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Demand Response
Witness: Justin Tevie
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MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

TARIFF AND RATE DESIGN DEPARTMENT

REBUTTAL TESTIMONY

OF

JUSTIN TEVIE

EVERGY MISSOURI WEST, INC.
d/b/a Evergy Missouri West

CASE NO. EO-2026-0129

Jefferson City, Missouri
March 2026

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1 **REBUTTAL TESTIMONY**

2 **OF**

3 **JUSTIN TEVIE**

4 **EVERGY MISSOURI WEST, INC.**

5 **d/b/a Evergy Missouri West**

6 **CASE NO. EO-2026-0129**

7 Q. Please state your name and business address.

8 A. My name is Justin Tevie, 200 Madison Street, Jefferson City, MO 65102.

9 Q. By whom are you employed and in what capacity?

10 A. I am employed by the Missouri Public Service Commission (“Commission”) as
11 an Economist for the Tariff and Rate Design Unit, of the Industry Analysis Division of the
12 Commission Staff.

13 Q. Please describe your educational and work background.

14 A. In 2013, I obtained a graduate degree in Economics from the University of
15 New Mexico. In 2019, I joined the Missouri Department of Mental Health as a
16 Research Analyst assisting with data analysis and federal reporting. Prior to that, I was a
17 Forecast Analyst at the Department of Social and Health Services in the State of Washington
18 assisting with forensic caseload forecasting and reporting.

19 Q. What is the purpose of your rebuttal testimony?

20 A. The purpose of my testimony is to discuss the hold harmless provision, capacity
21 costs, and load forecast pertaining to Nucor Steel Sedalia, LLC (“Nucor”).

22 Q. Have you previously testified in proceedings before the Missouri Public Service
23 Commission?

1 A. Yes. A list of Commission cases in which I have previously testified is attached
2 as Schedule JT-r1.

3 **HOLD HARMLESS PROVISION**

4 Q. What is the hold harmless provision?

5 A. The Special Rate, Provisions, and Terms section of Schedule SIL states that
6 “Non-participating customers shall be held harmless from any deficit in revenues provided by
7 any customer served under this tariff.”¹ It further states that:

8 The Company will make provisions to uniquely identify the costs and
9 revenues for each respective Special Incremental Load Rate Contract
10 within its books and records. This information will be available to
11 support periodic reporting as ordered by the Commission. At the time
12 of a general rate proceeding the portion of the Company’s revenue
13 requirement associated with the incremental costs net of PPA net
14 revenues to serve the Customer shall be assigned to the Customer. The
15 Customer’s rate revenues shall be reflected in Company’s net revenue
16 requirement. If the Customer’s rate revenues do not exceed the
17 incremental cost to serve the Customer as reflected in the revenue
18 requirement calculation, the Company shall make an additional
19 revenue adjustment covering the shortfall to the revenue requirement
20 calculation through the true-up period, to ensure that non-Schedule SIL
21 customers will be held harmless from such effects from the service
22 under Schedule SIL. In no event shall any revenue deficiency (that is,
23 a greater amount of the Customer’s incremental costs compared to the
24 Customer’s revenues) be reflected in the Company’s cost of service in
25 each general rate proceeding for the duration of service to the
26 Customer(s) during the terms of the contract between Company and
27 Customer served under this tariff.

28 Q. What entity is responsible for ensuring that the hold harmless provision
29 is upheld?

30 A. Evergny Missouri West, Inc., d/b/a Evergny Missouri West (“EMW”) must ensure
31 that the provision is upheld.

¹ Schedule SIL - P.S.C. MO. No. 1 Original Sheet No. 157.2.

Rebuttal Testimony of
Justin Tevie

1 Q. Why is this provision relevant in this case?

2 A. By participating in the Missouri Energy Efficiency Investment Act business
3 demand response program (“MEEIA BDR”), Nucor will get a discounted bill, while other
4 ratepayers do not. This cost to non-Nucor ratepayers must be included in the hold harmless
5 provision as part of the cost of serving Nucor and should contribute towards the under-or over
6 recovery amounts.

7 Q. What are the benefits and costs of the MEEIA demand response program?

8 A. The benefits will accrue to Nucor in the form of a discounted bill. The costs
9 include the cost of administering the program, participant incentives, and an earnings
10 opportunity for EMW.

11 Q. Is EMW proposing to include the discounted bill Nucor receives from
12 participating in the business demand response in the hold harmless provision?

13 A. No. EMW stated that:

14 Demand response cost (e.g. program costs including incentives) or
15 benefits would flow through the DSIM Rider and would be eliminated
16 from the calculation of base rates.²

17 Q. Do you agree with EMW’s approach?

18 A. No. Nucor’s participation in the MEEIA is a cost of serving them if they are
19 allowed to participate. From the perspective of the hold harmless provision, this cost must be
20 included. If there is an under recovery of revenues, EMW shall make an additional revenue
21 adjustment covering the shortfall to the revenue requirement calculation through the true-up
22 period in a general rate case, to ensure that non-Nucor customers will be held harmless

² EO-2026-0129. EMW Response to Staff’s Data Request (DR) No. 0009.

Rebuttal Testimony of
Justin Tevie

1 Q. How much did EMW spend on purchased power to serve Nucor?

2 A. EMW spent approximately ** [REDACTED] **³ on purchased power to serve
3 Nucor for the 12 months ending December 31, 2025.⁴

4 Q. Would Nucor's participation in EMW's MEEIA Business Demand Response
5 program reduce the purchased power expense of serving Nucor?

6 A. Not substantially, unless EMW calls longer demand response events
7 frequently for Nucor, and Nucor did not utilize more energy in non-event hours to recover
8 production value.

9 Q. What is Nucor expected to receive as a bill discount based upon EMW's current
10 proposal?

11 A. Approximately, ** [REDACTED] ** annually, which would be paid directly by
12 non-Nucor ratepayers, directly contradicting the hold-harmless provision.

13 **CAPACITY COST**

14 Q. What capacity contract does EMW currently have to serve Nucor?

15 A. EMW has a purchase power agreement ("PPA") with ** [REDACTED]
16 [REDACTED] ** wind farm of which ** [REDACTED] ** of nameplate capacity was assigned to Nucor
17 in addition to other capacity contracts that EMW has entered. The accredited value of the
18 amount of capacity assigned to NUCOR before the new SPP accreditation methodology was
19 ** [REDACTED] **⁵.

³ NUCOR Tracking Report Dec-2025 CONF.xlsx.

⁴ This amount is omitted from the fuel adjustment clause.

⁵ NUCOR Tracking Report Dec-2023 CONF.xlsx.

Rebuttal Testimony of
Justin Tevie

1 Q. How does the new framework for resource adequacy impact EMW’s capacity
2 accreditation?

3 A. The Southwest Power Pool (“SPP”)’s Regional State Committee and Board of
4 Directors approved minimum requirements of a 36% winter-season planning reserve margin
5 (“PRM”) and a 16% summer-season PRM, effective beginning summer 2026 and winter
6 2026/27.⁶ This means that load responsible entities⁷ in SPP’s region must have access to
7 enough generating capacity to serve their peak consumption with at least 36% margin during
8 the winter season and at least 16% margin during the summer. The current 15% summer PRM
9 requirement was previously applied to the winter season also.⁸

10 Q. How does the new SPP accreditation methodology affect the capacity values of
11 ** [REDACTED] **?

12 A. Currently, SPP accredits its wind and solar fleet using historical performance
13 (which includes outages) and accredits conventional generation resources based on their
14 installed capacity (“ICAP”) rating.

15 SPP filed with the Federal Energy Regulatory Commission (“FERC”) a proposal to
16 implement the following accreditation methodology: (1) an effective load carrying capacity
17 (“ELCC”)⁹ accreditation methodology for wind resources, solar resources, and Electric Storage

⁶ On April, 4, 2025, SPP provided a recommendation to the Markets and Operations Policy Committee for discussion and vote a proposal to increase the Planning Reserve Margin for Summer from 16% to 17% and for winter from 36% to 38% starting in planning year 2029/2030.

⁷ In SPP, a Load Responsible Entity (LRE) is defined as an Asset Owner with registered load in the Integrated Marketplace. An LRE is accountable for ensuring that it has sufficient capacity to meet its forecasted peak electricity demand, plus a mandated planning reserve margin. This involves securing adequate generation resources or capacity contracts to cover both the expected load and additional reserves to maintain system reliability.

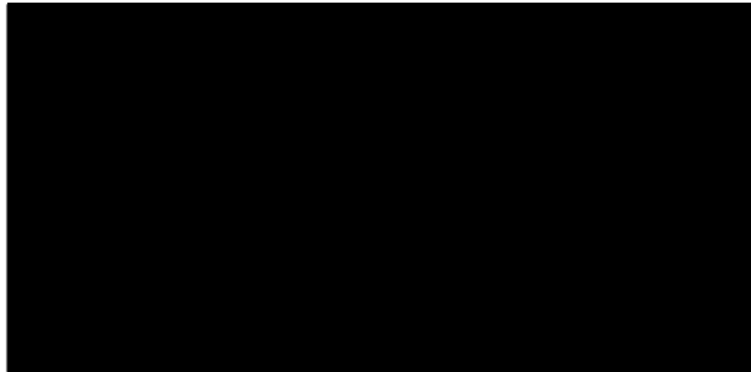
⁸ <https://www.spp.org/news-list/spp-board-approves-new-planning-reserve-margins-to-protect-against-high-winter-summer-use/> accessed 2/7/2025.

⁹ ELCC is defined as the amount of incremental load a resource can reliably serve, while also considering probabilistic parameters of unserved load.

Rebuttal Testimony of
Justin Tevie

1 Resources (“ESRs”); and (2) a Performance Based Accreditation (“PBA”) methodology for
2 thermal and other conventional resources, which would utilize a variant of the equivalent forced
3 outage rate (“EFORd”) method. SPP proposed implementing this change on October 1, 2025.¹⁰
4 In the EMW 2024 integrated resource planning (“IRP”), EMW assumed a level of renewable
5 generation accreditation summer capacity reduction due to the ELCC implementation.
6 This resulted in a total reduction to the wind generation assets of approximately ** [REDACTED] ** MW
7 in summer of 2026, as shown in the table below.¹¹

8 **



9 **

10
11 Q. Considering the above discussion, is there enough accredited wind capacity
12 attributed to the Nucor portion of the PPA to serve Nucor?

13 A. No.

14 Q. What impact do you expect this to have on capacity cost and rates?

15 A. Capacity cost is likely to increase, but Schedule SIL prevents EMW from
16 adjusting rates for that class for ten years, i.e., from January 1, 2020 to January 1, 2030.
17 Any cost attributable to serving Nucor should be included in the hold-harmless provision.

¹⁰ ER24-1317 SPP FERC Application filing dated 2/23/24.

¹¹ EO-2024-0154 Evergy Missouri West Integrated Resource Plan Chapter 4 Pg. 46.

1 Q. What is the assumed capacity cost of serving Nucor included in the
2 EO-2019-0244 Stipulation and Agreement?

3 A. The current capacity cost in the Stipulation and Agreement is ** [REDACTED]
4 [REDACTED] **¹² for the hold harmless provision.

5 Q. How does the stipulated capacity cost compare with EMW's proposed Nucor
6 demand response incentive amount?

7 A. EMW's current proposal is to pay Nucor approximately ** [REDACTED] **
8 as incentives to participate in the MEEIA BDR program.

9 Q. What are the implications of this EMW's MEEIA incentive proposal in relation
10 to the stipulated capacity cost?

11 A. The proposed amount paid to Nucor as incentives is equivalent to the
12 capacity cost assumption in the Stipulation and Agreement, i.e., ** [REDACTED]
13 [REDACTED] **. In addition, EMW will have to incur capacity costs to serve Nucor. The actual
14 amount EMW spends on capacity is not necessarily equal to the contractual amount specified in
15 the stipulations and agreement; it could be higher or lower based on the market price of capacity.

16 Q. Was Nucor's participation in MEEIA BDR contemplated at the time of design
17 and approval of the rate structure in the contract?

18 A. No. The July 2019 Stipulation and Agreement approved by the Commission in
19 EO-2019-0244 did not specify any provision related to MEEIA. However, Sheet 157 of
20 Schedule SIL prohibits Nucor from participating in MEEIA, unless otherwise ordered by the
21 Commission when approving a contract for service under this tariff.

¹² File EO-2019-0244. Non-Unanimous Stipulation and Agreement, Pg 4.

1 Q. Is the rate that Nucor pays for energy or demand subject to change to account
2 for changes in the cost of serving Nucor?

3 A. Not for the term of the contract, which runs through January 1, 2030.

4 Q. What was EMW's estimate for the capacity needed to serve Nucor from an SPP
5 resource adequacy perspective in 2025?

6 A. Its requirement was ** [REDACTED] ¹³**.

7 Q. Did Nucor exceed the estimated demand during the 2025 calendar year?

8 A. Yes, it did exceed the estimated demand in November 2025 with a demand of
9 ** [REDACTED] ¹⁴**.

10 **LOAD FORECAST**

11 Q. Why is Nucor's load forecast relevant in this case?

12 A. The load forecast enables EMW to reasonably measure the benefits of the
13 business demand response program by calculating the demand reduction.

14 Q. How does EMW perform its load forecast?

15 A. EMW used a baseline model developed from its Evaluation, Measurement and
16 Verification ("EM&V") report. For Nucor, the baseline method was a 9-of-10 Unadjusted
17 Customer Baseline ("CBL") model. CBL is also referred to as Day Averaging. For this type of
18 baseline, the hourly load is the average hourly load taken from the highest 9 out of 10 prior
19 non-event, non-holiday, weekdays (for weekday events). The highest 9-of-10 load days are
20 determined by averaging load during typical event (or peak) hours on each baseline eligible day
21 (e.g., 2 PM to 6 PM).

¹³ NUCOR Tracking Report Dec-2025 CONF.xlsx.

¹⁴ NUCOR Tracking Report Dec-2025 CONF.xlsx.

Rebuttal Testimony of
Justin Tevie

1 Q. What is the reasonableness of this approach?

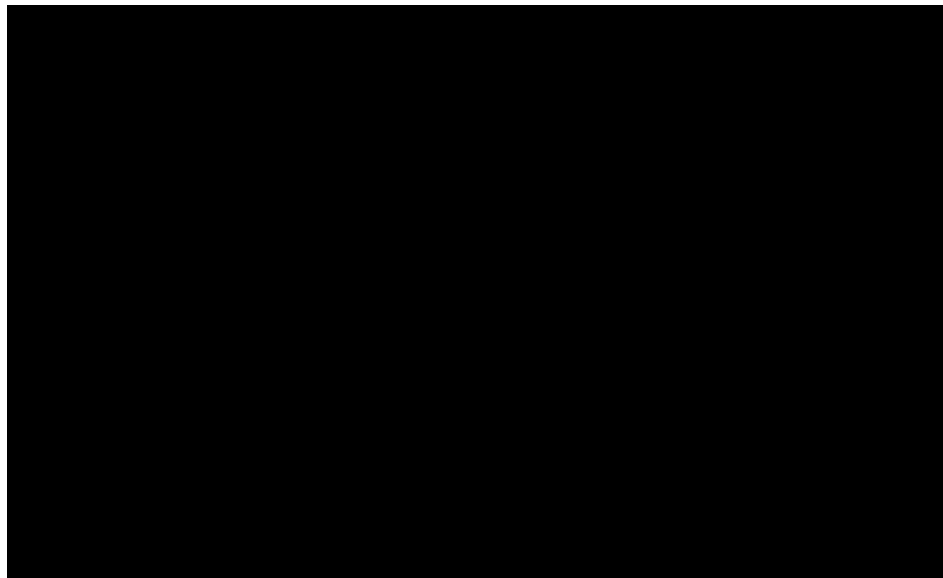
2 A. Nucor's load is known to fluctuate widely so the use of an averaging method is
3 not satisfactory. When load deviates significantly from the average, this approach inaccurately
4 estimates potential demand reductions from a demand response program. In other words, it may
5 not capture the lows and the highs of the load deviations.

6 Q. Does EMW have the ability to accurately forecast Nucor's load?

7 A. No. Due to the level of volatility surrounding the load, it is unpredictable. The
8 unpredictability of the load implies that EMW cannot accurately forecast the peak demand
9 reduction that would result from calling a demand response event. It will be inaccurate to
10 represent it with a normalized load, i.e., a straight line. Figures 1 and 2 show a 15-minute load
11 interval, 4-6pm for Summer and 6am-10am for Winter, that coincides with the peak period.

12 Figure 1 15-minute interval NUCOR load August 2025 (Summer)¹⁵

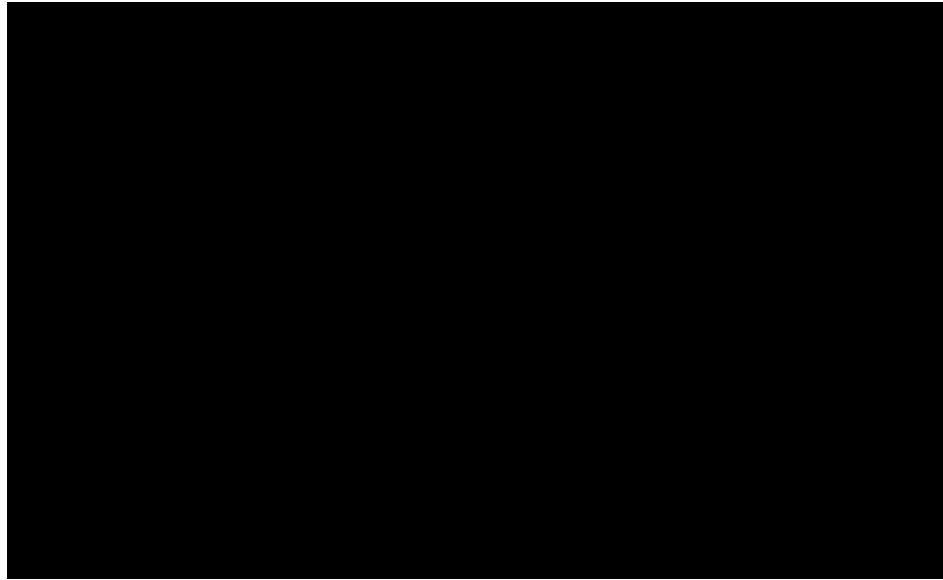
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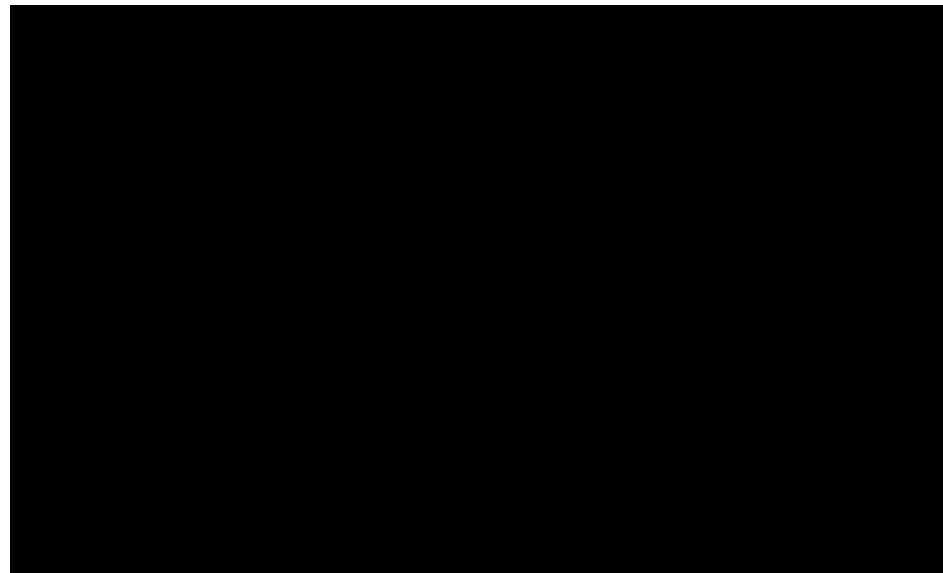
¹⁵ EO-2026-0129 EMW Response to DR No. 0008.

Figure 2 15-minute interval NUCOR load February 2025 (Winter)¹⁶



Figures 3 and 4 show hourly load for Nucor within a 24-hour period for Summer and Winter respectively.

Figure 3: Hourly NUCOR load July 2025 (Summer)¹⁷

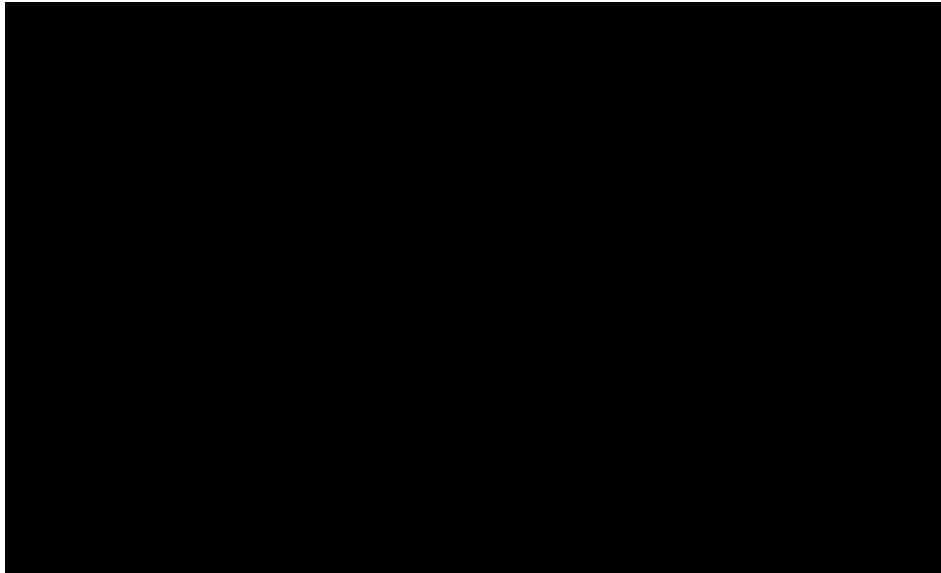


¹⁶ EO-2026-0129 EMW Response to DR No. 0008.

¹⁷ NUCOR Tracking Report Dec-2025 CONF.xlsx.

Figure 4: Hourly NUCOR load February 2025 (Winter)¹⁸

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These figures illustrate the volatile nature of Nucor's load and its unpredictability.

Q. Why is accurately estimating the baseline load important for a MEEIA BDR participant?

A. It is important to have an accurate measure of the baseline load because the baseline load is used to calculate the magnitude of demand savings or reductions. In addition, estimated savings are used as an input in the calculation of the incentive payment to Nucor and from other ratepayers. Overstated demand reductions skew results of analyses that rely on the estimated benefits, i.e. rate impact analysis, cost-effectiveness tests, etc. For example, if demand savings are overstated, a benefit impact analysis would conclude that benefits are much higher than they would otherwise have been. This is misleading and gives the impression that the benefits to all customers exceeds the costs.

¹⁸ NUCOR Tracking Report Dec-2025 CONF.xlsx.

1 **CONCLUSION**

2 Q. What are Staff's recommendations to the Commission?

3 A. Staff recommends that the Commission not allow Nucor to participate in the
4 MEEIA BDR.

5 Alternatively, if the Commission allows participation in the MEEIA BDR,
6 Staff recommends that the Commission order EMW to: (i) include the costs of Nucor
7 participation in the MEEIA BDR in the hold harmless provision, including any EMW earnings
8 opportunity associated with the participation;; (ii) detail out the benefits to non-Nucor
9 ratepayers from Nucor's participation in a MEEIA demand response program by identifying
10 actual generation projects or specific capacity purchases that can reasonably be expected to be
11 avoided; (iii) accurately account for the cost of capacity necessary to serve the entirety of
12 Nucor's peak demand in all future Cost and Revenue tracking reports in accordance with
13 Paragraph 7 of the Stipulation and Agreement from Case No. EO-2019-0244; and (iv) EMW
14 shall make an additional revenue adjustment covering the shortfall to the revenue requirement
15 calculation through the true-up period in a general rate case, to ensure that non-Schedule SIL
16 customers will be held harmless.

17 Q. Does this conclude your rebuttal testimony?

18 A. Yes, it does.

CREDENTIALS AND CASE PARTICIPATION OF
JUSTIN TEVIE

Present Position:

I am an Economist in the Tariff/Rate Design Department, Industry Analysis Division, of the Missouri Public Service Commission.

Educational Background and Work Experience:

In 2013, I obtained a graduate degree in Economics from the University of New Mexico. In 2019, I joined the Missouri Department of Mental Health as a Research Analyst assisting with data analysis and federal reporting. Prior to that, I was a Forecast Analyst at Department of Social and Health Services in the State of Washington assisting with forensic caseload forecasting and reporting.

Case No.	Company	Testimony	Issue
ER-2022-0337	Ameren Missouri	Direct	Locational Market prices
		Rebuttal	
		True-up	
EO-2023-0136	Ameren Missouri	Direct	Savings shapes, program evaluation, EM & V, Principal-Agent problem, and employment
		Rebuttal	
		Surrebuttal	
ER-2023-0184	Evergy Missouri West	Staff Recommendation	MEEIA Cycle 3
ER-2023-0411	Evergy Missouri West	Staff Recommendation	MEEIA Cycle 3
EA-2023-0131	Empire	CCN	Economic feasibility
ER-2024-0186	Evergy Missouri West	Staff Recommendation	MEEIA Cycle 3

Case No.	Company	Testimony	Issue
ER-2024-0184	Evergy Missouri Metro	Staff Recommendation	MEEIA Cycle 3
ER-2023-0369	Evergy Missouri West	Direct	MEEIA Cycle 4 Savings shapes, program evaluation, EM & V, Principal- Agent problem
		Rebuttal	
ER-2023-0370	Evergy Missouri Metro	Direct	MEEIA Cycle 4 Savings shapes, program evaluation, EM & V, Principal- Agent problem
		Rebuttal	
ER-2024-0189	Evergy Missouri West	Direct	Special Incremental Load/NUCOR Locational Market Prices
		Rebuttal	
		Surrebuttal/True up	
		True-up rebuttal	
GR-2024-0106	Liberty MidStates Utilities	Direct	Transport Revenues
		Rebuttal	
		Surrebuttal	
ER-2024-0319	Ameren Missouri	Direct Testimony	Locational Market Prices
EA-2024-0292	Evergy Missouri West	Solar CCN	Economic Feasibility and resource adequacy.
EA-2025-0075	Evergy Missouri West	Natural Gas CCN	Economic Feasibility, interconnection costs and resource adequacy.

Case No.	Company	Testimony	Issue
ER-2024-0261	Empire District Electric	Direct Surrebuttal	Market Prices Economic Development Rider
EA-2025-0238	Ameren Missouri	Rebuttal	Economic feasibility, interconnection cost, request for proposal
EA-2025-0239	Ameren Missouri	Rebuttal	Economic feasibility, interconnection costs