Exhibit No.:	
Issue(s):	*PPA Replacement Value*
Witness:	*J Luebbert*
Sponsoring Party:	*MoPSC Staff*
Type of Exhibit:	*Rebuttal Testimony*
Case No.:	*EO-2026-0101*
Date Testimony Prepared:	*November 05, 2026*

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

TARIFF/RATE DESIGN DEPARTMENT

REBUTTAL TESTIMONY

OF

J LUEBBERT

THE EMPIRE DISTRICT ELECTRIC COMPANY, d/b/a LIBERTY

CASE NO. EO-2026-0101

Jefferson City, Missouri
November 2026

** Denotes Confidential Information **

REBUTTAL TESTIMONY OF

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d/b/a LIBERTY

CASE NO. EO-2026-0101

Q. Please state your name and business address.

A. My name is J Luebbert. My business address is 200 Madison Street, Jefferson City, Missouri 65101.

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

A. I am the manager of the Tariff/Rate Design Department for the Commission Staff ("Staff").

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my rebuttal testimony is to respond to Empire District Electric Company d/b/a Liberty ("Liberty") witness Aaron Doll and the Office of the Public Counsel ("OPC") witness Manzell Payne regarding their calculations of the PPA Replacement Value ("PPA RV") for purposes of the Market Price Protection Mechanism ("MPPM").

Q. Do you have experience with issues related to the MPPM?

A. Yes. I have been involved in each case related to the MPPM since 2017. While I did not file testimony in Case number EO-2018-0092, I was active in negotiation of the non-unanimous Stipulation and Agreement which included the first agreed upon MPPM. While that agreement was not ultimately ordered by the Commission,

the framework of the MPPM in that case was the basis from which the MPPM that was ordered in Case No. EA-2019-0010 evolved.

Q. What is the MPPM?

A. In its Report and Order in Case No. EA-2019-0010, the Commission describes the MPPM as follows:

> 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. When considered as a whole with the other conditions placed on the certificates, the Commission determines that the imposition of the Market Price Protection Mechanism is a reasonable and necessary condition to granting the certificates for the Wind Projects.[1]

And

> The Market Price Protection Mechanism operates by comparing the amount of revenue generated from sales of energy from each Wind Project into the SPP Integrated Marketplace and the capacity benefit of each Wind Project to the revenue requirement associated with the Wind Projects (and to the value of replacing the energy from the Elk River and Meridian Way purchased power agreements once they have expired).[2]

Q. How did Liberty portray PPA RV in Case No. EA-2019-0010?

A. Blake Mertens, Empire's Vice President of Operations described PPA RV as follows:

[1] Page 49 of the Commission's Report and Order in Case No. EA-2019-0010.
[2] Pages 38 and 39 of the Commissions Report and Order in Case No. EA-2019-0010.

> The Market Protection Provision was a negotiated provision in which the company and certain stakeholders worked to find a mutual outcome. As part of that agreement, the settling parties agreed that there should be some recognition that the Elk River and Meridian Way PPAs would be expiring shortly after the Wind Projects that are the subject of this docket would come online. This took the form of the "PPA replacement value" in the Market Protection Provision, which represented the prorated amount of the new Wind Projects' revenue requirement, based on the energy output from the current PPA wind projects (Elk River and Meridian Way) post PPA expiration over the new Wind Projects' energy production during the ten year guarantee.[3]

In the non-unanimous Stipulation and Agreement PPA RV is defined as "value associated with replacing the existing wind PPAs during the period of guarantee, as shown in Exhibit C (row 15 excel).[4]

Q. Why was an MPPM necessary in the CCN case?

A. From Staff's perspective, at least in part, the MPPM was a necessary shield of the uncertainty associated with the customer benefit proposition posed by Empire in that case. The fact that circumstances would change beyond the modeled values associated with Empire's procurement plan was known at the time Empire requested the CCN. The Commission agreed that the MPPM was an appropriate balance of the risk of uncertainty for ratepayers compared to the certainty of cost recovery of the wind farms.

Q. On page 11, lines 18-19 of his direct testimony OPC witness Mazell Payne argues that the PPA RV should be zero until the Meridian Way contract expires in 2028. Is it possible that a PPA RV could be included prior to 2028?

[3] Hearing Exhibit No. 3 – Surrebuttal of Blake A. Mertens in Case No. EA-2019-0010, pages 12-13.
[4] Page 16 of the non-unanimous stipulation and agreement in Case No. EA-2019-0010.

A. Yes. Exhibit C of the Ordered Stipulation and Agreement in Case No. EA-2019-0010 includes a formulaic determination of the PPA RV. ** [redacted] . **[5]

Q. Has the production from Elk River and Meridian Way reduced more than ** [redacted] **?

A. No. Therefore, the PPA RV in each year, to date, should be zero. Please refer to the calculation of PPA RV, including actual values for production from Elk River and Meridian Way, attached to this testimony as Confidential Schedule JL-r2. The PPA RV was always intended to be updated based upon actual generation data, revenue requirement realized in current rates, and actual generation of the Empire owned wind farms.[6] For purposes of this case, I did not update the ratio of Total Wind Revenue Requirement or the annual generation from the three Liberty owned wind assets because the Allocated Benefit of PPA replacement is zero, negating any need to calculate those

[5] Neosho Ridge, King's Point, North Fork Ridge
[6] Ibid.

values to calculate the Reduction in Revenue Requirement from PPA Replacement. Multiplying the appropriate Allocated Benefit of PPA replacement, zero, by any ratio of Wind Revenue Requirement and annual generation would still result in the value being zero.

Q. Beginning on page 25 his direct testimony, Mr. Doll describes the "clarification" of PPA RV from Case No. ER-2021-0312. In your surrebuttal testimony in Case No. ER-2021-0312, you indicated that Appendix C of the Stipulation and Agreement does not define how to calculate "allocated benefit of PPA replacement GWh. Does that statement still hold true today?

A. Yes, with a slight caveat. While the literal PDF attached to the agreement did not include a calculation method, the excel file utilized to produce Exhibit C does include a calculation method. I verified that the file that Empire provided in response to Staff data request 0007 in this case matches a file received via email through counsel shortly before the non-unanimous Stipulation and Agreement was filed. This file is explicitly mentioned in the stipulation Appendix B by explaining that "row 15 excel" would be used for the PPA RV in the workbook used to formulate the Appendices.[7] Row 15 of the MPPM examples refers to row 11 in the Appendix C workbook, which is calculated as I described above. Furthermore, nearly the entirety of Exhibit A walks through the process flow of the excel file. Appendix B to the EA-2019-0010 stipulation and agreement:

[7] Appendix B and Exhibit A make multiple references to the excel file in explanation of the various calculations of the MPPM values.

1. Defines PPA Replacement Value as "**value associated with replacing the existing wind PPAs** during the period of the guarantee, as shown on Exhibit C (row 15 excel)," page 16; and
2. Explains that calculation of AWV as, "On an annual basis, the Annual Wind Value (AWV) will be calculated based on the SPP market revenues earned by the Wind Projects (SSP$) less the Wind Projects costs (WRR) plus the value associated with avoiding the replacement of the existing wind power purchase agreements (PPA_Replacement). **The existing wind power purchase agreements are Elk River and Meridian Way. This is shown in Exhibit D row 16**…"

Emphasis added

Q. Has the calculation of the PPA RV been clarified since the EA-2019-0010 Commission order?

A. Yes. As a part of the approved Fourth Partial Stipulation and Agreement from Case No. ER-2021-0312, the calculation for the PPA RV is clarified as follows:[8]

iv. A PPA replacement value will be calculated:

- For any renewable compliance standard not met by the existing wind PPAs through life of the MPPM;
- Based on the energy from the wind projects being used to meet the renewable standards that is not met by existing solar requirements (e.g., currently 2% of Missouri RES)

Q. Does this redefine the definition of PPA RV referenced above?

[8] Case No. EO-2021-0312, *Fourth Partial Stipulation and Agreement*, page 8.

A. No. This simply provided clarification and refinement to the PPA RV calculation to use at the time the PPA contracts expire and the GWh associated with those contracts need to be replaced. Since neither of the PPAs have been replaced, that clarification is not yet relevant. The clarification agreed upon in that case would limit the Energy used to calculate PPA replacement, not increase the amount of PPA replacement prior to the expiration of the PPAs.

Q. In his direct testimony in this case, Mr. Doll contends that the Elk River PPA extension should be considered a new procurement period,[9] effectively ending the "existing contract." Does the extension of the contract warrant calculating PPA RV and reducing the MPPM sharing amount?

A. No. Empire customers are still being asked to pay for the costs of the PPA. The Empire owned wind farms have not replaced the PPA because Empire customers are still paying for the PPA. Additionally, the production of the PPA has not reduced to a level that warrants imputation of PPA RV.

Q. Does the company's need for capacity and reliability change Staff's position on the PPA RV?

A. No. In his explanation for the need of the extension, Mr. Doll highlights capacity and reliability as major drivers of the decision to extend the contract.[10]

[9] Page 50 of Aaron Doll direct testimony in this case.
[10] Page 48 of Aaron Doll direct testimony in this case.

The amount of accredited capacity available from this resource is limited[11] and the resource is non-dispatchable, minimizing the value of capacity and reliability.

Q. Was Empire aware of all of the facts in this case at the time of the decision to extend the PPA?

A. Yes. Empire knew that the MPPM existed in its ordered form and that the actual production from the Elk River wind farm should be included in the calculation of PPA RV.

Q. Has the Company calculated a PPA RV greater than zero for any of the years at issue?

A. Yes. Empire has calculated a PPA RV in each of the guarantee years[12] to date.

Q. Do you agree with the Company's calculated PPA RV?

A. No. Empire's calculation of PPA RV does not follow the calculation method from Case No. EA-2019-0010 and does not account for differences in ** [redacted] ** as previously contemplated. Furthermore, Empire's PPA RV calculation assumes that Renewable Energy Credits (RECs) are produced and retired in each month throughout the year and does not account for the fact that RECs can be banked and do not expire until 3 years after they are produced.

[11] The most recent SPP Accredited Capacity for Elk River is ** [redacted] ** in the summer season and ** [redacted] ** in the winter season. This information was provided by Empire in response to Staff data request 0002 in this case.

[12] Because the 10 year guarantee period began on June 1, 2022, when dates became effective following the ER-2021-0312 rate case, the guarantee year begins June 1 of one year and ends May 31 of the following calendar year. Guarantee year 4 ended May 31, 2026.

In Guarantee Year 4, Empire has exacerbated that issue by removing the generation from Elk River from the calculation during the PPA extension causing a further overestimation of PPA RV.

Q. If the Commission were to agree with Empire that the PPA extension should effectively zero out the production from the "original Elk River contract" what would an appropriate allocated benefit of PPA replacement GWh?

A. If the Commission agrees with Empire, the value should be zero in each year except guarantee year 4, then the value would equal 268 GWh. I have attached to this testimony schedule JL-r3 which provides the calculation of this alternative. I will note that the dollar value calculated in that schedule relies upon Empire's calculation of wind revenue requirement as filed in the MPPM filings for guarantee years 1-4 in Case No. ER-2021-0312 and has not been verified or validated by Staff at this time. Based on Empire's calculated revenue requirement, the impact would equal less than $8.5 million through guarantee year 4 which is far less than the value that Empire has imputed to date.

Q. Does the calculated PPA RV calculated above differ from Empire's calculated value?

A. Yes, through four years of the guarantee period, Empire has inappropriately included $34,115,425 in PPA RV despite continuation of the PPA contracts and without a reduction that corresponds with the ** [redacted] . **

Q. Does Empire's calculation of the annual values follow the calculation method from Appendix B of the Ordered Stipulation and Agreement in case number EA-2019-0010?

A. No. Empire's calculation method abandons the method and definitions agreed upon and ordered in Case No. EA-2019-0010. Empire's new method has never been ordered or approved. Both OPC and Staff have opposed the new method since it was initially introduced in 2023.[13]

Q. What is the effect of Empire's approach to PPA RV on customers?

A. Empire's approach deteriorates the ratepayer protection that Empire agreed to and the Commission ordered. By including the inflated value, Empire customers will receive a lower shared amount eroding the ratepayer protection afforded to customers through the Commission-approved MPPM. To date, Empire has included more than $34 million in PPA RV which will result in a reduction of more than $17 million dollars that would otherwise be included in the agreed upon regulatory liability.

Q. Does Staff's approach to PPA RV harm Empire?

A. No, Staff's approach upholds the risk sharing measure that Empire agreed to and the Commission ordered as a condition to approval of the Certificates of Convenience and Necessity. Based upon the filed MPPM documents provided by Empire to date, Empire shareholders have earned $143,271,030 in equity returns from rate payers through the 4 years of the guarantee.[14] Meanwhile the market revenue to date has not offset the wind revenue requirement realized by ratepayers.[15] Keeping the calculation

[13] See OPC's motion in Response to Liberty's MPPM Notice Filing, entered into EFIS as item number 389 on 11/13/2023 in Case No. ER-2021-0312.
[14] Response to Staff Data request 6.
[15] Ibid.

as it was agreed upon is the appropriate way to balance the risk between shareholders and ratepayers.

Q. Does Staff agree with OPC witness Manzell Payne that the value of PPA RV must be zero until after the expiration of the contract?

A. No. However, Staff believes that the calculation method agreed upon in Case No. EA-2019-0010 should be used to calculate the value. While we have reached the same conclusion, that the value to date equals zero, Staff's method would still allow some value if the production of the PPAs dropped off dramatically prior to expiration.

Q. Are there other aspects of this case that the Commission should take into consideration?

A. Yes, several additional areas deserve additional consideration.

1. Recovery of the PPA costs occurs through customer rates and the FAC, including costs of curtailment.
2. Those PPA costs have historically been very high in comparison to market costs of energy.
3. Empire chose to retire its Asbury coal plant early shortly after the Empire-owned wind farms were approved.
4. RECs are not produced and sold in monthly increments and Empire's calculation inappropriately assumes that they are.
5. The PPA RV calculated by Empire is not an actual dollar value that any customer has realized to date.

Q. Has Staff provided additional calculations associated with the MPPM beyond PPA RV at this time?

A. No.

Q. What does Staff recommend the Commission order in this case?

A. Staff recommends that the Commission order Empire to refile the MPPM filings indicating a zero PPA RV in accordance with the formula utilized for attachment C of the Stipulation and Agreement from EA-2019-0010.[16] The final Guarantee value resulting from the MPPM will not be finalized until the conclusion of Guarantee year 10. At that point in time, all of the components of the MPPM will need to be evaluated on the basis of actual information for the entire Guarantee period.

Q. Does the PPA RV or the value of MPPM for guarantee years 1-4 need to be determined in this case?

A. No. While Staff recommends that the Commission direct Empire to discontinue the practice of miscalculating PPA RV in the MPPM filings in this case, technically the final values of the components of MPPM will be addressed in the first general rate case following the 10th year of the guarantee period. A Commission order in this case explaining the error in Empire's calculation would provide clarity at the point in time when all other components of MPPM are to be litigated. Staff does not recommend that the Commission order in this case address any other component of the MPPM values, because those values have not been reviewed or verified at this time.

Q. Does that conclude your testimony?

[16] If non-zero, this value may be further reduced depending on REC requirements.

A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Clarification of PPA Replacement Values for The Empire District Electric Company's d/b/a Liberty's Market Price Protection Mechanism	)))))	Case No. EO-2026-0101

AFFIDAVIT OF J LUEBBERT

STATE OF MISSOURI	)	
	)	ss.
COUNTY OF COLE	)	

COMES NOW J LUEBBERT and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Rebuttal Testimony of J Luebbert*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

J LUEBBERT

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 5th day of November 2026.

Notary Public

Credentials and Background of
J Luebbert

I have a Bachelor of Science degree in Biological Engineering from the University of Missouri. My work experience prior to becoming of member of the Missouri Public Service Commission Staff includes three years of regulatory work for the Missouri Department of Natural Resources.

I am currently employed as the manager of the Tariff/Rate Design Department of the Industry Analysis Division of the Missouri Public Service Commission Staff. Prior to holding my current position, I was employed as Case Manager of the Commission Staff Division, Associate Engineer of the Engineering Analysis Department of the Industry Analysis Division, and as a Utility Engineering Specialist III in the Energy Resources Department of the Commission Staff Division. I have been employed at the Missouri Public Service Commission since March 2016 and am responsible for preparing staff recommendations and ensuring that Staff presents recommendations in a neutral, independent manner to inform the Commission of Staff's position and possible alternatives.

Case Participation of
J Luebbert

Case Number	Company	Issues
EO-2015-0055	Ameren Missouri	Evaluation, Measurement, and Verification
EO-2016-0223	Empire District Electric Company	Integrated Resource Planning Requirements
EO-2016-0228	Ameren Missouri	Utilization of Generation Capacity, Plant Outages, and Demand Response Program
ER-2016-0179	Ameren Missouri	Heat Rate Testing
ER-2016-0285	Kansas City Power & Light Company	Heat Rate Testing

Case Number	Company	Issues
EO-2017-0065	Empire District Electric Company	Utilization of Generation Capacity and Station Outages
EO-2017-0231	Kansas City Power & Light Company	Utilization of Generation Capacity, Heat Rates, and Plant Outages
EO-2017-0232	KCP&L Greater Missouri Operations Company	Utilization of Generation Capacity, Heat Rates, and Plant Outages
EO-2018-0038	Ameren Missouri	Integrated Resource Planning Requirements
EO-2018-0067	Ameren Missouri	Utilization of Generation Capacity, Heat Rates, and Plant Outages
EO-2018-0211	Ameren Missouri	Avoided Costs and Demand Response Programs
EA-2019-0010	Empire District Electric Company	Market Protection Provision
GO-2019-0115	Spire East	Policy
GO-2019-0116	Spire West	Policy
EO-2019-0132	Kansas City Power & Light Company	Avoided Cost, SPP resource adequacy requirements, and Demand Response Programs
ER-2019-0335	Ameren Missouri	Unregulated Competition Waivers and Class Cost Of Service
ER-2019-0374	Empire District Electric Company	SPP resource adequacy
EO-2020-0227	Evergy Missouri Metro	Demand Response programs
EO-2020-0228	Evergy Missouri West	Demand Response programs
EO-2020-0262	Evergy Missouri Metro	Demand Response programs
EO-2020-0263	Evergy Missouri West	Demand Response programs
EO-2020-0280	Evergy Missouri Metro	Integrated Resource Planning Requirements
EO-2020-0281	Evergy Missouri West	Integrated Resource Planning Requirements
EO-2021-0021	Ameren Missouri	Integrated Resource Planning Requirements
EO-2021-0032	Evergy	Renewable Generation and Retirements
GR-2021-0108	Spire Missouri	Metering and Combined Heat and Power
ET-2021-0151	Evergy	Capacity costs
ER-2021-0240	Ameren Missouri	Market Prices, Construction Audit, Smart Energy Plan, AMI
ER-2021-0312	Empire District Electric Company	Construction Audit, Market Price Protection, PISA Reporting

Case Number	Company	Issues
EO-2022-0193	Empire District Electric Company	Retirement of Asbury
ER-2022-0129	Evergy Missouri Metro	MEEIA annualization
ER-2022-0130	Evergy Missouri West	MEEIA annualization, Schedule SIL revenue and incremental costs
EF-2022-0155	Evergy Missouri West	Customer event balancing
EC-2022-0315	Evergy Missouri West	Compliance with Stipulation and Agreement, Commission Order, and Schedule SIL
GR-2022-0179	Spire Missouri	Compressed Natural Gas
EA-2022-0244	Ameren Missouri	Huck Finn Solar CCN
EA-2022-0245	Ameren Missouri	Boomtown Solar CCN
EA-2022-0328	Evergy Missouri West	Persimmon Creek CCN
ER-2022-0337	Ameren Missouri	Billing determinant adjustments
EA-2023-0286	Ameren Missouri	Solar CCNs
EO-2024-0002	Evergy Missouri West Evergy Missouri Metro	Data retention
EO-2023-0136	Ameren Missouri	MEEIA program design, avoided costs
EO-2023-0369 EO-2023-0370	Evergy Missouri Metro Evergy Missouri West	MEEIA program design, tariffs
EA-2024-0237	Ameren Missouri	Economic Feasibility
ER-2024-0261	Empire District Electric Company	Large Load Customer Service tariff
EA-2024-0292	Evergy Missouri West	Economic Feasibility and Decisional Prudence
EA-2025-0075	Evergy Missouri West	Economic Feasibility and Decisional Prudence
EA-2025-0087	Ameren Transmission Company of Illinois	Economic Feasibility
EO-2025-0154	Evergy Missouri Metro Evergy Missouri West	Large Load Customer Service tariff / RTO impact
ET-2025-0184	Ameren Missouri	Large Load Customer Service tariff / RTO impact
EA-2025-0238	Ameren Missouri	Public interest
OO-2025-0233	Empire District Electric Company	Billing determinants and estimated interval data
EA-2025-0299	Empire District Electric Company	Decisional Prudence
ER-2026-0143	Evergy Missouri Metro	Incremental Transmission Expense

Case Number	Company	Issues
EA-2026-0183	Ameren Missouri	Large Load Customer Renewable Solutions Program