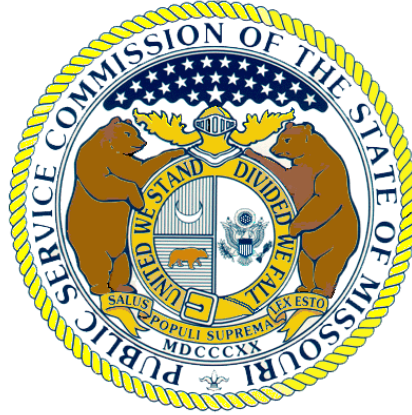


**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 31st day
of July, 2025.

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 Certificates of Public Convenience and)
Necessity for Natural Gas Electrical)
Production Facilities)

Case No. EA-2025-0075

REPORT AND ORDER

Issue Date: July 31, 2025

Effective Date: August 10, 2025

TABLE OF CONTENTS

COUNSEL	4
PROCEDURAL HISTORY	5
FINDINGS OF FACT	6
CONCLUSIONS OF LAW.....	28
DISCUSSION – CCN.....	31
DISCUSSION – AGREEMENT	34
DISCUSSION – DECISIONAL PRUDENCE.....	35
ORDERED PARAGRAPHS.....	36

APPEARANCES

EVERGY MISSOURI WEST, INC. d/b/a EVERGY MISSOURI WEST

Roger W. Steiner, Corporate Counsel, Evergy, Inc. 1200 Main, 16th Floor, Kansas City, Missouri 64105

James M. Fischer, Fischer & Dority, P.C., 101 Madison, Suite 400, Jefferson City, Missouri 65101

Jacqueline Whipple, Dentons US LLP, 4520 Main Street, #1100, Kansas City, Missouri 64111

Chandler Hiatt, Dentons US LLP, 4520 Main Street, #1100, Kansas City, Missouri 64111

STAFF OF THE PUBLIC SERVICE COMMISSION

Travis Pringle, Governor Office Building, 200 Madison Street, Jefferson City, Missouri 65102

OFFICE OF THE PUBLIC COUNSEL

Nathan Williams, Governor Office Building, 200 Madison Street, Jefferson City, Missouri 65102

MIDWEST ENERGY CONSUMERS GROUP

Tim Opitz, Opitz Law Firm, LLC, 308 E. High Street, Suite B101, Jefferson City, Missouri 65101

RENEW MISSOURI

Nicole Mers, Renew Missouri, 915 Ash Street, Columbia, Missouri 65201

SIERRA CLUB

Sarah W. Rubenstein, Great Rivers Law, 319 North Fourth Street, Suite 800, St. Louis, Missouri 63102

Regulatory Law Judge: **Charles Hatcher**

REPORT AND ORDER

Procedural History

On November 15, 2024, Evergy Missouri West, Inc. d/b/a Evergy Missouri West¹ filed an application (Application) with the Commission requesting Certificates of Convenience and Necessity (CCNs) to construct, install, own, operate, control, manage and maintain (construct and operate) three natural gas electrical production facilities (Projects). The three Projects are as follows:

- (1) an advanced class 710 megawatt (MW) combined cycle gas turbine (CCGT) generating facility, known as the Viola Generating Station (Viola), to be located in Sumner County, Kansas;
- (2) a second advanced class 710 MW CCGT generating facility, known as the McNew Generating Station (McNew), to be located in Reno County, Kansas; and
- (3) a 440 MW simple-cycle gas turbine (SCGT) generating facility, known as the Mullin Creek #1 Generating Station (Mullin Creek #1), to be located in Nodaway County, Missouri.

The Application also requested a finding by the Commission that Evergy Missouri West's decision to acquire, construct, and operate the Projects is prudent. Evergy Missouri West requested a Commission order no later than July 8, 2025.

The Commission directed notice of the filings and set an intervention deadline. Midwest Energy Consumers Group (MECG), Renew Missouri, and Sierra Club requested and were granted intervention. The Staff of the Public Service Commission (Staff) and the Office of the Public Counsel (OPC) were also parties.

¹ Evergy Missouri Metro was a co-applicant, but its proposed ownership interest in one of the Projects was voluntarily eliminated during the course of the case.

On May 29, 2025, Evergy Missouri West, MEEG, and Staff (together, “Signatories”) filed a *Non-Unanimous Stipulation and Agreement* (Agreement). Sierra Club and Renew Missouri timely objected to the Agreement on June 5, 2025. Pursuant to Commission rule, the Agreement became the Signatories’ positions upon those objections.

An evidentiary hearing was held on May 29, 2025.² Pre-filed testimony was filed according to the procedural schedule. Exhibits and live testimony were provided during the evidentiary hearing. Initial post-hearing briefs were filed on June 24, 2025, and reply briefs on July 8, 2025.

FINDINGS OF FACT

Any finding of fact for which it appears that the Commission has made a determination between conflicting evidence is indicative that the Commission attributed greater weight to that evidence and found the source of that evidence more credible and more persuasive than that of the conflicting evidence.

1. Evergy Missouri West is a certificated Missouri “electrical corporation” and “public utility” as those terms are defined at Section 386.020, RSMo (Supp. 2024).³
2. OPC is a party to this case pursuant to Section 386.710(2), RSMo, and by 20 CSR 4240-2.010(10).
3. Staff is a party to this case pursuant to 20 CSR 4240-2.010(10).
4. Renew Missouri is a party after being granted intervention.⁴
5. Sierra Club is a party after being granted intervention.⁵

² Transcript (Tr.) Volume (Vol.) 2.

³ All citations to Revised Statutes of Missouri reference those published in 2016, unless otherwise indicated.

⁴ *Order Granting Application to Intervene*, issued December 19, 2024.

⁵ *Order Granting Applications to Intervene*, issued January 8, 2025.

6. MEEG is a party after being granted intervention.⁶

7. The Project known as Viola is an advanced class 710 MW CCGT generating facility, to be located in Sumner County, Kansas. Evergy Missouri West will own 50% of Viola, with the other 50% to be owned by Evergy Kansas Central, Inc. (Evergy Kansas Central).⁷

8. Evergy Kansas Central and Evergy Missouri West are two of the operating utilities of Evergy, Inc.⁸

9. The Project known as McNew is an advanced class 710 MW CCGT generating facility, to be located in Reno County, Kansas. Evergy Missouri West and Evergy Kansas Central will each own 50% of the Project.⁹ McNew will consist of a 1x1 single-shaft advanced J-7 Class gas turbine, an electrical generator, a Heat Recovery Steam Generator (HRSG), and a steam turbine with exhaust cooled by an air-cooled condenser.¹⁰

10. The Project known as Mullin Creek #1 is a 440 MW SCGT generating facility, to be located in Nodaway County, Missouri. Evergy Missouri West will build and own 100% of Mullin Creek #1.¹¹

11. Evergy Missouri West, Staff, and MEEG filed a *Non-Unanimous Stipulation and Agreement* (Agreement).¹²

12. Sierra Club and Renew Missouri timely filed objections to the Agreement.¹³

⁶ *Order Granting Applications to Intervene*, issued January 8, 2025.

⁷ Ex. 2, Gunn Direct, p. 8.

⁸ Ex. 13, Gunn Supplemental Direct, p. 1.

⁹ Ex. 13, Gunn Supplemental Direct, p. 5.

¹⁰ Ex. 5, Olson Direct, p. 4.

¹¹ Ex. 2, Gunn Direct, p. 8.

¹² *Non-Unanimous Stipulation and Agreement*, filed May 29, 2025.

¹³ *Sierra Club's Objections to the Non-Unanimous Stipulation and Agreement*, filed June 5, 2025; and *Objection to the Non-Unanimous Stipulation and Agreement*, filed June 5, 2025.

13. The parties submitted a *Revised List of Issues* as follows:
- a. Does the evidence establish that the Projects for which Evergy Missouri West is seeking a CCN are necessary or convenient for the public service?
 - i. Should the Commission find that the Projects satisfy the first Tartan Factor of need?
 - ii. Should the Commission find that the Projects satisfy the second Tartan Factor of economic feasibility?
 - iii. Should the Commission find that the Projects are in the public interest and satisfies the fifth Tartan Factor?
 - b. Should the Commission grant Evergy Missouri West's request that its decision to acquire, construct, own, and operate the Projects is prudent under Section 2(C) of Commission Rule 20 CSR 4240-20.045?
 - c. Should the Commission approve the Agreement?¹⁴

14. No party disputed that Evergy Missouri West met two of the five Tartan Factors, which were that it is: qualified to construct and operate the Projects, and has the financial ability to construct and operate the Projects.

Tartan Factor - Need

15. Significant load growth, increased summer and winter reserve planning margin requirements mandated by the Southwest Power Pool (SPP), and an aging coal fleet that includes facilities forecasted to retire within the 20-year Integrated Resource Plan (IRP) planning horizon are driving the need for Evergy Missouri West to develop new supply-side generation resources. Over the next ten years, Evergy Missouri West expects to add approximately 1,500 MW of new supply-side resources, with half of those

¹⁴ *Revised List of Issues*, submitted May 29, 2025.

resources planned to be fueled by natural gas and the other half of those resources planned to be renewables.¹⁵

16. Evergy Missouri West is forecasted to need summer capacity starting in 2025. Evergy Missouri West's capacity needs are expected to grow over time, primarily due to load growth, increasing SPP reserve margin requirements, expiring capacity contracts, and the retirement of coal resources.¹⁶

17. Evergy Missouri West's need for energy can and has been partially met by SPP's wholesale energy markets, but Evergy Missouri West's dependence on the energy market can create pricing risk if it covers a large portion of customer needs over the long-term.¹⁷

18. Capacity is the maximum output a generator can physically produce and is measured in MWs. The combined capacity of all the owned and contracted generation resources forms the capacity for an electric utility's system. Electric utilities must ensure there is enough power being produced and delivered to meet its customers' demand. Utilities are required to reasonably build more capacity to ensure there are enough resources available at times of peak demand. The relationship between demand on the system and capacity to serve that demand is referred to as capacity position.¹⁸

19. Energy is the amount of electricity a generator produces over a specific time period. A generator's output may vary for a variety of reasons such as fuel availability and cost, market prices, and, for renewable resources, the variability of wind, sun, or water. The demand for electricity also varies over time and season.¹⁹

¹⁵ Ex. 7. VandeVelde Direct, p. 3.

¹⁶ Ex. 7. VandeVelde Direct, p. 7.

¹⁷ Ex. 7. VandeVelde Direct, p. 8.

¹⁸ Ex. 200, Staff Recommendation, p. 7.

¹⁹ Ex. 200, Staff Recommendation, p. 31.

20. One element of the overall customer demand that has a significant impact to resource planning is large-load customer additions. Evergy Missouri West has developed a conservative approach in planning for the large pipeline of potential large-load customers and has run alternative resource plans within its IRP at various levels of large-load customers. Only existing customers or large-load customers in advanced negotiations with SPP who are expected to sign a construction service agreement in the near term were included in the 2025 IRP.²⁰

21. Evergy Missouri West has identified a large pipeline of prospective new large commercial and industrial customers.²¹

22. While Evergy Missouri West's estimate of potential customers' load is somewhere in the three to five gigawatt range, Evergy Missouri West only included about 400 MW in its 2025 IRP Update Report.²² Generally, the ramp-up period for most large-load customers is two to four years.²³

23. SPP oversees the bulk electric system and administers the wholesale power market on behalf of a group of electric utilities, including Evergy Missouri West. As a load-responsible entity, Evergy Missouri West must ensure it has enough capacity to serve its load at peak times. SPP, through its tariffs, requires Evergy Missouri West to demonstrate its compliance with resource adequacy requirements by identifying its owned resources and/or by procuring capacity through bilateral contracts.²⁴

²⁰ Tr. Vol. 2, pp. 29-30.

²¹ Ex. 16, VandeVelde Surrebuttal, p. 20.

²² Tr. Vol. 2, pp. 31.

²³ Tr. Vol. 2, pp. 33.

²⁴ Ex. 200, Staff Recommendation, p. 12.

24. SPP operates wholesale energy markets where electric utilities can buy and sell power.²⁵ When an electric utility generates electricity in excess of its customers' electricity usage, it provides revenues for the electric utility. In contrast, when customer usage exceeds the electric utility's generation, the electric utility must buy electricity.²⁶

25. Evergy Missouri West has been able to leverage available market capacity to meet its capacity needs and has relied on the wholesale market to provide sufficient physical energy. However, due to the SPP's increase in resource adequacy requirements and unprecedented growth in demand, the bi-lateral capacity market is no longer a viable long-term option. Evergy Missouri West's ownership of the Projects will act as a hedge against market energy prices.²⁷

26. Both Staff and OPC have concluded in prior Commission cases that Evergy Missouri West needs additional capacity and have previously recommended Evergy Missouri West not rely as much on energy purchases from the SPP wholesale market.²⁸

27. During Winter Storm Uri in February 2021, due to a large spike in demand in the energy market, Evergy Missouri West was short on power and as a result incurred exorbitant energy costs.²⁹ Evergy Missouri West had to securitize³⁰ the losses which were caused by huge per-kilowatt hour (kWh) costs. Evergy Missouri West's current customers continue to pay for these costs through the Storm Uri securitization rates, which are \$0.00519 and \$0.00532 per kWh for primary and secondary voltages respectively.³¹

²⁵ Ex. 7, Schedule CV-1, p. 6.

²⁶ Ex. 300, Seaver Rebuttal, pp. 13-14.

²⁷ Ex. 7, VandeVelde Direct, p. 8.

²⁸ Ex. 300, Seaver Rebuttal, p. 14; Tr. Vol. 2, pp. 89-90.

²⁹ Ex. 300, Seaver Rebuttal, pp. 13-14; Tr. Vol. 2, p. 96.

³⁰ See Case No. EF-2022-0155.

³¹ Ex. 300, Seaver Rebuttal, pp. 13-14.

28. A securitized utility tariff charge is customer-charged amount to repay, finance, or refinance securitized utility tariff costs, such as qualified extraordinary costs, as authorized by statute.³² Qualified extraordinary costs are defined as those of an extraordinary nature which would cause extreme customer rate impacts if reflected in retail customer rates.³³

29. Due to Evergy Missouri West's strategy of buying energy off the market, Evergy Missouri West has had significant losses related to fuel costs and purchased power costs since 2019.³⁴

30. The retirement of Evergy Missouri West's largest base load dispatchable coal plant, Sibley, occurred at the end of 2018 during a time of continued load growth creating a capacity shortfall.³⁵

31. In August of 2024, SPP's Regional State Committee and Board of Directors approved minimum requirements of a 36% winter-season planning reserve margin (PRM) and a 16% summer-season PRM, effective beginning summer 2026 and winter 2026/27. The PRM represents the amount of back-up capacity utilities must have to guard against unplanned conditions or events on the regional power grid. These significant increases will impact all members of SPP. This means that Evergy Missouri West, as a load-responsible entity in SPP's region, must have access to enough generating capacity to serve their peak consumption with at least a 36% margin during the winter season and a 16% margin during the summer.³⁶

³² Section 393.1700(16) and (17), RSMo (Supp. 2024).

³³ Section 393.1700(13), RSMo (Supp. 2024).

³⁴ Ex. 300C, Seaver Rebuttal, p. 3. The dollar amount of the losses is confidential and will not be restated in this order, except to state that they were significant.

³⁵ Ex. 300, Seaver Rebuttal, p. 11.

³⁶ Ex. 200, Staff Recommendation, p. 14-15.

32. Staff's estimate of Evergy Missouri West's capacity positions for summer and winter projections through 2035 show a significant shortfall from the estimated load plus reserve margin and Evergy Missouri West's ability to provide electricity. These estimates take into consideration the SPP-approved increases to the PRMs.³⁷

33. Specifically, Evergy Missouri West is forecasted to need summer capacity starting in 2025.³⁸

34. The current Greenhouse Gas (GHG) rule, as set forth in 2024 by the U.S. Environmental Protection Agency, will require either hydrogen gas co-firing and/or carbon capture and sequestration, or a reduction of the units' capacity factor to 40%.³⁹

35. The GHG rule would also affect Evergy Missouri West's coal generation fleet. The GHG rule requires coal units to: (1) retire before January 1, 2032; (2) retire before January 1, 2039, and co-fire with at least 40% gas starting on January 1, 2030; or (3) install carbon capture and storage with at least a 90% capture rate by January 1, 2032.⁴⁰

36. With Evergy's selection of advanced class technology for its combustion turbines, it is positioned to comply with Phase I of the GHG rule's baseload subcategory.⁴¹

37. There are legal challenges to the GHG rule pending in court, and while the outcome of those cases is unknown, one of the technological arguments against the rule is the requirement of the use of carbon capture and sequestration technology. Evergy Missouri West is not planning to pursue carbon capture and sequestration technology for

³⁷ Ex. 200C, Staff Recommendation, pp. 9-10. The actual projections and related information is confidential and will not be stated in this order.

³⁸ Ex. 7, VandeVelde Direct, p. 7.

³⁹ Ex. 200, Staff Recommendation, p. 11; Ex. 3, Humphrey Direct, p. 15. It is unclear how these rules may be altered under the current Federal administration.

⁴⁰ Ex. 200, Staff Recommendation, p. 12.

⁴¹ Ex. 3, Humphrey Direct, p. 15.

these plants as it argues that the technology is unproven, it significantly increases parasitic load on the plant, and dramatically increases capital cost. If Phase II of the compliance path remains in effect, Evergy Missouri West plans to shift the plants to the intermediate subcategory and limit their capacity factor to 40%.⁴²

38. Viola and Mullin Creek #1 meet Evergy Missouri West's capacity and energy requirements as identified in the 2024 IRP Preferred Plan. Evergy Missouri West's proposed 50% share of the 710 MW Viola CCGT plant corresponds to the 325 MW of thermal resources that are identified in the year 2029 in the Preferred Plan. Evergy Missouri West's 100% ownership of the 440 MW Mullin Creek #1 SCGT plant corresponds to the 415 MW of thermal resources that is identified in year 2030 in the Preferred Plan.⁴³

39. McNew was not modeled in the 2024 IRP.⁴⁴ However, it was modeled in the 2025 IRP Annual Update.⁴⁵

40. The 50% McNew allocation to Evergy Missouri West is not solely a result of a large load customer addition. Other factors include: lower demand-side management capacity expectation; higher existing retail base load forecast; on-going SPP resource adequacy adjustments; and the expectation of new large customer load.⁴⁶

41. The forecasted reserve balance in the 2024 IRP is an indication of a current and ongoing need for energy generating resources for Evergy Missouri West customers. Evergy Missouri West's need for energy can and has been partially met by SPP's

⁴² Ex. 3, Humphrey Direct, pp. 15-16.

⁴³ Ex. 7, VandeVelde Direct, p. 6.

⁴⁴ Ex. 500, Jones Rebuttal (misabeled Direct), p. 8.

⁴⁵ Case No. EO-2025-0251, 2025 IRP Annual Update, filed March 13, 2025, pp. 71-75.

⁴⁶ Ex. 12, VandeVelde Supplemental Direct, p. 10.

wholesale energy markets, but dependence on the energy market can create pricing risk if it covers a large portion of customer demand over the long-term.⁴⁷

42. If approved, by the time the Projects are in service, their total capacity will address Evergy Missouri West's projected capacity deficit.⁴⁸

43. Even with the uncertainties surrounding this application, Staff recommended approval of the CCNs because Evergy Missouri West's capacity deficit is dire.⁴⁹

44. Sierra Club conceded that Evergy Missouri West articulated a generic "need" for capacity and energy due to load growth. Sierra Club's argument, however, is that transmission congestion will preclude the power plants from satisfying the need for generation.⁵⁰

Tartan Factor – Economic Feasibility

45. Sierra Club witness Michael Goggin testified that Evergy Missouri West failed to consider how transmission congestion could prevent the gas generators from operating profitably.⁵¹

46. The assets that are the subject of this case are not built and therefore do not have an existing SPP pricing node for IRP modeling. Instead, new-build resources were modeled by Evergy Missouri West at an aggregated pricing node of generation resources. This is a reasonable estimate for modeling purposes since at the time of the 2024 IRP the locations of the natural gas resources were not finalized. Additionally, these

⁴⁷ Ex. 7, VandeVelde Direct, p. 8.

⁴⁸ Ex. 200C, Staff Recommendation, pp. 9-10, Figures 3 and 4.

⁴⁹ Tr. Vol. 2, p. 96.

⁵⁰ Sierra Club's Initial Post-Hearing Brief, p. 6.

⁵¹ Ex. 600, Goggin Rebuttal, pp. 7-8.

resources will each require transmission network upgrades that will increase the available transfer capability at their connection points. That should reduce congestion, ensure grid reliability, and allow the Projects to support the firm, dispatchable power needs for the region.⁵²

47. The Agreement lists the cost estimates for the natural gas facilities as follows (all are excluding Allowance for Funds Used During Construction):

- Viola: \$788.75 million for Evergy Missouri West's 50% share.
- McNew: \$800.519 million for Evergy Missouri West's 50% share.
- Mullin Creek #1: \$835 million total.⁵³

48. Evergy Missouri West updated its total capital costs for Viola, McNew and Mullin Creek #1 in its supplemental direct testimony. The Schedule specific to each unit includes a separate line item for SPP network upgrades, interconnection costs, and owner's contingency; however, these amounts are confidential and will not be stated in this order.⁵⁴

49. The overall capital cost estimate for each facility was developed from an AACE Class-4 cost estimate⁵⁵, which were developed by Evergy Missouri West's owner's engineer contractor, Burns & McDonnell, plus the non-EPC costs, which were developed by Evergy Missouri West.⁵⁶

⁵² Ex. 16, VandeVelde Surrebuttal, p. 12.

⁵³ Agreement, paras. 3, 4, and 5.

⁵⁴ Ex 11C, Olson Supplemental Direct, Schedule JKO 14-16.

⁵⁵ An AACE Class-4 cost estimate is a preconstruction cost estimate used primarily for feasibility analysis, concept evaluation, and preliminary budget approval.

⁵⁶ Ex. 5, Olson Direct, p. 27-29.

50. Burns & McDonnell has experience working with Evergy, Inc. (the corporate parent) as well as experience working with advanced class combustion turbines, including the turbine models under consideration for the Projects.⁵⁷

51. The Cambridge Dictionary defines “economic feasibility” as the degree to which the economic advantages of something to be made, done, or achieved are greater than the economic costs.⁵⁸

52. Locational Marginal Price (LMP) is the price of one MWh of energy at a given location at a given point in time. LMPs are made up of three components: the marginal energy component, the marginal congestion component, and the marginal loss component. LMP varies by location based upon system conditions, as well as across time in a given location based upon system conditions.⁵⁹

53. The effects of the congestion and loss components on the LMP have an impact on the economics of each generating unit in SPP’s footprint.⁶⁰

54. Evergy Missouri West has engaged interstate pipelines to discuss the infrastructure upgrades necessary to connect the new CCGT and SCGT facilities to the natural gas pipeline systems.⁶¹

55. Evergy Missouri West commissioned a comprehensive Conventional Generation Siting Study from Power Engineers Inc.⁶² The study was for the purpose of locating, investigating, and evaluating potential sites for the Projects.⁶³

⁵⁷ Ex. 5, Olson Direct, p. 11.

⁵⁸ Ex. 200, Staff Recommendation, p. 25, citing the online Cambridge Dictionary.

⁵⁹ Ex. 200, Staff Recommendation, p. 33

⁶⁰ Ex. 201, Luebbert Surrebuttal, p. 1.

⁶¹ Ex. 5, Olsen Direct, p. 35.

⁶² Ex. 15, Olson Surrebuttal, p. 6.

⁶³ Ex. 3, Humphrey Direct, p. 12.

56. Key factors influencing Evergy Missouri West's siting decisions included the proximity to natural gas pipelines, the relative accessibility to and cost of transmission interconnections, buildability of the site, and ownership of or ability to contract for land.⁶⁴

57. Evergy Missouri West conducted the siting study in 2023 and it was clear that infrastructure access was going to be a large, limiting factor in site selection. However, given the limited availability of sites where a modern and efficient combustion turbine could be located, Evergy Missouri West focused efforts on the known, evaluable siting criteria and did not focus on unknown or speculative variables.⁶⁵

58. Staff reviewed Evergy Missouri West's process of evaluating, assessing, and selecting the proposed sites for the electrical generation facilities in Kansas and in Missouri, and found that Evergy Missouri West had done its due diligence.⁶⁶

59. Staff initially stated that Evergy Missouri West has not demonstrated that the Projects are economically feasible.⁶⁷ Staff's concerns regarding economic feasibility included resource adequacy requirement uncertainty, generator interconnection costs, gas price uncertainty, locational marginal pricing, transmission pricing, and natural gas procurement.⁶⁸ Staff recommended approval of the Projects only if several engineering and economic conditions contained in its recommendation were ordered.⁶⁹ Staff signed on to the Agreement, which included some of Staff's proposed conditions, along with additional other conditions agreed to by the Signatories.⁷⁰ Staff stated at hearing that as

⁶⁴ Ex. 3, Humphrey Direct, p. 12.

⁶⁵ Ex. 14, Humphrey Surrebuttal, p. 7.

⁶⁶ Ex. 200, Staff Recommendation, pp. 47-51.

⁶⁷ Ex. 200, Staff Recommendation, p. 46.

⁶⁸ Ex. 200, Staff Recommendation, pp. 25-46.

⁶⁹ Ex. 200, Staff Recommendation, pp. 53-54.

⁷⁰ Agreement.

with the conditions contained in its recommendation, the conditions contained in the Agreement allow it to recommend approval of the CCN.⁷¹

60. On February 10, 2025, President Trump signed executive proclamations reinstating and expanding a 25% tariff on steel imports, as well as increasing tariffs on aluminum imports to 25%. The proclamations also revoke existing country-specific exemptions and quota arrangements and eliminate the mechanism for requesting exclusions for steel and aluminum products deemed unavailable from domestic sources. These expanded tariffs became effective on March 12, 2025.⁷²

61. Although there is much uncertainty surrounding the tariff proclamations, they could impact the Projects. Many components that will be needed contain steel and aluminum. The new tariffs could increase input costs, cause shortages and supply chain disruptions, and escalate the risk of disputes involving cost allocation, project delays, scope changes, and performance defenses such as force majeure, change in law, or impracticability. These tariffs and other federal actions have the potential to impact the final price of the Projects during the five-to-six-year development process that is required for these power plants to reach commercial operation. Further, some of the executive action on tariffs have been delayed or rescinded, adding to the uncertainty.⁷³

62. Evergy Missouri West analyzed and quantified the impact of high natural gas fuel prices in its 2024 Triennial IRP and its 2025 Annual Updated IRP.⁷⁴

63. Evergy Missouri West's internal review allows the Company to complete due diligence on large load customer requests, including the ability to vet the feasibility of

⁷¹ Tr. Vol. 2, pp. 89-96.

⁷² Ex. 10, Humphrey Supplemental Direct, p. 6.

⁷³ Ex. 10, Humphrey Supplemental Direct, pp. 6-7.

⁷⁴ Ex. 16, VandeVelde Surrebuttal, p. 18.

the customer locating in Evergy Missouri West's service territory, and requires a sizeable deposit to support the analysis to study the viability of the customer's project.⁷⁵

64. Renew Missouri advocated for comparing battery energy storage systems to the Projects because a large part of the batteries' competitive edge stems from their not requiring fuel as a direct operational input. Renew Missouri testified that fuel costs for the Projects must be included in determining economic feasibility.⁷⁶

65. Renew Missouri compares spot gas purchases for Evergy Metro Inc.'s Hawthorn complex in the past to its forecasted spot gas costs for the Projects in the future.⁷⁷ However, Renew Missouri's witness relied on prices from the 2021 IRP for a portion of his analysis, which is irrelevant to the reasonableness of Evergy Missouri West's current proposal to construct the Projects.⁷⁸

66. Evergy Missouri West hired 1898 & Co. to simulate the SPP generator interconnection process and identify potential system network upgrades that may be all or partially cost assigned to the Projects. The vast majority of the SPP interconnection queue up to this point has consisted of variable energy resources, with minimal conventional generators. It is expected that more conventional generators will be submitted into the 2024 cluster, which will likely have an impact on identified network upgrades.⁷⁹

67. Evergy Missouri West is also working with SPP staff and other SPP-member electric utilities to reform SPP's process to provide a path for system network upgrades associated with Network Resource Interconnection Services to be

⁷⁵ Ex. 12, VandeVelde Supplemental Direct, p. 10.

⁷⁶ Ex. 500, Jones Rebuttal (misabeled Direct), p. 8.

⁷⁷ Ex. 500, Jones Rebuttal (misabeled Direct), pp 24-29.

⁷⁸ Ex. 16, VandeVelde Surrebuttal, p. 11.

⁷⁹ Ex. 6, Onnen Direct, pp. 11-14.

placed in transmission rates and cost shared sub-regionally or regionally across SPP, also referred to as Base Plan funding. Pursuant to this Base Plan funding approach, up to \$180,000/MW of the costs related to required upgrades would be assigned sub-regionally or regionally to SPP Transmission Customers, as opposed to directly assigning all of those costs to Evergy Missouri West.⁸⁰

Tartan Factor – Public Interest

68. Evergy Missouri West is pursuing firm fuel transport from the natural gas pipelines for the CCGT facilities, as well as onsite storage of diesel as a backup fuel for the SCGT facilities that could be utilized during extreme cold weather if natural gas was not accessible. In light of the need for generation during cold weather events, Evergy Missouri West plans to reserve firm transportation service on Southern Star Central Gas Pipeline for the entirety of the gas supply needed for the CCGT facilities. This will allow the CCGT facilities to be utilized throughout the year.⁸¹

69. The designs of the Projects allow the CCGTs to continue conducting normal operations in temperatures as low as approximately -10 degrees Fahrenheit. The design of the SCGT allow it to continue conducting normal operations in temperatures as low as approximately -35 degrees Fahrenheit.⁸²

70. Evergy Missouri West is currently working with the pipelines to perform more detailed studies, sometimes referred to as Class 3 or Class 4 studies. Evergy Missouri West anticipates most of these studies will be completed in the first quarter of 2025. Once a project is determined to be feasible and necessary for the new generation

⁸⁰ Ex. 6, Onnen Direct, pp. 15-16.

⁸¹ Ex. 3, Humphrey Direct, pp. 9-10; see also Ex. 5, Olson Direct, pp. 34-35, and Schedule JKO-6.

⁸² Ex. 5, Olsen Direct, p. 34.

to be built, the parties would then execute a precedent agreement that would allow the pipelines to begin developing the infrastructure to be in place ideally six to nine months ahead of the anticipated commercial operation date of the generation.⁸³

71. Mullin Creek #1 will have the option to run on liquid fuel. The project will include a liquid fuel tank sized for 48 hours at full load plus fuel unloading stations.⁸⁴

72. Batteries do not generate electricity; rather, they receive and store energy, with short-term duration to inject the energy back to the grid, which limits their reliability benefits in sustained peak conditions.⁸⁵

73. Both the 2024 Triennial IRP and the 2025 Annual IRP Update assessed a variety of alternative resource generation plans, including the attributes of thermal resources like the Projects compared with battery storage and renewable resources. The 2024 and 2025 IRPs show that thermal dispatchable resources such as the Projects are the most reliable and economically feasible.⁸⁶

74. The currently available short, four-hour duration battery systems cannot provide the energy and capacity benefits of the Projects.⁸⁷

Decisional Prudence

75. SPP has pointed out that it needs dispatchable generation,⁸⁸ and that natural gas generators are generally able to respond most quickly.⁸⁹

76. The advanced technology of the CCGTs significantly increases the high efficiency baseload of Evergy Missouri West's capacity generation, particularly to

⁸³ Ex. 5, Olsen Direct, p. 34.

⁸⁴ Ex. 5, Olsen Direct, p. 35.

⁸⁵ Ex. 14, Humphrey Surrebuttal, p. 11.

⁸⁶ Ex. 16, VandeVelde Surrebuttal, p. 13.

⁸⁷ Ex. 16, VandeVelde Surrebuttal, p. 13; and Evergy Missouri West 2024 Triennial IRP, Vol. 4 p. 58.

⁸⁸ Ex. 7, Schedule CV-1, p. 3 and 12.

⁸⁹ Ex. 7, Schedule CV-1, p. 13.

supplement the loss of baseload coal, and utilizes the minimum amount of fuel necessary for a specific amount of energy.⁹⁰

77. Additional advantages of the advanced technology are better heat rates and lower capital costs per kilowatt of capacity, but they also had the greatest operational flexibility with emissions compliant minimum loads down to 35% of output for the gas turbine.⁹¹

78. Renewable generation output can vary widely. The Projects are dispatchable resources, and the SCGT will deliver even higher levels of flexibility in its ability to start-up and ramp up and down quickly.⁹²

79. While the initial investment in CCGT generation units, such as Viola and McNew, may be higher, the lower fuel consumption per MWh of generation over the lifetime of the plant might lead to cost savings if the units are able to be dispatched more frequently.⁹³

80. Sierra Club's witness Michael Goggin argued that capacity purchase offers in the SPP still exist and could have a present and ongoing major role in meeting Evergy Missouri West's need for capacity.⁹⁴

81. Evergy Missouri West argues that the need for these Projects are driven by Evergy Missouri West's forecasted need for capacity requirements and energy needs while ensuring system reliability and minimizing carbon.⁹⁵

⁹⁰ Ex. 14, Humphrey Surrebuttal, p. 15; Ex. 7, VandeVelde Direct, p. 9; and Ex. 5, Olson Direct, pp. 4-5.

⁹¹ Ex. 3, Humphrey Direct, p. 15.

⁹² Ex. 7, VandeVelde Direct at 9-10; Schedule CV-1, p. 12.

⁹³ Ex. 200, Staff Recommendation, p. 29.

⁹⁴ Ex. 600C, Goggin Rebuttal, p. 36.

⁹⁵ Ex. 200, Staff Recommendation, p. 30.

82. Adding these Projects to Evergy Missouri West's generation portfolio is consistent with positions taken by the Staff and OPC, and other parties that have encouraged Evergy Missouri West and its predecessors to invest in its own generation, especially dispatchable resources, instead of relying on power purchase agreements and the wholesale electricity markets.⁹⁶

83. Staff recommended a number of conditions to the granting of the CCN, some of which were included as conditions in the Agreement.⁹⁷

84. The value of an IRP analysis in evaluating the prudence of the siting and type of generation in a CCN proceeding is limited because the IRP analysis is not location specific. Therefore, any location specific costs for the Projects proposed in this case, such as transmission interconnection to the electric grid, natural gas interstate pipeline firm transportation to the sites, and potential congestion costs when operations commence are more speculative than other more generic costs.⁹⁸

85. The conditions included in the Agreement address Staff's initial concerns about components of the Projects.⁹⁹

Agreement

86. The Agreement states that the Signatories agree Evergy Missouri West should be granted CCNs for the Projects with conditions.¹⁰⁰

⁹⁶ Ex. 2, Gunn Direct, pp. 22-23.

⁹⁷ Ex. 200 Staff Recommendation, pp. 53-54; Agreement.

⁹⁸ Tr. Vol. 2, pp. 73-77.

⁹⁹ Tr. Vol. 2, pp. 96-98.

¹⁰⁰ Agreement, para. 1.

87. The Agreement recommends that the Commission establish a compliance docket to receive future filings from Evergy Missouri West regarding the Projects.

According to the Agreement, items to be filed in that compliance docket are:

- a. quarterly progress reports, which shall include permitting, plans, specifications, and construction cost and project milestone updates, as well as updates regarding any impacts from legislative or executive actions including tariffs;¹⁰¹
- b. a filing regarding natural gas transportation agreements, including precedent agreements, interstate pipeline evaluations, and gas procurement supply/transportation evaluations;¹⁰²

88. A condition stated in the Agreement is that Evergy Missouri West shall use the in-service criteria set forth by Staff that is attached to the Agreement and marked Confidential Schedule 1.¹⁰³

89. A condition stated in the Agreement is the filing of site-specific Emergency Action Plan and Operations and Maintenance Plans.¹⁰⁴

90. A condition stated in the Agreement is that Evergy Missouri West agrees to collaborate with Staff and OPC during the development of a Gas Purchasing Plan, and to file the results of the plan as a compliance filing in this docket. The filing of such a plan, along with any collaborative meetings would not imply pre-approval or prudence review acquiescence regarding the initial plan or any updates or changes. Thereafter, until the time the Projects are placed in service, Evergy Missouri West agrees to meet annually with Staff, MEGG, and OPC to discuss potential revisions to the Gas Purchasing Plan.¹⁰⁵

¹⁰¹ Agreement, para. 9.

¹⁰² Agreement, para. 18.

¹⁰³ Agreement, para. 10.

¹⁰⁴ Agreement, para. 11.

¹⁰⁵ Agreement, para. 16.

91. Another condition in the Agreement states that no later than two years prior to the in-service date of any of the Projects, Evergy Missouri West will file a case that reconsiders the hedge requirement approved in Case No. ER-2024-0189,¹⁰⁶ in light of the current circumstances, natural gas commodity prices and volume risks, and the new natural gas demand of the Projects. This Natural Gas Hedging Plan shall be filed in the annual compliance filing referenced above, as well as any subsequent updates to the plan. The Natural Gas Hedging Plan shall include but not be limited to the Projects that are the subject of this case.¹⁰⁷

92. Sierra Club objected to paragraphs 3 through 6 of the Agreement arguing that the paragraphs purport to contend that the cost estimates are reasonable and to the extent that they suggest the Projects—at those cost estimates or otherwise—would be prudent expenditures. Sierra Club further objected to any other provision of the Agreement to the extent it suggests that the Projects would satisfy the three contested Tartan Factors described above or otherwise suggest that decisional prudence is warranted without having first evaluated congestion and the related re-evaluation of generation solutions.¹⁰⁸

93. Renew Missouri objected to paragraphs 1 through 5 of the Agreement arguing that the paragraphs suggest it would be prudent, necessary, convenient, or otherwise in the public interest to approve these Projects. Renew Missouri also objected to the Agreement as the Agreement appears to suggest that the Tartan Factors have been met.¹⁰⁹

¹⁰⁶ Case No. ER-2024-0189, Unanimous Stipulation and Agreement, filed October 2, 2024, para. 15

¹⁰⁷ Agreement, para. 17.

¹⁰⁸ Sierra Club's Objections to the Non-Unanimous Stipulation and Agreement, filed June 5, 2025, para. 6.

¹⁰⁹ Objection to the Non-Unanimous Stipulation and Agreement, filed June 5, 2025, para. 6.

94. No objections were received to the following paragraphs of the Agreement which contain additional conditions:¹¹⁰

Paragraph 9	Compliance docket with quarterly reporting (see Finding of Fact 87)
Paragraph 10	Use of in-service criteria set forth by Staff (see Finding of Fact 88)
Paragraph 11	Filing of site-specific Emergency Action Plans and Operations and Maintenance Plans (see Finding of Fact 89)
Paragraph 12	Granting Evergy Missouri West's requested variance from 20 CSR 4240-20.045(3)(C) to provide plans for restoration of safe/adequate service and as-built design drawings in a later submission.
Paragraph 13	Future IRPs of Evergy Missouri Metro will explore setting value ranges for each level of critical uncertain factors
Paragraph 14	Evergy Missouri West will continue to include battery storage as an option in its IRP, including the use of surplus interconnection
Paragraph 15	In its next two IRP filings, Evergy Missouri West shall identify and explain specific cost assumptions for Air Quality Control Systems, environmental mitigation Costs, and unit upgrade costs by year, as well as provide cost benefit analyses for potential unit retirements
Paragraph 16	Gas Purchasing Plan (see Finding of Fact 90)
Paragraph 17	Hedge reconsideration and Natural Gas Hedging Plan (see Finding of Fact 91)
Paragraph 18	Compliance filing of precedent agreements, interstate pipeline evaluations, and gas procurement supply/transportation evaluations (see Finding of Fact 87)

¹¹⁰ Agreement, paras. 9-18.

CONCLUSIONS OF LAW

A. Evergy Missouri West is a public utility and an electrical corporation as those terms are defined in Section 386.020, RSMo (Supp. 2024). By the terms of the statute, Evergy Missouri West is subject to regulation by the Commission pursuant to Chapters 386 and 393, RSMo.

B. No electrical corporation shall begin construction of an electric plant without first having obtained the permission and approval of the Commission.¹¹¹

C. The Commission must determine that the new electric plant is necessary or convenient for the public service to be granted a CCN.¹¹² The term "necessity" does not mean "essential" or "absolutely indispensable," but rather that the proposed project "would be an improvement justifying its cost," and that the inconvenience to the public occasioned by lack of the proposed service is great enough to amount to a necessity.¹¹³

D. The Commission has articulated specific criteria, known as the Tartan Factors, when evaluating applications for utility CCNs as follows:

- (1) there must be a need for the service;
- (2) the applicant must be qualified to provide the proposed service;
- (3) the applicant must have the financial ability to provide the service;
- (4) the applicant's proposal must be economically feasible; and
- (5) the service must promote the public interest.¹¹⁴

¹¹¹ Section 393.170.1, RSMo (Supp. 2024).

¹¹² Section 393.170.3, RSMo (Supp. 2024).

¹¹³ *State ex rel. Intercon Gas, Inc., v. Pub. Serv. Commission of Missouri*, 848 S.W.2d 593, 597 (Mo. App. 1993), citing *State ex rel. Beaufort Transfer Co. v. Clark*, 504 S.W.2d 216, 219 (Mo. App. 1973), citing *State ex rel. Transport Delivery Service v. Burton*, 317 S.W.2d 661 (Mo. App. 1958).

¹¹⁴ *In re Tartan Energy Company*, 3 Mo.P.S.C. 173, 177 (1994).

E. It is within the Commission's discretion to determine when the evidence indicates the public interest would be served by the award of the certificate.¹¹⁵ The public interest is a matter of policy to be determined by the Commission.¹¹⁶ Determining what is in the interest of the public is a balancing process.¹¹⁷ In making such a determination, the total interests of the public served must be assessed.¹¹⁸ This means that some of the public may suffer adverse consequences for the total public interest.¹¹⁹ Individual rights are subservient to the rights of the public.¹²⁰ The “public interest” necessarily must include the interests of both the ratepaying public and the investing public.¹²¹

F. The Commission may impose such conditions as it may deem reasonable and necessary in granting a CCN.¹²²

G. Utilities are required to provide safe and adequate service.¹²³

H. The burden of proof is on Evergy Missouri West to demonstrate that it has met the requirements for a certificate of convenience and necessity for the Projects.¹²⁴ In order to carry its burden of proof, Evergy Missouri West must meet the preponderance of

¹¹⁵ *State ex rel. Ozark Electric Coop. v. Public Service Commission*, 527 S.W.2d 390, 392 (Mo. App. 1975).

¹¹⁶ *State ex rel. Public Water Supply District v. Public Service Commission*, 600 S.W.2d 147, 154 (Mo. App. 1980). The dominant purpose in creation of the Commission is public welfare. *State ex rel. Mo. Pac. Freight Transport Co. v. Public Service Commission*, 288 S.W.2d 679, 682 (Mo. App. 1956). *State ex rel. Intercon Gas, Inc. v. Public Service Com'n of Missouri*, 848 S.W.2d 593, 597-598 (Mo. App. 1993). *State ex rel. Public Water Supply Dist. No. 8 of Jefferson County v. Public Service Commission*, 600 S.W.2d 147, 154 (Mo. App. 1980).

¹¹⁷ *In the Matter of Sho-Me Power Electric Cooperative's Conversion from a Chapter 351 Corporation to a Chapter 394 Rural Electric Cooperative*, Case No. EO-93-0259, Report and Order issued September 17, 1993, 1993 WL 719871 (Mo. P.S.C.).

¹¹⁸ *Id.*

¹¹⁹ *Id.*

¹²⁰ *State ex rel. Mo. Pac. Freight Transport Co. v. Public Service Commission*, 288 S.W.2d 679, 682 (Mo. App. 1956).

¹²¹ *State ex rel. City of St. Louis v. Public Service Com'n of Missouri*, 73 S.W.2d 393 (Mo. banc 1934).

¹²² Section 393.170.3, RSMo (Supp. 2024).

¹²³ Sections 393.130 and 393.140, RSMo.

¹²⁴ “The burden of proof, meaning the obligation to establish the truth of the claim by preponderance of the evidence, rests throughout upon the party asserting the affirmative of the issue”. *Clapper v. Lakin*, 343 Mo. 710, 723, 123 S.W.2d 27, 33 (1938).

the evidence standard.¹²⁵ In order to meet this standard, the company must convince the Commission it is “more likely than not” that the generation to be provided by the Projects is necessary or convenient for the public service.¹²⁶

I. A nonunanimous stipulation and agreement to which a timely objection has been filed shall be considered to be merely a position of the signatory parties to the stipulated position, except that no party shall be bound by it. All issues shall remain for determination after hearing.¹²⁷

J. Witness credibility is solely a matter for the fact-finder, “which is free to believe none, part, or all of the testimony.”¹²⁸

K. An administrative agency, as fact finder, also receives deference when choosing between conflicting evidence.¹²⁹

L. The Commission may, by its order, make a determination on the prudence of the decision to operate or construct a natural gas electric generator subject to a subsequent review of costs and applicable timelines.¹³⁰

M. In determining whether a utility’s conduct was prudent, the Commission will judge that conduct by:

asking whether the conduct was reasonable at the time, under all the circumstances, considering that the company had to solve its problem prospectively rather than in reliance on hindsight. In effect, [the Commission’s] responsibility is to determine how reasonable people would have performed the tasks that confronted the company.¹³¹

¹²⁵ *Bonney v. Environmental Engineering, Inc.*, 224 S.W.3d 109, 120 (Mo. App. 2007).

¹²⁶ *Holt v. Director of Revenue, State of Mo.*, 3 S.W.3d 427, 430 (Mo. App. 1999).

¹²⁷ 20 CSR 4240-2.115(2)(D).

¹²⁸ *State ex rel. Public Counsel v. Missouri Public Service Comm’n*, 289 S.W.3d 240, 247 (Mo. App. 2009).

¹²⁹ *State ex rel. Missouri Office of Public Counsel v. Public Service Comm’n of State*, 293 S.W.3d 63, 80 (Mo. App. 2009).

¹³⁰ 20 CSR 4240-20.045(2)(C).

¹³¹ *State ex rel. Associated Natural Gas Co. v. Pub. Serv. Com’n*, 954 S.W.2d 520, 529 (Mo. App. W.D. 1997).

DISCUSSION – CCN

While the Tartan Factors are frequently cited in Commission decisions regarding applications for CCNs, they are merely guidelines for the Commission's decision, and are not part of the legal standard set forth by the controlling statute. Moreover, the Tartan decision concerned an application for a certificate to provide service to a particular area, not to build generation. Nonetheless, the Tartan Factors are helpful in evaluating the current application and the Commission will evaluate those factors as part of its decision in this case.

No party disputed that Evergy Missouri West met two of the five Tartan Factors: being qualified to construct and operate the Projects, and having the financial ability to construct and operate the Projects. Therefore, the Commission concludes that Evergy Missouri West has met its burden of proof demonstrating that it is qualified to construct and operate the Projects and has the financial ability to construct and operate the Projects.

Sierra Club was the only party to object to a finding that Evergy Missouri West met the Tartan Factor of need. However, Sierra Club conceded that Evergy Missouri West has a need for additional power. Sierra Club's objection is that the sites of the proposed Projects entail such a degree of transmission congestion that the addition of the Projects still may not meet that need.

In the current case, transmission congestion was an issue confirmed by Evergy Missouri West. However, there will be transmission upgrades concurrent with the building of the Projects. There is also an expectation that some SPP-sponsored transmission congestion relief projects may positively impact the Projects. These costs are dependent on SPP's determination of how best to bring the energy generated by each Project to

SPP's members, and are to date, still unknown. Evergy Missouri West has included some of the transmission update costs in its capital costs estimate, with an expectation for any unknown costs to be covered by the owner's contingency.

In addition, the future of the GHG rules are uncertain, but even with Evergy Missouri West's contingent plan to cap capacity output to 40% there is no evidence that such a cap would make the Projects unable to address the need for generation. The Commission finds Evergy Missouri West's response that the transmission congestion will be addressed and could not have been modeled in advance in detail more persuasive than Sierra Club's concern.

Staff and OPC have long argued before the Commission in multiple previous cases that Evergy Missouri West is in need of dispatchable generation to reduce its reliance on SPP's energy market kWh purchases to meet its customers' needs.

These CCNs herein are Evergy Missouri West's first request for natural gas CCGTs and a SCGT since the retirement of its Sibley dispatchable base load coal plant in 2018. Evergy Missouri West's customer demand for energy has continued to grow since that time. The Commission agrees with Staff that Evergy Missouri West's current need for capacity is dire and that the Projects meet the Tartan need criteria.

Economic feasibility is the degree to which the economic advantages of the Projects are greater than the economic costs. Stated another way, a ratio of high advantages with a low cost is indicative of a high degree of economic feasibility. In the original case applying the Tartan Factors, this related to the acquisition of a service area and was expressed as the difference in expected revenues from the provision of service versus expected costs.

In compliance with the ordered condition in paragraph 16 of the Agreement, the Commission's expectation is that Staff and OPC's collaboration with Evergy Missouri West on a Gas Purchasing Plan will address natural gas price volatility. There has been no evidence filed that would support a finding that Evergy Missouri West's cost of fuel would be higher than that of any other natural gas generator in SPP's footprint. In addition, the future of the current GHG rules which may limit generational output to a 40% capacity factor is unknown. However, the applicability of those rules are not limited to Evergy Missouri West. Thus, if the GHG rules are retained in its current form, the negative impact on economic feasibility will be industry-wide and not specific to Evergy Missouri West.

Evergy Missouri West's intent to negotiate firm transportation contracts with interstate pipelines will allow the CCGTs to serve customer load throughout the year when it is economical. The availability of alternative liquid fuel to be burned at the SCGT will also provide winter flexibility to improve reliability in the generation at that Project to meet the energy needs of Evergy Missouri West customers. The technological advances of the Projects add to the economic feasibility because the increased fuel efficiency of the units mean that less fuel will be needed to generate energy. Lastly, the findings of fact included in the need for generation section, specifically the 400 MW of large-load customers expected in the near-term that were included in the 2025 IRP Update Report, and the large-load potential customers which are not near-term and were not included in the 2025 IRP Update Report but which Evergy Missouri West estimates the potential customers' need as somewhere in the three to five gigawatt range, also supports a finding of economic feasibility. Thus, based on the dire need for generation, incoming large-load customers, the fuel efficiency of the Projects, the dispatchability of natural gas generators compared to renewable generators, the ability to operate in cold temperatures, and the

addition of the conditions in the Agreement that alleviates concerns regarding economic feasibility, the Commission finds the evidence in support more convincing than the evidence in opposition that the Projects are more likely than not to be economically feasible.

Having found favorably on the other Tartan Factors, the analysis is favorable to a finding of being in the public interest. Here, the weight of the evidence supporting a finding for the dire need for generation also supports a finding that the Projects are in the public interest. Additionally, the Projects will also likely decrease Evergy Missouri West's reliance on purchased power in the SPP Market to meet its customer needs, which is in the public interest.

The Commission finds that there is a need for dispatchable generation, and that the evidence supports a finding that the Projects are more likely than not to fulfil that need. The Commission also finds that the three Projects herein are more likely than not to create economic advantages which are greater than the economic costs. The Commission finds that Evergy Missouri West's history of relying on purchase power agreements to meet its capacity needs and purchasing power from the SPP wholesale market to meet its energy needs, and the likelihood of an increasing future demand make the addition of these Projects in the public interest. Therefore, the Commission finds that the Projects are necessary or convenient for the public service.

DISCUSSION – AGREEMENT

The Agreement is signed by Evergy Missouri West, Staff, and MCEG. OPC indicated it did not object. Sierra Club and Renew Missouri objected to the Agreement; thus, the Agreement became a position statement of the Signatories pursuant to Commission Rule. Because the Agreement is no longer considered an "Agreement" but

merely a statement of the positions of the signatories, the Commission has no “Agreement” upon which to act.

The Commission will, however, adopt the unopposed conditions set out in the Agreement, specifically paragraphs 9-18 of the Agreement. The conditions included in the Agreement address Staff’s initial concerns about components of the Projects. Therefore, the Commission finds that those conditions are reasonable and necessary and will order them as part of the grant of the CCNs.

DISCUSSION – DECISIONAL PRUDENCE

Evergy Missouri West requested that the Commission determine that its decisions to construct, acquire, own, and operate the Projects, instead of pursuing other supply-side resources, were prudent.

The Commission finds that there is a clear need for dispatchable generation. The short duration of utility-scale batteries preclude a combination of battery plus generation to meet Evergy Missouri West’s existing dire need for capacity. The existing excess capacity market is becoming unviable over time to source energy needs. SPP’s modifications to increase its member’s (including Evergy’s) planning reserve margins are based on seasonal reliability concerns. The CCGTs utilize the minimum amount of fuel necessary for a specific amount of energy need. And the SCGT delivers higher levels of flexibility in its ability to startup and ramp up and down quickly. Additionally, SPP has indicated its need for dispatchable generation and further indicated that natural gas generators are generally able to respond most quickly. Therefore, based on the degree of need, the need for dispatchable generation, the advanced technology of the CCGTs, the flexibility of the SCGT, and the SPP’s stated need for dispatchable generation and that natural gas generators are generally able to respond most quickly, the Commission

finds that Evergy Missouri West's decision regarding generation type (fuel type) of the Projects was prudent. The Commission makes no finding regarding any cost of the Projects, nor any finding regarding the construction timelines of the Projects.

CONCLUSION

The Commission finds that the Tartan Factors have been met, and that the Projects are necessary or convenient for the public service. The Commission further finds that the conditions contained in the Agreement are reasonable and necessary to the grant of the CCNs and will order them, specifically paragraphs 9 to 18 of the Agreement. Therefore, the Commission will grant the application, subject to the conditions outlined in paragraphs 9 to 18 contained in the Agreement. The Commission also finds that Evergy Missouri West has acted with prudence in making the decision to pursue natural gas generators; specifically, the Commission is granting Evergy Missouri West's request for a finding of decisional prudence with regard to the generation type (fuel type) of the Projects.

As Evergy Missouri West requested a Commission order by July 8, 2025, and to allow Evergy Missouri West to expeditiously begin the work on the Projects, the Commission finds it reasonable to make this order effective in less than 30 days.¹³²

THE COMMISSION ORDERS THAT:

1. Evergy Missouri West's application for a certificate(s) of convenience and necessity, filed on November 15, 2024, is granted, subject to the conditions of the Agreement filed on May 29, 2025. A copy of the Agreement (both a public and confidential version) is attached to this order. The Signatories are ordered to comply with the conditions as expressed in paragraphs 9-18 of the Agreement.

¹³² Section 386.490, RSMo (2016).

2. Evergy Missouri West is granted variance from 20 CSR 4240-20.045(3)(C) to provide plans for restoration of safe/adequate service and as-built design drawings in a later submission.

3. A compliance docket is established, Case No. EO-2026-0031. Evergy Missouri West shall file quarterly progress reports, as described by the Agreement, for each Project.

4. Nothing in this order shall be considered a finding by the Commission of the reasonableness of the expenditures herein involved, nor of the value for ratemaking purposes of the properties herein involved, nor as an acquiescence in the value placed on the properties. The Commission makes no findings regarding any cost estimates contained in the Agreement.

5. Evergy Missouri West's request for a finding of decisional prudence is granted in regards to the generation type (fuel type) as to its decisions to construct, acquire, own, and operate Viola, Mullin Creek #1, and McNew.

6. This order shall become effective on August 10, 2025.



BY THE COMMISSION

A handwritten signature in black ink that reads "Nancy Dippell".

Nancy Dippell
Secretary

Hahn, Ch., Coleman, Kolkmeier,
and Mitchell CC., concur and certify compliance
with the provisions of Section 536.080, RSMo (2016).

Hatcher, Senior Regulatory Law Judge

**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) Case No. EA-2025-0075
Certificate of Public Convenience and Necessity)
For Natural Gas Electrical Production Facilities)

NON-UNANIMOUS STIPULATION AND AGREEMENT

COMES NOW, Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“EMW” or the “Company”), Staff (“Staff”) for the Missouri Public Service Commission (“Commission”), and Midwest Energy Consumers Group (“MECG”) (individually “Signatory” and collectively “Signatories”) and agree to a *Non-Unanimous Stipulation and Agreement* (“Agreement”) that resolves all pending issues in this docket, as stated below.

STIPULATION AND AGREEMENT

The Signatories agree to the following:

1. The Commission should grant Evergy Missouri West (“EMW” or “Company”) certificates of convenience and necessity under subsection 1 of Section 393.170¹ authorizing the Company to construct, install, own, operate, maintain, and otherwise control and manage:
- a. 50% of an advanced class 710 megawatt (“MW”) combined cycle gas turbine (“CCGT”) generating facility known as the Viola Generation Station (“Viola”), located in Sumner County, Kansas;

¹ All statutory references are to the Missouri Revised Statutes (2016), as amended.

b. 100% of a 440 MW simple-cycle gas turbine (“SCGT”) generating facility, known as Mullin Creek #1 Generating Station (“Mullin Creek #1”) located in Nodaway County, Missouri; and

c. 50% of an advanced class 710 MW CCGT generating facility known as McNew Generating Station (“McNew”) located in Reno County, Kansas (individually, the “Facility”; together, the “Facilities”);

2. EMW requests the Commission to determine pursuant to the CCN Rule’s Section (2)(C) that the Company’s decisions to construct, acquire, own, and operate the Viola plant, Mullin Creek #1 plant, and McNew plant, instead of pursuing other supply-side resources are prudent. These requests for determinations of decisional prudence by EMW does not imply or suggest that the other Signatories agree with or acquiesce to these requests. The Signatories agree that should the Commission deem it appropriate the Signatories would be agreeable with the Commission determining its position utilizing the existing record and briefs. Signatories will also have their witnesses prepared to address Commission questions should the Commission so desire;

3. That the cost estimate for 50% of the Viola plant should be established as \$788.75 million (excluding AFUDC);

4. That the cost estimate for 100% of the Mullin Creek #1 plant should be established as \$835 million (excluding AFUDC);

5. That the cost estimate for 50% of the McNew plant should be established as \$800.519 million (excluding AFUDC);

6. Amounts spent in excess of the cost estimate(s) in Sections 3 through 5 above will be subject to execution and cost prudence review in the general rate case proceeding in which the

Facilities are requested for inclusion in rate base. The Company shall bear the burden of proof to show that any amount it incurs in excess of these cost estimates (including any impacts from legislative or executive actions including tariffs on the Facilities' costs) is prudently incurred and is just and reasonable to recover from EMW customers.

7. Nothing in this agreement prohibits any Signatory from seeking or opposing ratemaking disallowances based on EMW's generation resource planning actions and inactions in a future proceeding.

8. EMW confirms with the parties that it intends to seek Construction Work in Progress ("CWIP") and PISA for the Facilities subject to and consistent with the limitations and conditions as provided for in Section 393.135.2 and Section 393.1400, pursuant to Senate Bill 4. This provision does not limit the positions Signatories may take in those future cases.

9. The Signatories agree that the Commission should establish a compliance docket associated with this case and require EMW to file quarterly progress reports for each of the projects. These reports will be available to Signatories. EMW shall collaborate with Staff to develop a reporting template and submit to the Commission prior to initiating the compliance reports. Such reports will be filed in such compliance and be due on the first day of the first calendar quarter beginning after the CCN's are issued in this case;

a. Quarterly reports shall also include permitting, plans, specifications, and construction cost and project milestone updates, as well as updates regarding any impacts from legislative or executive actions including tariffs;

10. EMW shall use the in-service criteria set forth by Staff and attached to this stipulation & agreement as Confidential Schedule 1;

11. EMW shall file in this docket a site-specific Emergency Action Plan as well as Operations and Maintenance Plans for the Projects within sixty (60) days of a facility being placed in service;

12. The Commission should grant Evergy's requested variance from 20 CSR 4240-20.045(3)(C);

13. In its future Integrated Resource Planning ("IRP") efforts, the Company will explore setting value ranges for each level of critical uncertain factors;

14. The Company currently considers battery storage as an option as part of its IRP process while continuing to utilize capacity expansion modeling and will continue to do so in future IRPs including the use of surplus interconnection.

15. In EMW's next two IRP filings, EMW shall identify and explain specific cost assumptions for Air Quality Control Systems, environmental mitigation costs, and unit upgrade costs by year. EMW shall provide cost benefit analyses for potential unit retirements.

16. EMW agrees to collaborate with Staff and OPC during the development of a Gas Purchasing Plan, and to file the results of the plan as a compliance filing in this docket. The filing of such a plan, along with any collaborative meetings would not imply pre-approval or prudence review acquiescence regarding the initial plan or any updates or changes. Thereafter, until the time the Facilities are placed in service, EMW agrees to meet annually with Staff, MEGC, and OPC to discuss potential revisions to the Gas Purchasing Plan.

17. No later than two years prior to the in-service date of any of the Facilities, the Company will file a case that reconsiders the S&A hedge requirement approved in ER-2024-0189, in light of the current circumstances, natural gas commodity prices and volume risks, and the new natural gas demand of the Facilities. This Natural Gas Hedging Plan shall be filed in the

annual compliance filing referenced above, as well as any subsequent updates to the plan. The Natural Gas Hedging Plan shall include but not be limited to the Facilities that are the subject of this case. The filing of such a plan, along with any collaborative meetings would not imply pre-approval or prudence review acquiescence regarding the initial plan or any updates or changes.

18. EMW shall submit a compliance filing once all natural gas transportation arrangements have been finalized. This filing should include, at a minimum, copies of the precedent agreements, all interstate pipeline evaluations and documentation related to the mainline transportation and any laterals, and all Evergy gas procurement supply/transportation evaluations.

GENERAL PROVISIONS

19. 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. Except as explicitly provided herein, none of the Signatories shall be prejudiced or bound in any manner by the terms of this Agreement in this or any other proceeding, regardless of whether this Agreement is approved.

20. 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.

21. This Agreement has resulted from extensive negotiations among the Signatories, and the terms hereof are interdependent. 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.

22. 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.

23. 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.

24. If the Commission does not approve this Agreement without condition or modification, and notwithstanding the provision herein that it shall become void, (1) 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 § 536.080 or Article V, Section 18 of the Missouri Constitution, and (2) 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.

25. If the Commission accepts the specific terms of this Agreement without condition or modification, only as to the issues in these cases that are settled by this Agreement explicitly set forth above, the Signatories each waive their respective rights to present oral argument and written briefs pursuant to § 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.

26. The following parties have indicated that they do not object to the Agreement:

- The Office of the Public Counsel

WHEREFORE, the undersigned Signatories respectfully request the Commission to issue an order approving the Agreement subject to the specific terms and conditions contained therein.

Respectfully submitted,

/s/ Roger W. Steiner

Roger W. Steiner, MBN 39586
Evergy, Inc.
1200 Main Street Kansas City, MO
64105 Phone: (816) 556-2791
roger.steiner@energy.com

Karl Zobrist, MBN 28325
Jacqueline Whipple, MBN 65270
Chandler Ross Hiatt, MBN 75604
Dentons US LLP
4520 Main Street, Suite 1100
Kansas City, MO 64111
Phone: (816) 460-2400
karl.zobrist@dentons.com
jacqueline.whipple@dentons.com
chandler.hiatt@dentons.com

**COUNSEL FOR EVERGY MISSOURI
WEST**

/s/ Travis J. Pringle

Travis J. Pringle
Chief Deputy Counsel
Missouri Bar No. 71128
Alexandra Klaus
Senior Counsel
Missouri Bar. No. 67196
Andrea Hansen
Associate Counsel
Missouri Bar No. 73737
200 Madison Street
P.O. Box 360
Jefferson City, Missouri 65102
Phone: (573) 751-5700
Fax: (573) 526-1500
E-mail: Travis.Pringle@psc.mo.gov

**COUNSEL FOR STAFF FOR THE
COMMISSION**

/s/ Tim Opitz

Tim Opitz, Mo. Bar No. 65082
Opitz Law Firm, LLC
308 E. High Street, Suite B101
Jefferson City, MO 65101
T: (573) 825-1796
tim.opitz@opitzlawfirm.com

COUNSEL FOR MECG

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 29th day of May 2025.

/s/ Roger W. Steiner

Attorney for Evergy Missouri West

**SCHEDULE 1
CONTAINS CONFIDENTIAL
INFORMATION
NOT AVAILABLE TO THE PUBLIC.

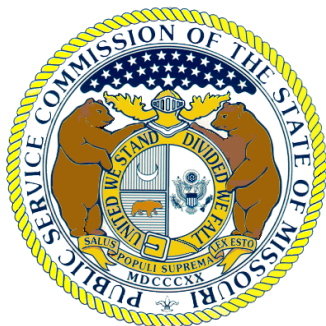
ORIGINAL FILED UNDER SEAL.**

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 31st day of July 2025.



Nancy Dippell

Nancy Dippell
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

July 31, 2025

File/Case No. EA-2025-0075

MO PSC Staff

Staff Counsel Department
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
staffcounselservice@psc.mo.gov

**Office of the Public Counsel
(OPC)**

Marc Poston
200 Madison Street, Suite 650
P.O. Box 2230
Jefferson City, MO 65102
opcservice@opc.mo.gov

Evergy Missouri Metro

James Fischer
2081 Honeysuckle Lane
Jefferson City, MO 65109
jfischerpc@aol.com

Evergy Missouri Metro

Chandler Hiatt
4520 Main St #1100
Kansas City, MO 64111
chandler.hiatt@dentons.com

Evergy Missouri Metro

Roger Steiner
1200 Main Street, 16th Floor
P.O. Box 418679
Kansas City, MO 64105-9679
roger.steiner@evergy.com

Evergy Missouri Metro

Jacqueline Whipple
4520 Main Street, Ste. 1100
Kansas City, MO 64111
jacqueline.whipple@dentons.com

Evergy Missouri Metro

Karl Zobrist
4520 Main Street, Suite 1100
Kansas City, MO 64111
karl.zobrist@dentons.com

Evergy Missouri West

James Fischer
2081 Honeysuckle Lane
Jefferson City, MO 65109
jfischerpc@aol.com

Evergy Missouri West

Chandler Hiatt
4520 Main St #1100
Kansas City, MO 64111
chandler.hiatt@dentons.com

Evergy Missouri West

Roger Steiner
1200 Main Street, 16th Floor
P.O. Box 418679
Kansas City, MO 64105-9679
roger.steiner@evergy.com

Evergy Missouri West

Jacqueline Whipple
4520 Main Street, Ste. 1100
Kansas City, MO 64111
jacqueline.whipple@dentons.com

Evergy Missouri West

Karl Zobrist
4520 Main Street, Suite 1100
Kansas City, MO 64111
karl.zobrist@dentons.com

**Midwest Energy Consumers
Group**

Tim Opitz
308 E. High Street, Suite B101
Jefferson City, MO 65101
tim.opitz@opitzlawfirm.com

MO PSC Staff

Travis Pringle
200 Madison Street
Jefferson City, MO 65101
travis.pringle@psc.mo.gov

Renew Missouri

Nicole Mers
915 Ash Street
Columbia, MO 65201
nicole@renewmo.org

Sierra Club

Bruce Morrison
319 North Fourth Street
Suite 800
St. Louis, MO 63102
bamorrison@greatriverslaw.org

Sierra Club

Sarah Rubenstein
319 N. 4th Street, Suite 800
St. Louis, MO 63102
srubenstein@greatriverslaw.org

Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,

A handwritten signature in black ink that reads "Nancy Dippell". The signature is written in a cursive, flowing style.

**Nancy Dippell
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.