

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

In the Matter of the Application of Evergy)
Missouri West, Inc. d/b/a Evergy Missouri)
West and Evergy Metro, Inc. d/b/a Evergy)
Missouri Metro for Permission and Approval)
of a Certificate of Public Convenience and)
Necessity for Natural Gas Electrical)
Production Facilities)

File No. EA-2025-0075

STATEMENT OF POSITIONS

COMES NOW, Renew Missouri Advocates d/b/a Renew Missouri, by and through the undersigned counsel, and for its *Statement of Positions* states:

A. Does the evidence establish that (1) the advanced 710 megawatt (“MW”) combined cycle gas turbine (“CCGT”) generating facility to be located in Sumner County, Kansas (“Viola”), (2) a 440 MW simple-cycle gas turbine (“SCGT”) generating facility located in Nodaway County, Missouri (“Mullin Creek #1”), and (3) the 710 MW CCGT generation facility to be located in Reno County, Kansas (“McNew”) (collectively, “Projects”) for which Evergy Missouri West is seeking a certificate of convenience and necessity (“CCN”) are necessary or convenient for the public service?

Response: No. The evidence in this case does not support a granting of CCN for the entirety of all three facilities. Serious questions regarding the economic feasibility regarding the Projects have been raised. Neither the Staff of the Missouri Public Service Commission (“Staff”), nor the Office of the Public Counsel (OPC) can definitively state that the Projects

are economically feasible.¹ It would be an unprecedented departure to grant CCNs to Projects that are not convenient to the public, nor a cost justifying their improvement.²

1. Should the Commission find that the Projects satisfy the first *Tartan* Factor of need?

Response: Renew Missouri does not take a position on this issue at this time.

2. Should the Commission find that the Projects satisfy the second *Tartan* Factor of economic feasibility?

Response: Evergy Missouri West (“Evergy” or EMW) has not proven that the proposed plants are economically feasible, and, in fact, they will increase ratepayers' exposure to economic risk and detract from investment in more feasible resource options.³

The natural gas market is notoriously volatile and unpredictable, posing the risk of both short-term price spikes as well as sustained increases in fuel cost.⁴ Evergy has not provided a fuel supply plan nor a full analysis of their ability to manage these risks.⁵ Where they have considered fuel costs, they have used an outdated natural gas price forecast.⁶ Updated outlooks for the 2030s, from respected sources such as the Energy Information Agency (EIA) and Kansas City Federal Reserve survey of energy executives, now place fuel prices well above Evergy's expectations for the 2030s when the proposed plants will become operational.⁷

¹ *Staff Recommendation Report*, p. 45-46, and generally the *Rebuttal Testimony of Jordan Seaver*.

² “it requires that the evidence must show that the [addition] would be an improvement justifying its cost and that the inconvenience of the public occasioned by the lack of [the addition] is sufficiently great to amount to a necessity.” *State ex rel. Beaufort Transfer Co. v. Clark*, 504 S.W.2d 216, 219 (Mo. App. 1973).

³ *Rebuttal Testimony of William “Nick” Jones*, p. 3, l. 12- p. 4, l. 11.

⁴ *Id.* at p. 13, l. 3-15.

⁵ *Id.* at p. 19, l. 17- p. 18, l. 2.

⁶ *Id.* at p. 14, l. 13-20.

⁷ *Id.* at p. 16, l. 1- p. 17, l. 8.

Evergy has claimed that risk from wholesale power markets will be reduced but has not produced any analysis to support this claim.⁸ Because the risk of high natural gas prices is highly correlated with the risk of high wholesale power prices, Renew Missouri's analysis on that issue has found that other resource types would be a more economically feasible means of controlling risks from the wholesale market.⁹

Renew Missouri's analysis has also shown that the application as submitted does not demonstrate economic feasibility because it fails to show that the utilities plans are more cost-effective than potential alternatives.¹⁰ Specifically, at the margins, Evergy has produced no demonstration that a 50% ownership of the combined cycle plants or that a 100% ownership of the simple cycle plant are more cost effective than a lower ownership percentage would be.¹¹ By failing to consider such options, Evergy also obscures the potential to bring forward other complimentary resource types which would deliver more cost-effective benefits for ratepayers.¹²

As a means of effectively reducing the risks described above as well as optimizing the deployment of cost-effective resources as available, a diversified mix of new dispatchable resources would be more economically feasible than the plan proposed under this application.¹³

3. Should the Commission find that the Projects satisfy the third *Tartan* Factor of ability to finance?

Response: Renew Missouri does not challenge EMW's ability to finance the Projects.

⁸ *Id.* at p. 31, l. 20-21.

⁹ *Id.* at p. 34, l. 1-19.

¹⁰ *Id.* at p. 36, l. 17 – p. 39, l. 14.

¹¹ *Id.* at p. 40, l. 10 – p. 41, l. 8.

¹² *Id.*

¹³ *Id.* at p. 41, l. 16- p. 44, l. 8.

4. Should the Commission find that the Projects satisfy the fourth *Tartan* Factor of qualified to construct?

Response: Renew Missouri does not challenge EMW's ability to construct the Projects.

5. Should the Commission find that the Projects are in the public interest and satisfies the fifth *Tartan* Factor?

Response: No. The Projects are not in the public interest. The Commission should reject Evergy's claim that the proposed plants will serve the public interest through lowering exposure to wholesale power market risk.¹⁴ The public interest is not served by non-economically feasible plants, especially when there are alternative models that would be better suit the public interest. As explained in Renew Missouri's testimony, the addition of battery energy storage systems (BESS) could improve economics of a smaller sized natural gas addition, especially over the long term as it reduces ratepayer exposure to volatile commodity markets, but BESS are also advantaged in their modular, zero-fuel, and zero-emissions characteristics, which mean they can be more easily sited, more easily permitted, and more easily constructed than natural gas plants.¹⁵ Natural gas plants face risk that increased environmental regulations, even five or ten years in the future, may reduce capacity factors or increase operational costs for the remainder of their lifespan.¹⁶

B. If the Commission grants the CCN for the Projects, what conditions, if any, should the Commission impose on the CCN?

Response: Renew Missouri believes that even if the Commission grants the Projects, with the delay between the construction of the Viola plant and the remaining two plants, there

¹⁴ *Id.* at p. 52, l. 9.

¹⁵ *Id.* at p. 37, l. 6-15.

¹⁶ *Id.*

is time for evaluating a post construction reduction in net ownership in the proposed plants and evaluating of BESS and other alternatives as fractional substitutions to optimize the economic feasibility and better serve the public interest.¹⁷ The Commission should require that Evergy evaluate the potential for expanded customer subscription programs to fund incremental renewable projects as a risk-minimizing complement for new natural gas generation, which would additionally further the public interest as customers have expressed in participating in customer subscription programs.¹⁸

Additionally, Renew Missouri supports Staff's economic conditions 1, 3, and 4, as well as all three engineering conditions.¹⁹

C. Should the Commission grant Evergy Missouri West's request that its decision to acquire, construct, own and operation the Projects is prudent under Section 2(C) of Commission Rule 20 CSR 4240-20.045?

Response: No. Given that no non-utility party who analyzed the Projects could state the Projects were economically feasible, no decisional prudence should be granted in this case. The Commission does not need to make a finding regarding decisional prudence in this case and has been hesitant to do so in prior cases.

D. Should the Commission grant Evergy Missouri West's requested variances from Commission Rules 20 CSR 4240-20.045(3)(C), 6(I), and 6(J) so that Evergy Missouri West's plans for restoration of safe and adequate service, as well as as-built drawings, can be provided closer to the time when the Projects will commence commercial operations?

¹⁷ *Id.* at p. 52, l. 11-18.

¹⁸ *Id.*

¹⁹ *Staff Recommendation Report*, p. 53-54.

Response: Renew Missouri does not oppose the variances.

E. Should the Commission authorize Evergy Missouri West to implement construction accounting pursuant to Section 393.140(4), RSMo?

Response: Renew Missouri does not take a position on this issue at this time.

Respectfully Submitted,

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Certificate of Service

I hereby certify that copies of the foregoing have been emailed to all counsel of record this
23rd day of May 2025.

/s/ Nicole Mers