

Exhibit No. 2

Evergy West – Exhibit 2
Jason Humphrey
Direct Testimony
File No. EA-2022-0328

Exhibit No.:
Issue: Project Overview; Competitive RFP Process;
Project Economics; Purchase Agreement; Operating Plans
Witness: Jason Humphrey
Type of Exhibit: Direct Testimony
Sponsoring Party: Evergy Missouri West
Case No.: EA-2022-0328
Date Testimony Prepared: August 18, 2022

MISSOURI PUBLIC SERVICE COMMISSION

CASE NOS.: EA-2022-0328

DIRECT TESTIMONY

OF

JASON HUMPHREY

ON BEHALF OF

EVERGY MISSOURI WEST

**Kansas City, Missouri
August 2022**

DIRECT TESTIMONY

OF

JASON HUMPHREY

Case No. EA-2022-0328

1 **Q: Please state your name and business address.**

2 A: My name is Jason Humphrey. My business address is 1200 Main, Kansas City,
3 Missouri 64105.

4 **Q: By whom and in what capacity are you employed?**

5 A: I am employed by Evergy Metro, Inc. and serve as Senior Director of Renewables
6 and Assistant Treasurer for Evergy Metro, Inc. d/b/a as Evergy Missouri Metro
7 (“Evergy Missouri Metro”), Evergy Missouri West, Inc. d/b/a Evergy Missouri
8 West (“Evergy Missouri West”), Evergy Metro, Inc. d/b/a Evergy Kansas Metro
9 (“Evergy Kansas Metro”), and Evergy Kansas Central, Inc. and Evergy South, Inc.,
10 collectively d/b/a as Evergy Kansas Central (“Evergy Kansas Central”), the
11 operating utilities of Evergy, Inc. (“Evergy”).

12 **Q: Who are you testifying for?**

13 A: I am testifying on behalf of Evergy Missouri West (“EMW” or “Company”).

14 **Q: What are your responsibilities?**

15 A: My responsibilities include the acquisition and construction of renewable assets for
16 Evergy Missouri West and the other Evergy operating utilities. This includes the
17 preparation and evaluation of requests for proposal, negotiation of contracts,
18 monitoring of asset construction, and eventual commercial operation of the assets.

1 In addition, as Assistant Treasurer I am responsible for all cash management and
2 corporate finance functions of Evergy and its related companies.

3 **Q: Please describe your education, experience and employment history.**

4 A: I graduated magna cum laude from the Kansas State University in May 2008 with
5 a Bachelor of Science degree in Mechanical Engineering with a Nuclear
6 Engineering option. I also received a Master of Business Administration degree
7 with honors from Baker University in May 2017. I joined Evergy Kansas Central
8 as a Power Plant Engineer in June 2008. I was later named Supervisor, Electrical
9 Maintenance in March 2011, and Plant Manager, Emporia Energy Center in May
10 2012. In May 2013 I was named Director of Natural Gas Fired Generation and
11 director of Evergy Kansas Central’s natural gas fired powerplant operations. I later
12 served as Director of Performance Excellence in August 2015 and became Director
13 of Integration Success upon the formation of Evergy in June 2018. In May 2020 I
14 was named Senior Director, Finance and in December 2020 I was named Assistant
15 Treasurer. In September 2021 the position of Senior Director of Renewables was
16 added to my responsibilities.

17 **Q: Have you previously testified in a proceeding at the Missouri Public Service
18 Commission (“Commission” or “PSC”) or before any other utility regulatory
19 agency?**

20 A: Yes. I have provided testimony in support of Evergy Missouri West’s Winter Storm
21 Uri securitization petition. I also submitted testimony regarding Nuclear
22 Decommissioning Trust costs and investment requirements regarding the Wolf

1 Creek Nuclear Generating Station to both this Commission and the Kansas
2 Corporation Commission.

3 **Q: What is the purpose of your direct testimony?**

4 A: The purpose of my direct testimony is to:

- 5 • provide a detailed overview of the Persimmon Creek Wind Farm project and
- 6 asset (“Project,” “Persimmon Creek” or the “Asset”) which EMW is acquiring,
- 7 • describe the competitive renewable wind energy Request for Proposal (“RFP”)
- 8 process and outcome that led to this project selection,
- 9 • detail the Project’s economics and how they compared to alternatives
- 10 considered in the RFP process and diligence,
- 11 • review the transactions that will allow EMW to acquire all of the interests in
- 12 Persimmon Creek, and
- 13 • describe the operations plan for the Asset.

14 **Q: Are you sponsoring any schedules with your direct testimony?**

15 A: Yes, I am sponsoring Confidential Schedule JH-1 – October 2021 Wind RFP Short-
16 List Selection Presentation; Confidential Schedule JH-2 – October 2021 Wind RFP
17 Updated Short-List Results; Confidential Schedule JH-3 – Persimmon Creek
18 Economic Model; Confidential Schedule JH-4 – Persimmon Creek Membership
19 Interest and Purchase Agreement (MIPA); Schedule JH-5 – Persimmon Creek
20 Transaction and Organization Chart; and Schedule JH-6 – Asset Plans and
21 Specifications.

1 **Q: Please describe your role specific to this Project.**

2 A: As described in the Direct Testimony of Vice President of Strategy and Long-Term
3 Planning Kayla Messamore, the Evergy Missouri West 2021 triennial Integrated
4 Resource Plan (“IRP”) indicated that wind resources were part of the Company’s
5 preferred plan for 2024. My role was to lead the RFP and negotiations that would
6 result in the acquisition of wind resources to satisfy the needs identified in the IRP.

7 **Q: Provide a detailed overview of the Project and Asset being acquired.**

8 A: Persimmon Creek is a 198.6 MW, 80 wind-turbine generator (“WTG”), wind
9 generation facility located in parts of Woodward, Ellis and Dewey Counties in
10 Oklahoma near the town of Vici. The Asset became commercially operational in
11 August 2018 and interconnects to the grid via a shared substation and point of
12 ultimate electrical interconnection at the Woodward District substation owned by
13 Oklahoma Gas and Electric Co. (“OG&E”). Of the 80 WTGs installed and
14 operational today, seven units have a 2.3-megawatt (“MW”) capacity and 73 units
15 have a 2.5-MW capacity. The bulk of the equipment is common between the two
16 different sized WTGs. A description of the Project is contained in Schedule JH-6.

17 **Q: How has Persimmon Creek operated since becoming commercially**
18 **operational in 2018?**

19 A: Operating power plants are often measured by their net capacity factor (“NCF”)
20 which is the ratio of the number of megawatt-hours (“MWhs”) produced versus the
21 theoretical maximum number of MWhs produced. For instance, if a 100 MW
22 nameplate capacity generator were to run for all 8,760 hours of the year at full
23 nameplate capacity, it would produce 876,000 MWhs for the year. This would

1 represent the denominator in the net capacity factor equation. However, if the wind
2 farm net generated 300,000 MWhs for the year, its NCF would be 300,000
3 MWhs/876,000 MWhs or 34.25%. Since it began commercial operations,
4 Persimmon Creek has shown itself to be a very robust and successful operating
5 asset. Over the plant's history in the years 2019, 2020 and 2021, it has operated at
6 50.5% NCF.

7 **Q: What process did Evergy Missouri West pursue in this case to obtain**
8 **renewable energy resources to serve its customers?**

9 A: EMW initiated a competitive Request for Proposal ("RFP") process for wind
10 generation resources in October 2021 on Evergy's public website. Developers with
11 assets in the Southwest Power Pool ("SPP") region were invited to participate. The
12 RFP allowed for a variety of different stages of development to be considered.
13 Responses were received from development sites where EMW would be required
14 to complete the engineering, procurement and construction ("EPC") portion of the
15 contract, as well as from proposals for build transfer agreements where a developer
16 would complete the early-stage development, as well as the EPC portion.
17 Responses were also received from owners of assets where construction and
18 permitting had already taken place, and the asset was operating in the marketplace.

19 **Q: How was this RFP administered and distributed?**

20 A: After the RFP was posted on Evergy's public website, the Company took a wide
21 approach and contacted developers that it knew had assets within the SPP. EMW
22 also widely distributed a press release for the RFP to cast the widest possible net as
23 we searched for projects that might be attractive to our customers. The RFP

1 followed the schedule shown below, with negotiations to be completed in the first
2 half of 2022.

Milestone	Completed by Date
Issue RFP	October 18, 2021
Submit Appendix A and B with intent to bid	October 29, 2021
Pre-bid conference	November 4, 2021
Submit all questions	November 15, 2021
Bids due	November 23, 2021
Short list selected	December 17, 2021
Final negotiations complete	Q1-Q2 2022
Expected Notice to Proceed (NTP) for 2024 COD	Q1-Q2 2023
Preferred COD (Commercial Operation Date) #1	June, 2024
Preferred COD #2	December, 2025
Latest COD	December, 2026

3

4 **Q: Please describe the responses to the RFP.**

5 A: Evergy Missouri West received responses to the RFP from 11 different developers
6 who offered approximately 21 different projects or project constructs. These offers
7 included (1) very early-stage developments where land leases and potential
8 interconnection queue positions could be purchased, (2) build transfer agreements,
9 and (3) existing operational project sites. The projects all had various commercial
10 operation dates (“CODs”) ranging from 2018 through 2025 or later, depending on
11 the progression through the SPP’s Generator Interconnection queue, also known as
12 the Definitive Interconnection System Impact Studies process. Please see
13 Confidential Schedule JH-1.

14 **Q: How did Evergy Missouri West evaluate the Projects?**

15 A: EMW evaluated the full list of the projects qualitatively and quantitatively based on
16 a number of factors outlined in Section 7 of the RFP. In the first stage of evaluation,
17 we examined price and non-price factors that would contribute to an overall ranking

1 of the projects. The Levelized Cost of Energy (“LCOE”) was analyzed for the price
2 factor. Non-price factors included development and operational team experience,
3 technical and value attributes, conformity to pro-forma agreements, and
4 development milestones. Each member of the Company’s evaluation sub-teams
5 voted “Yes” or “No” to proceed with a particular site to short list. A best and final
6 offer was then requested from the respondents. The final shortlist was selected to
7 move forward with detailed evaluation and possible negotiations. Please see
8 Confidential Schedule JH-2.

9 **Q: How were the LCOEs calculated?**

10 A: The final LCOEs for the short-listed assets were developed using a full-revenue
11 requirements model for the wind plant. From there a levelized revenue requirement
12 was calculated. Finally, the levelized revenue requirement was divided by the
13 expected annual MWhs to generate a \$/MWh LCOE value. Please refer to
14 Confidential Schedule JH-3.

15 **Q: What were the next steps after a short list was identified?**

16 A: After the short list was identified, projects were prioritized based on their potential
17 commercial operations dates, refined LCOE based on the best and final offers, and
18 responses to questions and answers submitted in early 2022. Based on the responses
19 to the Q&A and updated cost factors model, sites were then selected for targeted
20 commercial discussions. For the targeted 2024 COD sites, two sites were selected
21 to move forward with detailed negotiations: Persimmon Creek and ** [REDACTED] **.

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1 **Q: Did this Project offer the best balance of costs and other factors used to**
2 **evaluate the RFP?**

3 A: Yes, it did. Persimmon Creek has a project LCOE of **[REDACTED]**, which was
4 the lowest LCOE of all the offered projects. The Project presented fewer risks from
5 a permitting and supply chain perspective because it was already operational, and
6 offered an extremely well performing Asset with a proven operational Net Capacity
7 Factor of 50.5%.

8 **Q: Was Persimmon Creek identified as the least cost resource to meet customer**
9 **needs under in the Company's Integrated Resource Planning analysis?**

10 A: Yes. The Company's 2021 IRP had selected wind in the preferred plan for the 2024
11 resource addition, and Persimmon Creek was the lowest cost resource both from a
12 \$/kilowatt capacity standpoint and a LCOE standpoint.

13 **Q: How have supply chain issues and economic inflation affected renewable asset**
14 **procurement as the Company evaluated responses to the RFP?**

15 A: Global supply chain disruptions, shortages due to the Covid-19 pandemic, and
16 global inflation have resulted in longer lead times and shortages for both material
17 and labor resources. These impacts have been particularly acute in the renewable
18 energy space. Global steel production, electrical power transformer manufacturing
19 and the availability of skilled labor have been particularly hard hit by supply chain
20 disruptions. Steel indices have seen 100% to 185%¹ increases since the start of the
21 pandemic, and southeast Asian shipping costs have risen sharply with 250% to

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¹ <https://fred.stlouisfed.org/graph/?g=SFP5>

1 1,000% increases.² Many of the RFP participants were forced to increase their
2 prices during the procurement process because of these disruptions and general
3 wage and price inflation.

4 **Q: Have there been other public announcements of renewables that are**
5 **representative of how markets have moved?**

6 A: Yes. On June 1, 2022 American Electric Power subsidiary Southwestern Electric
7 Power Company (“SWEPCO”) announced it was acquiring 200 MW of solar and
8 799 MW of wind from Invenergy. This 999 MW of total generation acquired, 598.4
9 MW of which is in Oklahoma, was valued at \$2.2 billion, representing an installed
10 cost of a combined \$2,202/kW.³

11 **Q: How was the value of the Persimmon Creek Wind Farm determined?**

12 A: The valuation process began when wind was identified as part of the preferred plan
13 in the Evergy Missouri West IRP. Ms. Messamore describes in detail how
14 Persimmon Creek is consistent with EMW’s most recent IRP.

15 More specifically, Persimmon Creek was the best offer in comparison to the
16 other offers received in the competitive, arms-length RFP process. Persimmon
17 Creek is a 100% PTC qualified, robustly operating asset with a historical operating
18 Net Capacity Factor over 50%. Through this competitive RFP process, the
19 contractual purchase price of \$245,700,000 that led to a \$1,247/kW installed value
20 and a levelized cost of energy of ** [REDACTED] ** all proved to be the most
21 attractive offer received by Evergy Missouri West through this process.

² <https://www.scmp.com/economy/china-economy/article/3159054/china-shipping-southeast-asia-sees-prices-surge-tenfold>

³ <https://www.prnewswire.com/news-releases/swepco-seeks-approval-for-three-new-wind-and-solar-projects-301557960.html>

1 Finally, there is the value of utility ownership of the project. By owning
2 this Asset, the Company controls a prime wind location and has the ability to
3 improve, repower, and control the site and its interconnection. This is unlike a
4 power purchase agreement (“PPA”) where the utility only has firm off-take rights
5 for the energy produced from the site and has no decisional authority or control
6 over the maintenance, operation and strategic decisions for the Asset. This control
7 is not just for the duration of a PPA or some other financial contract, but for the life
8 of the site itself. Because EMW has an interest in the long-term energy production
9 of the region, it is important for the Company to invest in assets like Persimmon
10 Creek.

11 **Q: What are the production tax credit (“PTC”) benefits available for the Project?**

12 A: Persimmon Creek, with a commercial operation date in 2018, is eligible for 100%
13 PTC benefits through the first ten years of life of the Asset. In 2022 the IRS released
14 guidance that the PTC is worth \$26.00/MWh.

15 **Q: What is the purchase price and plans for financing the purchase and operation
16 of the Asset?**

17 A: The purchase price for the Persimmon Creek Wind Farm is \$245,700,000 plus
18 working capital adjustments and adjustments for PTC value, both to be finalized at
19 closing. The Company plans to finance this Asset through rate base at its authorized
20 weighted average cost of capital (“WACC”).

21 **Q: How has the acquisition of Persimmon Creek Wind Farm been structured?**

22 A: The acquisition of Persimmon Creek is structured as a Membership Interest and
23 Purchase Agreement (“MIPA”), pursuant to which Evergy Missouri West will

1 purchase all the membership shares in Persimmon Creek Wind Farm 1, LLC
2 (“PC1”), the project company that owns Persimmon Creek and the shared generator
3 interconnection facilities. Please refer to Confidential Schedule JH-4. PC1 is being
4 acquired solely to acquire the Asset, similar to the acquisition structure commonly
5 utilized for the acquisition of individual renewable energy projects. PC1 is the
6 project company that owns all of the wind facilities and possesses the real estate
7 leases and easements, the applicable contracts pertaining to the wind facilities (such
8 as the asset management and operations and maintenance agreements), the
9 operating permits and licenses, and other wind farm assets.

10 The MIPA was signed by Evergy Missouri West on August 8, 2022, with
11 closing to occur upon satisfaction of certain conditions precedent. Persimmon
12 Creek, as an operating wind generating facility, has “upstairs” tax equity investors
13 in place at a higher corporate level whereby the tax equity investors provide capital,
14 principally in exchange for monetizing the tax benefits generated by the wind farm,
15 namely the production tax credits allowable under Section 45 of the Internal
16 Revenue Code and accelerated tax depreciation. This type of financing structure is
17 common in wind farm investments and effectively allows the owner to finance the
18 wind farm on a cost-effective basis by allocating the tax benefits from the wind
19 farm to a party that can most efficiently utilize them.

20 **Q: What is the corporate structure of Persimmon Creek Wind Farm 1, LLC**
21 **(“PC1”)?**

22 **A:** PC1 is wholly-owned by a holding company, “PC1 Holdco, LLC” (“PC1 Holdco”),
23 and the tax equity investors hold their interests at that holding company level, in

1 the form of “Class A” interests, while the Class B interests are held by GSQ, LLC
2 (“GSQ”), a joint venture of affiliates of Scout Clean Energy, LLC (“Scout”) and
3 Elawan Wind Energy North America, Inc. (“Elawan”). GSQ is the signatory to
4 the MIPA. Schedule JH-5 to my testimony depicts these entities. A condition to
5 closing under the MIPA is that GSQ ensures that the tax equity interests are taken
6 out in their entirety prior to EMW’s acquisition of PC1. To this end, the Class A
7 and Class B members in PC1 Holdco have executed a separate purchase agreement
8 (the “Class A MIPA”) whereby GSQ will acquire the Class A interests held by the
9 tax equity investors immediately prior to the closing, such that GSQ is able to
10 ensure that EMW acquires 100% of the interests in PC1. EMW has contracted to
11 purchase the interests in PC1, as opposed to the equity interests in PC1 Holdco, so
12 that EMW will not incur any residual liability to the tax equity investors that
13 potentially could exist from purchasing PC1 Holdco.

14 **Q: What will happen to the PC1 entity after the close of the transaction?**

15 A: Once EMW acquires the equity interests in PC1, there is no longer a need for EMW
16 to hold Persimmon Creek in a separate legal entity. Because EMW desires to hold
17 Persimmon Creek directly, as it holds all of its rate-based generation, immediately
18 following the closing of the transaction EMW plans to effect a short-form merger
19 of PC1 with and into EMW, with EMW surviving the merger, in order to
20 consolidate the assets of PC1 with those of EMW. An organizational chart for this
21 transaction is attached as Schedule JH-5.

1 **Q: Are there any other terms of the transaction?**

2 A: Yes. As part of the MIPA, Evergy Missouri West has put in place a representation
3 and warranty insurance policy, a commonly used risk mitigation measure, to
4 provide certain protections for EMW resulting from potential breaches of the
5 seller's representations and warranties under the MIPA. The policy was bound at
6 signing and will be effective as of the closing. The closing of the transaction is
7 subject to certain conditions precedent, including receipt of antitrust clearance
8 under the Hart-Scott-Rodino Antitrust Improvements Act, approval of the Federal
9 Energy Regulatory Commission ("FERC") under section 203 of the Federal Power
10 Act, and approval by this Commission of an Operating Certificate of Convenience
11 and Necessity ("CCN") and the merger of PC1 into the Company.

12 **Q: What kinds of risks are associated with this Project?**

13 A: One of the reasons this project was selected was the lack of risk versus other
14 offerings received in the RFP process. As a fully constructed, operating site, the
15 permitting, supply chain, and construction risks present with both early
16 development and build-transfer style projects are essentially non-existent with the
17 Asset. To ensure the reliable and continuous operation of the site, the Company
18 intends to maintain the General Electric ("GE") Full Service Agreement ("FSA")
19 and a risk reduced post-closing transition plan for balance of plant maintenance and
20 asset management where the existing service providers will be maintained for at-
21 least six months as Evergy transitions to self-performance of these items. As with
22 any operating asset, there is risk from a severe weather event, catastrophic
23 equipment failure, or unforeseen operational issues. If one of those events were to

1 occur, EMW will avail itself of all the available cures, including Evergy's
2 experience owning wind resources, a robust property insurance program, service
3 contracts including the GE FSA, and existing vendor relationships from Evergy's
4 other owned wind resources. However, these risks exist with any operating
5 generation asset. Persimmon Creek is uniquely positioned to avoid the macro-
6 economic risks of global supply chains, permitting, land acquisition, and
7 construction risk.

8 **Q: Please describe Evergy's experience with wind generation operations.**

9 A: While Evergy Missouri West does not own any wind assets today, Evergy owns
10 and operates a combined 579 MW of wind generation today across its Evergy
11 Kansas Central and Evergy Metro, Inc. ("Evergy Metro") operating companies.
12 Spearville Units 1 and 2, located in Ford County, Kansas, are owned and operated
13 by Evergy Metro and utilize General Electric wind turbines. Although those
14 turbines are an older vintage, they are similar in technology to the GE turbines at
15 Persimmon Creek, and they will offer transferrable maintenance and operational
16 knowledge throughout the Evergy fleet. Evergy's operating utilities have
17 successfully owned and operated a variety of traditional and renewable assets for
18 many years.

19 **Q: How does Evergy Missouri West plan to operate and maintain Persimmon
20 Creek?**

21 A: After the post-closing transition period, EMW plans to perform the majority of the
22 balance of plant maintenance at the site itself. This includes the primary ancillary
23 systems that support the wind turbine generators (WTGs). Consistent with the

1 historical operations of the plant, Evergy Missouri West plans to keep the current
2 GE Full Service Agreement in place which will ensure that the WTGs are
3 maintained as they have been historically. This will give Evergy Missouri West
4 sufficient time to transition to self-performed maintenance as it becomes familiar
5 with the newer vintage of WTGs at Persimmon Creek. In the event of a large-scale
6 equipment failure or defect, the Full Service Agreement provides contractual
7 assurance on parts availability, the expertise of the manufacturer, and the skilled
8 craft personnel to maintain and repair the affected items.

9 **Q: Does the location of Persimmon Creek affect costs associated with operations
10 and maintenance?**

11 A: EMW believes that the location of the Persimmon Creek will not have a significant
12 impact on its operation and maintenance costs. The Project is located in the western
13 Kansas and Oklahoma wind corridor where wind farms are routinely operated and
14 maintained by electric utilities. Evergy Metro's Spearville wind farm in Ford
15 County, Kansas is approximately two hours via good highway access from
16 Persimmon Creek which is located in Woodward, Ellis and Dewey Counties,
17 Oklahoma.

18 **Q: What transmission infrastructure is in place for Persimmon Creek?**

19 A: Power from the turbines is collected at the Project-owned substation via an
20 underground 34.5 kV medium voltage ("MV") collection system, stepped-up at the
21 Project substation via the main power transformer to 345 kV high voltage ("HV"),
22 and transmitted over a Project-owned three-mile 345 kV overhead transmission line
23 to the 345 kV Guthrie Switchyard. At this point the Project's power is aggregated

1 with the power output of another wind project, and is then transmitted over another
2 approximately 11-mile 345 kV transmission line to the point of interconnection
3 (“POI”) at the 345 kV Woodward District substation owned by Oklahoma Gas and
4 Electric Company (“OG&E”). The Project is interconnected to the SPP
5 transmission system.

6 **Q: What transmission arrangements will be pursued to get Persimmon Creek**
7 **energy from Oklahoma to EMW customers?**

8 A: Once Evergy Missouri West is the owner of Persimmon Creek, it plans to pursue
9 SPP Firm Network service from the POI to Evergy Missouri West’s load zone
10 through the proper SPP process. To get firm transmission service, the Company
11 will submit Persimmon Creek to an Aggregate (“Ag”) Study which will define any
12 costs/fees associated with allocating the network service at which time EMW has
13 the right to accept the charges and procure the service.

14 **Q: What are the Company’s plans for the continuation or restoration of safe and**
15 **adequate service if Persimmon Creek is affected by significant, unplanned**
16 **outages associated with the wind projects?**

17 A: Because Evergy Missouri West participates in SPP’s Integrated Marketplace, an
18 outage at Persimmon Creek will not result in service interruption. The Company
19 and its affiliated public utilities have more than a century of experience in operating
20 and maintaining electric generating facilities. This experience will be put to use as
21 outage causes are diagnosed, safe and effective restoration measures are
22 implemented, and root causes are identified to increase reliability. If it is
23 determined that outages are caused by a manufacturing or construction defect,

1 Evergny Missouri West will use all remedies available in the GE Full Service
2 Agreement to resolve the problem.

3 **Q: Does Persimmon Creek fulfill the need identified in the Company’s IRP and**
4 **provide Evergny Missouri West with the best asset acquisition opportunity**
5 **from the competitive RFP?**

6 A: Yes. As shown by the many reasons I discussed above, Persimmon Creek offers
7 Evergny Missouri West long-term ownership of a highly efficient and productive
8 renewable resource at an extremely competitive price with a reduced risk profile
9 compared to alternatives in the marketplace. As explained by Company witness
10 Messamore, Evergny Missouri West had identified a need of 150 MW in 2024
11 through the IRP process, and this purchase will satisfy that need by providing
12 valuable energy and capacity to the Company, as well as access to a 100% PTC
13 qualified renewable energy resource. The acquisition of Persimmon Creek is
14 clearly in the best interest of EMW and its customers, as well as in the public
15 interest generally.

16 **Q: Does that conclude your testimony?**

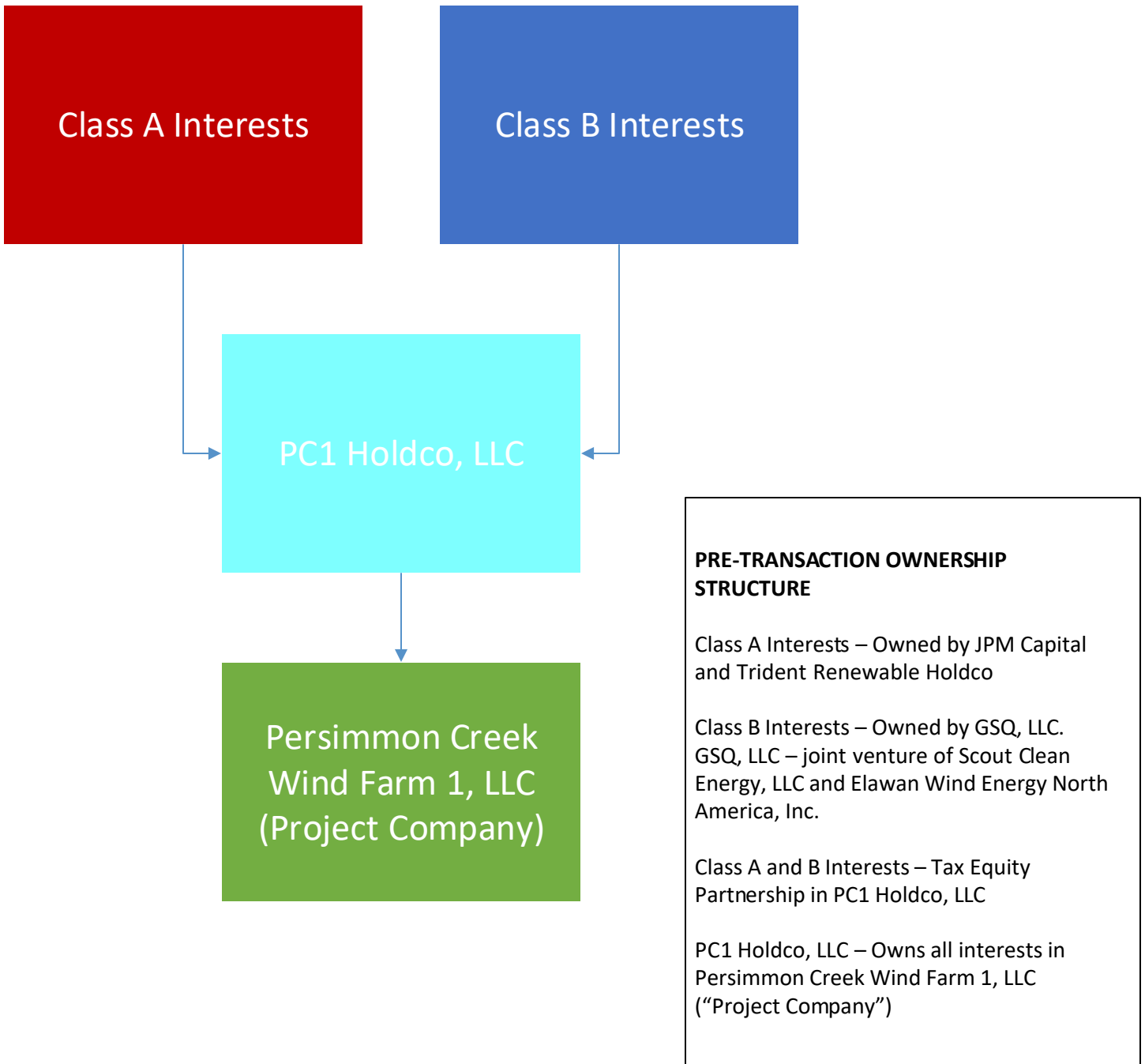
17 A: Yes, it does.

SCHEDULES JH-1 through JH-4

**CONTAIN CONFIDENTIAL
INFORMATION
NOT AVAILABLE TO THE PUBLIC.**

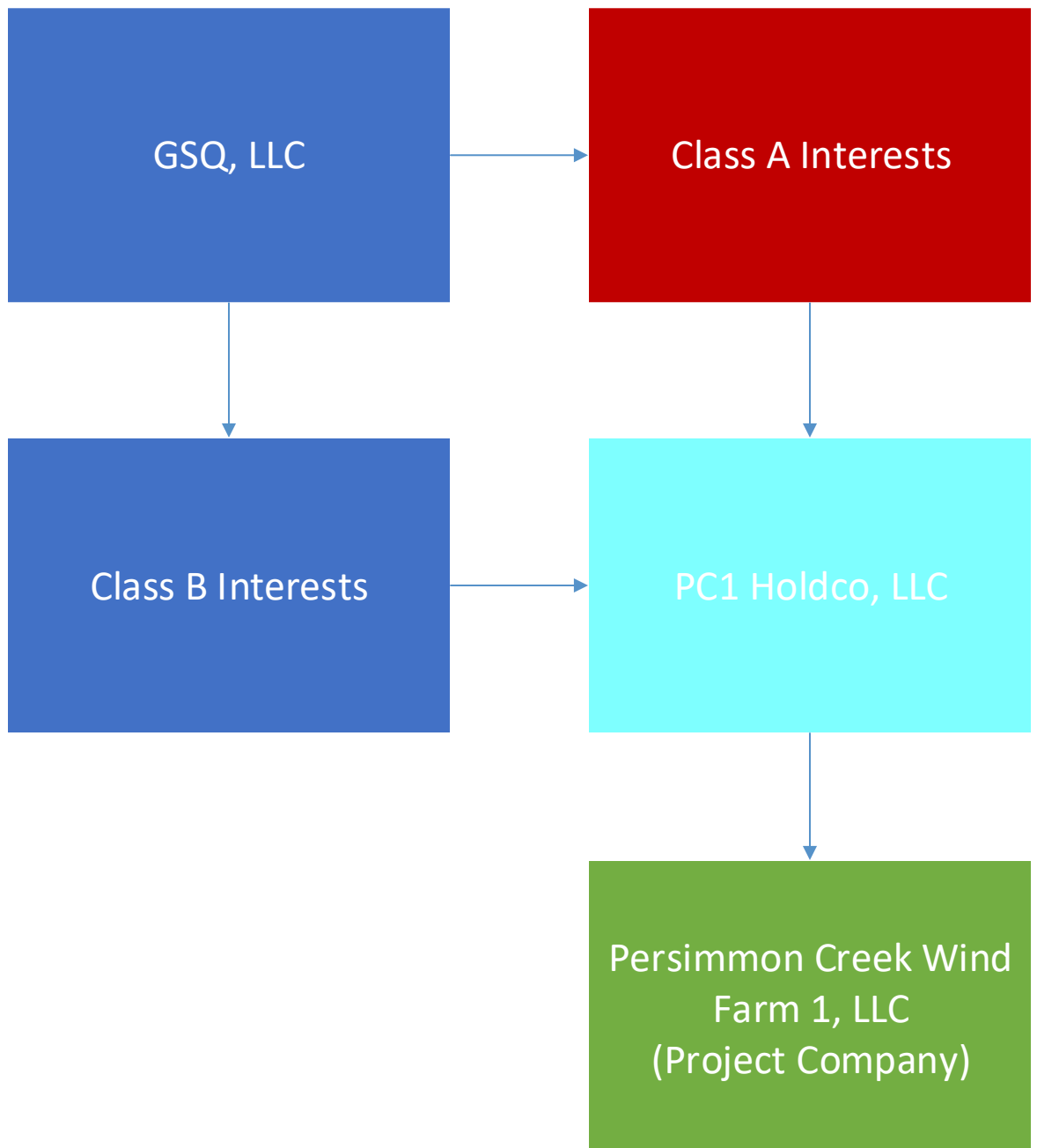
ORIGINALS FILED UNDER SEAL.

Persimmon Creek Wind Farm 1, LLC – Transaction



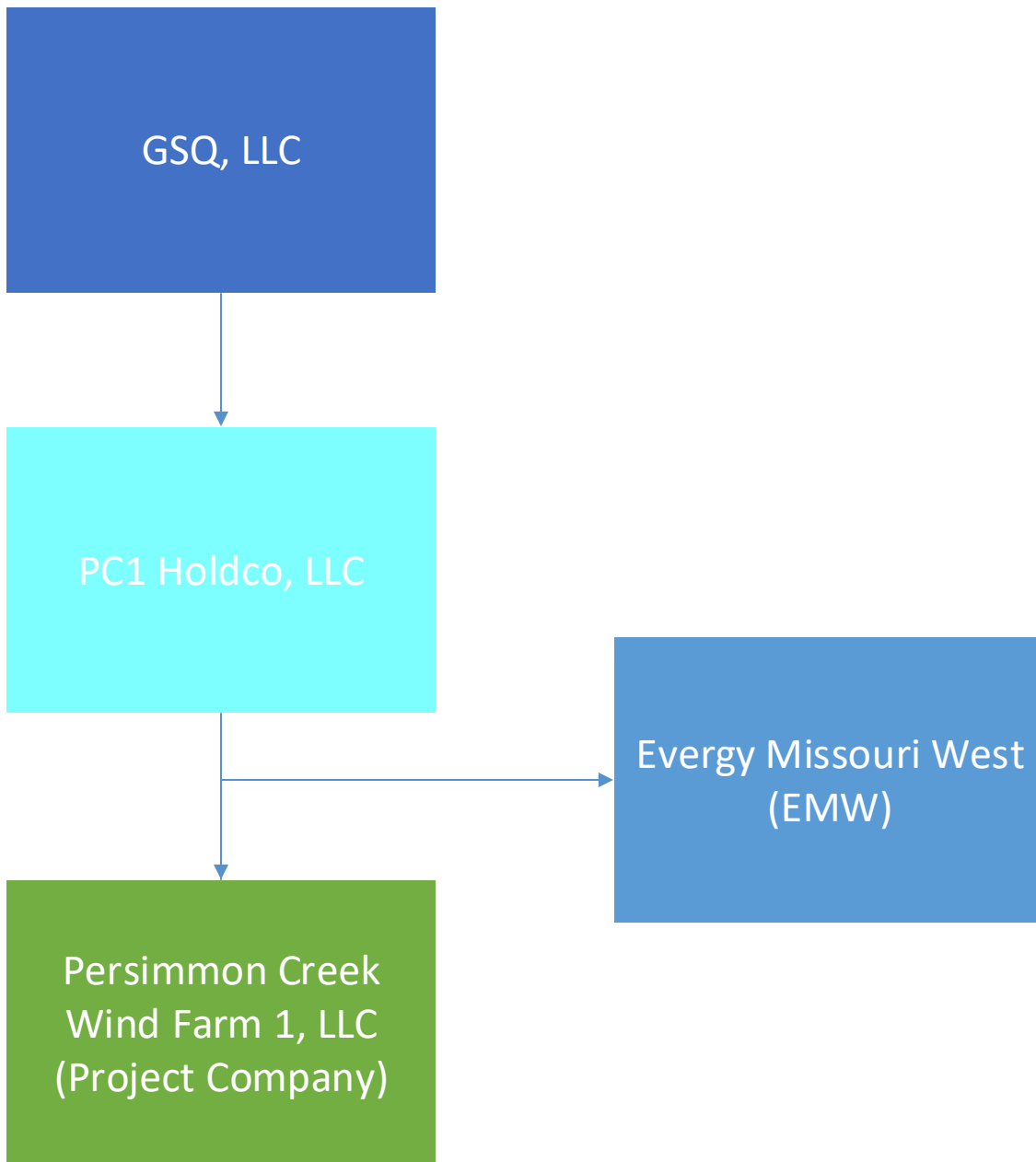
STEP ONE

GSQ, LLC acquires all Class A Equity Interests, owning all interests in PC1 Holdco, LLC, which owns all interests in Persimmon Creek Wind Farm 1, LLC (“Project Company”)



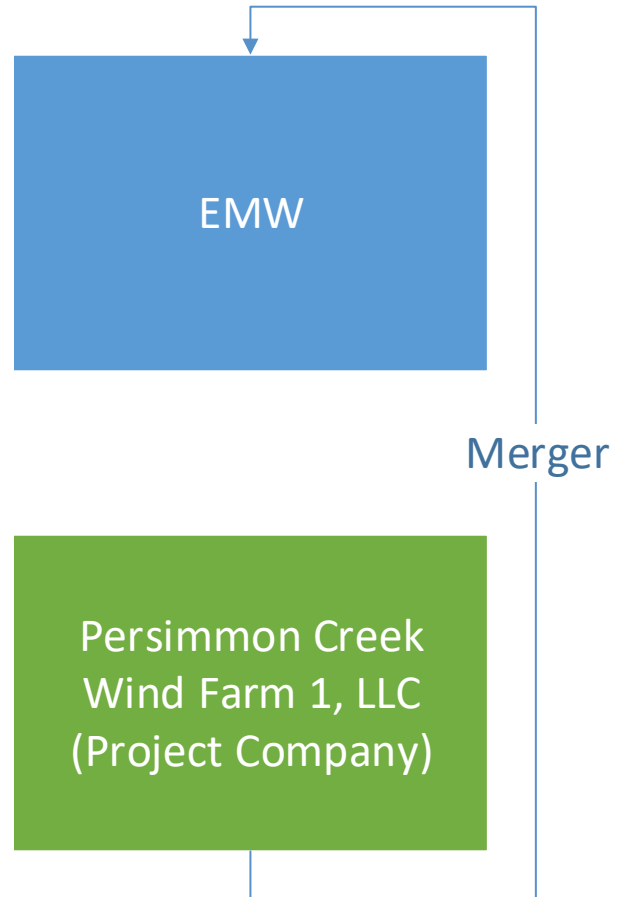
STEP TWO

GSQ, LLC causes PC1 Holdco, LLC to sell and assign all interests in Persimmon Creek Wind Farm 1, LLC (“Project Company”) to EMW



STEP THREE

EMW causes Persimmon Creek Wind Farm 1, LLC (“Project Company”) to distribute the Project and related assets to EMW by merging the Project Company into EMW



POST-TRANSACTION OWNERSHIP STRUCTURE

EMW owns the Persimmon Creek Wind Farm directly by consolidating all assets into EMW ceasing the need for a separate legal entity for Persimmon Creek Wind Farm 1, LLC

