

Exhibit No. 104

Staff – Exhibit 104
Testimony of Brad J. Fortson
Surrebuttal
Case No. ET-2025-0184

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MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

ENERGY RESOURCES DEPARTMENT

SURREBUTTAL TESTIMONY

OF

BRAD J. FORTSON

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

CASE NO. ET-2025-0184

*Jefferson City, Missouri
November 2025*

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OF

BRAD J. FORTSON

CASE NO. ET-2025-0184

Q. Please state your name and business address.

A. My name is Brad J. Fortson, and my business address is Missouri Public Service Commission, 200 Madison Street, PO Box 360, Jefferson City, MO 65102.

Q. Are you the same Brad J. Fortson who contributed to the *Staff Recommendation* / *Rebuttal Report* (“Staff Recommendation”) filed on September 5, 2025, in this case?

A. Yes, I am.

EXECUTIVE SUMMARY

Q. What is the purpose of your surrebuttal testimony?

A. The purpose of my surrebuttal testimony is to respond to Dr. Carolyn A. Berry, who filed rebuttal testimony in this case on September 5, 2025, on behalf of Google LLC (“Google”). In particular, I will respond to Dr. Berry’s recommendation that the Commission require Union Electric Company, d/b/a Ameren Missouri (“Ameren Missouri”) to offer a tariff similar to the Clean Transition Tariff (“CTT”). Staff will explain below why it does not currently support Dr. Berry’s recommendation on the CTT. I will also respond to Renew Missouri Advocates d/b/a Renew Missouri (“Renew Missouri”) witness Ms. Jessica Polk Sentell in regard to her rebuttal testimony on Ameren Missouri’s proposed Clean Energy Choice Program (“Rider CEC”). Lastly, I will respond to Sierra Club witness Caroline Palmer in regard to her support of, and modifications to, Rider CEC.

RESPONSE TO GOOGLE AND A CLEAN TRANSITION TARIFF

Q. What is a CTT?

A. As Google witness Dr. Berry explains in her rebuttal testimony, “[t]he Public Utilities Commission of Nevada recently approved NV Energy’s Clean Transition Tariff (“CTT”). This tariff allows participating large customers to bring resources to the utility, which are then integrated into the utility’s resource portfolio. Dr. Berry states that the CTT enables these customers to assume financial risk for their resources and allows them to receive the energy and capacity associated with their resource to help achieve its clean energy goals.”¹

Q. Does Nevada have a net zero emissions goal?

A. Yes. Nevada has a net zero goal, and NV Energy has a 100% renewable energy goal.²

Q. Would the CTT influence Ameren Missouri’s Integrated Resource Planning (“IRP”)?

A. Yes. Dr. Berry states that investments that could be considered under a CTT include renewable energy and battery storage, advanced nuclear, carbon capture and storage, long-duration energy storage technologies, and demand-side management. The planning for the new generation would be done with Ameren Missouri and incorporated into its IRP process.³

Q. Does Staff have concerns with the CTT influencing the IRP?

A. Yes. In the Staff Recommendation, in response to Ameren Missouri’s proposed Rider CEC, I stated that:

¹ Dr. Carolyn A. Berry rebuttal testimony, page 18, lines 3 – 8.

² Emma Penrod, NV Energy seeks new tariff to supply Google with 24/7 power from Fervo geothermal plant, Utility Dive, [NV Energy seeks new tariff to supply Google with 24/7 power from Fervo geothermal plant | Utility Dive](#) (accessed October 29, 2025).

³ Dr. Carolyn A. Berry rebuttal testimony, page 19, lines 21 – 23, and page 20, lines 2 – 3.

1 With all of the uncertainty previously mentioned surrounding large
2 customers that would receive service under the LLCs rate no sooner than
3 the fourth quarter of 2026, and the new legislation requiring an integrated
4 resource planning proceeding commencing by August 28, 2027, Staff is
5 of the position that a new rider such as Rider CEC not be approved at
6 this time. The Commission should allow for the new IRP process to be
7 developed and understood prior to considering a rider that allows for
8 customers to influence prudent resource planning.⁴

9 Staff shares the same concerns with the CTT as it does the Rider CEC, and is concerned that it
10 would not be reasonable to set aside a prudent resource plan and replace it with resource
11 planning that was modified to incorporate specific resources due to the preferences of a
12 particular customer.

13 Q. Does the CTT protect non-CTT customers from any financial risk?

14 A. No. On page 18 of Dr. Berry's rebuttal testimony, she states, "This model [CTT]
15 enables these customers to assume financial risk for their resources, thereby protecting other
16 customers..." Further, on page 19 of Dr. Berry's rebuttal testimony, she provides the following
17 question and answer:

18 Q. How is the CCT implemented?

19 A. The CTT customer and the utility would execute an ESA for a
20 clean energy product that is targeted to operate in hours needed to
21 accelerate the decarbonization of the system. The compensation scheme
22 could take various forms. One possibility is that the CTT customer
23 would pay a contract rate for capacity and energy matched to the clean
24 resource and pay rates in the LPS tariff for energy received from
25 Ameren's resource portfolio. The contract rate would reflect the cost of
26 the product under the ESA and the value that the CTT resource provides
27 to the system.

28 Staff sent data request ("DR") 0053 to Google requesting the following:

29 Please refer to the rebuttal testimony of Dr. Carolyn A. Berry, pg. 19,
30 lines 18-19, where she states, "The contract rate would reflect the cost of
31 the product under the ESA and the value that the CTT resource provides

⁴ Staff Recommendation, page 78, lines 21 – 26.

1 to the system.” How is the value that the CTT resource provides to the
2 system determined? Please provide a detailed example of a contract rate
3 that reflects the cost of the product under the ESA and the value that the
4 CTT resource provides to the system.

5 Google’s response to Staff DR 0053 stated the following:

6 The system benefits provided by a CTT resource include reliability and
7 resilience benefits, contribution to peak capacity needs, operational
8 flexibility, locational benefits, and the advancement of new technology
9 that will lower future generation costs. The determination of the value
10 of benefits will depend upon the specific resource type, attributes, and
11 location relative to system needs.

12 Q. Did Dr. Berry provide any workpapers or analysis, with her rebuttal testimony
13 or with her response to Staff DR 0053, quantifying any of her statements?

14 A. No.

15 Q. Who decides what the contract rate will be?

16 A. It appears the contract rate would be determined by Ameren Missouri and
17 the participating customer, based on the following statements made by Dr. Berry in her
18 rebuttal testimony:

- 19 • The *customer and the utility* then target procurement of resources
20 under an Energy Supply Agreement (“ESA”) to those investments that
21 would complement the utility’s existing clean portfolio, aligning clean
22 energy operations with hourly customer load. [Emphasis added.]⁵
- 23 • The *CTT customer and the utility* would execute an ESA for a
24 clean energy product that is targeted to operate in hours needed to
25 accelerate the decarbonization of the system. [Emphasis added.]⁶
- 26 • The planning for the new generation would be done *with Ameren*
27 and incorporated into Ameren’s IRP process. [Emphasis added.]⁷

⁵ Rebuttal testimony of Dr. Carolyn A. Berry, page 19, lines 6 – 9.

⁶ Rebuttal testimony of Dr. Carolyn A. Berry, page 19, lines 14 – 15.

⁷ Rebuttal testimony of Dr. Carolyn A. Berry, page 20, lines 2 – 3.

1 Q. Is there a stakeholder process that allows stakeholders to participate in
2 the CTT process?

3 A. It does not appear so. However, Staff would anticipate, if a CTT is approved,
4 that a CTT filing would be made with the Commission, which Staff would then anticipate would
5 allow for stakeholder review and input.

6 Q. Does Staff have concerns with how the contract rate will be determined by the
7 utility and the participating customer?

8 A. Yes. Since “[t]he contract rate would reflect the cost of the product under
9 the ESA and the *value that the CTT resource provides to the system*. [Emphasis added.]”⁸
10 Staff is concerned with the determination of that value. The cost of the product appears to be
11 netted by the value that the CTT resource provides to the system to determine the contract rate.
12 Given the subjectivity of the perceived benefits Dr. Berry suggests (e.g. reliability and resilience
13 benefits, contribution to peak capacity needs, operational flexibility, locational benefits, and the
14 advancement of new technology that will lower future generation costs),⁹ I would anticipate
15 disagreement amongst the stakeholders on the quantification of those perceived benefits.
16 Staff is further concerned since “the cost of the product under the ESA”¹⁰ is figured into the
17 contract rate and “[t]he planning for the new generation would be done with Ameren and
18 incorporated into Ameren’s IRP process.”¹¹ Because the CTT approach would deviate from
19 prudent resource planning, and there are no objective quantifications of the benefits of the
20 resource, the CTT would lead to financial risk to non-CTT customers. Additional concerns

⁸ Rebuttal testimony of Dr. Carolyn A. Berry, page 19, lines 18 – 19.

⁹ Google LLC response to Staff DR 0053.

¹⁰ Rebuttal testimony of Dr. Carolyn A. Berry, page 19, lines 18 – 19.

¹¹ Rebuttal testimony of Dr. Carolyn A. Berry, page 20, lines 2 – 3.

1 with the reasonableness of the proposed revenue recovery method are addressed by
2 Staff witness Sarah L.K. Lange.

3 Q. What does Staff recommend for Dr. Berry's proposal that the Commission
4 require Ameren Missouri to offer a tariff similar to the CTT?

5 A. Staff recommends the Commission not require Ameren Missouri to offer a CTT,
6 or similar tariff, for all of the reasons stated in the Staff Recommendation and this surrebuttal
7 testimony. Staff is not opposed to Ameren Missouri entering into capacity purchases or power
8 purchase agreements with its LPS customers, so long as those agreements are otherwise
9 prudent. Further, Staff is not opposed to inclusion of terms in those agreements that may
10 address desires of those customers to represent publicly or for internal purposes that the
11 customer obtains its energy or capacity from that resource. However, these arrangements
12 should not be permitted to modify the charges, rates, and conditions applicable to that customer
13 based on its metered consumption of energy at its interconnection.¹²

14 **RESPONSE TO RENEW MISSOURI AND RIDER CEC**

15 Q. Does Renew Missouri support Ameren Missouri's proposed Rider CEC?

16 A. Yes. In Renew Missouri witness Ms. Sentell's rebuttal testimony, she briefly
17 explains the reasons for Renew Missouri supporting Ameren Missouri's proposed Rider CEC.

18 Q. What reasons does Ms. Sentell give for supporting Rider CEC?

19 A. In Ms. Sentell's rebuttal testimony, page 7, lines 7 – 12, she states:

20 Renew Missouri is supportive of customers having clean choices
21 regarding generation and storage when they make economic sense for
22 both the customer and the Company. CEC creates a process whereby
23 LLCs can request the Company to consider specific preferred forms of
24 clean energy technologies. Renew Missouri also supports the possibility
25 these agreements might be subject to even more stringent terms and
26 conditions in order to protect other ratepayers.

¹² 20 CSR 4240-20.060 allows for a customer to be compensated for its self-generation but does not alter charges, rates, and conditions otherwise applicable.

1 Q. Above in the excerpt from Ms. Sentell's rebuttal testimony, she states,
2 "Renew Missouri also supports the possibility these agreements might be subject to even more
3 stringent terms and conditions in order to protect other ratepayers." Did Ms. Sentell elaborate
4 on what "protect other ratepayers" means?

5 A. She did not. However, Staff sent DR 0052 asking in part:

6 ...does Ms. Polk Sentell have any concerns with the potential for non-
7 CEC customers covering the costs of the clean energy resources
8 requested by the CEC customer?

9 Ms. Sentell responded to DR 0052 stating:

10 Renew Missouri does not have concerns regarding CEC customers
11 terminating service and non-CEC customers covering these costs as
12 termination provisions will be included in the CEC customers' contracts
13 and approved by the Commission before going into effect. If for some
14 reason Ameren Missouri would not include sufficiently stringent
15 termination provisions in their contracts, the Commission can reject the
16 agreement or ensure the terms and conditions are updated in order to be
17 considered stringent enough.

18 Q. Should Ms. Sentell be concerned with non-CEC customers covering costs of the
19 clean energy resources requested by the CER customer?

20 A. Yes, or at least have some concern. Staff sent Ameren Missouri DR 0025 asking
21 in part, "If the customer does not pay the outstanding cost differential, will other customers
22 have to bear the cost?" Ameren Missouri responded, "The Commission as is the case with all
23 costs will determine the costs (including any cost differential that in theory might not be
24 collected despite collection efforts) to be reflected in the Company's rates via application of its
25 will-established prudence standards."

26 Q. Should the Commission be persuaded by Ms. Sentell's rebuttal testimony in
27 regard to Rider CEC to approve Ameren Missouri's proposed Rider CEC?

1 A. No. Ms. Sentell's brief rebuttal testimony regarding the proposed Rider CEC
2 should not persuade the Commission to approve a tariff that allows a customer to influence
3 Ameren Missouri's IRP (an IRP process that is drastically changing as discussed in the
4 Staff Recommendation), especially when things like costs and benefits (for both Rider CEC
5 and non-Rider CEC customers) are still in question. The Commission should not approve
6 Ameren Missouri's proposed Rider CEC for all of the reasons contained in the Staff
7 Recommendation and this surrebuttal testimony.

8 **RESPONSE TO SIERRA CLUB AND ITS MODIFICATIONS TO RIDER CEC**

9 Q. Does Sierra Club support Ameren Missouri's proposed Rider CEC?

10 A. Yes. However, Sierra Club witness Ms. Caroline Palmer recommends certain
11 modifications to Ameren Missouri's proposed Rider CEC.

12 Q. What modifications does Ms. Palmer recommend?

13 A. In Ms. Palmer's rebuttal testimony, she recommends three modifications.
14 On page 41, lines 12 – 13, she recommends that, "...the rider allow customers to request that
15 clean energy resources be evaluated in addition to or in lieu of planned new, or existing,
16 resources." On page 42, lines 1 – 6, she recommends that, "...Ameren should narrow its
17 definition of Clean Energy Resource under the tariff... The tariff should instead specify
18 Clean Energy Resources as: renewable energy, demand management, and/or storage." Also on
19 page 42, lines 7 – 12, "...a customer covering the costs associated with the Clean Energy
20 Preferred Resource Plan may be contributing value to other customers that is not accounted for
21 in the tariff. To the extent that the requesting customer brings a resource that replaces
22 something that would have been paid for through other customer rates, it may be valid for the
23 Rider CEC agreement to include a credit for the energy and capacity that the large load customer
24 paid for."

1 Q. Do Ms. Palmer's recommended modifications to Rider CEC change
2 Staff's position on the proposed Rider CEC?

3 A. No, Staff continues to recommend the Commission reject Ameren Missouri's
4 proposed Rider CEC, even with Ms. Palmer's recommended modifications.

5 Q. Does Staff have concerns with Ms. Palmer's recommended modifications?

6 A. Yes. Ms. Palmer's recommended modifications cause Staff additional concerns
7 than those expressed in the Staff Recommendation in this case.

8 Q. Please explain.

9 A. Ms. Palmer recommends a modification to the "Purpose/Availability" section of
10 Ameren Missouri's proposed Rider CEC tariff. Her recommended modification is in the bold
11 text of the following: "Within the Company's Integrated Resource Planning Process ("IRP"),
12 the eligible Large Load Customer may request one or more Clean Energy Resources be
13 deployed in place of or in addition to one or more **proposed or existing** resources selected in
14 the Company's Preferred Resource Portfolio." [Emphasis added.]

15 This would mean that in addition to a large load customer's ability to influence
16 Ameren Missouri's IRP by requesting a clean energy resource in place of or in addition to a
17 resource previously selected in Ameren Missouri's preferred resource plan ("PRP"),
18 Ms. Palmer's recommended modification would also allow for a large load customer to
19 influence Ameren Missouri's IRP by requesting a clean energy resource in place of an existing
20 resource previously selected in Ameren Missouri's PRP, essentially allowing a large load
21 customer to influence the retirement of an existing resource.

22 This furthers Staff's concern mentioned in the Staff Recommendation in regard to
23 the recent passage of Senate Bill 4 ("SB 4") and its implications. The IRP process will soon
24 be drastically changing due to the passage of SB 4. The certificate of convenience and

1 necessity (“CCN”) process will also soon be drastically changing due to the passage of SB 4.
2 The Commission now has the authority to determine that an electric utility’s PRP is reasonable
3 and prudent and grant permission to the utility to construct or acquire specified resources.
4 As previously stated in the Staff Recommendation, and further exacerbated by Ms. Palmer’s
5 recommended modification to allow a large load customer to influence the retirement of an
6 existing resource, the Commission should allow for the new IRP process to be developed
7 and understood prior to considering a rider that allows for customers to influence prudent
8 resource planning.

9 Another concern relates to Ms. Palmer’s recommended modification that “it may be
10 valid for the Rider CEC agreement to include a credit for the energy and capacity that the large
11 load customer paid for.” This is a similar recommendation to one made by Google witness
12 Ms. Berry that I addressed above. Ms. Palmer’s recommended modification appears to net the
13 costs associated with a clean energy resource requested by a large load customer, with a “credit”
14 for energy and capacity. In regard to this, Staff sent DR 0051 asking:

15 Please refer to the rebuttal testimony of Ms. Caroline Palmer, page 42,
16 lines 9 – 12: “To the extent that the requesting customer brings a resource
17 that replaces something that would have been paid for through other
18 customers rates, it may be valid for the Rider CEC agreement to include
19 a credit for the energy and capacity that the large load customer paid
20 for.” How would the “credit” be calculated?

21 Ms. Palmer responded to DR 0051 stating:

22 Per the Company’s testimony, which states that the large load customer
23 would “cover the costs associated with the selected technologies within
24 the alternative Clean Energy PRP” (Wills Direct Testimony, p. 24), it
25 appears that Ameren Missouri would have the large load customer pay
26 for the entire resource cost, rather than only the incremental cost of the
27 selected clean energy resource. If so, the Company could use its current
28 avoided energy and capacity costs for calculating a credit for Rider CEC
29 energy and capacity.

Surrebuttal Testimony of
Brad J. Fortson

1 Similar to my response to Dr. Berry above in regard to “benefits,” Staff is concerned in the
2 determination of avoided energy and capacity costs. This determination in particular has
3 historically been of great contention. I would anticipate further disagreement amongst the
4 stakeholders on the quantification of avoided energy and capacity costs, particularly avoided
5 capacity costs. Staff recommends the Commission reject Ameren Missouri’s proposed
6 Rider CEC, and Ms. Palmer’s recommended modifications, for all of the reasons stated in the
7 Staff Recommendation and this surrebuttal testimony.

8 Q. Does this conclude your surrebuttal testimony?

9 A. Yes it does.

Dianne L. Vaughn
Notary Public