

Exhibit No.:
Issue(s): Rush Island
Witness: Claire M. Eubanks, PE
Sponsoring Party: MoPSC Staff
Type of Exhibit: Surrebuttal Testimony
Case No.: EF-2024-0021
Date Testimony Prepared: March 22, 2024

MISSOURI PUBLIC SERVICE COMMISSION
INDUSTRY ANALYSIS DIVISION
ENGINEERING ANALYSIS DEPARTMENT

SURREBUTTAL TESTIMONY

OF

CLAIRE M. EUBANKS, PE

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

CASE NO. EF-2024-0021

Jefferson City, Missouri
March 2024

**** Denotes Confidential Information ****

1 **SURREBUTTAL TESTIMONY**

2 **OF**

3 **CLAIRE M. EUBANKS, PE**

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

6 **CASE NO. EF-2024-0021**

7 Q. Are you the same Claire M. Eubanks, PE that provided rebuttal testimony in
8 this case?

9 A. Yes.

10 Q. What is the purpose of your testimony?

11 A. The purpose of my surrebuttal testimony is to respond to Office of the Public
12 Counsel (“OPC”) witness Jordan Seaver regarding the disallowance he recommends related to
13 two prudence issues he presents in this case: (1) Ameren Missouri’s failure to obtain a New
14 Source Review (NSR) permit and (2) Ameren Missouri’s decision to forego installing flue gas
15 desulfurization (“FGD” or “scrubbers”) at Rush Island.

16 Q. Generally speaking, does Staff agree with Mr. Seaver that there are two distinct
17 prudence issues in this case?

18 A. Yes, Staff agrees there are two distinct issues in this case. In my rebuttal
19 testimony, I discuss Ameren Missouri’s actions that led to its violation of the Clean Air Act.
20 In my rebuttal testimony, I also criticize Ameren Missouri’s failure to plan for the outcome of
21 the litigation.

22 Q. On page 9, lines 23-26, of his rebuttal testimony, Mr. Seaver discusses Ameren
23 Missouri’s analysis presented by Ameren Missouri witness Mr. Matt Michels as being wholly

1 insufficient to support the Company’s decision to close Rush Island rather than install FGD
2 equipment. Does Staff agree?

3 A. Yes, in part. Staff agrees that the testimony lacks a robust discussion of the
4 analysis performed by Mr. Michels. Mr. Michels also did not submit all his supporting
5 workpapers and assumptions in this case.¹ As discussed in my rebuttal testimony, Staff has
6 concerns with future harm to customers regarding information Ameren Missouri should have
7 considered at the time the retirement-retrofit analysis was performed. These include the cost of
8 the Rush Island Reliability Project in comparison to the analysis presented by Mr. Michels
9 and the need for capacity in the short-term as a result of Ameren Missouri’s decision to retire
10 Rush Island rather than retrofit. Staff is also concerned that the Court may order additional
11 remedies for Ameren Missouri’s violation of the Clean Air Act.

12 Additionally, Mr. Seaver raises a concern regarding the addition of solar, specifically
13 referencing case EA-2023-0286, paired with the retirement of Rush Island.² Staff criticized
14 Ameren Missouri’s modeling in the solar Certificate of Convenience and Necessity (CCN) case
15 Mr. Seaver references.

16 Q. On page 10, line 1-2 Mr. Seaver discusses that Mr. Michels’ assumptions have
17 no explanation in Mr. Michels’ testimony. Does Staff agree?

18 A. Staff agrees that there is little written support for the assumptions in
19 Mr. Michels’ testimony. Mr. Michels relies on the 2020 Integrated Resource Plan (“IRP”) as
20 the basis for his assumptions.³ Mr. Seaver may or may not realize there are also workpapers

¹ Workpapers provided in response to Sierra Club 1.12 in ER-2022-0337.

² Rebuttal Testimony of Jordan Seaver, page 6, line 25-26.

³ Direct Testimony of Matt Michels, page 3, lines 6-7.

1 that were previously provided in response to Sierra Club’s data requests in the last Ameren
2 Missouri rate case that further explains some of Mr. Michels’ assumptions.

3 Q. Did Staff previously present its concerns regarding Ameren Missouri’s use of
4 its 2020 IRP and 2022 Preferred Resource Plan (“PRP”) as the basis for justifying its solar
5 projects?

6 A. Yes. At a high level, Staff’s concerns with Ameren Missouri’s modeling as it
7 relates to the solar CCNs in EA-2024-0286 were as follows:

- 8 • Benefits of tax credits (i.e. Passage of IRA extended the eligibility of
9 projects to receive the full tax credit)
- 10 • Estimated costs versus expected costs (i.e. increase of project costs are
11 ** [REDACTED] ** as compared to the 2022 Updated Preferred Plan and even
12 more over the 2020 IRP assumptions)
- 13 • Capacity factors (i.e. assumed solar capacity factors for IRP purposes
14 versus the specific projects in the CCN case)
- 15 • MISO Capacity Revenues in the IRP (i.e. MISO seasonal construct)
- 16 • Carbon dioxide pricing effects on market price assumptions (i.e. Carbon
17 dioxide pricing versus emissions limits drive market prices higher
18 favoring renewable resources)

19 Q. Did the parties in the solar CCN case come to an agreement regarding the four
20 solar resource additions?

21 A. Yes. Ameren Missouri, Staff, and OPC filed a stipulation and agreement in
22 EA-2023-0286 that recommended approval of three of the four resources (Split Rail, Vandalia,
23 and Bowling Green) with certain conditions. For the fourth solar facility, Cass County, the
24 parties recommend a CCN not be granted unless demand for the Cass County project under the
25 Renewable Solutions Program materializes. The stipulation and agreement also includes

1 discussion around future IRP modeling and allows Staff the opportunity to provide varied
2 assumptions to the Company in a format that can be used in the Company's IRP models with
3 the results provided to Staff.

4 Q. At is relates to the prudence questions raised by Staff and OPC in this case, are
5 Staff's concerns with the underlying assumptions relevant?

6 A. Yes. Specifically, it is Staff's position that Ameren Missouri should have known
7 about the developing changes at MISO related to the seasonal construct and should have
8 considered those changes when deciding whether to retire or retrofit Rush Island. Additionally,
9 Ameren Missouri's modeling of Carbon dioxide pricing as opposed to an emissions limitation
10 may impact the retirement-retrofit analysis. Staff witness Shawn Lange discusses this issue in
11 more detail.

12 Q. Given Staff's support for some of Mr. Seaver's criticism of Ameren Missouri's
13 analysis in this case, does Staff support the OPC's recommended disallowance?

14 A. No, not as Mr. Seaver calculates it for this case. The analysis appears to include
15 a math error, and is based on the only evidence available at this time, which is insufficient for
16 calculating the harm to ratepayers that may result from the increase in Ameren Missouri's
17 ratebase resulting from Ameren Missouri's decisions. Mr. Seaver appears to take the estimated
18 capital cost of all four solar facilities and then subtracts out the average capital costs associated
19 with the FGD equipment. He does not appear to consider the stipulation and agreement that
20 OPC was a signatory on.

21 Q. Why is the stipulation and agreement relevant?

1 A. Under the terms of the stipulation and agreement, there is a possibility that the
2 CCN for Cass County may not ultimately be granted in the event that demand for the Cass
3 County project under the Renewable Solutions Program does not materialize.

4 Q. On page 8, lines 23-24, Mr. Seaver discusses that Ameren Missouri accelerated
5 solar in its most recent triennial IRP. Did Ameren Missouri add any other projects?

6 A. Yes. Ameren Missouri's 2023 Integrated Resource Plan includes an addition of
7 an 800 MW Gas Simple Cycle plant that was not included in its 2022 Preferred Plan.⁴

8 Q. In other words, there are potentially costs that Mr. Seaver included that may not
9 come to fruition and costs that Mr. Seaver excludes that may?

10 A. Yes.

11 Q. Please summarize your surrebuttal testimony.

12 A. Imprudence has two prongs: (1) were the actions or inactions by the utility
13 unreasonable at the time they were made and (2) did the unreasonable actions or inactions cause
14 harm to ratepayers. Through both my and Keith Majors' rebuttal testimony, Staff discussed its
15 opinion that Ameren Missouri's actions related to its violation of the Clean Air Act in relation
16 to the 2007 and 2010 Outages was unreasonable. Through my rebuttal testimony, supported by
17 Brad J. Fortson's rebuttal testimony, Staff expressed its concerns with Ameren Missouri's lack
18 of timely planning for the outcome of the litigation. Both issues may result in future harm to
19 ratepayers but at this time the harm is not fully known. Staff has not proposed a disallowance
20 to the securitization of Rush Island related to these issues because the harm is not known at
21 this time. Mr. Seaver's proposed disallowance and Staff's concerns regarding short-term
22 capacity, the Rush Island Reliability Project, and the potential future remedies related to

⁴ Ameren Missouri 2023 Integrated Resource Plan, Executive Summary, page 6.

1 Ameren Missouri's violation of the Clean Air Act are all appropriate issues for the Commission
2 to consider at the time that the future harm can be calculated.

3 Q. Do you have any clarifications to your rebuttal testimony?

4 A. Yes. Confidential Schedule CME-r9-supp contains the Work Order
5 Authorizations for the 2007 and 2010 Projects. However, I inadvertently did not include all
6 the Work Order Authorizations. Attached to my surrebuttal testimony is a Confidential
7 Schedule CME-r9-supp (supplement) that includes two additional Work Order Authorizations.

8 Confidential Schedule CME-r9-supp contains:

9 **

- 10 • [REDACTED]
- 11 • [REDACTED]
- 12 • [REDACTED]
- 13 • [REDACTED] **

14 Confidential Schedule CME-r9-supp contains:

15 **

- 16 • [REDACTED]
- 17 • [REDACTED] **

18 Q. Does this conclude your surrebuttal testimony?

19 A. Yes, it does.

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

In the Matter of the Petition of Union Electric)
Company d/b/a Ameren Missouri for a)
Financing Order Authorizing the Issue of)
Securitized Utility Tariff Bonds for Energy)
Transition Costs related to Rush Island)
Energy Center)

Case No. EF-2024-0021

AFFIDAVIT OF CLAIRE M. EUBANKS, PE

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

COMES NOW CLAIRE M. EUBANKS, PE, and on her oath states that she is of sound mind and lawful age; that she contributed to the foregoing *Surrebuttal Testimony of Claire M. Eubanks, PE*; and that the same is true and correct according to her best knowledge and belief.


Further the Affiant sayeth not.



CLAIRE M. EUBANKS, PE

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 20th day of March 2024.



Notary Public



Case No. EF-2024-0021

SCHEDULE CME-r9-supp

HAS BEEN DEEMED

CONFIDENTIAL

IN ITS ENTIRETY