Exhibit No. 304

Missouri Electric Commission – Exhibit 304
Testimony of Rebecca Atkins
Rebuttal
File No. EA-2024-0302

Exhibit No.: _____
Issues: The Need for and Benefits of
the FDIM Project which further
Promotes the Public Interest
Witness: Rebecca Atkins
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: MEC
File No.: EA-2024-0302

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

FILE NO. EA-2024-0302

REBUTTAL TESTIMONY

OF

REBECCA ATKINS

ON BEHALF OF

THE MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION d/b/a MISSOURI ELECTRIC COMMISSION

JANUARY 14, 2025

I. INTRODUCTION OF WITNESS AND TESTIMONY

Q. Please state your name, title, and business address.

A. My name is Rebecca Atkins. I am the Chief Markets Officer of the Missouri Public Utility Alliance ("MPUA"), which includes the Missouri Joint Municipal Electric Utility Commission d/b/a Missouri Electric Commission ("MEC"). MEC's business address is 2200 Maguire Boulevard, Columbia, MO 65201.

Q. Please describe your professional background.

A. I joined MPUA in 2008 as an Energy Economist and have over 16 years of progressively responsible experience where I now supervise MEC's 24/7 operations in the Midcontinent Independent Operator System ("MISO"), the Southwest Power Pool ("SPP") and Associated Electric Cooperative Incorporated ("AECI") balancing authority for the Missouri Public Energy Pool ("MoPEP") and two other full requirements power pools, and several members for whom we provide part of their energy and capacity requirements. I have experience in market operations including forecasting load in the next hour and up to ten years, front office market submissions, market shadow settlements, resource adequacy and post operating day reporting. I supervise the MPUA analysis department, which analyzes operational strategies and works with front office operations to continually lower member costs. I develop and implement training for staff and members on market operations and rate design. I received a Bachelor of Science in Math and Economics from Furman University in Greenville, South Carolina and a Master of Arts in Economics from the University of Missouri-Columbia. My current curriculum vitae is attached as Schedule RA-1.

Q. On whose behalf are you testifying?

A. I am testifying on behalf of MEC, an intervenor in this proceeding.

Q. Have you previously testified before the Missouri Public Service Commission?

A. Yes, I offered surrebuttal testimony on behalf of MEC in Case No. EA-2022-0099 and rebuttal testimony on behalf of MEC in Case No. EA-2023-0017.

Q. What is the purpose of your testimony?

A. My testimony provides further explanation and information additional to the testimony of ATXI witness Jeff L. Dodd, and Staff's witness Michael L. Stahlman, regarding MEC's perspective as a Project Partner in the Fairport-Denny-Iowa-Missouri Project ("FDIM Project") on the need for and benefits to the public within the MISO footprint generally, and more specifically to MISO's Missouri Zone 5 which includes MEC's members.

Q. Please summarize your testimony.

A. MEC, like ATXI and Staff, has reasonably relied on MISO's quantification of the benefits of the LRTP Tranche 1 Portfolio (which includes the FDIM Project) to MISO's Missouri Zone 5. MISO identified these benefits to be both economic/financial, as well as operational. Significantly, ATXI's and MEC's development of the FDIM Project has been found to provide the greatest cost certainty, providing both protection against increased cost but also providing benefits to customers when costs decrease. Additionally, MEC's tax-exempt status creates additional cost certainty because it effectively caps their taxes at zero and prevents 49% of the costs of the FDIM Project from being affected by future legislative or other changes that would otherwise affect taxes over the life of the FDIM Project. Because MISO has determined that ATXI and MEC can provide the most competitive cost and best design for development of the FDIM Project, MEC needs ATXI to obtain the necessary CCN to avoid the higher cost and inferior design of the second-

place proposal submitted to MISO.

II. BACKGROUND ON MEC'S INTERACTIONS WITH MISO AS RELEVANT TO THE FDIM PROJECT

Q. Would you describe how you regularly interact with MISO on behalf of MEC's members?

A. I oversee MEC's analysis of MISO operations and costs on behalf of several of MEC's members and its three full requirements power pools. I supervise the employees at MEC's 24/7 energy operations desk who make and take the calls from the counterparties' real time desks, coordinate as necessary with the counterparties' subject matter experts, frequently attend virtual stakeholder meetings regarding transmission planning and market rules, "tag" MEC's generation across balancing authorities to minimize costs and stay within balancing constraints, and I perform the cost allocation of the counterparties' bills to the appropriate MEC members.

Q. Given your day-to-day involvement with MISO matters on MEC's behalf, please share your knowledge of the process by which MISO developed and then awarded the FDIM Project to ATXI and MEC?

A. I understand that MISO's process for this FDIM Project has been lengthy and thorough. In July 2022, MISO approved the Long-Range Transmission Planning Tranche 1 portfolio for inclusion in the 2021 MISO Transmission Expansion Plan, called MTEP 21. Tranche 1 included this FDIM Project. In December 2022, MISO issued its Request for Proposals ("RFP") regarding the FDIM Project. Consequently, the FDIM Project was going to move forward, and the only questions remaining were who was going to build it, and how much was it going to cost MISO ratepayers. MEC partnered with ATXI to

submit their joint Proposal in response to MISO's FDIM RFP, and on October 27, 2023, MISO issued its Selection Report in which it awarded the FDIM Project to ATXI and MEC.

Q. Did MISO explain why it decided to award the FDIM Project to ATXI and MEC?

A. Yes. MISO received proposals from three other developers for the FDIM Project, in addition to ATXI's and MEC's proposal. MISO had estimated the cost of the FDIM Project to be $161 million in 2022 dollars, but ATXI's and MEC's cost estimate was $84 million, partially due to ATXI's agreement to transfer 49% of the FDIM Project via a joint operating agreement after the facilities are constructed to MEC which is exempt from income and property taxes. MISO also found that ATXI's and MEC's project implementation cost cap, its 40-year weighted cost of equity cap, and its 10-year operations and maintenance cap enabled the present value of its proposed revenue requirement to remain superior under all scenarios modeled by MISO. MISO further found ATXI's and MEC's design for the FDIM Project to be significantly better than the second-best proposal.

III. MEC'S SUPPORT FOR ATXI'S REQUESTED CCN FOR THE FDIM PROJECT

Q. Has MEC found the FDIM Project to be economically feasible for Missouri customers?

A. Yes

Q. Please explain how MEC concluded that the FDIM Project is economically feasible for Missouri customers?

A. Much like Staff's witness Michael L. Stahlman and ATXI's witness Jeff L. Dodd, MEC has

reasonably relied on MISO's quantification of the benefits of the LRTP Tranche 1 Portfolio (which includes the FDIM Project) to MISO's Missouri Zone 5. Those benefits come in the form of congestion and fuel savings, avoided capital cost of local resources, avoided transmission investment, avoided risk of load shedding and decarbonization, and are expected to exceed the cost of Tranche 1. The benefit to cost ratio for Zone 5 customers is estimated to be between 3.0 and 4.2; this is using MISO's cost estimates for the transmission, which, as noted above, were almost double what the competitively bid proposal came in for this project.

Q. Does ATXI's request for a CCN for the FDIM Project promote the public interest?

A. Yes.

Q. From MEC's standpoint, how does ATXI's construction of the FDIM Project promote the public interest?

A. As evidenced by MISO's October 27, 2023 Selection Report, ATXI's and MEC's proposal was the most competitive due to its project implementation cost and revenue requirement, a project implementation cost cap, 40-year weighted cost of equity cap, 10-year Operations and Maintenance cap, and the project partnership with MEC which is exempt from property and income taxes, which reduced its estimated taxes by 49%.

Q. Does MEC need ATXI to receive the CCN for the FDIM Project?

A. Yes.

Q. Please explain MEC's need for ATXI's construction of the FDIM Project?

A. MEC has several members using MISO transmission, and – long before ATXI and MEC were selected to develop the FDIM Project – MISO had already determined that the FDIM Project would move forward at some future cost to MEC's members. Now that MISO has determined that ATXI and MEC can provide the most competitive cost and

best design for development of the FDIM Project, MEC needs ATXI to obtain the necessary CCN to avoid the higher cost and inferior design of the second-place proposal submitted to MISO.

Q. What are the facts or data upon which you reasonably relied to form your opinions and conclusions expressed in this testimony?

A. I have of course relied upon my many years of education and experience as an Energy Economist. Additionally, I relied on MISO's award of the competitively-bid FDIM Project to ATXI and MEC for the reasons set forth in MISO's October 27, 2023 "Selection Report." I further included in my analysis MISO's MTEP21 Report Addendum: Long Range Transmission Planning Tranche 1 Executive Summary, and the "Missouri Public Service Commission Staff Recommendation" filed in this case on December 20, 2024.

Q. Do you hold the opinions you've expressed in this testimony to a reasonable degree of economic certainty?

A. Yes.

Q. Does this conclude your pre-filed rebuttal testimony in this case?

A. Yes. However, I wish to preserve the right to provide additional pre-filed testimony or testimony at the hearing to rebut the testimony of any other party.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

STATE OF MISSOURI)
) SS
COUNTY OF BOONE)

AFFIDAVIT OF REBECCA ATKINS

Rebecca Atkins, being first duly sworn, deposes and says that she is the witness who sponsors the accompanying rebuttal testimony and schedules; that said testimony was prepared by her or under her direction and supervision; that if inquiries were made as to the facts in said testimony and schedules, she would respond as therein set forth; and that the aforesaid testimony and schedules are true and correct to the best of her knowledge, information, and belief.

Rebecca Atkins

Subscribed and sworn to before me this 13 day of Febcary, 2025.

Notary Public

My commission expires: 2/27/2027

CHREENA HOWARD NOTARY PUBLIC NOTARY SEAL COMMISSION #23133951 COOPER COUNTY STATE OF MISSOURI MY COMMISSION EXPIRES 2/07/2027