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Before the Public Service Commission of the State of Missouri

Direct Testimony

of

Aaron J. Doll

on behalf of

The Empire District Electric Company d/b/a Liberty

September 10, 2026

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PUBLIC VERSION

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THE EMPIRE DISTRICT ELECTRIC COMPANY D/B/A LIBERTY
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. EO-2026-0101

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I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Aaron J. Doll. My business address is 602 South Joplin Avenue, Joplin, Missouri.

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

A. I am employed by Liberty Utilities Service Corp. ("LUSC") as Vice-President, Energy Supply Services. In this capacity, I oversee system planning, resource planning, energy market operations, commercial management, energy integration, and regulatory support for Liberty utility operations. As part of these responsibilities, I provide planning and operational support to The Empire District Electric Company d/b/a Liberty ("Liberty" or the "Company").

Q. On whose behalf are you testifying in this proceeding?

A. I am testifying on behalf of Liberty.

Q. Please describe your educational and professional background.

A. I graduated from Missouri State University in 2003 with a Bachelor of Science degree in Psychology and a minor in Philosophy. I received my Master of Business Administration from Missouri State University in 2008.

I have worked for Liberty for approximately 20 years. I worked in the Planning and Regulatory Department for six years as a Planning Analyst and was responsible for load forecasting, weather normalization, and sales and revenue variance analysis. In 2012, I transferred to the Supply Management Department as the Market Risk Manager and eventually became the Manager of Market Settlements and Systems. In that role, I helped facilitate the migration of the daily power marketing activities from the Southwest Power Pool, Inc. ("SPP") Energy Imbalance Market ("EIS") to the SPP Integrated Marketplace ("IM") and oversaw the procurement of the Transmission Congestion Rights ("TCRs"). I also provided oversight of meter management, market settlements, and market applications.

In 2020, I was promoted to Senior Director of Energy Strategy. In that role, I oversaw fuel procurement for electrical generation, the Company's day-to-day interface, systems, and settlements with SPP, long-term and short-term load forecasting, production cost modeling and related regulatory support activities.

In 2026, I was promoted to Vice President, Energy Supply Services. In my current role, I lead Liberty's System Planning and Operations Team and am responsible for system planning, resource planning, energy support and integration, energy market operations, commercial management, strategic planning, and regulatory support.

Q. Have you previously testified before the Missouri Public Service Commission ("Commission") or any other regulatory agency?

A. Yes, I have testified before this Commission, the Kansas Corporation Commission, the Oklahoma Corporation Commission, the Arkansas Public Service Commission, the Kentucky Public Service Commission, and the New Hampshire Public Utilities Commission.

Q. What is the purpose of your direct testimony in this proceeding?

A. My testimony provides the Commission with a historical explanation of how the Market Price Protection Mechanism, or MPPM, developed; what problem it was intended to solve; what the parties proposed and litigated at each stage; what the

Commission ultimately approved; how the parties later clarified the mechanics; and how Liberty has applied those written terms to actual data.

I provide all of the above in order to assist the Commission with resolving the present dispute concerning the purchased power agreement (PPA) Replacement Value. My central conclusion is that Liberty's calculation of the PPA Replacement Value is mathematically correct and is consistent with the operative language approved by the Commission. The disagreement is not caused by an error in Liberty's arithmetic. It arises from proposed conditions or offsets that do not appear in the approved methodology.

Finally, I explain two important pieces of context. First, the MPPM is a Commission ordered, negotiated subset of Wind Project costs and benefits, it is not a complete economic valuation of the projects. Capacity value is a particularly important benefit that was discussed in the record but is not separately credited in the final MPPM formula. Second, the later extension of the Elk River PPA occurred under a materially different SPP resource-adequacy framework than the one that existed when the MPPM was ordered. The Commission should avoid an interpretation that creates an adverse MPPM consequence when Liberty selects a reliability solution based on total customer value simply because the solution provides more value than a capacity-only transaction.

Q. Why is a historical explanation important for this Commission?

A. The MPPM was not created in a single filing. It developed over several proceedings spanning many years. A Commission looking only at today’s annual calculation could reasonably ask why the formula contains the components it does, why it does not contain other components, and why the parties used the language they ultimately adopted.

The historical record provides important context to answer those questions. Case No. EO-2018-0092 explains why Liberty proposed the Wind Projects and why a market protection concept arose from those discussions. Case No. EA-2019-0010 contains the competing customer-protection proposals, the Wind Projects CCNs, the Commission-approved MPPM formula, and the Commission's finding that the mechanism was a compromise[1] from competing proposals. Case No. ER-2021-0312 provides a critical clarification: the parties and the Commission expressly preserved the construct while adding specificity regarding costs, revenues, the PPA Replacement Value, jurisdictional treatment, carrying costs, the sharing mechanism, and annual tracking requirements. Following the first few years of actual operating data and the interpretation of the construct, the Commission opened Case No. EO-2026-0101, specifically to resolve the PPA Replacement Value issue.

For that reason, I believe the clearest avenue to resolve the current dispute is to read the record chronologically, which provides the necessary context to evaluate the actual words the parties and the Commission adopted, and determine how the approved methodology should be applied going forward.

Q. What materials did you review in preparing this testimony?

A. I reviewed the public record materials that directly impact the design, adoption, clarification, and application of the MPPM. Those materials include the stipulation and agreements and Commission orders, Company and stakeholder testimony, briefs

[1] Case No. EA-2019-0010. Report and Order, pg. 50.

and reports, hearing transcripts, annual MPPM filings, and the pleadings following the MPPM filing.

The following figure summarizes the role each proceeding plays in the MPPM history.

Proceeding	What occurred	Why it matters today
EO-2018-0092	Wind investment thesis, PTC/Tax Equity timing, first instance of MPPM concept	Explains the economic thesis and why a customer-protected mechanism existed
EA-2019-0010	Wind Project CCN, competing protection proposals, Company capacity value proposal, final MPPM formula, Commission approval	Establishes the MPPM and confirms its development was a negotiated compromise
ER-2021-0312	First general rate proceeding for recovery of Wind Projects, Fourth Partial Stipulation and Agreement, on-the-record Commission questioning	Provides the most specific approved rule for calculating the PPA Replacement Value and confirms the construct was preserved while details were clarified
ER-2024-0261 / EO-2026-0101	Actual MPPM value discussion, OPC challenge, Elk River PPA extension and increased resource adequacy responsibility, current clarification proceeding.	Test/evaluates the agreed methodology against actual values and asks the Commission to resolve the competing interpretations.

II. EXECUTIVE SUMMARY

Q. Please summarize your principal conclusions

A. There are several key points I want the Commission to take from my testimony.

First, the MPPM is an ordered negotiated customer protection. It was not designed to be a complete valuation of the Wind Projects. It is a formula negotiated to measure certain costs and certain benefits over the first ten years of the Wind Projects and to share defined downside risk between customers and the Company.

Second, the calculation itself is straightforward. The MPPM requires that each year, the Company add together the Wind Projects revenues (“Wind Revenues”) and PPA Replacement Value, and then compare that total to the Wind Projects’ annual revenue requirement (“Wind Projects Revenue Requirement”). If the total of the Wind

Revenues and the PPA Replacement value are less than the annual Wind Projects' Revenue Requirement, the resulting Annual Wind Value is shared 50/50 between customers and the Company, subject to the $52.5 million soft cap established in the approved agreement. Importantly, the formula does not include every value the Wind Projects provide. Capacity value is a good example of a benefit that was discussed in the underlying case, but it is not a separate credit in the MPPM calculation.

Third, numerical schedules included in the original MPPM were examples. Appendix B to the Non-Unanimous Stipulation and Agreement in Case No. EA-2019-0010 expressly contemplated[2] that actual values would be used during the life of the mechanism. This matters because actual generation from the Elk River and Meridian Way PPAs has been materially lower than the illustrative production assumed when those schedules were prepared.

Fourth, when the parties revisited the MPPM in Case No. ER-2021-0312, they did not replace it. The Fourth Partial Stipulation and Agreement expressly characterized the changes as a clarification. The parties then added specific language explaining how the PPA Replacement Value is calculated when the existing wind PPAs and the specified solar requirement do not fully meet the applicable renewable compliance requirement. This is the language the Company has used in its annual calculations.

Finally, the later extension of the Elk River agreement presents a circumstance that did not exist when the MPPM was negotiated and later ordered. The original Elk River term should be recognized as contemplated by the MPPM, but the later extension

[2] Case No. EA-2019-0010, Non-Unanimous Stipulation and Agreement, pp. 27, 28, 29, & 30 include the following note "*All numbers utilized, unless specified elsewhere in the STIP, are for example only, actual values will be input into the calculation during the life of the MPP.*"

was a new reliability driven procurement made after SPP materially increased its resource adequacy requirements. In my view, the MPPM should not be interpreted in a manner that penalizes customers and the Company for selecting a resource that provides more total value than a capacity-only transaction.

Q. In simple terms, how does the MPPM work?

A. The simplest way to think about the MPPM is as a ten-year scorecard with a risk sharing feature. Each year, the Company places the agreed Wind Project costs on one side and the agreed Wind Project benefits on the other side. The difference is the Annual Wind Value.

The annual formula is:

Annual Wind Value = Wind Revenues – Wind Revenue Requirement + PPA Replacement Value.

If that value is negative, meaning the Wind Revenue Requirement is greater than the combination of Wind Revenues and PPA Replacement Value, the negative amount is shared 50/50 between the Company and customers, subject to the approved soft cap. If the value is positive, customers receive the benefit. It is important to keep that limited purpose in mind because the mechanism was never intended to capture every economic or reliability benefit associated with the Wind Projects. The clarification adopted in Case No. ER-2021-0312 provided additional detail regarding the components of that calculation and how they are administered, but the basic construct has remained the same.

Components of the Annual Formula

Component	What it represents	Treatment
SPP Market Revenue and other clarified revenues	Market and project revenues returned to customers, including SPP IM revenues (energy and non-energy), REC revenues, PTC value, Paygo adjustments, and miscellaneous revenues	Included Benefits
Wind Revenue Requirement	The cost of the Wind Projects recovered from customers, excluding PISA costs under the Case No. ER-2021-0312 clarification.	Included Cost
PPA Replacement Value	The value of new Wind Project energy used to meet the renewable standard not met by existing PPA energy and the specified solar requirement	Included Benefits
Capacity Value	Accredited capacity, avoided capacity procurement, deficiency-risk reduction, and capacity length value	Real customer value, but not an included benefit

III. ORIGIN OF THE MPPM

Q. What was Liberty seeking to accomplish with the wind generation proposal presented in Case No. EO-2018-0092?

A. At its core, the proposal was a long-term resource portfolio decision. Liberty had the opportunity to add approximately 600 MW of Company-owned wind generation at a time when substantial federal Production Tax Credits, or PTCs, were still available and when the Company's existing wind PPAs, Elk River and Meridian Way, were moving toward the latter portion of their contractual lives.

Those circumstances created an opportunity that the Company believed was important to act upon and thus it initiated the case to share the "blueprint" of its plan. Under that plan, Liberty could acquire long-lived renewable resources, while federal tax incentives materially reduced their effective cost, and also positioning the portfolio for the eventual expiration of renewable PPAs that were already being used to help satisfy Missouri's renewable requirements.

The timing did not line up perfectly, nor would I expect it to. Elk River was expected to continue through 2025 and Meridian Way through 2028, while the new Wind Projects were expected to begin serving customers earlier. That created a period of overlap. In my view, that overlap does not detract from the underlying resource strategy. These are long-lived generation assets. The more important consideration was that the Company could capture the available tax benefits and establish a renewable resource base that would remain available for decades after the existing PPAs ended.

That is also why I think it is important not to view the proposal simply through the lens of near-term renewable compliance. The Wind Projects were part of a broader effort to maintain a balanced and diversified generation portfolio. They provide fuel-free energy, renewable attributes, SPP market revenues, capacity value, and long-term resources that reduce the amount of energy and renewable products the Company would need to obtain from third parties. The contemporaneous analysis evaluated the portfolio under a broad range of fuel prices, market prices, load levels, carbon assumptions, nodal basis assumptions, and wind-development scenarios because no single forecast could predict what customers would experience over the life of any given generation asset.

That distinction is important. The objective was not to guarantee that customer rates would decline from one year to the next. Utility rates are affected by many variables that have nothing to do with a single resource decision. The economic thesis was that, over the relevant planning horizon, customers would benefit from a diversified portfolio that included tax-advantaged Company-owned wind.

The later MPPM was developed as a customer protection around that broader resource decision. It was not intended to capture every benefit of the Wind Projects, and it should not be confused with the underlying reason the Company made the investment to acquire the Wind Projects.

Q. Why was timing such an important element of the Company's wind strategy?

A. Timing was a fundamental consideration because two separate resource planning issues were converging. First, the federal Production Tax Credit, or PTC, was phasing down and materially affected the economics of new wind generation. Second, the Company's existing Elk River and Meridian Way wind PPAs had finite contractual terms and would eventually need to be replaced if Liberty was to maintain the renewable energy necessary to support its portfolio and meet Missouri renewable compliance requirements.

The PTC opportunity was particularly important. The tax equity structure allowed third party investors to efficiently monetize federal tax benefits associated with the Wind Projects, which materially reduced the effective cost of those resources to customers. The contemporaneous record recognized that the projects needed to satisfy applicable construction and in service requirements to preserve the level of PTC value reflected in the Company's economic analysis.

Accordingly, the relevant choice was not simply whether Liberty should own wind generation in 2020 rather than purchase renewable energy in 2025 or 2028. The more appropriate comparison was whether the Company should secure long lived renewable resources while substantial federal incentives were available, or defer that decision and replace renewable energy later under whatever tax policy, equipment costs, construction costs, transmission constraints, financing conditions, and market prices existed at that time.

The timing of the existing PPAs and the new Wind Projects did not align perfectly, and the original planning assumptions contemplated a period of overlap. In my view, that is neither surprising nor inconsistent with prudent long term resource planning. Generation resources have useful lives measured in decades, and replacement resources cannot reasonably be planned around the precise date an existing contract terminates. The overlap allowed Liberty to capture a time limited tax benefit while establishing a diversified renewable resource base that would continue serving customers long after the original PPAs were expected to expire.

Q. Have subsequent market developments provided additional perspective on the Company decision to invest in wind generation when it did?

A. Yes. While prudence should be evaluated based on the information available at the time, subsequent developments reinforce the resource strategy underlying the Wind Projects. Recent Level Ten Energy data referenced in *Utility Dive*[3] has documented substantial increases in wind PPA prices, a development also referenced[4] by Kansas regulators in the Company's recent Kansas rate case.

That does not mean the Company predicted precisely how wind prices would develop. Rather, it illustrates the value of maintaining a diversified generation portfolio and securing long-lived, Company-owned wind resources when substantial PTC benefits were available. Doing so reduced the Company's reliance on any single fuel source or future market purchase and limited the extent to which customers would be exposed to the cost of replacing renewable energy later at then-prevailing market prices. That diversification benefit was a fundamental part of the portfolio strategy underlying the investment.

Q. If the Company expected the Wind Projects to provide long-term customer value, why was a market protection mechanism necessary?

[3] https://www.utilitydive.com/news/wind-solar-ppa-prices-levelten/817780/
[4] 26-EPDE-0180-RTS. Direct Testimony of Chad Unrein, pp. 38-39.

A. Because the conclusion that a resource is expected to provide long term value does not mean that every underlying assumption will occur exactly as forecast, particularly in each individual year.

The economics of the Wind Projects depended on a number of variables, including wind production, SPP wholesale market prices, project costs, tax equity cash flows, transmission conditions, and other operating assumptions. Each of those variables can change over time. The Company's analysis expressly evaluated the portfolio under a range of market and fuel price outcomes for that reason.

Those risks were also not overlooked by the parties. They were identified and openly litigated. OPC questioned both the economics of the Wind Projects and whether the proposed protections were sufficient. Staff and the Company supported a mechanism that would place a defined portion of the downside associated with certain early year results on shareholders.

The MPPM therefore developed as an additional customer protection around a much broader resource decision. It recognized that long-term resource planning necessarily involves uncertainty and established a defined mechanism for sharing a portion of the risk if specified Wind Project benefits did not offset specified Wind Project costs during the first ten years.

That distinction remains important today. The underlying Wind Project decision considered a much broader set of benefits and risks than those ultimately included in the ordered MPPM calculation. The MPPM was intended to protect customers against a defined set of outcomes. It was not intended to become a comprehensive valuation of every cost and every benefit associated with the Wind Projects.

Q. How was the original MPPM structured?

A. The original Market Protection Provision introduced in Case No. EO-2018-0092 established the basic framework that ultimately evolved into the MPPM approved in Case No. EA-2019-0010. At a high level, the mechanism compared specified benefits associated with the new Wind Projects against the Wind Revenue Requirement over a ten-year protection period.

The original construct included annual deadbands, a 50/50 sharing mechanism between customers and shareholders for defined downside results, and an aggregate customer protection amount that was initially established at $35 million. Those specific terms were subsequently modified as the mechanism continued to develop in the Wind CCN proceeding.

For purposes of this case, an important aspect of the original mechanism is that PPA Replacement Value was included from the outset. That is significant because it demonstrates that replacement value was not developed after the projects entered service or after actual Wind Project or PPA production became known. The parties recognized at the beginning that the new Wind Projects provided value not only through SPP market revenues, but also by reducing the amount of renewable energy Liberty would ultimately need to obtain from another source as its existing wind PPAs approached the end of their contractual terms.

Q. What economic value does the PPA Replacement Value recognize?

A. In its most basic form, the PPA Replacement Value recognizes an avoided procurement cost. At the time the Wind Projects were being evaluated, Liberty was already receiving renewable energy through the Elk River and Meridian Way PPAs. Those contracts, however, were not permanent resources. They had defined contractual terms, and once that renewable energy was no longer available under the original agreements, Liberty would continue to have renewable compliance requirements and broader portfolio needs that had to be served from some source.

Absent the new Wind Projects, the Company would ultimately have needed to satisfy at least a portion of that requirement through another PPA, additional Company owned renewable generation, REC purchases, or some other renewable compliance alternative. The Wind Projects provide renewable energy that reduces or eliminates the need to make that future procurement.

That avoided requirement has economic value separate and apart from the value of selling Wind Project energy into the SPP Integrated Marketplace. A megawatt hour produced by a Wind Project can generate market revenue and, at the same time, satisfy a renewable requirement that otherwise would have required the Company to obtain another qualifying megawatt hour.

There was certainly discussion throughout these proceedings regarding precisely how that value should be measured. That is ultimately why the parties returned to the issue and added additional specificity in Case No. ER-2021-0312. But the underlying concept was not new. PPA Replacement Value was part of the mechanism from its inception because the expected expiration of the existing PPAs was part of the resource planning context in which the new Wind Projects were being evaluated.

Q. Was the original Non-Unanimous Stipulation and Agreement in Case No. EO-2018-0092 adopted in its entirety?

A. No. The Commission did not order the entire Non-Unanimous Stipulation. The Commission nevertheless did recognize the potential value of the wind strategy and the customer protection concepts that had been developed in that proceeding. The Company then proceeded to the next step necessary to implement the resource strategy by seeking Certificates of Convenience and Necessity for the specific Wind Projects in Case No. EA-2019-0010.

Accordingly, the Market Protection Provision did not disappear when Case No. EO-2018-0092 concluded. The basic concept, including PPA Replacement Value, moved forward with the Wind Projects. In Case No. EA-2019-0010, the Commission had before it the specific projects, updated economics, competing proposals from the parties regarding customer protection, and ultimately, an executed Non-Unanimous Stipulation containing the MPPM that became a condition of the Wind Project approvals.

That progression is relevant here because the MPPM should be understood as something that developed over multiple proceedings. The original proceeding established the economic and resource planning rationale and the initial customer protection concept. The Wind CCN proceeding refined those concepts and resulted in the actual Commission approved mechanism.

Q. What does the history of Case No. EO-2018-0092 tell the Commission about the MPPM that is relevant to the issues in this proceeding?

A. The principal conclusion is that the MPPM was a negotiated and ordered mechanism rather than a comprehensive economic model. Different parties advocated different approaches regarding the costs, benefits, risks, and protections that should be included. As the mechanism progressed through Cases No. EO-2018-0092, EA-2019-0010, and ultimately, ER-2021-0312, some concepts were retained, some were modified, and some were not included at all.

PPA Replacement Value was among the benefits identified from the beginning, while other proposed benefits and protections were ultimately excluded. The appropriate approach is therefore not to reconstruct the mechanism in hindsight based on what any party might prefer today. It is to apply the provisions the parties ultimately agreed to and the Commission approved.

IV. ADOPTION OF THE MPPM

Q. How did the issues developed in Case No. EO-2018-0092 carry forward into Case No. EA-2019-0010?

A. Case No. EA-2019-0010 was the proceeding in which the broader wind resource strategy became a request for approval of specific generation projects. Liberty sought Certificates of Convenience and Necessity for the Kings Point, North Fork Ridge, and Neosho Ridge Wind Projects, and the Commission was presented with a more developed record concerning the projects' economics, tax equity structure, operating characteristics, customer risks, and proposed protections.

The customer protection concept developed in Case No. EO-2018-0092 also remained part of the discussion. The question was no longer whether some form of protection should be considered, but what that protection should look like when applied to the specific Wind Projects. The MPPM was therefore refined in Case No. EA-2019-0010 as part of the approval of the specific Wind Projects.

Q. Were the parties in agreement as to how the final customer protection should operate?

A. No. There were material differences among the parties as to both the appropriate level of customer protection and the costs and benefits that should be recognized in the mechanism.

Liberty and Staff each advanced proposals that reflected different judgments concerning how the risk associated with Wind Project performance should be allocated. OPC challenged the economics of the projects more broadly and advocated positions that would have provided customers greater protection or reduced the value attributed to certain Wind Project benefits.

Those competing positions matter because the final MPPM was not simply the Company's proposal adopted without modification. Nor was it Staff's proposal or OPC's preferred construct. The Commission specifically recognized that the mechanism ultimately presented for approval represented a compromise between competing approaches.

In my view, that is one of the most important aspects of the history for purposes of the present case. A negotiated mechanism necessarily contains both inclusions and exclusions. Some concepts survived the negotiations, some were modified, and others were omitted. The fact that one party may have preferred a different treatment does not provide a basis, years later, to read that preferred treatment back into the final agreement.

The Company applies that principle to itself as well. Liberty advocated for certain benefits that were not ultimately included in the final MPPM and is not asking the Commission to add those benefits today. The same discipline should apply when considering limitations or offsets that other parties proposed but that likewise were not incorporated into the final mechanism.

Q. Can you provide an example of a Wind Project benefit that Liberty proposed but that was not ultimately included in the final MPPM?

A. Yes. Capacity value is the clearest example. During Case No. EA-2019-0010, Liberty proposed recognizing the accredited capacity of the Wind Projects and assigning an avoided capacity value to that benefit. The final Appendix B calculation did not include a separate capacity component. That history demonstrates that the negotiated MPPM does not include every identified benefit of the Wind Projects. I discuss the significance of that omission in greater detail below.

Q. What did the parties that signed the Non-Unanimous Stipulation and Agreement ultimately agree to in Case No. EA-2019-0010?

A. The parties agreed to the MPPM contained in Appendix B to the Non-Unanimous Stipulation and Agreement, and the Commission approved that mechanism as part of its approval of the Wind Projects.

At its core, the MPPM measures an Annual Wind Value by comparing specified benefits of the Wind Projects against their specified revenue requirement. The principal components include SPP market revenues and PPA Replacement Value as benefits, offset by the Wind Revenue Requirement.

If the resulting value is negative, meaning the defined Wind Project costs exceed the defined benefits, the mechanism provides for sharing of that downside between customers and the Company. The final construct includes 50/50 sharing and a $52.5 million Missouri jurisdictional soft cap applicable to the Company's obligation under the mechanism during the ten-year protection period.

That was a material enhancement from the initial concept developed in Case No. EO-2018-0092, but the underlying structure remained recognizable. The MPPM was designed to provide customers protection against the risk that the defined Wind Project benefits would not be sufficient to offset the Wind Revenue Requirement during the ten-year protection period, while leaving the broader resource planning rationale for the Wind Projects intact.

Equally important, however, the MPPM did not attempt to reperform the entire economic analysis supporting the Wind Projects each year. It did not include every portfolio benefit, every avoided cost, or every reliability attribute. The parties selected particular components for inclusion and established a defined formula for calculating them.

Q. Did Appendix B require the numerical assumptions used to illustrate the MPPM to remain fixed over the ten-year term?

A. No. To the contrary, Appendix B expressly recognized that the numerical schedules were illustrative and that actual values would be used during the life of the mechanism unless a particular value was specifically fixed by the agreement.

That provision makes sense when considered in the context in which the MPPM was developed. The parties were constructing a ten-year mechanism before the Wind Projects had commenced commercial operation. They therefore had to use forecasts and assumptions to demonstrate how the mechanism would function. Those assumptions included retail sales, Wind Project generation, existing PPA generation, market revenues, project costs, and other variables that no party could reasonably expect to remain exactly as forecast for ten years. The schedules provided a model of the calculation. That model was not a commitment that the underlying facts would be frozen at their 2019 forecast levels. In fact, this point was made clear in the surrebuttal testimony of Liberty witness David Holmes in Case No. EA-2019-0010. He stated that, "The Market Price Protection manages the cost benefit risk associated with the Wind Project in terms of the capital costs, operating costs, SPP prices and wind production. While it is true that all variables could change over time, the Market Protection Provision includes all of these factors and will update these factors based on **actual values** so customers do not need to lock in future conditions based on today's assumptions."[5]

That distinction is particularly important in this proceeding because actual generation from Elk River and Meridian Way has differed materially from the production assumed in the illustrative calculation. The agreement anticipated precisely that type of circumstance by instructing the parties to substitute actual information as it became available. The Company's current calculation does not depart from Appendix B by using actual PPA production, it follows it precisely.

Q. How did Exhibit C illustrate PPA Replacement Value?

A. Exhibit C used the assumptions available at the time to demonstrate how PPA Replacement Value could operate over the ten-year MPPM period. The illustration reflected the then expected contractual terms of Elk River and Meridian Way and assumed a level of generation from those PPAs that was sufficient, together with the other assumptions in the model, to meet the modeled renewable requirement during the earlier years. As a result, the illustrative PPA Replacement Value was shown as zero during those periods.

That result is understandable given the assumptions used in 2019, but the reason the result was zero is important. It was not zero because Appendix B established an independent rule that replacement value could not exist before a particular PPA expired. It was zero because, under the assumptions contained in the illustration, the

[5] Case No. EA-2019-0010, Ex. 4, Holmes Surrebuttal Testimony, p. 10, ln. 19 –23 (emphasis added).

existing PPAs were expected to provide sufficient renewable energy to satisfy the modeled requirement. That is a meaningful distinction.

If actual PPA generation had tracked the illustrative assumptions, the Company's actual calculation would likewise have produced little or no residual PPA Replacement Value during those periods. But actual PPA generation has been materially lower. Once the parties later clarified that the calculation should consider the renewable compliance requirement not met by the existing PPAs and the specified solar requirement, actual production necessarily became relevant to determining whether a residual requirement existed.

Exhibit C therefore remains useful as an illustration of the mechanics. It should not be converted into a substantive restriction that the operative language does not contain.

Q. How did the Commission characterize the MPPM when it approved the Wind Projects?

A. The Commission recognized the MPPM as an important customer protection and, importantly, described the final mechanism as a compromise between competing proposals[6].

The Commission's description represents an understanding that the purpose of the MPPM was to address the risk that specified Wind Project revenues and benefits could perform below expectations during the initial ten-year period. At the same time,

[6] Case No. EA-2019-0010, Report and Order, pg. 49 ("The Market Price Protection Mechanism is designed to mitigate risks to the customers of the revenues from the Wind Projects not being as expected and adds a layer of protection for the low probability events related to supply side generation. The Market Price Protection Mechanism balances the interests of the customers and the shareholders appropriately. The Market Price Protection Mechanism is a compromise between the two proposals made by Empire and Staff in their testimony, is supported by the evidence before the Commission, and is a reasonable balance of the interests of the ratepayers and the shareholders.").

the Commission's analysis of the Wind Projects was broader than the MPPM itself. The Report and Order discussed multiple benefits of the projects, including benefits that were not ultimately retained as separate components of the formula.

Capacity is again a useful example. Although a separate capacity credit was not included in Appendix B, capacity remained a recognized characteristic and benefit of the Wind Projects. The Commission did not conclude that a benefit ceased to exist simply because the parties did not assign it a separate line item in the MPPM.

The Report and Order also contains narrative language discussing replacement of the Elk River and Meridian Way PPAs once those agreements expired. I acknowledge that language because it is part of the history and should not be ignored.

At the same time, the Commission also made clear that the MPPM itself was contained in Appendix B, and Appendix B expressly contemplated the use of actual values. Then, when practical implementation questions arose, Liberty, Staff, and OPC returned to the issue in Case No. ER-2021-0312 and adopted more specific language governing the calculation of PPA Replacement Value.

Q. How did OPC's position regarding customer protection differ from the mechanism ultimately approved by the Commission?

A. OPC advocated a materially different approach. It was not a signatory to the Non-Unanimous Stipulation and Agreement in Case No. EA-2019-0010 and objected both to the Wind Project approvals and to the customer protection provisions agreed to by Liberty, Staff, and the other signatories.

OPC instead proposed its own customer protection plan and separate hold harmless conditions. Among other things, its proposal would have substantially limited the amount customers could pay for the Wind Projects during the initial hedging period and would have required the Company to absorb considerably more of the financial consequences if Wind Project revenues did not cover project costs. The Commission rejected this proposal.

The Commission reached a very different conclusion regarding the MPPM that was ultimately adopted. It found that the MPPM appropriately balanced the interests of customers and shareholders, was supported by the evidence, and represented a reasonable compromise between the proposals advanced by Liberty and Staff.

OPC also argued that the Wind Projects provided limited value because Liberty did not have an immediate need for additional capacity. The Commission did not adopt that premise and recognized that the Wind Projects provided multiple benefits to customers and the State of Missouri.

Those competing positions were therefore known when the final MPPM was approved and provide context for why the mechanism should be applied based on the components ultimately adopted.

V. THE MPPM IS A SUBSET OF TOTAL WIND PROJECT VALUE

Q. Does the MPPM capture the full economic value of the Wind Projects?

A. No. The MPPM measures only the costs and benefits the parties agreed to include in the mechanism and the Commission ordered. It was not designed to replicate the economic analysis supporting the Wind Projects or to produce a comprehensive annual valuation of those resources.

The Wind Projects provide a broader range of economic, operational, and portfolio benefits, including fuel diversity, renewable compliance, federal tax benefits, market revenues, and capacity. The MPPM incorporates certain elements of that value proposition, but not all of them. Capacity is the clearest example. The Wind Projects provide accredited capacity that contributes to Liberty's resource adequacy obligation, yet the final MPPM does not contain a separate capacity value component. The omission demonstrates that the MPPM is a defined customer protection mechanism rather than a complete measure of Wind Project value.

Q. Why is capacity particularly useful in demonstrating that distinction?

A. Because capacity was a known and identifiable benefit when the MPPM was negotiated and ordered. During Case No. EA-2019-0010, Liberty specifically proposed that the mechanism recognize the accredited capacity of the Wind Projects and the corresponding avoided capacity value. Staff likewise recognized that wind generation could receive capacity accreditation. Despite that record, the final MPPM did not include a separate capacity credit. Capacity therefore was considered during development of the MPPM but was not assigned a separate value in the final formula.

Q. Has the significance of the Wind Projects' capacity value changed since the MPPM was negotiated, and is Liberty asking the Commission to add that value to the MPPM?

A. The underlying capacity value existed when the MPPM was negotiated, but subsequent changes in SPP's resource adequacy requirements have made that value considerably more consequential. As a Load Responsible Entity, Liberty must maintain sufficient accredited capacity to serve its forecasted load plus the applicable Planning Reserve Margin. Since the MPPM was developed, SPP has materially increased those requirements, particularly for the winter season. The Wind Projects contribute accredited capacity toward that obligation, which can reduce the need for other capacity resources or help avoid a resource adequacy deficiency. Liberty is not asking the Commission to modify the MPPM to add a capacity value that the parties did not adopt.

The relevance of capacity is narrower. It demonstrates that the MPPM does not capture every material benefit provided by the Wind Projects.

Q. What does the omitted capacity value demonstrate about the present PPA Replacement Value dispute?

A. It demonstrates that the MPPM should be applied according to the specific costs and benefits the parties agreed to include and the Commission ordered. Capacity value remains outside the calculation because it was not included. By contrast, PPA Replacement Value is an express component of the MPPM, and the parties and the Commission later adopted additional language in Case No. ER-2021-0312 clarifying how that value should be calculated.

Liberty therefore is not asking the Commission to add an omitted Wind Project benefit. It is asking the Commission to apply an included benefit according to the methodology the parties actually adopted and the Commission approved, without adding limitations that were not included in that methodology.

VI. CLARIFICATION OF THE MPPM – CASE NO. ER-2021-0312

Q. Why was the MPPM addressed again in Case No. ER-2021-0312?

A. Case No. ER-2021-0312 was the first general rate case in which the new Wind Projects were reflected in customer rates and, consequently, the point at which the MPPM moved from an ordered framework to an annual calculation that had to be administered using actual financial and operating information. Appendix B[7] established the fundamental structure of the mechanism, but implementation required greater specificity regarding the costs and revenues to be included, the timing of the rate base

[7] EA-2019-0010. Non-Unanimous Stipulation and Agreement.

component, jurisdictional allocation, carrying costs, annual tracking, and the calculation of PPA Replacement Value.

The parties did not agree on all of those implementation issues when the rate case began. My surrebuttal testimony in that case explained the Company's position that PPA Replacement Value recognized the value of Wind Project energy used to satisfy the Company's renewable requirements and acknowledged that additional specificity would assist in administering the mechanism. OPC advocated a materially narrower treatment of PPA Replacement Value and proposed other adjustments to the calculation. Those competing positions are relevant because they establish that the issues ultimately addressed in the Fourth Partial Stipulation and Agreement were identified and disputed before the agreement was executed.

Q. How were those implementation issues ultimately resolved?

A. Liberty, Staff, and OPC reached a Fourth Partial Stipulation and Agreement, which the Commission subsequently approved. Paragraph 21, which addresses the MPPM, begins with the express designation **"Clarification only."** I believe that characterization is significant because it identifies what the signatories understood themselves to be doing: they were not replacing the MPPM approved in Case No. EA-2019-0010 or establishing a new economic bargain; they were providing the specificity necessary to calculate and administer the existing mechanism.

That understanding was also confirmed during the February 10, 2022 on-the-record presentation in Case No. ER-2021-0312. When the regulatory law judge questioned the distinction between a clarification and a substantive change, I explained[8] that the agreement supplied additional detail and granularity necessary to

[8] Case No. ER-2021-0312, Transcript Volume 7, pg. 201.

perform the calculation without changing the underlying construct. Staff witness Kimberly Bolin similarly explained [9]that the agreement clarified the treatment of costs and revenues while preserving the basic purpose of the MPPM. Those contemporaneous explanations are important because they reflect how signatories described the agreement to the Commission at the time approval of the stipulation was sought and before the present dispute arose.

Q. What additional specificity did the Fourth Partial Stipulation provide?

A. The Fourth Partial Stipulation addressed the principal components necessary to make the MPPM administrable and auditable. On the cost side, it generally included the costs of the Wind Projects recovered from customers, subject to the agreed exclusion for PISA costs. On the revenue and benefit side, it addressed revenues from the SPP Integrated Marketplace, Renewable Energy Certificate sales, Paygo payments, Production Tax Credit value, miscellaneous Wind Project revenues, and PPA Replacement Value. The agreement also specified the Missouri jurisdictional treatment, carrying costs based on the Company's long-term debt rate, the 50/50 sharing mechanism, the $52.5 million soft cap, and the annual tracking requirements.

That level of detail is relevant to the present dispute because it demonstrates that the parties were not speaking generally about the economic value of wind generation. They were identifying the specific components that would be used in the MPPM calculation and establishing how those components would be administered. Liberty applies that framework on both sides of the calculation: the Company includes the costs required by the agreement, credits the revenues and benefits required by the agreement, and applies the agreed jurisdictional, carrying cost, sharing, and tracking

[9] Case No. ER-2021-0312, Transcript Volume 7, pg. 205.

provisions. PPA Replacement Value should be administered with the same fidelity to the language the parties adopted.

Q. What did the parties specifically agree to regarding the PPA Replacement Value?

A. The Fourth Partial Stipulation provides that PPA Replacement Value will be calculated for any renewable compliance standard not met by the existing wind PPAs through the life of the MPPM. It further provides that the value is based on energy from the new Wind Projects used to satisfy the renewable standard that is not met by the existing wind PPAs or the existing solar requirement, which the agreement identified at that time by reference to the 2% Missouri Renewable Energy Standard solar requirement.

That language is more specific than the earlier descriptions of PPA Replacement Value because it establishes the operative relationship among the relevant variables. The calculation begins with the applicable renewable compliance requirement, recognizes the contribution of the existing wind PPAs and the specified solar requirement, and determines the portion of the remaining requirement supplied by the new Wind Projects. In other words, the clarification converted the underlying concept of replacement value into an administrable annual methodology.

Q. How does that methodology operate in practice?

A. The calculation requires actual annual information. Liberty first determines the applicable renewable compliance requirement based on the relevant retail sales and then identifies the renewable energy supplied by the resources the agreement directs the Company to recognize, including qualifying generation from the existing wind PPAs and the specified solar requirement. To the extent those resources do not satisfy the entire applicable renewable requirement, the remaining requirement supplied by the new Wind Projects forms the basis for PPA Replacement Value.

This methodology gives the existing PPAs full recognition for the renewable energy they actually provide. If their qualifying production, together with the specified solar requirement, is sufficient to satisfy the applicable renewable standard, there is no residual requirement for the new Wind Projects to replace. Conversely, if actual PPA production is insufficient to satisfy that requirement, the Wind Projects are supplying renewable energy to make up for that shortfall. This treatment is also consistent with Appendix B's express direction to use actual values during the life of the MPPM rather than perpetuate illustrative assumptions after actual operating information becomes available.

Q. Does the Fourth Partial Stipulation condition PPA Replacement Value on the expiration of an existing PPA?

A. No, the clarification does not state that PPA Replacement Value must remain zero until Elk River expires, until Meridian Way expires, or until both PPAs have reached the end of their contractual terms. Nor does it establish the continued legal existence of a PPA as the dispositive test for determining whether PPA Replacement Value exists in a particular year. Instead, the agreement addresses the issue in terms of whether the applicable renewable compliance standard is met by the existing wind PPAs and the specified solar requirement.

That distinction does not make the contractual status of the existing PPAs irrelevant. An active PPA continues to supply qualifying renewable energy, and that actual energy reduces the amount of the renewable requirement that remains to be served. But the existence of an active contract and the sufficiency of the renewable energy supplied under that contract are different questions. The methodology adopted in case number ER-2021-0312 gives effect to the PPAs based on what they actually provide rather than presuming that the existence of the contracts, standing alone, satisfies the Company's entire renewable requirement.

Q. What does the contemporaneous record in Case No. ER-2021-0312 show about the Fourth Partial Stipulation?

A. The parties' publicly filed testimony and position statements demonstrate that materially different approaches to PPA Replacement Value were presented before the final agreement was executed. OPC advocated eliminating or substantially limiting PPA Replacement Value and proposed additional adjustments involving, among other matters, Ozark Beach, the Missouri renewable weighting or multiplier, and broader treatment of solar resources. The Company did not agree to all of those proposals.

The final language therefore reflects a choice among alternatives that were actually being advanced at the time. The Fourth Partial Stipulation contains the terms Liberty, Staff, and OPC ultimately agreed to. It does not incorporate every restriction, adjustment, or methodology previously advocated by any one party.

The on-the-record presentation provides additional contemporaneous context. During the February 10, 2022 presentation, the Commission was specifically informed that the Fourth Partial Stipulation supplied greater precision regarding the calculation without altering the fundamental purpose or structure of the MPPM. I explained [10]that the additional provisions provided the granularity necessary to administer the mechanism accurately, and Staff witness Bolin similarly explained [11]that the agreement clarified the relevant costs and revenues without changing the basic construct.

[10] ER-2021-0312. Transcript Volume 7, pg. 201.
[11] ER-2021-0312. Transcript Volume 7, pg. 205.

Taken together, the record demonstrates that the Case No. ER-2021-0312 agreement provided operative detail where additional precision was necessary. The annual MPPM calculation should therefore give effect to that language, including its direction regarding the renewable compliance requirement not met by the existing wind PPAs and the specified solar requirement.

VII. LIBERTY'S ANNUAL CALCULATION

Q. When did Liberty begin applying the MPPM using actual operating results?

A. The MPPM became operational when the Wind Projects were included as part of customer rates in Case No. ER-2021-0312. From that point forward, Liberty was required to track the costs, revenues, and other components identified in the Fourth Partial Stipulation and Agreement and to calculate the MPPM using actual annual information.

That distinction between forecast and actual information is important. The schedules developed in Case No. EA-2019-0010 were based on assumptions because the Wind Projects had not yet accumulated an operating history. Once the mechanism became operational, however, Appendix B required actual values to replace those illustrative assumptions, and the Fourth Partial Stipulation supplied additional detail regarding how the annual calculation was to be performed.

Q. What renewable compliance requirement did Liberty identify for the first three MPPM periods?

A. In my rebuttal testimony in Case No. ER-2024-0261, I identified Missouri retail sales of 4,260,535 MWh for the period June 1, 2022 through May 31, 2023; 4,217,890 MWh for the period June 1, 2023 through May 31, 2024; and 4,257,338 MWh for the period June 1, 2024 through May 31, 2025. Applying the 15% Missouri renewable requirement produced corresponding renewable requirements of 639,080 MWh, 632,683 MWh, and 638,601 MWh.

Those values establish the annual requirement against which the qualifying renewable energy identified in the Fourth Partial Stipulation must be measured. PPA Replacement Value therefore is not determined from a static quantity contained in the 2019 illustration. The renewable requirement changes with actual Missouri retail sales, just as the contribution from the existing wind PPAs changes with their actual production.

First Three MPPM Periods, Actual Values Presented in ER-2024-0261

MPPM Period	Missouri Retail Sales (MWh)	15% Renewable Requirement (MWh)
June 1, 2022 - May 31, 2023	4,260,535	639,080
June 1, 2023 - May 31, 2024	4,217,890	632,683
June 1, 2024 - May 31, 2025	4,257,338	638,601

Q. How was actual production from Elk River and Meridian Way compared with the production assumed in the original MPPM illustration?

A. The difference was significant. The illustrative schedules in Appendix B assumed approximately 872,375 MWh of combined annual generation from Elk River and Meridian Way. During the first three MPPM periods, actual combined production from those PPAs averaged approximately 474,120 MWh, or roughly 54% of the amount assumed in the illustration.

That difference is directly relevant to PPA Replacement Value because the illustrative calculation assumed that the existing PPAs would satisfy materially more of Liberty's renewable requirement than they ultimately did. When actual PPA production is lower than the amount assumed, a greater portion of the renewable requirement remains to be satisfied by another qualifying resource. During the periods at issue, that remaining requirement was served by the new Wind Projects.

This is precisely why the distinction between illustrative and actual values matters. The parties did not agree that the forecasted production of Elk River and Meridian Way would be treated as though it had occurred. They agreed that actual values would be used during the life of the MPPM.

Q. Why did actual PPA production differ so materially from the production reflected in the original illustration?

A. The production values used in the original illustration were based on the historical operating information reasonably available when the MPPM was developed. They were not guarantees of future production. Actual generation from Elk River and Meridian Way subsequently reflected operating and market conditions that differed from that historical period, including the expiration of Production Tax Credits applicable to the facilities, congestion and pricing conditions experienced in the SPP Integrated Marketplace, curtailments, and other operational factors that were not within Liberty's control. Those developments changed the economics and operating circumstances affecting the PPAs and contributed to actual production being materially below the historical levels reflected in the illustrative dataset.

This distinction also illustrates why the MPPM was structured to use actual values. The renewable compliance requirement and the amount of that requirement supplied by the existing PPAs are both variables. An increase in actual Missouri retail sales increases the quantity of renewable energy required for compliance, while a decrease in actual PPA production reduces the amount of that requirement satisfied by the existing PPAs. Although those variables enter the calculation differently, they have the same directional effect: each can increase the residual renewable requirement that must be satisfied by another qualifying resource. In the periods at issue, the new Wind Projects supplied that residual requirement.

Stated another way, the MPPM does not depend upon whether the difference from the 2019 illustration arose on the load side or the supply side of the calculation. The relevant question under the clarified methodology is the same: after applying actual retail sales, actual qualifying PPA production, and the specified solar requirement, what portion of the applicable renewable requirement remains to be served by the new Wind Projects?

Q. Why does Liberty believe the zero PPA Replacement Value shown in Exhibit C should have no bearing on actual the annual calculation?

A. Because the zero values shown in Exhibit C were the mathematical result of an illustrative set of assumptions, not independently negotiated limitations on PPA Replacement Value. The exhibit mapped the ten-year Guarantee Period to calendar years 2021 through 2030, assumed continued production from Elk River through 2025 and no production beginning in 2026, and therefore showed zero PPA Replacement Value during Guarantee Years 1 through 5 and positive replacement value beginning in Guarantee Year 6. Those results reflected the production, timing, and other assumptions available when the exhibit was prepared.

The actual chronology did not develop in that manner. The Wind Projects subsequently entered Missouri rates effective June 1, 2022. Consequently, the actual relationship among Wind Project operations, the MPPM Guarantee Period, and the expected expiration of Elk River was different from the calendar relationship embedded in Exhibit C. Other variables also differed from the illustration. Actual retail sales differ from forecast, actual production from Elk River and Meridian Way differs materially from the historical production used in the illustration, and actual Wind Project production, market revenues, and project costs reflect actual operating conditions. Appendix B expressly anticipated those differences by stating that, unless otherwise specified, the numbers were examples and actual values would be used during the life of the MPPM.

For that reason, Liberty does not preserve the zero PPA Replacement Value produced by the original assumptions while replacing the assumptions that produced that result with actual information elsewhere in the calculation. The more consistent calculation is to use the actual values required by Appendix B and apply the PPA Replacement Value methodology subsequently clarified by the parties in Case No. ER-2021-0312.

Q. How did the present dispute over PPA Replacement Value arise?

A. Following Liberty's first annual MPPM submission, OPC challenged the Company's calculation and asserted, among other positions, that PPA Replacement Value should remain zero because the existing wind PPAs had not reached the expiration dates contemplated in the original illustrative schedules. OPC has also advocated additional offsets and limitations that would further reduce the amount of PPA Replacement Value recognized by the mechanism.

Liberty disagrees with that interpretation because it elevates the forecasted result in Exhibit C above both Appendix B's direction to use actual values and the more specific methodology adopted in the Fourth Partial Stipulation. The Company's position does not disregard the existing PPAs or presume they have no value before expiration. Liberty credits the renewable energy those PPAs actually provide. The disputed issue is how the mechanism operates when their actual qualifying production is insufficient to satisfy the renewable compliance requirement identified in the agreement.

That is an important distinction. The disagreement is not over whether Elk River and Meridian Way contribute renewable energy. The disagreement concerns whether their continued contractual existence requires the Company to assume that they satisfy a renewable requirement that their actual production does not fully meet.

Q. Has The Company's interpretation of PPA Replacement Value changed in response to the present dispute?

A. No. The Company's interpretation is consistent with the position I expressed before the current dispute arose. In Case No. ER-2021-0312, I explained that PPA Replacement Value recognized the value associated with the new Wind Projects satisfying Liberty's renewable requirements and supported additional specificity so the mechanism could be calculated consistently. Liberty, Staff, and OPC subsequently executed the Fourth Partial Stipulation containing that additional specificity, and Liberty has applied the resulting methodology using actual annual information.

The present proceeding reflects disagreement over the application of that language, not the Company's creation of a new formula after observing actual results. OPC continues to advocate a more restrictive interpretation. The Commission is now being asked to determine how the approved provisions operate when the actual renewable requirement and actual PPA production differ materially from the assumptions used in the original illustration.

Q. How does Liberty perform the annual MPPM calculation?

A. Liberty applies the calculation in a series of related steps as outlined in Appendix B and the subsequent Fourth Partial Stipulation clarification. For each MPPM period, the Company:

1. Determines actual Missouri retail sales and the applicable renewable compliance requirement
2. Identifies the qualifying renewable energy supplied by Elk River and Meridian Way that is recognized under the MPPM
3. Calculates and recognizes the existing solar requirement specified in the Fourth Partial Stipulation
4. Determines the residual renewable requirement satisfied by the new Wind Projects
5. Applies the approved PPA Replacement Value methodology to that residual quantity
6. Incorporates the remaining Wind Project costs, SPP market revenues, REC revenues, Production Tax Credit values, Paygo amounts, and other components required by the Fourth Partial Stipulation (at the Missouri retail level)
7. Applies the specified carrying costs, 50/50 sharing provisions, cumulative tracking, and $52.5 million soft cap; and
8. Reconciles the MPPM calculation with the Fuel Adjustment Clause (“FAC”) treatment and the Company’s accounting records to ensure that amounts are neither omitted nor duplicated.

The calculation is therefore not limited to PPA Replacement Value, nor is PPA Replacement Value calculated independently from the other provisions of the mechanism. It is one component of an integrated annual reconciliation that applies the costs, revenues, benefits, jurisdictional treatment, and risk-sharing provisions the parties agreed to included.

Q. How does Liberty's methodology recognize both the existing PPAs and the Wind Projects?

A. Liberty's methodology gives Elk River and Meridian Way full recognition for the qualifying renewable energy they actually provide. Each MWh credited from those resources reduces the renewable requirement that remains to be satisfied by the new Wind Projects. If actual qualifying generation from the existing PPAs, together with the specified solar requirement, fully satisfies the applicable renewable compliance requirement, there is no residual quantity to which PPA Replacement Value applies. Conversely, when those resources satisfy only a portion of the requirement, PPA Replacement Value applies only to the portion of that residual requirement supplied by the new Wind Projects.

Wind Project generation in excess of the residual requirement does not receive PPA Replacement Value. The methodology therefore recognizes what the existing PPAs actually provide and limits PPA Replacement Value to the renewable requirement that remains after that production is credited.

Q. Does the Company’s treatment of PPA Replacement Value result in double counting?

A. No. Properly administered, the MPPM recognizes distinct economic attributes through separate components and reconciles those components annually to prevent duplication. PPA Replacement Value does not represent another payment for the same SPP energy revenue. It recognizes the value associated with using qualifying Wind Project energy to satisfy a renewable requirement that otherwise would have required procurement from another source. SPP market revenue, by contrast, reflects the wholesale energy value realized through participation in the Integrated Marketplace.

VIII. <u>RESPONSE TO COMPETING INTERPRETATIONS</u>

Q. Does either the phrase "once they have expired" in the 2019 Report and Order or the term "replacement" require a PPA to expire before PPA Replacement Value can exist?

A. No. I acknowledge the Commission's language, and I believe it should be considered as part of the complete history of the MPPM. The Report and Order used the phrase "once they have expired" in describing the broader rationale for PPA Replacement Value. That description is consistent with the resource planning history discussed earlier. Elk River and Meridian Way were finite-term resources, and the new Wind Projects reduced Liberty's future need to procure renewable energy after those contracts ended.

Appendix B expressly contemplated the use of actual values, and Liberty, Staff, and OPC subsequently returned to this precise issue in Case No. ER-2021-0312 and agreed that PPA Replacement Value would be calculated for a renewable compliance standard not met by the existing wind PPAs through the life of the MPPM. The clarification then identifies the Wind Project energy used to satisfy the remaining renewable requirement. The Commission's earlier narrative therefore explains the resource planning concept, while the subsequent provisions establish how the value is calculated annually.

Likewise, the MPPM does not leave the calculation to the ordinary meaning of a single word. "PPA Replacement Value" is a defined component of a negotiated and ordered regulatory mechanism, and the parties subsequently provided a specific methodology for determining that component. The relevant determination under that methodology is whether the applicable renewable compliance requirement is met by the existing wind PPAs and the specified solar requirement and, if not, what portion of the remaining requirement is supplied by the new Wind Projects.

So long as an existing PPA produces qualifying renewable energy recognized under the MPPM, Liberty credits that production against the applicable renewable requirement. A PPA may remain legally in effect while producing fewer qualifying MWh than necessary to satisfy the renewable requirement. Case No. ER-2021-0312 clarification addresses that circumstance by reference to the requirement not met by the existing PPAs, rather than by establishing contract expiration as an independent prerequisite to the calculation.

Q. What about the argument that Liberty could have satisfied its renewable requirement through other renewable resources rather than the new Wind Projects?

A. Other renewable resources may be available as a matter of prospective resource planning or procurement, but that is not the annual test established by the MPPM. The parties identified the existing wind PPAs, the specified solar requirement, and energy from the new Wind Projects as the relevant resources for determining PPA Replacement Value. They did not require Liberty to perform a hypothetical annual procurement exercise to determine what other renewable resources might have later been available at a lower cost.

Adding such a requirement would materially change the nature of the mechanism. It would convert a defined annual calculation into an after-the-fact resource procurement analysis requiring assumptions about alternative technologies, market availability, contract duration, renewable attributes, etc. While those may be appropriate considerations when Liberty evaluates prospective resource alternatives, they are not additional conditions contained in the MPPM.

Q. Should generation from Ozark Beach be treated as an offset to PPA Replacement Value?

A. No. Ozark Beach was an existing Company resource when the MPPM was negotiated and ordered, so its existence was known to the parties. Nevertheless, the final MPPM clarification does not identify Ozark Beach generation as an offset in the PPA Replacement Value calculation. If the parties had agreed to treat all qualifying Company-owned renewable generation as a reduction to the PPA Replacement Value, they could have adopted language providing for that treatment. That language does not appear in any of the governing agreements; therefore, Liberty applies the calculation according to the provisions the parties actually adopted.

Q. Should the Missouri renewable weighting or 1.25 multiplier be applied in calculating the PPA Replacement Value?

A. No. The 1.25 multiplier was a well-established feature of Missouri's Renewable Energy Standard when both the MPPM and the subsequent clarification were developed. Missouri law provides that each kilowatt-hour of eligible renewable energy generated in Missouri counts as 1.25 kilowatt-hours for purposes of RES compliance. Accordingly, the multiplier and its potential effect on renewable compliance were known when the parties negotiated the provisions governing PPA Replacement Value.

Despite that existing statutory framework, neither Appendix B to the Case No. EA-2019-0010 agreement nor the Fourth Partial Stipulation in Case No. ER-2021-0312 incorporates the 1.25 multiplier into the PPA Replacement Value calculation. Case No.

ER-2021-0312 clarification instead identifies the applicable renewable compliance standard, the amount not met by the existing wind PPAs and specified solar requirement, and the energy from the new Wind Projects used to satisfy that remaining requirement.

I believe that distinction is significant. Where a regulatory provision was known and available to the parties but was not incorporated into the calculation they ultimately adopted, it should not later be treated as an implicit adjustment to that calculation. The record also reflects that the Company did not agree that the 1.25 multiplier should be incorporated into the MPPM methodology. Consistent with the other components of the mechanism, Liberty therefore applies the calculation according to the provisions actually contained in the governing agreements as approved by the Commission.

Q. Should customer-owned solar or other solar generation beyond the amount specified in the Fourth Partial Stipulation reduce the PPA Replacement Value?

A. No. The treatment of solar in the Fourth Partial Stipulation is instructive because solar was not separately identified as a component of the original MPPM adopted in Case No. EA-2019-0010. When the parties later clarified how PPA Replacement Value would be calculated, Liberty agreed to recognize the existing solar requirement, identified at that time as 2% of the Missouri Renewable Energy Standard. That provision demonstrates that the parties knew how to identify an additional renewable compliance adjustment when they intended for it to affect the calculation.

The resulting methodology is specific. It measures the applicable renewable requirement against the production supplied by the existing wind PPAs and the defined solar requirement, with the remaining requirement determining the amount of Wind Project energy eligible for PPA Replacement Value. The public record also makes clear that broader treatment of rooftop or customer-owned solar was considered but was not part of the final negotiated position. Liberty agreed to the defined 2% solar adjustment, but did not agree to expand that adjustment to additional rooftop or customer-owned solar, and the broader language does not appear in the executed Fourth Partial Stipulation.

That history is useful because it distinguishes an intentional limitation from a potential oversight. The parties did not simply overlook solar when establishing the calculation; they expressly identified the amount of solar generation that would be recognized and stopped there. Liberty therefore applies the solar adjustment that was agreed upon rather than expanding that component to renewable generation the parties considered but did not include in the final methodology.

IX. <u>ELK RIVER ORIGINAL TERM</u>

Q. Why is it important to distinguish the original Elk River PPA from the later extension?

A. Because they represent two different procurement decisions made under materially different planning conditions. The original Elk River PPA, including its 2025 contractual end date, was known when the MPPM was developed and is reflected in the assumptions used in Appendix B and Exhibit C. The later extension did not exist and could not have been incorporated into those assumptions.

For purposes of the MPPM, Liberty recognizes Elk River as an existing wind PPA through the end of the original contractual term contemplated when the mechanism was developed. The extension should be viewed separately because it was entered into years later in response to a materially different resource adequacy need. Treating the extension as an automatic continuation of the original PPA would allow a subsequent procurement decision, made for a different operational purpose, to change the relationship among the resources that formed the basis of the original MPPM calculation.

Q. What changed in the resource adequacy environment between the development of the MPPM and the Elk River extension?

A. The amount of capacity Liberty was required to maintain changed substantially. When the MPPM was developed, SPP's resource adequacy framework was materially less restrictive. SPP subsequently adopted enforceable seasonal requirements and established a 36% Base Planning Reserve Margin for the 2026/2027 through 2028/2029 winter seasons, increasing to 38% beginning with the 2029/2030 winter season. The summer requirement similarly increased from the historical 15% level to 16%, with an additional increase to 17% beginning in 2029.

Those changes altered the economics of the resource decision facing Liberty. Accredited capacity that may once have appeared surplus or available well in excess of the Company's near-term requirement became increasingly important as the required reserve level increased. By the time the original Elk River term was approaching its end, Liberty had a near-term need to preserve accredited capacity while longer-term resource additions were being developed. The decision whether to extend Elk River was therefore driven substantially by capacity requirements that were not present in the same form when the MPPM was negotiated.

Q. Why did Liberty choose to extend Elk River rather than simply purchase capacity?

A. The decision to extend Elk River was not simply a decision to allow an existing contract to continue. It was a capacity procurement decision made in response to a materially different reliability environment and based on the value the extension could provide to customers at that time.

As I testified in Liberty's most recent Missouri rate case, Case No. ER-2024-0261, the original Elk River PPA was scheduled to expire in December 2025. By the time that expiration approached, however, SPP's resource adequacy requirements had changed dramatically. The winter Planning Reserve Margin had moved from the prior 15 percent framework to an enforceable 36 percent requirement, with additional increases expected. Liberty therefore needed an interim resource capable of bridging the period between the expiration of Elk River and the addition of longer-term capacity resources.

Q. Describe the extension of the Elk River Wind PPA.

A. **[redacted]

[redacted]**

[12] [redacted]

Q. Does the Elk River extension represent the same economic transaction as the original Elk River PPA for the purposes of the MPPM?

A. No. While the extension was implemented through an amendment to the existing PPA, it should not be confused with a continuation of the original economic bargain on unchanged terms. The economics of the extension were also materially different from those of the original PPA. Liberty therefore was not simply exercising a right to continue purchasing Elk River energy under the economics established when the original agreement was executed. It was deciding whether a newly negotiated Elk River product, at the price and terms then available, represented a better customer option than the alternatives available in the market.

That distinction is especially important because the MPPM is a regulatory construct. The question is not whether electricity continued to be generated by the same wind facility after December 2025. The relevant question is whether a newly negotiated economic arrangement, entered into years after the MPPM was established and in response to circumstances that did not exist when the MPPM was negotiated, should nevertheless be treated as though it were simply part of the original Elk River PPA for purposes of calculating PPA Replacement Value.

Q. Should it?

A. In my view, it should not. The original Elk River PPA should remain an existing PPA through the expiration contemplated when the MPPM was negotiated. The subsequent extension is economically distinct. It involved a new decision whether to procure Elk River for an additional period, under different circumstances and different commercial terms, because Liberty determined that doing so provided value to customers.

Treating that later procurement as indistinguishable from the original PPA would effectively allow a transaction negotiated years after the MPPM was established to retroactively extend the MPPM treatment assigned to the original agreement. Nothing about the MPPM suggests that was the parties' intent.

Q. What analytical problem results from treating the Elk River extension as part of the original PPA under the MPPM?

A. The reason Liberty extended Elk River was that the extension provided significant customer value in a tightening resource adequacy environment. Yet several of the most important benefits that drove that decision, most notably capacity and reliability value, are not separately recognized in the MPPM.

If every MWh generated under the later Elk River extension nevertheless continues to be treated as generation from an "existing PPA" and therefore reduces PPA Replacement Value, the measurement becomes asymmetric. The MPPM would recognize the extension when doing so reduces the value credited to the Wind Projects, while providing no corresponding recognition for the capacity value that caused Liberty to evaluate an extension in the first place.

The alternative is that Liberty could have potentially purchased a bilateral capacity-only product to satisfy a portion of its resource adequacy requirement. That transaction likely would have provided none of the energy and other portfolio benefits provided by Elk River. Yet because it would not generate energy from Elk River, that lower-value alternative might have produced a better MPPM result for the Company.

That outcome is inconsistent with evaluating resource alternatives based on their total economic impact and customer value. Liberty is not proposing to add capacity value to the MPPM. Rather, the asymmetry supports treating the original Elk

River term and the later extension as separate economic periods for purposes of PPA Replacement Value.

Q. Does the regulatory record support Liberty's conclusion that extending Elk River was a reasonable resource decision?

A. Yes. The record in Case No. ER-2024-0261 provides the most relevant support because it documents the conditions facing Liberty when the original Elk River term was approaching expiration and the economic considerations that supported the extension. Liberty explained that SPP's resource adequacy requirements had increased substantially, that the Company required an interim resource to bridge the period before longer-term capacity additions could be placed in service, and that Elk River was evaluated against other alternatives available to address that need. The analysis was not limited to the cost of accredited capacity; it considered the broader economic contribution of the resource, including energy production and the associated reduction in fuel and purchased-power requirements, renewable attributes, and the operational value of retaining an existing resource already integrated into Liberty's portfolio. Based on those combined characteristics, Liberty concluded that extending Elk River provided a practical and economically attractive bridge resource.

Q. Was this extension also addressed in Kansas proceedings?

A. Yes. The Kansas regulatory record[13] provides additional confirmation of that underlying resource evaluation. Liberty separately presented the Elk River amendment for review in Kansas, and the Kansas Corporation Commission approved the

[13] KCC Docket No. 26-EPDE-137-CON, *In the Matter of the Application of The Empire District Electric Company for an Order Approving Amendment No. 1 to the Renewable Resource Energy Purchase Agreement with Elk River Windfarm, LLC, KCC Docket No. 26-EPDE-137-CON, Order Adopting Staff's Report and Recommendation and Approving Empire's Amendment No. 1 to the Renewable Resource Energy Purchase Agreement (Apr. 7, 2026).*

amendment following Staff review. That does not determine how a Missouri-specific MPPM calculation should operate, but the extension was evaluated as a substantive resource procurement rather than an automatic continuation of the original PPA. Taken together, the Missouri and Kansas records demonstrate that the extension resulted from a contemporaneous evaluation of resource adequacy needs, market alternatives, and customer economics, which is materially different from simply allowing the original Elk River contract to continue unchanged.

Q. Based on that analysis, how should the Elk River extension be reflected in the MPPM calculation?

A. Liberty's proposed treatment is to preserve the original Elk River PPA as an existing PPA through the expiration of the contractual term that was known when the MPPM was developed, while treating the subsequent extension as a separate procurement period. This approach maintains the original MPPM baseline through the period contemplated by the parties and then recognizes that, after that date, Liberty was purchasing Elk River output pursuant to a newly evaluated extension with different commercial terms and under materially different resource adequacy conditions. The distinction is economic rather than physical as the generating facility did not change, but the procurement decision, pricing, term, market conditions, reliability requirements, and value proposition supporting the post-expiration purchase were no longer the same as those associated with the original PPA.

X. RECOMMENDED COMMISSION FINDINGS

Q. Based on your testimony, what decision do you recommend the Commission make in this proceeding?

A. I recommend that the Commission find that Liberty's MPPM calculation is consistent with the methodology approved by the Commission and subsequently clarified in Case No. ER-2021-0312. The annual calculation should use actual information for the applicable MPPM year, including actual Missouri retail sales and actual production from the existing PPAs, and PPA Replacement Value should reflect the portion of the applicable renewable requirement not satisfied by those existing resources and the specified solar requirement that is instead supplied by the Wind Projects. A positive PPA Replacement Value is therefore not precluded merely because an existing PPA continued to operate during some portion of the MPPM period.

The Commission should also reject adjustments that are not contained in the final MPPM agreements, including an Ozark Beach offset, application of a 1.25 renewable multiplier, or broader customer-solar adjustments beyond the solar treatment the parties specifically incorporated into the mechanism. Similarly, the Commission should recognize the original Elk River PPA through its original contractual term and treat the subsequent extension as a separate procurement made under materially different resource adequacy conditions and commercial terms. Those conclusions apply the components of the MPPM that the parties ultimately agreed upon without adding new benefits for Liberty or imposing new limitations on the Company after the fact.

Q. Please summarize your testimony regarding the MPPM.

A. The central issue in this proceeding is whether the MPPM should be applied as negotiated and ordered or modified through interpretations and adjustments that were not included in the final agreements. The record supports applying the mechanism as written, using the actual information required by the methodology, recognizing PPA Replacement Value consistent with the clarification adopted in ER-2021-0312, and treating the Elk River extension as a later resource decision with different economics and reliability drivers.

Liberty is not asking to expand the MPPM or add benefits that were never agreed upon. It is asking that the mechanism be applied consistently on both sides. The Company should remain responsible for the costs and limitations included in the MPPM and should receive the benefits the parties agreed the mechanism would recognize. For those reasons, I recommend that the Commission approve Liberty's interpretation and calculation of the MPPM.

XI. CONCLUSION

Q. Does this conclude your direct testimony at this time?

A. Yes.

VERIFICATION

I, Aaron J. Doll, under penalty of perjury, on this 10th day of September, 2026, declare that the foregoing is true and correct to the best of my knowledge and belief.

/s/ Aaron J. Doll