, Mr. Stahlman observes
13 that Ameren Missouri assumes an unreasonable number of hours in which solar generation is
14 modeled to operate at 100% capacity.

15 Staff expert Seoung Joun Won, PhD, discusses Ameren Missouri’s financial position
16 with regard to the projects and concludes that it is reasonable to conclude that Ameren Missouri
17 has the financial ability to construct, operate, and maintain the Projects.

18 **Ameren Missouri Failed to Provide sufficiently reliable Evidence in its Direct Case to**
19 **support a Commission Order Granting the Permission it Requested**

20 Q. Did Ameren Missouri provide evidence that the authority it requested in this
21 case would result in facilities that are of sufficient importance to warrant the expense of making

⁴ CRA – Charles River Associates

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1 the investment⁵ or of such an improvement as to justify or warrant the expense of making the
2 improvement; ⁶ and that the projects are both important to the public convenience and desirable
3 for the public welfare,⁷ or effectively a necessity because the lack of the service is such
4 an inconvenience?⁸

5 A. No. While since the mid 1990's the Commission has often subsumed these
6 questions into the "Tartan Factors," these questions remain the touchstone to which the
7 Commission must answer in the discharge of Commissioners' legal obligation to rely on
8 competent evidence in issuance of its orders.

9 Q. What need does Ameren Missouri assert for the projects?

10 A. As summarized in its Application, Ameren Missouri asserts the projects are
11 needed because of four main reasons:

12 1. **Ameren Missouri asserts that these projects are needed because**
13 **Ameren Missouri included solar projects in its Preferred Resource Plan.**⁹

14 As Staff expert Brad Fortson explains, while each of Ameren Missouri's witnesses in
15 this matter express their reliance on Ameren Missouri's Chapter 22 filing of its Integrated

⁵ State ex rel. Transport Delivery Co. v. Burton, 317 S.W.2d 661, 664 (Mo. App. 1958).

⁶ State ex rel. Transport Delivery Co. v. Burton, 317 S.W.2d 661, 664 (Mo. App. 1958).

⁷ "[The Kansas City Court of Appeals, Missouri] in State ex rel. Missouri, Kansas & Oklahoma Coach Lines v. Public Service Commission, 238 Mo.App. 317, 179 S.W.2d 132, loc. cit. 136, made the following comment on the question: "Necessity" as used in the phrase 'convenience and necessity', as applied to regulations by Public Service Commissions, does not mean essential or absolutely indispensable, but is used in the sense that the motor vehicle service would be such an improvement as to justify or warrant the expense of making the improvement; that the inconvenience of the public occasioned by the lack of motor vehicle transportation is so great as to amount to a necessity. Chicago, R. I. & P. R. Co. v. State, 123 Okl. 190, 252 P. 849. 'Any improvement which is highly important to the public convenience and desirable for the public welfare may be regarded as necessary. If it is of sufficient importance to warrant the expense of making it, it is a public necessity. * * * Inconvenience may be so great as to amount to necessity'. Wabash Chester & Western R. R. Co. v. Commerce Commission ex rel., 309 Ill. 412, 418, 141 N.E. 212, 214'. State ex rel. Transport Delivery Co. v. Burton, 317 S.W.2d 661, 664 (Mo. App. 1958).

⁸ State ex rel. Transport Delivery Co. v. Burton, 317 S.W.2d 661, 664 (Mo. App. 1958).

⁹ "As addressed in the Direct Testimonies of Company witnesses Matt Michels and Ajay K. Arora, the Projects are called for by the Company's 2022 Preferred Resource Plan submitted in File No. EO-2022-0362 and part of Ameren Missouri's long-term plan to continue to transition its generating fleet to greater reliance on least-cost renewable energy resources to fill its customers' energy needs, including to contribute to meeting a near- or intermediate-term forecasted energy shortfall." Ameren Missouri Application, at page 12.

1 Resource Plan, “IRP,” although the Commission may find an electric utility’s triennial
2 compliance filing compliant with the Chapter 22 rules, it is not to be construed as Commission
3 approval of the utility’s triennial compliance filing. Importantly, as Mr. Fortson testifies, when
4 Ameren Missouri presented its 2020 triennial filing, which is the filing relied upon in this case
5 by Ameren Missouri, the Commission order regarding the filing included the Commission’s
6 concern that adding large amounts of renewable generation that are not required to meet
7 MISO resource adequacy requirements or Missouri statutory or rule requirements, including
8 providing safe and adequate service, may place an undue level of risk on ratepayers based on
9 the speculation that market revenues will exceed the overall cost of the assets. The Commission
10 further acknowledged that Ameren Missouri inherently benefits its shareholders by investing
11 in renewable energy while seeking a return on those investments through future rates; and that
12 same investment may shift risk to ratepayers that market revenues from the investments may
13 not exceed the cost of the investments.¹⁰

14 Significantly, in the IRP process Staff and the Commission noted that the addition of
15 the generically-modeled renewable projects risked that ratepayers would pay more for the
16 projects than the projects would generate in revenues. For the requested projects, as noted in
17 Ameren Missouri’s witness Matt Michels’ Table 6 and Tables 7-10, and as I will explain below,
18 for each project for which authority is requested in this case, Ameren Missouri expects the costs
19 to ratepayers from the projects to exceed the value of the energy generated and capacity value
20 of the projects.

21 As Staff expert J Luebbert explains, Ameren Missouri has essentially unfettered
22 discretion in its choice of critical inputs into its IRP modeling, including energy and capacity

¹⁰ *Order Regarding 2020 Integrated Resource Plan*, filed on August 18, 2021 in Case No. EO-2021-0021.

1 price forecasts, load projections that are the basis of modeled capacity needs, and assumed
2 environmental and emission law parameters. Mr. Luebbert and Dr. Hari Poudel also explain
3 how the projects selected are quite different from those modeled in the IRP. Dr. Poudel
4 identifies the *** [REDACTED] ***in the cost of the projects in this application from the
5 assumed solar cost per installed MW in the IRP. Mr. Luebbert also explains that the changes
6 in tax benefits resulting from the passage of the Inflation Reduction Act of 2022 invalidates the
7 results of Ameren Missouri’s IRP analyses. As Mr. Lange explains, the current winter capacity
8 value for solar for MISO capacity purposes is 5%, and MISO is posed to reduce it further for
9 purposes of its class-level planning reserve margin analysis.

10 **2. Ameren Missouri asserts that these projects are needed because**
11 **Ameren Missouri selected them through an RFP process, and because**
12 **they qualify for tax credits.**¹¹

13 Staff expert Cedric Cunigan, PE, discusses Ameren Missouri’s RFP weighting, and
14 Staff experts Shawn Lange, PE, and J Luebbert discuss the reasonableness of
15 Ameren Missouri’s decision to exclude any form of power purchase agreement (PPA) from its
16 RFP process. Mr. Luebbert also describes added flexibility of acquiring renewable resources
17 due to changes in tax credit eligibility.

18 **3. Ameren Missouri asserts that these projects are needed because they**
19 **“will provide needed energy and capacity in all seasons.”**¹²

20 Ameren Missouri specifically alleges that the projects are needed because “changes in
21 Ameren Missouri's historical generation portfolio mean that Ameren Missouri will no longer
22 have its typical generation buffer with up to 10 million MWhs or more in excess of its load, but

¹¹ “As the Commission itself recognized in its Report and Order issued in File No. EA-2022-0245 – recognition that applies with equal force to the Projects in this case – the Projects are good projects produced by diligent, competitive request for proposal processes, will qualify for valuable tax credits available now, and will provide needed energy and capacity in all seasons.” Ameren Missouri Application, at page 12.

¹² Ameren Missouri Application, at page 12.

1 rather will be in an energy deficit by 2028 under normal planning assumptions. This deficit
2 could occur as soon as 2026 if normal planning assumptions do not hold, e.g., in the case of
3 high carbon prices, high loads, unplanned forced outages of large units, extreme weather, or
4 lower than planned generation from other units, including as a result of additional
5 environmental regulations, etc. In the absence of the historical energy buffer, customers will be
6 exposed to reliability risks and high market price risks.”¹³ Ameren Missouri’s

7 Application continues,

8 As addressed here and in greater detail in witness Michels' and Arora's Direct Testimonies, there
9 is a need to mitigate these risks, especially in light of potentially limited MISO reserves as
10 NERC forecasted in its 2022 Long-Term Reliability assessment. NERC labeled MISO a high-
11 risk zone and warned that reserves could fall below acceptable levels in the summer of 2023,
12 with an increased risk in 2024 and beyond especially during MISO’s peaks. NERC's most recent
13 summer 2023 Reliability Assessment echoes the existence of these risks, stating that MISO ‘is
14 at risk of operating reserve shortfalls during periods of high demand or low resource output.’¹⁴

15 In other words, Ameren Missouri’s claim is that these projects are needed to avoid or
16 mitigate “reliability risks,” and “high market price risks.” However, as Staff expert
17 Shawn Lange, PE, testifies, regarding the reliability risks, the supply risks at the MISO level
18 are generally during winter mornings, and are projected to occur in the future in those hours
19 during the summer when solar generation has tapered off, but before air conditioning load
20 declines in the evenings. Staff expert Michael Stahlman provides additional discussion of this
21 phenomena, known as a “duck curve,” which would not be solved by additional solar
22 generation. Regarding the “high market price risks,” Ms. Lange explains that the market prices
23 would have to be significantly higher than Ameren Missouri projects them to be in order for
24 these projects to be a beneficial mitigator of those risks to ratepayers. She also explains that
25 Ameren Missouri did not perform the modeling that would be necessary to determine whether

¹³ Ameren Missouri Application, at page 13.

¹⁴ Ameren Missouri Application, at page 13.

1 or not these plants, in light of Ameren Missouri’s participation in the MISO energy markets,
2 would increase, hold steady, or even decrease either Ameren Missouri’s total generation on an
3 annual basis, or Ameren Missouri’s marginal revenues due to generation on an annual basis.

4 **4. Ameren Missouri asserts that these projects are needed because**
5 **proceeding with these projects – and more - will save ratepayers**
6 **\$1 billion dollars.**¹⁵

7 As described in the testimony of Staff experts J Luebbert, Dr. Hari Poudel, and
8 Ms. Lange, there are differences in the project assumptions in the IRP and the projects before
9 the Commission. Ms. Lange explains that all projects are expected to cost far more to ratepayers
10 than Ameren Missouri’s projection of the cost of meeting energy and capacity needs through
11 other means even under the assumptions Ameren Missouri has chosen to make when modeling
12 its justification for the projects. Ameren Missouri repeats this assertion as a justification of
13 “economic feasibility.”¹⁶

14 Q. What does Ameren Missouri offer to assert the economic feasibility of
15 the projects?

16 A. As summarized in its Application, Ameren Missouri asserts the projects are
17 economically feasible because of three main reasons:

18 **1. Ameren Missouri asserts that these projects are economically feasible**
19 **because tax credits are currently available.**¹⁷

¹⁵ “In addition to meeting the above-described needs, as witness Michel's Direct Testimony discusses, a comparison of the case where the Company's plan is implemented as compared to following what might be characterized as a more "business as usual approach" (i.e., looking only at a specific capacity need at a specific point in time) is in customers' economic interest. Specifically, witness Michels' Direct Testimony demonstrates that implementing the Company's plan produces a net present value of revenue requirement that is more than \$1 billion less than not implementing the plan and instead taking a business as usual approach.” Ameren Missouri Application, at page 13.

¹⁶ “The Projects are economically feasible for several reasons, including as demonstrated by the substantially lower net present value of revenue requirement of the Company's 2022 PRP – of which the Projects are a part – as compared to the alternative.” Ameren Missouri Application, at page 14.

¹⁷ “Important to the economic feasibility of the Projects at this time are expanded tax incentives under the Inflation Reduction Act of 2022 ("IRA"). Among its many impacts, the IRA extensively modifies provisions of the tax code for renewable energy projects. The IRA extends both the investment tax credit ("ITC") and production tax credit ("PTC"), creates additional wage and apprentice requirements that projects must meet to qualify for the full ITC

1 Ms. Lange explains that even with the tax credits accounted for in the economic models
2 Ameren Missouri provided in its pre-filed direct testimony, all projects are expected to cost far
3 more to ratepayers than Ameren Missouri's projection of the cost of meeting energy and
4 capacity needs through other means, and will not generate value to ratepayers approaching,
5 equaling, or exceeding the costs to ratepayers, even under the assumptions Ameren Missouri
6 has chosen to make when modeling its justification for the projects.

7 **2. Ameren Missouri asserts that these projects are economically feasible**
8 **because they will “lessen the Company’s need to rely on the MISO**
9 **market, especially at peak times when costs are higher....”¹⁸**

10 Ms. Lange explains that the market prices would have to be significantly higher than
11 Ameren Missouri projects them to be in order for these projects to, on the net, reduce costs for
12 ratepayers. She also explains that Ameren Missouri did not perform the modeling that would
13 be necessary to determine whether or not these plants, in light of Ameren Missouri's
14 participation in the MISO energy markets, would increase, hold steady, or even decrease either
15 Ameren Missouri's total generation on an annual basis, or Ameren Missouri's marginal
16 revenues due to generation on an annual basis.

17 **3. Ameren Missouri asserts that these projects are economically feasible**
18 **because capacity from one or more of the Projects could also be used**
19 **for an additional phase(s) of the Renewable Solutions Program**
20 **approved by the Commission in File No. EA-2022-0245, which would**
21 **further reduce the overall revenue requirement associated with the**
22 **Projects.¹⁹**

or PTC value, and adds additional bonus credit amounts for domestic content and for projects located in an energy community (i.e., a brownfield site, retired coal generating site or an area with significant previous employment related to oil, gas, or coal activities). Two of the four Solar Projects – Cass County and Bowling Green – qualify for bonus credit amounts because they will be located in energy communities. All of the Projects will meet the wage and apprentice requirements. ¶ The passage of the IRA enables solar projects to utilize the PTC or the ITC (previously solar projects could only elect the ITC) and allows taxpayers the ability to transfer tax credits to unrelated parties for cash. This both expands and improves the available tax credit and financing options for a utility-scale solar project.” Ameren Missouri Application, at page 13.

¹⁸ Ameren Missouri Application, at page 14.

¹⁹ Ameren Missouri Application, at pages 14-15.

1 Ameren Missouri fails to provide adequate detail to reasonably incorporate this idea of
2 a proposal into Staff’s review of whether the projects would be such an improvement as to
3 justify or warrant the expense of making the improvement, or rated inquiries. Staff expert
4 Benjamin Burton recommends accounting treatments to be ordered if any project is used
5 in the RSP.

6 Q. Does Ameren Missouri assert that projects promote the public interest?

7 A. Yes. As summarized in its Application, Ameren Missouri asserts that these
8 projects promote the public interest because the Commission found that the Boomtown project
9 was in the public interest.²⁰ With this kind of logic, Ameren Missouri would presumably
10 conclude that any renewable generation project – or perhaps any generation project – promotes
11 the public interest regardless of its size, capacity factor, cost, value, location, usefulness, or any
12 other metric.

13 Q. Do you agree with Ameren Missouri’s apparent assertion that Commission’s
14 obligation to review projects for which permission is sought to proceed under 393.170 in this
15 case, EA-2023-0286, is somehow lessened by the sentences from the Commission’s *Report and*
16 *Order* in EA-2022-0245 that “[i]t is the public policy of this state to diversify the energy supply
17 through the support of renewable and alternative energy sources. [*citing Sections 393.1025 and*
18 *393.1030 (Renewable Energy Standard); and Section 393.1075 (Missouri Energy Efficiency*
19 *Investment Act).*] and the Commission’s previously expressed general support for renewable
20 energy generation because it provides benefits to the public? [*footnote omitted*]”?

²⁰ “As discussed in Company witness Steven Wills’ Direct Testimony, implementation of the Projects promotes the public interest for the same reasons found to exist by the Commission when it approved a CCN for the Boomtown Facility in File No. EA-2022-0245, including by making the region more attractive to economic development, providing significant risk mitigation against the impact of additional environmental regulation, and promoting state energy policy, including the state’s policy to ‘diversify the energy supply through the support of renewable and alternative energy sources.’” Ameren Missouri Application, at page 16.

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1 A. No. Nothing this Commission can enter in a report and order in any case,
2 including Boomtown and Tartan, can reduce the Commission's obligation to determine whether
3 (1) separately for each project, each proposed asset for which authority is requested is both
4 important to the public convenience and desirable for the public welfare,²¹ or if each proposed
5 asset for which authority is requested is effectively a necessity because the lack of the proposed
6 asset is such an inconvenience;²² and (2) separately for each project, if each proposed asset for
7 which authority is requested is of sufficient importance to warrant the expense of making it,²³
8 or, if each proposed asset for which authority is requested is of such an improvement as to
9 justify or warrant the expense of making the improvement?²⁴

10 Q. Does Staff have concerns with the reliability of the evidence Ameren Missouri
11 has presented in this case?

12 A. Yes.

²¹ “[The Kansas City Court of Appeals, Missouri] in *State ex rel. Missouri, Kansas & Oklahoma Coach Lines v. Public Service Commission*, 238 Mo.App. 317, 179 S.W.2d 132, loc. cit. 136, made the following comment on the question: “Necessity’ as used in the phrase ‘convenience and necessity’, as applied to regulations by Public Service Commissions, does not mean essential or absolutely indispensable, but is used in the sense that the motor vehicle service would be such an improvement as to justify or warrant the expense of making the improvement; that the inconvenience of the public occasioned by the lack of motor vehicle transportation is so great as to amount to a necessity. *Chicago, R. I. & P. R. Co. v. State*, 123 Okl. 190, 252 P. 849. ‘Any improvement which is highly important to the public convenience and desirable for the public welfare may be regarded as necessary. If it is of sufficient importance to warrant the expense of making it, it is a public necessity. * * * Inconvenience may be so great as to amount to necessity’. *Wabash Chester & Western R. R. Co. v. Commerce Commission ex rel.*, 309 Ill. 412, 418, 141 N.E. 212, 214’. *State ex rel. Transport Delivery Co. v. Burton*, 317 S.W.2d 661, 664 (Mo. App. 1958).

²² *State ex rel. Transport Delivery Co. v. Burton*, 317 S.W.2d 661, 664 (Mo. App. 1958).

²³ *State ex rel. Transport Delivery Co. v. Burton*, 317 S.W.2d 661, 664 (Mo. App. 1958).

²⁴ *State ex rel. Transport Delivery Co. v. Burton*, 317 S.W.2d 661, 664 (Mo. App. 1958).

1 **COMMISSION REVIEW OF REQUESTS FOR ELECTRIC UTILITIES TO**
2 **CONSTRUCT AND OPERATE GENERATING PLANT**

3 Q. If the utility is ultimately responsible for any cost determined to be imprudently
4 incurred, is it not reasonable that utility conclusory testimony of economic feasibility, need, and
5 public interest is adequate?

6 A. No. As is discussed in Ms. Lange's testimony, the Commission's obligation is
7 to ensure that competent and substantial evidence supports each and every issuance of a
8 certificate of convenience and necessity.

9 Q. Did Ameren Missouri present competent evidence for the Commission to
10 reasonably rely upon that the projects provide value to the ratepayers that is roughly congruous
11 with the costs of the projects expected for ratepayers?

12 A. No. In fact, Ameren Missouri provides evidence that its analysis suggests the
13 costs of the project to ratepayers will exceed the value of the project to ratepayers, particularly
14 when the costs of the project and value provided by the project are considered on an
15 annual basis.

16 Q. Are CCNs prudence preapprovals?

17 A. Under the statutes governing Missouri utility regulation, the issuance
18 of a CCN is not a predetermination of the prudence of a utility decision to proceed with a
19 project, nor of the prudence of the utility decisions for the expenditures related to a project,
20 which a utility may seek to include in rate base. After the South Harper court case²⁵ determined
21 CCNs were required for the construction of generation facilities, Staff is unaware of a

²⁵ "By requiring public utilities to seek Commission approval each time they begin to construct a power plant, the legislature ensures that a broad range of issues, including county zoning, can be considered in public hearings before the first spadeful of soil is disturbed. There is nothing in the law or logic that would support a contrary interpretation." *Stopaquila.Org v. Aquila, Inc.*, 180 S.W.3d 24, 37 (Mo. App. W. Dist. 2005).

1 Commission determination where a generating facility for which a CCN has been issued being
2 found imprudent in a subsequent rate case.

3 Q. Is the inclusion of a conceptually similar generation facility in an IRP preferred
4 plan evidence of economic feasibility or of need for the authority requested for a given
5 generation facility?

6 A. No. This is discussed by Mr. Luebbert and Mr. Fortson. Mr. Luebbert describes
7 recommended conditions related to future IRPs to improve the potential relevance
8 of IRP modeling to subsequent CCN applications.

9 Q. Does the Commission granting permission for Ameren Missouri to move
10 forward with these projects mean that the Commission has found the decision to undertake the
11 projects was prudent?

12 A. No. However, Rule 20 CSR 4240-20.045 (2) (C) provides that “In determining
13 whether to grant a certificate of convenience and necessity, the commission may, by its order,
14 make a determination on the prudence of the decision to operate or construct an asset subject to
15 the commission’s subsequent review of costs and applicable timelines.”

16 Q. Has Ameren Missouri requested such a determination in this case?

17 A. To date, Ameren Missouri has not requested a determination of prudence
18 in this case.

19 Q. Does Staff have a recommendation in this case regarding prudence?

20 A. Yes. Staff recommends the Commission find that it would be imprudent for
21 Ameren Missouri to proceed with the Cass County Solar Project. However, if the Commission
22 denies the requested CCN for Cass, as Staff has recommended, such a separate finding would
23 not be necessary. Staff reserves its recommendations concerning the other requested projects

1 for its supplemental rebuttal to address Ameren Missouri's supplemental direct concerning the
2 other projects. However, based on the evidence provided by Ameren Missouri to date, Staff
3 recommends a finding of imprudence for the remaining facilities.

4 Q. Why should the Commission restrict or condition construction of any project for
5 which Ameren Missouri is willing to invest its shareholders dollars?

6 A. Granting permission to construct a project as discussed in the statute is not a
7 ministerial act. Ameren Missouri is able to expend dollars that will ultimately be reflected in
8 its authorized revenue requirement unless the Commission determines in a later proceeding that
9 Ameren Missouri did not rely on a prudent decision-making process in incurring the costs, AND
10 that ratepayers were harmed by that failure to rely on a prudent decision-making process. This
11 exercise of discretion is a key Commission responsibility. The grant of a CCN should not be
12 viewed as a red tape obstacle to a utility management decision; rather, the CCN review process
13 should be viewed as a trustee decision for when and how an entity protected by the police
14 powers of the state from competition should be allowed to draw on future revenue streams from
15 captive ratepayers to obtain additional funds from future shareholders to enter into an enterprise.
16 In this particular case, it should be remembered that there is in place a competitive market for
17 wholesale energy, and there is in place a competitive market for satisfying capacity
18 requirements in the MISO region. Ameren Missouri's participation in these markets –
19 effectively financially secured by ratepayers – is in competition against independent power
20 producers. The balance the Commission must strike in such cases is not only what is
21 appropriate for ratepayers, but also what interferes least with existing competitive markets.

1 Q. If the Commission does not authorize the CCNs that Ameren Missouri has
2 requested, could Ameren Missouri or another Ameren company proceed with the projects
3 outside of the Commission's jurisdiction?

4 A. Yes. Staff is not aware of any Missouri regulatory or statutory impediment to
5 Ameren Missouri or an affiliate proceeding with these projects as an independent power
6 producer. While Staff is not fully versed in Illinois regulatory scheme, Staff is aware that
7 Ameren Illinois is generally prohibited from ownership of generating assets, although there
8 may be exceptions related to certain forms of renewable generation, microgrids, or other
9 unconventional generation forms.

10 Q. What issues must the Commission resolve in determining whether the subject of
11 a CCN request is "whether the projects are necessary or convenient for the public service?"

12 A. There are many questions the Commission must answer in determining to grant
13 each requested CCN. Since the mid-1990s, the Commission has used the "Tartan" Factors to
14 frame its reviews of CCNs as diverse as the following scenarios:

- 15 • Beginning regulation of an already-operating small water/sewer utility
- 16 • Authorizing construction of a transmission switching station on land already owned
17 in fee simple by a major electric utility
- 18 • Authorizing expansion of an existing natural gas distribution company down
19 another street
- 20 • Authorizing construction of a major transmission line by an entity that is not
21 otherwise subject to Commission regulation
- 22 • Authorizing construction of a new generation facility by a vertically-integrated
23 electric utility.

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1 The facts and circumstances surrounding these widely disparate cases are as different as any
2 potential Commission decision. To use the same criteria to evaluate them is outdated.

3 Q. What are the Tartan factors?

4 A. The Tartan factors are a framework to organize discussion of some, but not all,
5 questions the Commission actually needs to answer in review of any one of those
6 (or other scenarios).

7 Q. For electric generating facilities, are the Tartan factors particularly useful?

8 A. No. As it pertains to electric generating plants, the use of the Tartan framework
9 now seems to muddy the analysis more than it assists to organize discussion. The Commission
10 is not obligated to rely on the Tartan framework for its consideration whether to grant
11 permission for Ameren Missouri to begin construction of these energy generation units after a
12 determination that these energy generation units are necessary or convenient for the public
13 service. Rather, Staff is under the understanding that the Commission is bound to determine

14 (1) separately for each project, if each proposed asset for which
15 authority is requested is both important to the public convenience and
16 desirable for the public welfare,²⁶ or if each proposed asset for which
17 authority is requested is effectively a necessity because the lack of the
18 proposed asset is such an inconvenience;²⁷ and

19 (2) separately for each project, if each proposed asset for which
20 authority is requested is of sufficient importance to warrant the expense

²⁶ “[The Kansas City Court of Appeals, Missouri] in *State ex rel. Missouri, Kansas & Oklahoma Coach Lines v. Public Service Commission*, 238 Mo.App. 317, 179 S.W.2d 132, loc. cit. 136, made the following comment on the question: “Necessity’ as used in the phrase ‘convenience and necessity’, as applied to regulations by Public Service Commissions, does not mean essential or absolutely indispensable, but is used in the sense that the motor vehicle service would be such an improvement as to justify or warrant the expense of making the improvement; that the inconvenience of the public occasioned by the lack of motor vehicle transportation is so great as to amount to a necessity. *Chicago, R. I. & P. R. Co. v. State*, 123 Okl. 190, 252 P. 849. ‘Any improvement which is highly important to the public convenience and desirable for the public welfare may be regarded as necessary. If it is of sufficient importance to warrant the expense of making it, it is a public necessity. * * * Inconvenience may be so great as to amount to necessity’. *Wabash Chester & Western R. R. Co. v. Commerce Commission ex rel.*, 309 Ill. 412, 418, 141 N.E. 212, 214’. *State ex rel. Transport Delivery Co. v. Burton*, 317 S.W.2d 661, 664 (Mo. App. 1958).

²⁷ *State ex rel. Transport Delivery Co. v. Burton*, 317 S.W.2d 661, 664 (Mo. App. 1958).

1 of making it,²⁸ or, if each proposed asset for which authority is requested
2 is of such an improvement as to justify or warrant the expense of making
3 the improvement?²⁹

4 For the convenience of the Commission, Staff assumes that the Commission prefers to retain
5 the Tartan factor framework for organizing testimony and orders. Staff will refer to this
6 evaluation described, which considers project economics in light of level of project need, with
7 the potential for public benefit to overcome deficiencies in need as “Ratepayer Value.”

8 Q. Ameren Missouri has indicated throughout its testimony that the need for these
9 projects is laid out in its IRP and/or Annual update to its IRP. Does this reliance on
10 the IRP process concern Staff going forward?

11 A. Yes. Over the past handful of years, Ameren Missouri, as well as other utilities,
12 have pointed to their IRP preferred plan as justification and evidence of need of specific projects
13 for which the utility is seeking a CCN. However, and as described in Mr. Fortson’s testimony,
14 the IRP process does not allow for the Commission to evaluate any specific project that the
15 utility may seek a CCN for. It is Staff’s recommendation that the Commission make an
16 affirmative statement that indicates that justification for any future generation facility needs
17 more detailed analysis as described within my testimony and other Staff rebuttal testimony and
18 reliance on the IRP or Annual update preferred plan is insufficient justification.

19 **CONCLUSION**

20 Q. Please summarize your testimony.

²⁸ State ex rel. Transport Delivery Co. v. Burton, 317 S.W.2d 661, 664 (Mo. App. 1958).

²⁹ State ex rel. Transport Delivery Co. v. Burton, 317 S.W.2d 661, 664 (Mo. App. 1958).

Rebuttal Testimony of
James A. Busch

1 A. Based on the evidence that has so far been presented by Ameren Missouri, Staff
2 recommends that the Commission deny Ameren Missouri's request for four CCNs for the
3 Bowling Green, Vandalia, Split Rail, and Cass County projects.

4 Staff recommends that the Commission order Ameren Missouri to file supplemental
5 direct testimony to address the deficiencies in Ameren Missouri's case to allow for more
6 analysis to determine if any of the projects might actually be proven to be in the public interest.

7 Staff alternately recommends that if the Commission is inclined to approve some solar
8 generation facilities in this case, that the Commission order a sharing mechanism.

9 Staff recommends, if the Commission decides to move forward with granting authority
10 without a sharing mechanism, that the Commission only grants permission to the Bowling
11 Green and Vandalia Projects.

12 Under no situation does Staff recommend that Commission grant authority for Ameren
13 Missouri to move forward with the Cass County Project.

14 As mentioned earlier in this testimony, any authority granted by the Commission should
15 include the conditions referenced on pages 8 and 9 in this testimony

16 Q. Does this conclude your rebuttal testimony?

17 A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

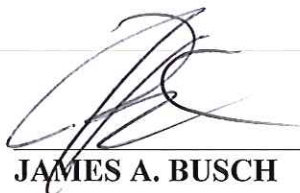
In the Matter of the Application of Union)
Electric Company d/b/a Ameren Missouri for) Case No. EA-2023-0286
Permission and Approval and Certificates of)
Public Convenience and Necessity Authorizing)
it to Construct Renewable Generation Facilities)

AFFIDAVIT OF JAMES A. BUSCH

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW JAMES A. BUSCH and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Rebuttal Testimony of James A. Busch*; and that the same is true and correct according to his best knowledge and belief.

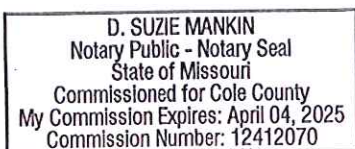
Further the Affiant sayeth not.



JAMES A. BUSCH

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 6th day of October 2023.





Notary Public

**Cases of Filed Testimony
James A. Busch**

<u>Company</u>	<u>Case No.</u>
Union Electric Company	GR-97-393
Missouri Gas Energy	GR-98-140
Laclede Gas Company	GO-98-484
Laclede Gas Company	GR-98-374
St. Joseph Light & Power	GR-99-246
Laclede Gas Company	GT-99-303
Laclede Gas Company	GR-99-315
Fiber Four Corporation	TA-2000-23; et al
Missouri-American Water Company	WR-2000-281/SR-2000-282
Union Electric Company d/b/a AmerenUE	GR-2000-512
St. Louis County Water	WR-2000-844
Empire District Electric Company	ER-2001-299
Missouri Gas Energy	GR-2001-292
Laclede Gas Company	GT-2001-329
Laclede Gas Company	GO-2000-394
Laclede Gas Company	GR-2001-629
UtiliCorp United, Inc.	ER-2001-672
Union Electric Company d/b/a AmerenUE	EC-2001-1
Laclede Gas Company	GR-2002-356
Empire District Electric Company	ER-2002-424
Southern Union Company	GM-2003-0238
Aquila, Inc.	EF-2003-0465
Missouri-American Water Company	WR-2003-0500
Union Electric Company d/b/a AmerenUE	GR-2003-0517
Aquila, Inc.	ER-2004-0034
Aquila, Inc.	GR-2004-0072
Missouri Gas Energy	GR-2004-0209
Empire District Electric Company	ER-2004-0570
Aquila, Inc.	EO-2002-0384
Aquila, Inc.	ER-2005-0436
Empire District Electric Company	ER-2006-0315
Kansas City Power & Light	ER-2006-0314
Union Electric Company d/b/a AmerenUE	ER-2007-0002
Aquila, Inc.	EO-2007-0395
Missouri-American Water Company (Live)	WC-2009-0277
Missouri-American Water Company	WR-2010-0131
Review of Economic, Legal and Policy Considerations Of District Specific Pricing and Single Tariff Pricing (Live)	SW-2011-0103
Timber Creek Sewer Company	SR-2011-0320

Missouri-American Water Company	WR-2011-0337
Emerald Pointe Utility Company	SR-2013-0016
City of Pevely and CPWSD C-1 of Jefferson County	WC-2014-0018
Hickory Hills Water and Sewer Company, Inc	SR-2014-0166/WR-2014-0167
Peaceful Valley Service Company (Live)	SR-2014-0153/WR-2014-0154
Central Rivers Wastewater Utility	SR-2014-0247
Missouri-American Water Company	WR-2015-0301
Ridge Creek Water, LLC	WO-2017-0236
Missouri-American Water Company	WO-2018-0059
Missouri-American Water Company	WR-2017-0285
Liberty Utilities (Missouri Water), LLC and Ozark	WM-2018-0023
Liberty Utilities (Missouri Water), LLC	WR-2018-0170
Osage Utility Operating Company (Live)	WA-2019-0185
Confluence Rivers Operating Company	WA-2019-0299
Elm Hills Operating Company	WR-2020-0275
Missouri-American Water Company	WR-2020-0344