

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

In the Matter of Ameren Missouri's 2025)
Integrated Resource Plan Annual Update) File No. EO-2026-0088
Report.)

RESPONSE TO GRAIN BELT EXPRESS LLC'S COMMENTS

COMES NOW Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") and, in response to the *Comments on Ameren's 2025 Annual Integrated Resource Plan Update* ("*Comments*") submitted by Grain Belt Express LLC ("Grain Belt Express"), states as follows:

1. Ameren Missouri first states that it has met its obligations both in this case, and in File No. EA-2024-0237, in which it agreed to conduct an additional analysis in its 2025 annual integrated resource planning ("IRP") annual update, in accordance with the language quoted by Grain Belt Express from paragraph 5 h. of the *Unanimous Stipulation and Agreement* reached in that matter. Ameren Missouri notes that Grain Belt Express requests still more analyses to rectify certain purported errors in the one already submitted. However, this position is predicated on two assumptions: first, that the IRP annual update process contemplates this level of scrutiny; and second, that Grain Belt Express' identification of purported errors is correct. Neither of these assumptions, as discussed in more detail below, is accurate.

A. The IRP Annual Update Process

2. The Missouri Public Service Commission's ("Commission") rule 20 CSR 4240-22.080(3) establishes a short IRP annual update process and prescribes the extent of that process, that is, one workshop, a summary report, and the filing of stakeholder comments. There is no provision in the rules for any hearing or any decision or other action by the Commission. The duration of the IRP annual update report to submission of stakeholder comments typically takes

from 60 to 75 days from the filing of the annual update report to the submission of stakeholder comments. Ameren Missouri voluntarily extended this process by 30 days in order to afford Grain Belt Express additional time to review the analysis Ameren Missouri completed in accordance with the *Unanimous Settlement Agreement* in File No. EA-2024-0237. All steps in the annual update process are now complete, the required analysis has been submitted, and, under the rules, no further process is either contemplated or needed.

3. In interpreting Commission rules, the principles of construction are the same as those used to interpret statutes.¹ The primary principle is to ascertain the intent of the legislature and, in this instance, the Commission, from the language employed and to give effect to that intent.² Similar to statutes, provisions of the Commission rules should not be read in isolation but construed together and, if reasonably possible, the provisions should be harmonized with each other.³ The law favors a statutory interpretation that avoids an unreasonable, oppressive, or absurd result.⁴

4. In promulgating 20 CSR 4240-22.080(3), the Commission clearly intended that IRP annual update dockets would be significantly different from IRP triennial compliance dockets. The Commission did not intend that actions be taken in IRP annual update cases that would inadvertently turn them into slightly shorter versions of IRP triennial compliance cases.

The Commission effectively reached this same conclusion in addressing a discovery dispute in

¹ *State ex rel. Evans v. Brown Builders Elec. Co.* 254 S.W.3d 31, 35 (Mo. banc 2008) ("The same rules of construction are used to interpret regulations as are used to interpret statutes."); *see also Woolridge v. Woolridge*, 915 S.W.2d 372, 378 (Mo. Ct. App. 1996) (providing that the same principles used to interpret statutes are used to interpret Missouri Supreme Court Rules).

² *Woolridge*, 915 S.W.2d at 378.

³ *Brown Builders Elec. Co.*, 254 S.W.3d at 35 ("The provisions of a legislative act are not read in isolation but construed together, and if reasonably possible, the provisions should be harmonized with each other"). *See also Edwards v. Hyundai Motor Am.*, 163 S.W.3d 494, 497 (Mo. Ct. App. 2005) ("Provisions of an entire legislative act must be construed together and, if reasonably possible, all provisions must be harmonized.")

⁴ *Elrod v. Treasurer of Missouri as Custodian of Second Injury Fund*, 138 S.W.3d 714, 716 (Mo. banc 2004) ("[w]e will not construe the statute so as to work unreasonable, oppressive, or absurd results."). *See also Edwards v. Hyundai Motor Am.*, 163 S.W.3d at 497.

a prior IRP annual update docket. In its *Order Denying Motion to Compel* issued in File No. EO-2025-0123,⁵ the Commission found:

...in IRP annual update matters, there is no possibility for a hearing, no need to prepare for a hearing, and no circumstances by which discovery responses could be admitted into evidence. [Footnote omitted.] Thus the benefits of discovery, such as settlement and trial preparation, are not present for an annual update case....

5. Accordingly, it is appropriate for the Commission to deny Grain Belt Express' request in its *Comments* on these grounds.

B. Ameren Missouri's Analysis

6. Grain Belt Express has noted several purported errors in the analysis Ameren Missouri has completed in compliance with the *Unanimous Settlement Agreement* in File No. EA-2024-0237. Ameren Missouri has only performed an initial examination of the workpapers Grain Belt Express submitted through EFIS in support of its *Comments*.⁶ Ameren Missouri did, however, identify the following incorrect assumptions in Grain Belt Express' analysis:

- There is a foundational incorrect assumption that the Company identified in Grain Belt Express' analysis that underlies and informs its other assumptions and results. Specifically, Grain Belt Express disputes Ameren Missouri's decision to base displacement of Midcontinent Independent System Operator, Inc. ("MISO") resources on relative capacity value of MISO and Kansas wind resources in winter. However, Ameren Missouri was very deliberate in this part of its planning because winter *is* the season in which the Company most needs capacity resources. Addressing the Company's winter season capacity issue also provides capacity to address the summer season as well as the rest of the year, while the converse is not necessarily true. Adding resources based on summer accreditation may not solve the Company's winter issues depending on what resource is added.

Grain Belt Express appears to base its MISO solar displacement on the relative summer capacity credit alone,⁷ resulting in 3.5 times as much solar capacity

⁵ In the Matter of Ameren Missouri's 2024 Integrated Resource Plan Annual Update Report.

⁶ Ameren Missouri has not sought a copy of the additional workpapers that Grain Belt Express says are available upon request.

⁷ The reliance on solar accreditation appears to be derived solely from a consultant analysis that has not been confirmed by MISO, the independent regional transmission operator that governs all capacity accreditation and determination of capacity need for Ameren Missouri.

displaced (700 MW) as Kansas solar capacity added (200 MW). However, since the relevant season is winter and not summer, the relevant displacement is only 200 MW (not 700 MW). Grain Belt Express also assumes the displacement of 1,000 MW of MISO wind by only 600 MW of Kansas wind (not 800 MW), even though the Kansas winter capacity accreditation is only 1.3 times that of MISO according to Grain Belt Express' own analysis. This would imply the potential to displace only approximately 800 MW, which is essentially what the Company reflected in its own analysis filed in this docket.⁸

Until MISO independently confirms that such capacity accreditation is valid,⁹ the difference in accreditation of such capacity is speculative. Not only did Grain Belt Express substantially overstate the MW of MISO capacity Kansas wind and solar would displace, the capacity equivalence assumptions regarding resource displacement used by Grain Belt Express¹⁰ result in a drastic reduction in the amount of annual renewable energy that would be produced – 2 million MWh – relative to the Company's preferred resource plan. Since Ameren Missouri needs this energy to serve expected customer demand, the Company would find itself having to build many of those same resources Grain Belt Express argues can be displaced even if Grain Belt Express's capacity displacement claims were accurate.

- Grain Belt Express' assessment of net present value revenue requirement ("NPVRR") benefits rests largely on capital cost savings resulting from its incorrect assumptions regarding the MISO resource displacement - \$4.3 billion in avoided capital expenditure for MISO resources and associated transmission costs as compared to \$1.8 billion in capital costs for Kansas resources. However, as noted above, since Grain Belt Express' resource displacement assumptions are speculative until confirmed by MISO, as well as flawed because they address capacity requirements for the wrong season, so too are its NPVRR benefit claims inherently incorrect.
- Grain Belt Express also did not include the annual operating costs of its HVDC line in its calculations. This amounts to over \$300 million NPVRR, based on the annual O&M assumptions Grain Belt Express itself provided to Ameren Missouri for purposes of the analysis performed per the terms of the *Stipulation* in EA-2024-0237 and included in this IRP annual update. This further erodes Grain Belt Express's claimed NPVRR benefits.
- Grain Belt Express's NPVRR analysis also rests on the flawed assumption that that raw capital cost figures translate directly to NPVRR impacts. In other words, Grain Belt Express forgot to incorporate other factors in its calculations, such as depreciation, return on equity, interest payments, and tax gross up on net income. This causes an overstatement of benefits of between \$222M to \$370M, depending

⁸ Grain Belt Express incorrectly used a ratio of 1.7 times.

⁹ MISO indicated that it has started its preliminary analysis of the potential benefits of capacity from outside the MISO region and will make a determination in the coming months.

¹⁰ Which again, Ameren Missouri would wait for MISO to confirm any such assumption before incorporating it into its analysis.

on the inflation assumption on the capital expenditures (no inflation or 2% inflation). The result is that Grain Belt Express's figures do not reflect estimated revenue requirements, which is what would impact rates. This mistake further contributes to Grain Belt Express' overstatement of benefits.

- Grain Belt Express makes assumptions about capacity accreditation for the HVDC line in MISO that have not yet been confirmed or accepted by MISO, which makes reliance upon them speculative and unreliable for IRP purposes.

7. Ameren Missouri did not undertake a fulsome review of Grain Belt's *Comments* and workpapers because there ultimately is no need to do so at this stage. Grain Belt Express' request is premature until MISO's capacity accreditations of the HVDC line and resources from outside MISO for the winter and summer seasons are determined. Reliance on speculative and incorrect assumptions to drive further analysis is unnecessary. The next step in effectively and appropriately evaluating this project would be for Ameren Missouri to consult with MISO, after it completes its analysis, regarding the capacity value for Kansas resources delivered into its footprint and for an HVDC transmission line connected to the Southwest Power Pool. With that information in hand, further consultation between Ameren Missouri and Grain Belt Express, outside of the limited IRP annual update process, will generate a more helpful, accurate, and productive outcome. For the purposes of this IRP annual update, all steps of the process are complete, including the added step agreed to by Ameren Missouri and ordered by the Commission in File No. EA-2024-0237.

WHEREFORE, Ameren Missouri requests the Missouri Public Service Commission deny Grain Belt Express' request.

Respectfully submitted,

/s/ Paula N. Johnson

Paula N. Johnson, #68963

Senior Corporate Counsel

Wendy K. Tatro, #60261

Director & Assistant General Counsel

Ameren Missouri

1901 Chouteau Avenue, MC 1310

St. Louis, MO 63103

(314) 861-3220 (phone)

(314) 554-4014 (fax)

AmerenMOService@ameren.com

Attorneys for Union Electric Company

d/b/a Ameren Missouri

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing document was served on the parties to this matter via electronic mail (e-mail) on this 11th day of December, 2025.

/s/ Paula N. Johnson
Paula N. Johnson