

**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 Certificate of Public Convenience and) File No. EA-2024-0237
Necessity Authorizing it to Construct a Simple Cycle)
Natural Gas Generation Facility.)

UNANIMOUS STIPULATION AND AGREEMENT

COME NOW Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or the "Company"), the Staff of the Missouri Public Service Commission ("Staff"), the Midwest Energy Consumers Group ("MECG"), Grain Belt Express, LLC. ("Grain Belt"), and Renew Missouri Advocates d/b/a Renew Missouri ("Renew Missouri") (the "Signatories"),¹ and for their Stipulation and Agreement ("Agreement") resolving the Company's *Application*² in this case, state as follows:

BACKGROUND

1. On June 7, 2024, Ameren Missouri filed its *Application* which requested a Certificate of Convenience and Necessity ("CCN") for the Castle Bluff simple cycle combustion turbine generator facility (the "Castle Bluff Facility").
2. MECG, Grain Belt, and Renew Missouri applied for, and were granted, intervention. OPC is also a party to this docket.
3. After several discussions, the Signatories have agreed upon the terms of this Agreement, as set forth herein.

AGREEMENTS AMONG THE SIGNATORIES

4. The Signatories agree that, on the terms provided for herein, the Missouri Public Service

¹ The Office of the Public Counsel is not a Signatory but has authorized the Signatories to indicate that it does not oppose this Stipulation and Agreement.

² EFIS Item No. 3.

Commission ("Commission") should grant Ameren Missouri a certificate of convenience and necessity under subsection 1 of Section 393.170 authorizing Ameren Missouri to construct, install, own, operate, maintain, and otherwise control and manage the Castle Bluff Facility.

5. The terms upon which the Signatories have agreed that the CCN should be granted are as follows:

- a. Ameren Missouri shall provide Staff the completed Replacement Impact Study, Reliability Assessment Study, and if required by MISO,³ Facilities Study. If the results of the required study materially change the total cost of the Castle Bluff Facility by increasing total interconnection costs more than 15% above modeled interconnection costs, Ameren Missouri shall notify the Commission by a filing in this case.
- b. The in-service criteria attached as Appendix 2 to the September 13, 2024, Staff Report filed in this docket shall be used in the future rate case where the Castle Bluff Facility is considered for inclusion in rate base to determine whether it is in-service.
- c. Ameren Missouri shall notify Staff if Ameren Missouri changes the operations of the Castle Bluff Facility from being economically dispatched in the Day-ahead and Real-time markets, except that notice shall not be required if the Company designates one or more of the Castle Bluff Facility units as other than economically dispatched for brief periods, such as a day when unit testing occurs.
- d. Ameren Missouri will file quarterly reporting of progress of the construction of the Castle Bluff Facility. This report shall include, but not be limited to, quarterly progress reports on permitting, plans, specifications, and construction progress.

³ Midcontinent Independent System Operator, Inc.

- e. Ameren Missouri shall provide all cold weather readiness reporting for the Castle Bluff Facility units, develop and implement a policy to determine if tuning is necessary, and provide that policy to Staff no later than 90 days before the units go into service.
- f. Ameren Missouri's air permit for the Castle Bluff Facility shall allow for tuning on both natural gas and fuel oil.
- g. Ameren Missouri shall submit in this docket an overview of its plans for restoration of safe and adequate service after significant, unplanned/forced outages within ninety (90) days prior to the date the Castle Bluff Facility will be placed in service.
- h. In its next annual integrated resource planning ("IRP") update (currently anticipated to be filed by October 1, 2025), Ameren Missouri will run its IRP model and report on the results with Kansas wind and solar included as a supply-side resource, using data for generic Kansas wind and solar resources, plus an ownership and delivery cost based on discussions between Ameren Missouri and Grain Belt Express. If a firm delivery cost cannot be provided by Grain Belt, Ameren Missouri will use a range of delivery costs to account for uncertainties in what the actual ownership and delivery costs may be, as determined by the parties. A firm delivery cost shall be provided by Grain Belt within 30 days of a final Commission Order in this proceeding or, if such a firm delivery cost cannot be provided within such time frame, a range will be provided by Grain Belt Express within that time frame. The estimated delivery cost for Kansas supply-side resources should reflect the same base year for cost and inflation assumptions as the estimated delivery cost of MISO supply-side resources. Further, the estimated delivery cost of MISO supply-side resources should include realistic assumptions regarding generation tie line costs and affected system costs.

Either in its supply side resource analysis or in its assessment of alternative resource plans, Ameren Missouri shall also weigh the reliability, resiliency and operational benefits of the HVDC transmission facilities themselves, including but not limited to those outlined in Exhibit 11, Schedule AP-2, Section 6 "Operational Improvement Value of HVDC Resources" in Docket No. EA-2023-0017.

- i. In Ameren Missouri's next triennial IRP (expected to be filed Fall 2026), the Company will model the 800 megawatts ("MW") of battery energy storage system ("BESS") capacity included in its 2023 triennial IRP to be in-service by January 1, 2034. For modeled project costs, Ameren Missouri shall assume the full storage ITC and shall base cost assumptions on projections from NREL, EIA, EPRI, Lazard and Roland Berger, and other subject matter experts. Ameren Missouri shall also weigh the reliability and resiliency benefits of BESS and utilize the appropriate resource accreditation framework in place in MISO at that time. This language does not preclude parties from disputing Ameren Missouri's modeled project costs and assumptions in a future filing.
- j. Ameren Missouri will file a CCN application seeking permission to build 200 MW of BESS at a former coal plant site (or part of the BESS capacity at one site and part at another) and, subject to obtaining timely approval of the CCN, will make best efforts to install such BESS by 2027.⁴ Ameren Missouri shall seek both the storage ITC and the Energy Community tax credit adder to help finance the project. Ameren Missouri will use reasonable efforts to qualify the additional BESS project costs for Inflation Reduction Act loan funds.

⁴ Becoming a Signatory to this Agreement or agreeing not to oppose it does not reflect any party's agreement that a CCN should be issued, and all parties retain the right to take whatever position they deem appropriate in such CCN proceeding.

- k. Ameren Missouri will be allowed to defer depreciation expense and a weighted-average cost of capital (“WACC”) on its investment in the Castle Bluff Facility to a regulatory asset commencing on the date the Facility is placed in service on Ameren Missouri’s books (“Construction Accounting”), subject to the following terms:
- i. If the PISA statute is amended so that it applies to the Castle Bluff Facility or any other statute applies to the Facility that results in deferral and recovery of return on and of investment from the in-service date to the effective date of new rates, then no Construction Accounting will be applied.
 - ii. A WACC approved by the Commission for purposes of PISA and RESRAM in File No. ER-2022-0337 but reflecting a 250-basis point reduction in return on equity (reducing the WACC from File No. ER-2022-0337 to 5.52%), plus applicable federal and state income taxes, shall be used for Construction Accounting on the Castle Bluff Facility, and such WACC shall continue to reflect a 250-basis point reduction in return on equity when updated in rate reviews concluding subsequent to File No. ER-2022-0337.
 - iii. The unamortized Construction Accounting regulatory asset shall not be included in rate base and the amortization period shall not be more than four (4) years;
 - iv. The Company agrees the Construction Accounting period will be limited to six (6) months;
 - v. The Company agrees to surveillance reporting, consistent with its current practices, during the Construction Accounting period; and
 - vi. The Company agrees that once the Castle Bluff Facility is reflected in new base rates, no additional dollars will be added to the Construction Accounting balance for Castle Bluff.

GENERAL PROVISIONS OF AGREEMENT

6. This Agreement is being entered into solely for the purpose of settling the issues in this case explicitly set forth above. Unless otherwise explicitly provided herein, none of the Signatories to this Agreement shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any cost-of-service methodology or determination, depreciation principle or method, method of cost determination or cost allocation or revenue-related methodology.

7. This Agreement is a negotiated settlement. Except as specified herein, the Signatories to this Agreement shall not be prejudiced, bound by, or in any way affected by the

terms of this Agreement: (a) in any future proceeding; (b) in any proceeding currently pending under a separate docket; and/or (c) in this proceeding should the Commission decide not to approve this Agreement, or in any way condition its approval of same. This Agreement has resulted from extensive negotiations among the Signatories, and the terms hereof are interdependent. If the Commission has questions for the Signatories' witnesses or Signatories, the Signatories will make available, at any on-the-record session, their witnesses (if any) and attorneys on the issues resolved by this Stipulation, so long as all Signatories have had adequate notice of that session. The Signatories agree to cooperate in presenting this Stipulation to the Commission for approval, and will take no action, direct or indirect, in opposition to the request for approval of this Stipulation.

8. If the Commission does not approve this Agreement unconditionally and without modification, then this Agreement shall be void and no Signatory shall be bound by any of the agreements or provisions hereof.

9. If approved and adopted by the Commission, this Agreement shall constitute a binding agreement among the Signatories. The Signatories shall cooperate in defending the validity and enforceability of this Agreement and the operation of this Agreement according to its terms.

10. If the Commission does not approve this Agreement without condition or modification, and notwithstanding the provision herein that it shall become void, (a) neither this Agreement nor any matters associated with its consideration by the Commission shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with RSMo. §536.080 or Article V, Section 18 of the Missouri Constitution, and (b) the Signatories shall retain all procedural and due process rights as fully as though this Agreement had not been presented for approval, and any suggestions, memoranda, testimony,

or exhibits that have been offered or received in support of this Agreement shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any purpose whatsoever.

11. If the Commission accepts the specific terms of this Agreement without condition or modification, only as to the settled issues in these cases explicitly set forth above, the Signatories each waive their respective rights to present oral argument and written briefs pursuant to RSMo. §536.080.1, their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2, their respective rights to seek rehearing pursuant to §536.500, and their respective rights to judicial review pursuant to §386.510. This waiver applies only to a Commission order approving this Agreement without condition or modification issued in this proceeding and only to the issues that are resolved hereby. It does not apply to any matters raised in any prior or subsequent Commission proceeding nor any matters not explicitly addressed by this Agreement.

12. This Agreement embodies the entirety of the agreements between the Signatories in this case on the issues addressed herein and may be modified by the Signatories only by a written amendment executed by all of the Signatories.

13. Contingent upon Commission approval of this Stipulation without modification, the Signatories hereby stipulate to the admission into the evidentiary record of the Signatories' pre-filed testimony and Staff's Report.

WHEREFORE, the Signatories request the Missouri Public Service Commission issue an order approving the terms and conditions of this Stipulation and Agreement and granting the CCN for the Castle Bluff Facility.

Respectfully Submitted,

/s/ James B. Lowery

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CERTIFICATE OF SERVICE

The undersigned certifies that true and correct copies of the foregoing was served on all parties on record via electronic mail (e-mail) on this 17th day of October, 2024.

/s/ James B. Lowery