

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Union Electric)
Company d/b/a Ameren Missouri¹ for Certificates of)
Convenience and Necessity for Solar Facilities) **File No. EA-2023-0286**

**STAFF’S MOTION TO REQUIRE
SUPPLEMENTAL DIRECT TESTIMONY**

COME NOW the Staff of the Missouri Public Service Commission (“Staff”) and prays that the Commission issue an Order requiring Ameren Missouri to file supplemental direct testimony on the items delineated as follows:

1. Specifically identify the “needs,” alleged.
 - a. If a capacity need is alleged, identify the years, seasons, and extent of alleged need.
 - b. If a renewable energy certificate need is alleged, identify the years and extent of alleged need.
 - i. Provide a detailed analysis providing information necessary to verify that the RES compliance plan is the least cost, prudent methodology to achieve compliance with the RES
 - c. If an “energy need” is alleged, first fully define the conceptual “energy need.” Which of the following constitutes meeting an “energy need”:
 - i. The total annual generation of a vertically integrated utility meets or exceeds the total annual load requirements of the utility as a load serving entity, although significant imbalances exist on a daily basis.
 - ii. The total annual generation of a vertically integrated utility meets or exceeds the total annual load requirements of the utility as a load serving entity, although significant imbalances exist on a seasonal or monthly basis.
 - iii. The daily generation of a vertically integrated utility meets or exceeds the daily load requirements of the utility as a load serving entity, although significant imbalances exist on an hourly basis.

¹ Hereinafter, “Ameren Missouri.”

- iv. The hourly generation of a vertically integrated utility meets or exceeds the hourly load requirements of the utility as a load serving entity in virtually every hour.
 - 1. How many hours are needed?
 - v. The utility possesses generation capable of meeting load in every hour, although it may or may not be dispatched by its market operator to dispatch it in every hour.
 - vi. If none of these specifically define Ameren Missouri’s “energy need,” please provide a specific definition for parties and the Commission to consider?
- d. If an energy price hedge is the need, define when and to what extent the specific solar facilities are more desirable than a financial instrument, a PPA, or other means of achieving relative price certainty.
2. Specifically state how/why the specific projects selected are reasonable choices, and ideally, best choices to fit the needs identified, for each project, for each year.
- a. Describe how and why these specific solar projects are reasonable solutions to winter capacity needs.
 - b. Show with adequate modeling the extent to which adding these specific solar projects would address the “energy need,” as defined. This requires production runs, with and without the resource, with variation in LMP and other dispatch parameters to determine whether adding a resource actually increases the production of the Ameren Missouri generating fleet in a given interval, and whether the introduction of the solar project improves or weakens the net revenue produced by total Ameren Missouri generation. Specifically, for each project, for the projects as a whole, and for only the Missouri project:
 - i. When estimating the MWh total and timing of total Ameren Missouri generation, account for displacement of existing Ameren Missouri resources by self-committed solar in modeling accounting for changes in LMPs with and without the specific solar generation.
 - ii. When estimating margin revenues produced by the total Ameren Missouri generation, account for displacement of existing Ameren Missouri resources by self-committed solar in modeling accounting for changes in LMPs with and without the specific solar generation.
3. Economic modeling
- a. Update inputs
 - b. Account for expected production differences among projects (P50-P95)

- c. Account for PISA
 - d. Account for RESRAM as applicable, on the specific projects where Ameren Missouri anticipates it to be applicable,
 - e. Include reasonable rate case timing scenarios/permutations
 - f. Model tax benefit treatment in some manner other than a single year offset to expense, such as an offset to rate base to be amortized over various intervals such as 10 years, 20 years, or the life of the facility
 - g. Consistently model the treatment of real estate among the facilities, such as assuming appreciation at the rate of inflation and then modeled as sold at the time terminal net salvage is applied.
 - h. Account for voltage distinctions in the valuation of the LMPs as energy,
 - i. Account for voltage distinctions in the avoidance of MISO charges based on load-ratio share or other characteristics,
 - j. Reasonably estimate the extent to which capacity value may be monetized, addressing:
 - i. MISO potential revision of ratings for solar, particularly in winter,
 - ii. Reasonable projections of the market appetite for capacity,
 - k. Additional factors to include
 - i. Estimate the value of reduction in load LMP based on improved modeling to substantiate claimed “energy need,”
 - ii. Estimate the lost value of marginal revenues on existing generation due to reduction in adjacent gen node LMPs based on improved modeling to substantiate claimed “energy need,”
 - iii. REC sales or assumed values if and as applicable,
 - iv. Alternative energy pricing scenarios, such as prices resulting from environmental policies other than a carbon tax.
4. Include discussion of alternatives that were actually explored to meeting identified needs, and model impact on ratepayers, including but not limited to alternative generation options, PPAs, Demand Response, etc.
5. Loss of Load Expectation (LOLE) study
- a. Withdraw if not updated for revisions in IRP PRP changing timing of other generation
 - b. If updating, revise for location and size of the actual solar facilities for which permission is requested.

The Commission will find in reading Staff’s rebuttal testimony a constant

refrain: that Ameren Missouri’s filings and direct testimony leave major gaps in its

case for a certificate of convenience and necessity (CCN). Staff's rebuttal testimony has endeavored to flag these holes in Ameren Missouri's evidence with specificity. On the basis of these deficiencies, Staff has recommended that the Commission deny Ameren's application for a CCN. But there is an unhappy and wholly unnecessary implication involved here: that had Ameren Missouri's case had no gaps in proof, Staff could have recommended approval. Staff respectfully submits that there is a better way to do business.

Staff anticipates now that Ameren Missouri will come back on surrebuttal and endeavor to backfill the holes called out by Staff around the foundation of Ameren Missouri's case. What is the problem? The problem is that only then will the Commission have Ameren Missouri's "direct" case in front of it—but with no further analysis or rebuttal from Staff. Staff should be afforded the opportunity to respond to Ameren Missouri's actual "direct" case, and the Commission should have the benefit of that response.

There are at least two reasons for denying an application—one of which is by far the less satisfactory. The Commission can deny an application either on its procedural merits (i.e., deficiencies) because the Company did not give the Commission enough information on critical points to grant it; or the Commission can deny it on its substantive merits because the Company gave the Commission enough information to do so. Of course, in the latter instance, the Commission is also, again happily, in a position to grant the application *on its merits*. It is self-evident that the second option is the way to do business and is by far the preferable.

The Commission should order Ameren Missouri to file supplemental direct as described above. Alternatively, following Ameren Missouri's surrebuttal, the Commission should amend the procedural schedule and allow Staff to file sur-replies.

WHEREFORE, Staff prays the Commission's order granting the relief described in the body of this motion.

Respectfully Submitted,

/s/ Paul T. Graham

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CERTIFICATE OF SERVICE

The undersigned certifies that true and correct copies of the foregoing was served on the Staff of the Missouri Public Service Commission and the Office of the Public Counsel via electronic mail (e-mail) on this 18th day of October, 2023.

/s/ Paul T. Graham