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MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

ENERGY RESOURCES DEPARTMENT

REBUTTAL TESTIMONY

OF

BRAD J. FORTSON

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

CASE NO. EA-2023-0286

*Jefferson City, Missouri
October 2023*

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d/b/a AMEREN MISSOURI**

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1 **REBUTTAL TESTIMONY**

2 **OF**

3 **BRAD J. FORTSON**

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

6 **CASE NOS. EA-2023-0286**
7

8 Q. Please state your name and business address.

9 A. My name is Brad J. Fortson, and my business address is Missouri Public Service
10 Commission, P. O. Box 360, Jefferson City, Missouri 65102.

11 Q. By whom are you employed and in what capacity?

12 A. I am employed by the Missouri Public Service Commission (“Commission”) as
13 the Regulatory Compliance Manager of the Energy Resources Department.

14 Q. What is your educational background and work experience?

15 A. Please refer to the attached Schedule BJF-r1.

16 Q. Have you previously filed testimony before this Commission?

17 A. Yes. Please refer to the attached Schedule BJF-r2 for a list of cases in which
18 I have previously filed testimony.

19 **EXECUTIVE SUMMARY**

20 Q. What is the purpose of your rebuttal testimony?

21 A. My rebuttal testimony will discuss electric utility resource planning policy and
22 Union Electric Company d/b/a Ameren Missouri’s (“Ameren Missouri”) reliance on its
23 2020 Triennial Compliance Filing and its *Notice of Change in Preferred Resource Plan*
24 (“2022 Updated Preferred Resource Plan”) filed in Case No. EO-2022-0362 as part of its

1 justification for the need of the four solar generation facilities at issue in this docket – Split Rail
2 Solar, Cass County Solar, Vandalia Solar, and Bowling Green Solar (“Solar Projects”).

3 Q. Does Ameren Missouri rely heavily on its 2020 Triennial Compliance Filing,
4 and its subsequent 2022 Updated Preferred Resource Plan filing, in an attempt to justify the
5 need for the Solar Projects?

6 A. Yes, very much so. Each of Ameren Missouri’s witnesses put reliance on the
7 2020 Triennial Compliance Filing and/or the 2022 Updated Preferred Resource Plan for these
8 Solar Projects. As one example, and as stated in Ameren Missouri witness Mr. Ajay K. Arora’s
9 direct testimony in this case, “The Preferred Resource Plan in the Company’s 2022 Integrated
10 Resource Plan (“IRP”) filing reflects a need for a controlled but sustained transition to greater
11 reliance on renewable energy resources, of which the Solar Projects proposed in this docket are
12 a part...”

13 Q. Does Ameren Missouri rely on any other reasons in its attempt to justify the
14 need for the Solar Projects?

15 A. Yes. Ameren Missouri states other reasons for the need of the Solar Projects
16 and responses to those perceived needs are addressed in the rebuttal testimony of Staff witnesses
17 Ms. Sarah Lange, Mr. J Luebbert, Mr. Shawn Lange, and Mr. Michael Stahlman.

18 **Electric Utility Resource Planning**

19 Q. Are there Commission rules that guide investor-owned electric utilities in
20 resource planning?

21 A. Yes. The Commission has set forth Electric Utility Resource Planning rules in
22 20 CSR 4240-22 (Chapter 22).

23 Q. What are the policy objectives of the Chapter 22 rules?

1 A. 20 CSR 4240-22.010(1) states:

2 The commission’s policy goal in promulgating this chapter is to set
3 minimum standards to govern the scope and objectives of the
4 resource planning process that is required of electric utilities subject
5 to its jurisdiction in order to ensure that the public interest is
6 adequately served. Compliance with these rules shall not be
7 construed to result in commission approval of the utility’s resource
8 plans, resource acquisition strategies, or investment decisions.
9

10 20 CSR 4240-22.010(2) further states:

11 The fundamental objective of the resource planning process at
12 electric utilities shall be to provide the public with energy services
13 that are safe, reliable, and efficient, at just and reasonable rates, in
14 compliance with all legal mandates, and in a manner that serves the
15 public interest and is consistent with state energy and environmental
16 policies.
17

18 Q. Does the Commission approve electric utility resource planning filings?

19 A. No. As stated above, in 20 CSR 4240-22.010(1), “Compliance with these rules
20 shall not be construed to result in commission approval of the utility’s resource plans, resource
21 acquisition strategies, or investment decisions.” While the Commission must determine
22 whether the resource planning filing complies with the Chapter 22 rules, the Commission’s
23 finding of compliance does not constitute any kind of approval of the resource plans set out in
24 the filing.

25 Q. Does the Commission make any ruling on electric resource planning filings?

26 A. The Chapter 22 rules give the Commission options on resolving electric utility
27 resource planning filings. I will briefly summarize the triennial compliance filing¹ process, and
28 at what points Commission intervention becomes necessary and then provide those
29 intervention options.

¹ 20 CSR 4240-080(1) provides that investor-owned electric utilities shall make a triennial compliance filing with the commission every three (3) years.

1 Staff conducts a limited review of the electric utility’s triennial compliance filing and
2 files a report no later than one hundred fifty (150) days after the utility’s filing. Staff’s report
3 identifies any deficiencies and concerns² in the utility’s triennial compliance filing with the
4 provisions of Chapter 22. If a deficiency and/or concern is identified, at least one suggested
5 remedy for each is required. A Staff report that finds compliance with Chapter 22 is not to be
6 construed as acceptance or agreement with the substantive findings, determinations, or analysis
7 contained in the electric utility’s filing.³ Also within the same one hundred fifty (150) days,
8 the Office of the Public Counsel (“OPC”) and other intervenors may file a report or comments
9 that identifies deficiencies and concerns.⁴

10 If Staff, OPC, or any intervenor finds deficiencies or concerns with the utility’s triennial
11 compliance filing, it will work with the utility and other parties to reach a joint agreement on a
12 plan to remedy the deficiencies and concerns. The joint agreement is filed within
13 sixty (60) days of the Staff and/or OPC and other intervenors’ reports or comments. If full
14 agreement cannot be reached, a joint filing setting out those areas on which agreement cannot
15 be reached is made with the Commission within the same sixty (60) days as previously
16 mentioned.⁵

17 Further, if full agreement cannot be reached, the electric utility may file a response and
18 Staff, OPC, and other intervenors can file comments in response to each other within the same
19 sixty (60) previously mentioned. The Commission will issue an order that indicates on what
20 items, if any, a hearing will be held and which establishes a procedural schedule.⁶

² Deficiency and Concern is defined in 20 CSR 4240-22.020.

³ 20 CSR 4240-22.080(7).

⁴ 20 CSR 4240-22.080(8).

⁵ 20 CSR 4240-22.080(9).

⁶ 20 CSR 4240-22.080(10).

1 The Commission will issue an order that contains its findings regarding at least
2 one (1) of the following options (these are the options mentioned above):

- 3 (A) That the electric utility’s filing pursuant to this rule either does
4 or does not demonstrate compliance with the requirements of
5 this chapter, and that the utility’s resource acquisition strategy
6 either does or does not meet the requirements stated in
7 4 CSR 240-22.
8 (B) That the commission approves or disapproves the joint filing on
9 the remedies to the plan deficiencies or concerns developed
10 pursuant to section (9) of this rule;
11 (C) That the commission understands that full agreement on
12 remediating deficiencies or concerns is not reached and pursuant
13 to section (10) of this rule, the commission will issue an order
14 which indicates on what items, if any, a hearing(s) will be held
15 and which establishes a procedural schedule; and
16 (D) That the commission establishes a procedural schedule for
17 filings and a hearing(s), if necessary, to remedy deficiencies or
18 concerns as specified by the commission.⁷

19
20 Q. What about Ameren Missouri’s triennial compliance filings?

21 A. For Ameren Missouri’s last three triennial compliance filings,⁸ the Commission
22 has found that, after review of Ameren Missouri’s triennial compliance filings, the parties’ joint
23 filings, the parties’ briefs, etc., Ameren Missouri’s triennial compliance filings have complied
24 or have been in substantial compliance with the Chapter 22 rules.

25 Q. Why is this important to note in electric utility resource planning
26 policy discussion?

27 A. As previously mentioned, although the Commission may find an electric utility’s
28 triennial compliance filing compliant with the Chapter 22 rules, it is not to be construed as
29 Commission approval of the utility’s triennial compliance filing. Similarly, a Staff report that
30 finds compliance with the Chapter 22 rules is not to be construed as acceptance or agreement

⁷ 20 CSR 4240-22.080(16).

⁸ Case Nos. EO-2021-0021, EO-2018-0038, and EO-2015-0084.

1 with the substantive findings, determinations, or analysis contained in a utility’s triennial
2 compliance filing.

3 **2020 Triennial Compliance Filing and 2022 Updated Preferred Resource Plan**

4 Q. Please describe Ameren Missouri’s 2022 Updated Preferred Resource Plan.

5 A. On September 27, 2020, Ameren Missouri filed its 2020 Triennial Compliance
6 Filing in Case No. EO-2021-0021 in accordance with 20 CSR 4240-22. Ameren Missouri’s
7 2020 Triennial Compliance Filing contained its preferred resource plan as required by
8 20 CSR 4240-22.070(1). The preferred resource plan included 5,400 megawatts (“MW”) of
9 wind and solar generation by 2040, the retirement of all of Ameren Missouri’s coal-fired
10 generation by 2042, and the achievement of net-zero CO₂ emissions by 2050.
11 On June 22, 2022, Ameren Missouri submitted its 2022 Updated Preferred Resource Plan in
12 Case No. EO-2022-0362, in accordance with 20 CSR 4240-22.080(12).

13 The 2022 Updated Preferred Resource Plan was built off of the 2020 Triennial
14 Compliance Filing’s preferred resource plan. However, the 2022 Updated Preferred Resource
15 Plan reflects the following key changes⁹ from the 2020 Triennial Compliance Filing’s preferred
16 resource plan:

- 17 • Acceleration of the retirement of Rush Island Energy Center from 2039 to 2025.¹⁰
- 18 • Retirement of Venice Energy Center by the end of 2029.
- 19 • Delay in the retirement of Sioux Energy Center by two years from 2028 to 2030.

⁹ *Notice of Change in Preferred Resource Plan* in Case No. EO-2022-0362, pgs. 2 – 3.

¹⁰ *Notice of Change in Preferred Resource Plan* in Case No. EO-2022-0362, pg. 2, states, “At the time of preparation of this notification, final resolution of the retirement date for the Rush Island Energy Center had not been reached. Changes in the retirement date are expected to have no material impact on other resource decisions represented in the updated Preferred Resource Plan.”

- 1 • Addition of 1,200 MW of natural gas-fired combined cycle ("NGCC") generation in
2 2031, with plans to switch to hydrogen fuel and/or blend hydrogen fuel with natural gas
3 and install carbon capture technology by 2040.
- 4 • Changes in the timing of wind and solar additions, still resulting in total renewable
5 generation additions of 5,400 MW.¹¹
- 6 • Addition of 800 MW of battery storage resources.
- 7 • Retirement of the remaining Illinois CTGs by the end of 2039 – Goose Creek, Raccoon
8 Creek, Pinckneyville, and Kinmundy Energy Centers.
- 9 • Increase from 800 MW to 1,200 MW of clean dispatchable resources in 2043.

10 Q. Did Staff raise any concerns with Ameren Missouri's 2020 Triennial
11 Compliance Filing?

12 A. Yes. One of the concerns Staff raised as a general matter was the risk potentially
13 borne by ratepayers from Ameren Missouri's unprecedented shift toward new renewable wind
14 and solar generation.

15 Q. Did the Commission issue an order in Ameren Missouri's 2020 Triennial
16 Compliance Filing case, and if so, what were its findings?

17 A. As previously mentioned, the Commission found that Ameren Missouri's filing
18 complied with the requirements of the Chapter 22 rules. However, the Commission shared
19 Staff's concern that adding large amounts of renewable generation that are not required to meet
20 MISO resource adequacy requirements or Missouri statutory or rule requirements, including
21 providing safe and adequate service, may place an undue level of risk on ratepayers based on
22 the speculation that market revenues will exceed the overall cost of the assets. The Commission

¹¹ Includes 700 MW of wind generation resources added in 2020 and 2021.

1 further acknowledged that Ameren Missouri inherently benefits its shareholders by investing
2 in renewable energy while seeking a return on those investments through future rates and that
3 same investment may shift risk to ratepayers that market revenues from the investments may
4 not exceed the cost of the investments.¹²

5 Q. Are the market revenues from the Solar Projects in this case projected to exceed
6 the costs?

7 A. No. This is further explained in the rebuttal testimony of Staff witness
8 Sarah Lange.

9 Q. Has the Company used its 2020 Triennial Compliance Filing and its
10 2022 Updated Preferred Resource Plan to attempt a demonstration of economic feasibility of
11 the Solar Projects?

12 A. Yes. In Staff DR MPSC 0030, Staff asked the Company to, “Please provide for
13 each proposed project individually and separately any/all analysis used to demonstrate that the
14 proposed projects are economically feasible. Additionally, please identify where this
15 justification is found in Ameren Missouri’s direct testimony.” Ameren Missouri witness
16 Mr. Steve Wills responded in part that, “The analysis of need reflected in the direct testimonies
17 of Company witnesses Michels and Arora coupled with the market-based project costs and each
18 project’s contribution to a resource portfolio that has a lower net present value of revenue
19 requirement (NPVRR) than the alternatives, support a demonstration of economic feasibility
20 for each project. The Company’s 2020 Integrated Resource Plan (IRP) and 2022 Notice of
21 Change in Preferred Resource Plan (PRP) include the analysis demonstrating that the
22 Company’s PRP has the lowest NPVRR of all alternatives. Substantial relevant portions

¹² *Order Regarding 2020 Integrated Resource Plan*, filed on August 18, 2021 in Case No. EO-2021-0021.

1 of the IRP and Notice of Change in PRP are attached to the direct testimony of
2 witness Michels.”

3 Q. Earlier in your testimony, you stated that Ameren Missouri witness Mr. Arora
4 stated in his direct testimony that, “The Preferred Resource Plan in the Company’s 2022
5 Integrated Resource Plan (“IRP”) filing reflects a need for a controlled but sustained transition
6 to greater reliance on renewable energy resources, of which the Solar Projects proposed in this
7 docket are a part...” Were the Solar Projects in this case included in the 2022 Updated Preferred
8 Resource Plan?

9 A. No. In Staff Data Request (“DR”) MPSC 0057, Staff asked, in part,
10 “Has Ameren Missouri calculated the net present value of revenue requirement (NPVRR) of its
11 Preferred Resource Plan (PRP) with the specific characteristics of the proposed projects?”
12 Ameren Missouri witness Matt Michels’ response was: “No. The Company uses generic
13 assumptions for resources for its IRP modeling of alternative resource plans. To evaluate the
14 economics of specific projects with the specific cost and operating assumptions associated with
15 each, the Company has prepared self-contained project models. The project models can be
16 found in the workpapers submitted with my direct testimony in this case...”

17 Q. How can the economic feasibility of the Solar Projects be determined by the
18 2020 Triennial Compliance Filing and/or the 2022 Updated Preferred Resource Plan?

19 A. It cannot, or at least should not. The Commission’s policy goal in promulgating
20 the Chapter 22 rules was to set minimum standards to govern the scope and objectives of the
21 resource planning process.¹³ The use of the term “minimum standards” is scattered throughout

¹³ 20 CSR 4240-22.010(1).

1 the Chapter 22 rules. In particular, 20 CSR 4240-22.060 Integrated Resource Plan and
2 Risk Analysis states:

3 PURPOSE: This rule requires the utility to design alternative resource
4 plans to meet the planning objectives identified in 4 CSR 240-22.010(2)
5 [sic] and sets minimum standards for the scope and level of detail required
6 in resource plan analysis and for the logically consistent and economically
7 equivalent analysis of alternative resource plans. This rule also requires the
8 utility to identify the critical uncertain factors that affect the performance of
9 alternative resource plans and establishes minimum standards for the
10 methods used to assess the risks associated with these uncertainties.
11

12 As Ameren Missouri witness Mr. Michels admits in Staff DR MPSC 0057, the
13 Company did not calculate the NPVRR of its 2022 Updated Preferred Resource Plan with the
14 specific characteristics of the Solar Projects. Instead, Ameren Missouri uses generic
15 assumptions for resources for its resource planning modeling of alternative resource plans.
16 To be clear, Ameren Missouri's use of generic assumptions is consistent with the Chapter 22
17 rules "minimum standards" guidelines. However, it is unreasonable, if not impossible, to claim
18 the Company's 2020 Triennial Compliance Filing and/or the 2022 Updated Preferred Resource
19 Plan demonstrates economic feasibility of the Solar Projects when the specific characteristics
20 of the Solar Projects were not included as part of the Company's 2020 Triennial Compliance
21 Filing or 2022 Updated Preferred Resource Plan. Each individual solar project has to stand on
22 its own in demonstrating its economic feasibility.

23 Q. Can you provide additional detail about Ameren Missouri's alternative resource
24 plan modeling?

25 A. The alternative resource plans ("ARP") modeled in Ameren Missouri's resource
26 plan filings are plans developed by Ameren Missouri using assumptions made by
27 Ameren Missouri. Ameren Missouri's ARPs are largely pre-determined resource plans that
28 specify the type, timing, and amount of resource developments as inputs to its modeling. For

1 example, in Ameren Missouri’s 2020 Triennial Compliance Filing, Ameren Missouri evaluated
2 28 ARPs. Of those 28 ARPs, twenty-one had the same renewable portfolio with an additional
3 four having a similar renewable portfolio,¹⁴ eighteen had the same Realistic Achievable
4 Potential (“RAP”) level of demand-side management (“DSM”), seventeen included the addition
5 of at least one natural gas-fired combined cycle in 2043, and nine had Sioux retiring in 2028
6 and Rush Island retiring in 2039. So it really comes as no surprise that Ameren Missouri’s
7 preferred resource plan in that case included the same renewable portfolio as the twenty-one
8 previously mentioned,¹⁵ the RAP level of DSM, the addition of a natural gas-fired combined
9 cycle in 2043, and Sioux retiring in 2028 and Rush Island retiring in 2039. Only three out of
10 the 28 ARPs would have provided a comparison to a portfolio with a moderately different
11 renewable resource planning strategy. It is difficult to imagine much insight can be gained in
12 terms of what mix of resource additions and retirements provides the most benefits and least
13 risks to customers at the lowest costs when it is nearly the same pre-determined mix in each
14 ARP. Specific projects, such as the Solar Projects in this case, and the specific characteristics
15 of those projects were not modeled in Ameren Missouri’s resource planning. Ameren
16 Missouri’s claim that its preferred resource plan having the lowest NPVRR in some way
17 demonstrates the economic feasibility of the Solar Projects is not reasonable, or accurate. The
18 plan with the lowest NPVRR is relative to what plans are being modeled and compared against.
19 Further, it should be noted that the modeling analysis results are only as good as the inputs

¹⁴ Two of the four having the same renewable portfolio as the twenty-one others, but including a renewable subscription program. One of the four includes an investment by Ameren Missouri in 1,000 MW of transmission capacity along with the acceleration of investments represented in the renewable portfolio that is the same as the twenty-one others. One of the four expands the renewable portfolio of the twenty-one others.

¹⁵ Ameren Missouri’s PRP included the same renewable portfolio as the twenty-one others, but included a renewable subscription program.

1 provided and will not make up for faulty or unreasonable assumptions. There were significant
2 differences in the assumptions used in the Company's 2020 Triennial Compliance Filing, the
3 2022 Updated Preferred Resource Plan, and its application in this case that other Staff
4 witnesses¹⁶ speak to in more detail. The Chapter 22 rules can function as a roadmap in the
5 sense that it points you in a general direction, in this case solar, but it should not be relied on
6 for the determination of specific projects.

7 **Non-Renewable Resources In The 2022 Updated Preferred Resource Plan**

8 Q. As a part of Ameren Missouri's 2022 Updated Preferred Resource Plan, was
9 there any non-renewable resource included?

10 A. Yes, the addition of a 1,200 MW natural gas-fired combined cycle plant in 2031
11 was included.

12 Q. Is there any other dispatchable¹⁷ resources included in Ameren Missouri's 2022
13 Updated Preferred Resource Plan prior to the inclusion of this 1,200 MW natural gas-fired
14 combined cycle plant in 2031?

15 A. No. All new additional resources prior to the addition of the combined cycle
16 plant in 2031 are non-dispatchable¹⁸ resources.

17 Q. Does the 2022 Updated Preferred Resource Plan still show a need for a natural
18 gas-fired combined cycle plant during the 20-year planning horizon even with the addition of
19 5,400 MW of renewable generation?

¹⁶ Hari Poudel, capital cost assumptions; J Luebbert, tax benefit assumptions; Hari Poudel, J Luebbert, MISO capacity values.

¹⁷ A dispatchable source of electricity refers to an electrical power system, such as a power plant, that can be turned on or off; in other words they can adjust their power output supplied to the electrical grid on demand.

¹⁸ Solar and wind power are non-dispatchable sources, since you cannot get electricity from them when their inputs are unavailable.

1 A. Yes. Even after the planned addition of 3,500 MW of renewables being added
2 by 2031, and another 1,900 MW added from 2031 and beyond, the addition of a 1,200 MW
3 natural gas-fired combined cycle plant is still expected to be needed in 2031.

4 Q. Is the need for the natural gas-fired combined cycle plant new to an
5 Ameren Missouri preferred resource plan?

6 A. No. As far back as Ameren Missouri's preferred resource plan in
7 Case No. EO-2011-0271, filed on February 23, 2011, there has been a projected need for a
8 natural gas-fired combined cycle plant around 2031. In that case, Case No. EO-2011-0271,
9 there was a projected need for a 600 MW natural gas-fired combined cycle plant in 2029.
10 However, in its 2022 Updated Preferred Resource Plan, there is now a projected need for a
11 1,200 MW natural gas-fired combined cycle plant in 2031.

12 Q. Has there been a known projected need for a natural gas-fired combined cycle
13 plant since 2011?

14 A. Yes, since at least 2011. But now, the size of that plant has not only doubled, it
15 is now in combination with 5,400 MW of projected need from renewable resources as well.

16 Q. Has Ameren Missouri modeled a plan that either only includes a natural
17 gas-fired combined cycle plant at an earlier date, for example, prior to 2031, or a plan that
18 includes a natural gas-fired combined cycle plant prior to 2031 with renewable additions after
19 since it has continuously planned to need a natural gas-fired combined cycle plant?

20 A. No. In Staff DR 0062, Staff asked, in part, "Has Ameren Missouri analyzed an
21 alternative resource plan that includes the addition of a natural-gas combined cycle unit prior
22 to incremental additions of renewable generation resources? If not please explain why
23 Ameren Missouri has not analyzed such an alternative resource plan." Mr. Michels' response

1 was: “No. The Company has not analyzed such a plan. The Company has determined that
2 completion of a combined cycle facility prior to the planned addition of renewables would not
3 be feasible due to the time required to plan, permit, design, and construct such a facility and
4 place it into service. The Company did evaluate the “Renewables for Capacity Need” plan as
5 part of its 2022 Notice of Change in Preferred Plan filing, which reflected deferral of a
6 significant portion of planned renewable additions after the addition of the natural gas combined
7 cycle facility...”

8 Q. As a part of its 2020 Triennial Compliance Filing, did Ameren Missouri evaluate
9 any plans that included the near-term retirement of Rush Island due to the potential outcome of
10 Rush Island litigation?

11 A. Yes. Those plans were designated as confidential in that filing so I will not go
12 into the detail about those plans, only that they evaluated certain near-term retirement dates and
13 related costs vs. retrofit costs. However, none of those plans were chosen as Ameren Missouri’s
14 preferred resource plan. The plan chosen as Ameren Missouri's preferred resource plan in its
15 2020 Triennial Compliance Filing and illustrated in the public version of its filing included the
16 retirement of Rush Island in 2039.

17 Q. Did Ameren Missouri evaluate any plans that included the near-term retirement
18 of Rush Island due to the potential outcome of Rush Island litigation in any prior triennial
19 compliance filings?

20 A. No. In its 2014 and 2017 Triennial Compliance Filings (Case Nos.
21 EO-2015-0084 and EO-2018-0038, respectively), Ameren Missouri evaluated at least one plan
22 in each that included the retirement of Rush Island in 2024. In Case No. EO-2015-0084,
23 the 2024 date was used “to avoid significant costs associated with environmental compliance

1 or environmental risk.”¹⁹ In Case No. EO-2018-0038, the 2024 date was used “to avoid
2 significant costs associated with environmental regulations; the potential for an explicit price
3 on carbon starting in 2025... was the primary driver for the alternate retirement date.”²⁰ I am
4 not aware of any plan evaluated that included the near-term retirement of Rush Island due to
5 the potential outcome of Rush Island litigation in its 2011 Triennial Compliance Filing.
6 Therefore, it is Staff’s understanding that Ameren Missouri did not evaluate any plans that
7 included the near-term retirement of Rush Island due to the potential outcome of Rush Island
8 litigation until its 2020 Triennial Compliance Filing.

9 Q. How long had the Rush Island issue been litigated before the recent federal
10 court ruling?

11 A. My understanding is the Environmental Protection Agency (“EPA”) filed the
12 suit in early 2011.

13 Q. Does that mean that Ameren Missouri could have, or should have, been planning
14 for the possibility of having to install a flue gas desulfurization system at Rush Island or the
15 near-term retirement of Rush Island since 2011?

16 A. Yes, it seems reasonable, or appropriate, that Ameren Missouri would have been
17 planning for such a court ruling as far back as its 2011 Triennial Compliance Filing.
18 However, in discussions with Ameren Missouri over the years on its resource planning, it is my
19 understanding that it has been Ameren Missouri’s policy to not take issues being litigated and
20 their potential outcomes into consideration in its resource planning modeling. Further, in its
21 filing, *Sierra Club Comments*, in Case No. EO-2018-0038, the Sierra Club alleged

¹⁹ *Electric Utility Resource Filing of Union Electric Company d/b/a Ameren Missouri*, chapter 9 – integrated resource plan and risk analysis.pdf, pg. 4, in Case No. EO-2015-0084.

²⁰ *Request for Waiver of 60-Day Requirement*, chapter 9 – integrated resource plan and risk analysis.pdf, pg. 4, in Case No. EO-2018-0038.

1 Ameren Missouri was deficient by stating, “Ameren also fails to consider or even mention
2 possible future costs or operating restrictions associated with the January 2017 finding in
3 federal court that it violated the Clean Air Act at the Rush Island plant in 2007 and 2010.”
4 In its *Response Of Ameren Missouri To Alleged Deficiencies And Concerns* in
5 Case No. EO-2018-0038, Ameren Missouri responded to the Sierra Club’s alleged deficiency
6 by stating, “At the time of the filing of the 2017 IRP, the referenced case was active. It would
7 be inappropriate for Ameren Missouri to comment on this active case in its IRP.”

8 Q. How do the Chapter 22 rules define a contingency resource plan?

9 A. 20 CSR 4240-22.020(7) defines a contingency resource plan as an alternative
10 resource plan designed to enhance the utility’s ability to respond quickly and appropriately to
11 events or circumstances that would render the preferred resource plan obsolete.

12 Q. From the time the EPA filed its suit against Ameren Missouri, was there a
13 predictable risk that the ruling in that case would lead to events or circumstances that would
14 render the preferred resource plan obsolete?

15 A. Yes.

16 Q. Did the ruling in that case lead to events or circumstances that rendered the
17 preferred resource plan obsolete?

18 A. Yes.

19 Q. Did the Company include contingency plans as part of its 2020 Triennial
20 Compliance Filing in the event of an environmental retrofit at Rush Island or the near-term
21 retirement of Rush Island?

22 A. Ameren Missouri included the confidential plans previously mentioned as
23 contingency plans. Ameren Missouri “evaluated several potential options for addressing the

1 need for environmental retrofits. While the need for such retrofits is uncertain, and while the
2 alternative resource plans we have evaluated do not cover all potential outcomes, they do
3 provide some insight into the relative benefits of different approaches to address the
4 potential need.”²¹

5 Q. Once the federal court made its ruling on Rush Island and Ameren Missouri’s
6 preferred resource plan became obsolete, did Ameren Missouri transition to a contingency plan
7 from its 2020 Triennial Compliance Filing that included the near-term retirement of
8 Rush Island?

9 A. No. On December 11, 2021, Ameren Missouri determined that its current
10 preferred resource plan was no longer appropriate. Per 20 CSR 4240-22.080(12), the Company
11 shall notify the Commission within sixty (60) days of the utility’s determination that its
12 preferred resource plan is no longer appropriate. In this case, that would have been
13 February 9, 2022. Ameren Missouri stated it was going to be unable to conduct the necessary
14 analysis to select a new preferred resource plan and requested a variance until July 15, 2022, to
15 make its filing.²² Staff recommended approval of the variance and the Commission issued an
16 order approving it.

17 Q. What is the significance of this?

18 A. The Company knew for several years that there was the potential of a court
19 ruling not in their favor that could lead to severe consequences. For many years,
20 Ameren Missouri did not plan at all for the potential outcome that could include the near-term
21 retirement of Rush Island. Even after it did evaluate plans that included the near-term

²¹ *Request for Waiver of 60-Day Requirement and Motion for Protective Order and 2020 IRP Filing*, chapter 10 – strategy selection highly confidential.pdf, pg. 25.

²² Case No. EE-2022-0192.

1 retirement of Rush Island, and included them as contingency plans if its preferred resource plan
2 at the time became obsolete, it did not choose one of those plans once its preferred resource
3 plan became obsolete. A plan that contemplated a natural gas-fired combined cycle plant in the
4 near-term or a natural gas-fired combined cycle plant in the near-term combined with renewable
5 additions, either after or simultaneously, as a contingency plan for the potential near-term
6 retirement of Rush Island may have allowed Ameren Missouri to get ahead of the situation they
7 are currently in. Presumably, more proactive planning for Rush Island and stakeholder
8 discussion on that matter may have allowed for a smoother transition once the federal court
9 ruled. Lastly, Ameren Missouri itself could not rely on its own contingency plans as modeled
10 once its PRP became obsolete, but asks the Commission in this case to rely on its 2022 Updated
11 Preferred Resource Plan as modeled to justify the Solar Projects. This further supports Staff's
12 position that the Company's 2020 Triennial Compliance Filing and its 2022 Updated Preferred
13 Resource Plan cannot be the basis of justification for specific projects.

14 **2023 Triennial Compliance Filing**

15 Q. Has Ameren Missouri made any resource planning filings since the filing of its
16 application in this case?

17 A. Yes, just fifteen (15) days prior to the filing of this rebuttal testimony, on
18 September 26, 2023, Ameren Missouri filed its *Ameren Missouri's 2023 IRP Filing*²³
19 ("2023 Triennial Compliance Filing").

20 Q. Did the PRP in Ameren Missouri's 2023 Triennial Compliance Filing change
21 from that in the 2022 Updated Preferred Resource Plan?

22 A. Yes, substantially.

²³ Filed in four parts.

1 Q. Please highlight those differences.

2 A. The most substantial difference from the previous PRP to the current PRP is the
3 addition of an 800 MW gas-fired simple cycle combustion turbine by the end of 2027.
4 Other substantial differences from the previous PRP to the current PRP include: 1) Moving the
5 addition of a 1,200 MW gas-fired combined cycle from 2031 to 2033, 2) Moving the addition
6 of 800 MW of battery storage from 2033 to 2027,²⁴ 3) Shortens the amount of time needed to
7 include 1,000 MW of wind, from 2031 – 2038 to 2031 – 2036, 4) Shortens the amount of time
8 needed to include 900 MW of solar, from 2031 – 2038 to 2031 – 2036, 5) Moving the addition
9 of a 1,200 MW clean dispatchable resource from 2042 to 2040, 6) Includes an additional
10 1,200 MW clean dispatchable resource in 2043, and 7) Moving the Sioux Energy Center
11 retirement date from 2030 to 2032.

12 Q. Are these the only differences between Ameren Missouri's 2023 Triennial
13 Compliance Filing and its 2022 Updated Preferred Resource Plan?

14 A. I do not know. The differences mentioned were the most obvious, but there are
15 likely more. However, it has only been fifteen days from the date of Ameren Missouri's 2023
16 Triennial Compliance Filing to the date of this rebuttal testimony filing. Furthermore, the
17 workpapers supporting the filing were received October 2, 2023. As mentioned earlier in this
18 testimony, 20 CSR 4240-22.080(7) states "The staff shall conduct a limited review of each
19 triennial compliance filing required by this rule and shall file a report not later than one hundred
20 fifty (150) days after each utility's scheduled triennial compliance filing date."
21 The Commission has set a filing date for Staff's report of no later than February 28, 2024.
22 Ameren Missouri's September 26, 2023, filing consisted of several hundreds of pages and

²⁴ The previous PRP included 800 MW starting in 2033 through 2038. The new PRP includes 800 MW starting in 2027 through 2035.

1 several hundred pages of workpapers. Staff will not know all of the differences between
2 Ameren Missouri's 2022 Updated Preferred Resource Plan and its 2023 Triennial Compliance
3 Filing until it has gone through all of the filing and workpapers, which will be well past the
4 time a hearing is held in this case. However, based on a September 14, 2023, discussion
5 stakeholders had with Ameren Missouri over its 2023 Triennial Compliance Filing, the top
6 ARPs (if not all ARPs) evaluated by Ameren Missouri are again pre-determined resource plans
7 that specify the type, timing, and amount of resource developments as inputs to its modeling.
8 Further, it appears Ameren Missouri's 2023 Triennial Compliance Filing reflects generic solar
9 projects as opposed to using the specific characteristics of the four Solar Projects in this case.

10 Q. Are you making any recommendations in this case?

11 A. No. My testimony, however, forms part of the basis for the recommendations
12 stated in the testimony of James A. Busch.

13 Q. Does this conclude your rebuttal testimony?

14 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)
Permission and Approval and Certificates of)
Public Convenience and Necessity Authorizing)
it to Construct Renewable Generation Facilities) Case No. EA-2023-0286

AFFIDAVIT OF BRAD J. FORTSON

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW BRAD J. FORTSON and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Rebuttal Testimony of Brad J. Fortson*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.


BRAD J. FORTSON

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.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070


Notary Public

Brad J. Fortson

Education and Employment Background

I am the Regulatory Compliance Manager of the Energy Resources Department, Industry Analysis Division of the Missouri Public Service Commission. Prior to my current position, I was employed at the Missouri Public Service Commission as a Regulatory Economist from December 2012 through March 2015 and August 2015 through February 2019.

I received an Associate of Applied Science degree in Computer Science in May 2003, Bachelor of Science degree in Business Administration in May 2009, and Master of Business Administration degree with an emphasis in Management in May 2012, all from Lincoln University, Jefferson City, Missouri.

Prior to first joining the Commission, I worked in various accounting positions within four state agencies of the State of Missouri. I was employed as an Account Clerk II for the Inmate Finance Section of the Missouri Department of Corrections; as an Account Clerk II for the Accounts Payable Section of the Missouri Department of Health and Senior Services; as a Contributions Specialist for the Employer Accounts Section of the Missouri Department of Labor and Industrial Relations; and as an Accountant I for the Payroll Section of the Missouri Office of Administration. From April 1 through July 31, 2015, I worked for the Missouri Office of Public Counsel before joining the Commission once again.

Brad J. Fortson**Case Participation History**

Case Number	Company	Issue	Exhibit
HR-2014-0066	Veolia Energy Kansas City	Revenue by Class and Rate Design	Staff Report
GR-2014-0086	Summit Natural Gas of Missouri, Inc.	Large Volume Service Revenue	Staff Report
ER-2014-0258	Union Electric Company d/b/a Ameren Missouri	Revenue by Class and Rate Design	Staff Report
ER-2014-0258	Union Electric Company d/b/a Ameren Missouri	Revenue by Class and Rate Design	Staff Report, Rebuttal & Surrebuttal Testimony
ER-2014-0351	The Empire District Electric Company	Revenue by Class and Rate Design	Staff Report & Rebuttal Testimony
ER-2014-0351	The Empire District Electric Company	Revenue by Class and Rate Design	Rebuttal Testimony
EO-2015-0240	Kansas City Power & Light Company	Custom Program Incentive Level	Direct Testimony
EO-2015-0241	KCP&L Greater Missouri Operations Company	Custom Program Incentive Level	Direct Testimony
ER-2016-0023	The Empire District Electric Company	DSM Programs and MEEIA Filings	Staff Report
ER-2016-0023	The Empire District Electric Company	DSM Programs and MEEIA Filings	Staff Report, Rebuttal & Surrebuttal Testimony
EM-2016-0213	The Empire District Electric Company (merger case)	DSM Programs and MEEIA Filings	Rebuttal & Surrebuttal Testimony
ER-2016-0156	KCP&L Greater Missouri Operations Company	MEEIA summary and LED street lighting	Staff Report
EO-2016-0183	Kansas City Power & Light Company	MEEIA prudence review	Staff Report
EO-2016-0223	The Empire District Electric Company	Triennial compliance filing	Staff Report
ER-2016-0285	Kansas City Power & Light Company	LED street lighting	Staff Report
ER-2016-0179	Union Electric Company d/b/a Ameren Missouri	LED street lighting	Staff Report
ER-2016-0285	Kansas City Power & Light Company	Response to Commissioner questions	Staff Report
ER-2016-0179	Union Electric Company d/b/a Ameren Missouri	Response to Commissioner questions	Staff Report

EO-2017-0209	Kansas City Power & Light Company	MEEIA prudence review	Staff Report
EO-2017-0210	KCP&L Greater Missouri Operations Company	MEEIA prudence review	Staff Report
EO-2015-0055	Union Electric Company d/b/a Ameren Missouri	Flex pay pilot program	Rebuttal Testimony
GR-2018-0013	Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities	Red Tag Program and Energy Efficiency Program Funding	Staff Report, Rebuttal & Surrebuttal Testimony
ER-2018-0145	Kansas City Power & Light Company	LED street lighting, TOU rates	Rebuttal Testimony
ER-2018-0146	KCP&L Greater Missouri Operations Company	LED street lighting, TOU rates	Rebuttal Testimony
EO-2018-0211	Union Electric Company d/b/a Ameren Missouri	Program Design	Rebuttal Report & Surrebuttal Testimony
EO-2019-0132	Kansas City Power & Light Company	Program Design	Rebuttal Report & Surrebuttal Testimony
EO-2019-0376	Union Electric Company d/b/a Ameren Missouri	MEEIA prudence review	Direct Testimony
ER-2019-0374	The Empire District Electric Company	Hedging policy and EE/LI programs	Supplemental Testimony
EO-2020-0280	Evergy Metro	IRP Annual Update	Staff Report
EO-2020-0281	Evergy Missouri West	IRP Annual Update	Staff Report
ER-2020-0311	The Empire District Electric Company	Fuel Adjustment Clause	Rebuttal Testimony
EO-2020-0227	Evergy Metro and Evergy Missouri West	MEEIA prudence review	Direct Testimony
EO-2020-0262	Evergy Metro and Evergy Missouri West	FAC prudence review	Direct & Rebuttal Testimony
EO-2021-0021	Union Electric Company d/b/a Ameren Missouri	Triennial compliance filing	Staff Report
EO-2021-0035	Evergy Metro	Triennial compliance filing	Staff Report
EO-2021-0036	Evergy Missouri West	Triennial compliance filing	Staff Report
EO-2021-0416	Evergy Missouri West	MEEIA prudence review	Staff Report
EO-2021-0417	Evergy Metro	MEEIA prudence review	Staff Report

EO-2022-0061	Evergy Missouri West	Application for Special Rate	Rebuttal Testimony
EO-2022-0064	Evergy Missouri Metro	FAC prudence review	Direct Testimony
EO-2022-0065	Evergy Missouri West	FAC prudence review	Direct Testimony
EO-2022-0040	The Empire District Electric Company	Securitization	Rebuttal Testimony
EF-2022-0155	Evergy Missouri West	Securitization	Rebuttal & Surrebuttal Testimony
ER-2022-0129	Evergy Missouri Metro	FAC	Direct & Surrebuttal Testimony
ER-2022-0130	Evergy Missouri West	FAC	Direct & Surrebuttal Testimony
EA-2022-0245	Union Electric Company d/b/a Ameren Missouri	CCN	Rebuttal Testimony
EA-2022-0328	Evergy Missouri West	CCN	Rebuttal Testimony