

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the Matter of the Application of Great Plains )  
Energy Incorporated for Approval of its ) Case No. EM-2017-0226  
Acquisition of Westar Energy, Inc. )

**SIERRA CLUB’S STATEMENT OF POSITION**

Comes now Sierra Club, and for its limited statement of positions states the following:

Sierra Club intervened in the Kansas docket for this merger, Docket No. 16-KCPE-593-ACQ, for the limited purposes of addressing (1) the environmental impact of the proposed transaction and (2) the effect of the transaction on maximizing Kansas’ energy resources. Sierra Club’s involvement is similarly limited here to the utilization of Kansas’ superior wind resources and the commitment of a combined entity to pursue energy efficiency and the retirement of coal generation.

**ISSUES**

**I. Should the Commission find that GPE’s acquisition of Westar is not detrimental to the public interest, and approve the transaction?**

No, not unless the merger is conditioned as discussed under Issue II.

While the Joint Applicants suggest that the Proposed Transaction could put the combined entity in a better position to pursue wind resources in the future, such claim is aspirational at best and does not represent a commitment to take any further steps to pursue Kansas wind resources.

The Application does not address energy efficiency investments by the combined entity, much less commit to making increased levels of such investments.

The Joint Applicants have made no specific commitments regarding the environment with Westar's existing generation fleet or reduce generation from resources that require out-of-state fuel in the case of the Joint Applicants' coal-fired generation units.

## **II. Should the Commission condition its approval of GPE's acquisition of Westar and, if so, how?**

Yes. The Joint Applicants should be required to commit to pursuing additional Kansas wind resources. Such a commitment would maximize the use of Kansas' energy resources, improve the environment, and promote the public interest. Further concerns are raised by the significant levels of debt and equity that GPE would need to issue to fund the Proposed Transaction, which concerns could be allayed by the low cost of Kansas wind energy.

The Joint Applicants should be required to complete and disclose prior to any approval of the Proposed Transaction a detailed analysis of the future economics of the generating units that would be owned and operated by the combined entity so as to identify opportunities for the economic retirement of fossil generating units. Such a commitment would help ensure a more complete evaluation of what steps are needed to ensure the maximization of the use of Kansas' energy resources, improve the environment, and promote the public interest. This should not await the future preparation of an integrated resource plan for the combined entity.

The Joint Applicants should demonstrate their commitment to pursuing more energy efficiency in both states that could help reduce load growth and potentially accelerate the retirement of fossil-generation plants. Since energy efficiency requires investments behind the customer meter, cost-effective energy efficiency would benefit ratepayers through lower bills and investments within the economy. Local energy efficiency installers and suppliers could benefit from increased and sustained investments. Energy efficiency would reduce the need for existing and new fossil generation if coupled with additional wind resources.

**IV. Should the Commission address matters such as transmission and power supply services and, if so, how?**

Sierra Club understands this issue as referring to the Staff Report in Case No. EE-2017-0113, attached as Exhibit B to the surrebuttal testimony of Natelle Dietrich, Schedule DRI-3 from KCC Docket No. 16-KCPE-503-ACQ, pp. 16–7, Commitment and Condition No. 42. Sierra Club agrees that this condition should be accepted provided it more concretely meets the concerns expressed above.

**IV. Should the Commission grant the limited request for variance of the affiliate transaction rule requested by GPE, KCP&L and GMO?**

Sierra Club takes no position on this issue.

**V. Should the Commission condition its approval of GPE's limited request for variance of the affiliate transaction rule requested by GPE, KCP&L and GMO and if so, how?**

Sierra Club takes no position on this issue.

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### **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct PDF version of the foregoing was filed on EFIS and sent by email on this 30th day of March, 2017, to all counsel of record:

/s/ Henry B. Robertson  
Henry B. Robertson