Exhibit No.:	_____
Issue(s):	Wind Value in Context
Witness/Type of Exhibit:	Marke/Rebuttal
Sponsoring Party:	Public Counsel
Case No.:	EO-2026-0101

REBUTTAL TESTIMONY

OF

GEOFF MARKE

Submitted on Behalf of the Office of the Public Counsel

THE EMPIRE DISTRICT ELECTRIC COMPANY
D/B/A LIBERTY

FILE NO. EO-2026-0101

November 5, 2026

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CASE NO.: EO-2026-0101

I. INTRODUCTION

Q. Please state your name, title, and business address.

A. Geoff Marke, PhD, Chief Economist, Office of the Public Counsel (OPC or Public Counsel), P.O. Box 2230, Jefferson City, Missouri 65102.

Q. What are your qualifications and experience?

A. I have been in my present position with OPC since 2014 where I am responsible for economic analysis and policy research in electric, gas, water, and sewer utility operations.

Q. What is the purpose of your rebuttal testimony?

A. I am responding to the direct testimony filed by Liberty Utility ("Liberty" or "Empire") witness Aaron J. Doll. Specifically, I will be replying to Mr. Doll's representation of the full economic value of Liberty's wind investments.

Importantly, my silence in regard to any issue should not be construed as an endorsement of Liberty Utilities position.

II. WIND VALUE IN CONTEXT

Q. Would you give an historical perspective of Liberty before it undertook the wind investments of which Mr. Doll touts the benefits of in generalities in his direct testimony?

A. Approximately ten years before it made the wind investments, The Empire District Electric Company had an excess planning reserve margin of 33.2% within the Southwest Power Pool ("SPP"), flat load growth, and a customer base that had experienced a 62.23% compounded

increase in rates over the past decade (2006 to 2016).[1] In Case No. EM-2016-0213 Liberty Utilities acquired Empire at a 21% premium under the premise that there would be no net detriment to ratepayers as a result of the transaction.

Q. How did things change after Liberty acquired Empire?

A. Liberty's publicly stated argument to investors was that it was going to "Green Empire's Fleet" by retiring its dispatchable fossil fuel generation in favor of intermittent renewable energy—supplied primarily by wind. This stated intent materialized two years after the acquisition in Liberty's Customer Savings Plan docket (Case No. EO-2018-0092). On February 7, 2018, I wrote:

> Today, The Empire District Electric Company can claim to be both the cleanest and most expensive investor-owned utility ("IOU") in Missouri. The economic and regulatory imperative for the "Greening of Empire" that made it an attractive asset for Liberty Utilities to pay a 21% premium back in early 2016 has diminished considerably due to a combination of variables largely outside of its control. Those variables include the rejection of the Clean Power Plan, the approval of the Tax Cuts and Jobs Act of 2017, a market-run on wind generation in the Southwest Power Pool ("SPP"), and flat load growth coupled with excessive sunk environmental costs all of which reduce the window of opportunity that should otherwise exist with the ability to acquire inexpensive intermittent wind generation due to the expiration of the production and investment tax credits ("PTC" and "ITC") and potential capital offset from a tax equity partnership.
>
> Make no mistake of it, what Empire is requesting here is unprecedented. The Commission would be well advised to keep in mind the urgency (or scarcity) principle and have a healthy degree of skepticism when it comes to regulatory requests that apply an "act now, limited time only pressured sales pitch." Because of past managerial

[1] Case No. EM-2016-0123 Surrebuttal Testimony of Geoff Marke. p. 6

decisions, Empire cannot afford to shift risk onto its ratepayers by locking them into a scenario where they would increasingly be exposed to the uncertainty of excessive costs on the SPP market with an excessive amount of generation capacity.

The decision in front of the Commission is not to build a coal or wind farm. The coal plant is built. Nor does OPC believe this is merely a decision to retire Asbury and replace it with wind. Instead, what is at stake is a complete departure from how Empire has operated to date— namely, to provide safe and adequate service to meet its native load. Figures 1-3 provides a breakdown of the stated and unstated investment and operational decisions for the Commission's consideration.

Figure 1: Graphical illustration of Asbury generation to serve load (current state)



Figure 2: Graphical illustration of Company's proposed application

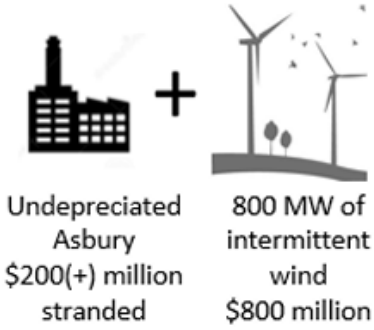


Figure 3: Graphical illustration of OPC's interpretation of Company's proposed application



The ratepayer "benefits" hoped to be obtained in this transaction are based on projecting assumptions far out into the future based on narrowly defined parameters. In contrast, the "benefits" to shareholders are guaranteed, at least in the short-term. OPC's greatest fear in this proposal is locking-in Empire's largely rural southwest Missouri ratepayers into volatile, excessive rates into the future.

There is also an opportunity cost in this proposal. Exposing Empire's ratepayers to volatile rate increases based on speculative managerial decisions that are dependent, in

part, on an SPP market that is increasingly shedding its base load generation will make every future, necessary regulatory cost required to provide safe and reliable service all the more difficult, which will in turn, impact Empire's shareholders as well. The Commission should also consider the regulatory credibility to Empire's customers that is on the line in relation to the magnitude of the proposal compared to this fast-tracked procedural schedule.[2]

Q. How well have your points aged since you presented them nearly ten years ago?

A. Unfortunately, they aged very well.

First, the Commission approved the concept of a ratepayer-backed merchant generation scheme that allowed for 600 MW of new wind farms in largely poor wind-profile areas. This had the effect of increasing the rate base by more than 40% when nothing was needed.[3]

Second, despite having fifteen years of remaining useful life, Empire ceased delivering coal to Asbury in December, 2019, with an official retirement of Asbury on its books of March 2020 with $119 million in undepreciated balance.

Third, less than one year after the self-imposed premature retirement of Asbury, Liberty was exposed to SPP market volatility from Winter Storm Uri that resulted in approximately $200 million in fuel-related costs.

And fourth, six years after Liberty retired a 200 MW fossil-fuel dispatchable coal plant, Liberty has been approved to build a 250 MW of fossil-fuel dispatchable natural gas plant.

Restated, this is effectively what I predicted back in 2018 :

[2] Case No. EO-2018-0092 Rebuttal Testimony of Geoff Marke, p. 2, 20 through p. 5, 7.
[3] It should be noted that Liberty's wind farms have been plagued with stop and start operations due to excessive take rates (i.e., deaths) of protected bats and raptors, inoperable Mexican transformers, and wind turbine collapses.

Figure 3: Graphical illustration of OPC's interpretation of Company's proposed application



Q. What point should the Commission take from your testimony?

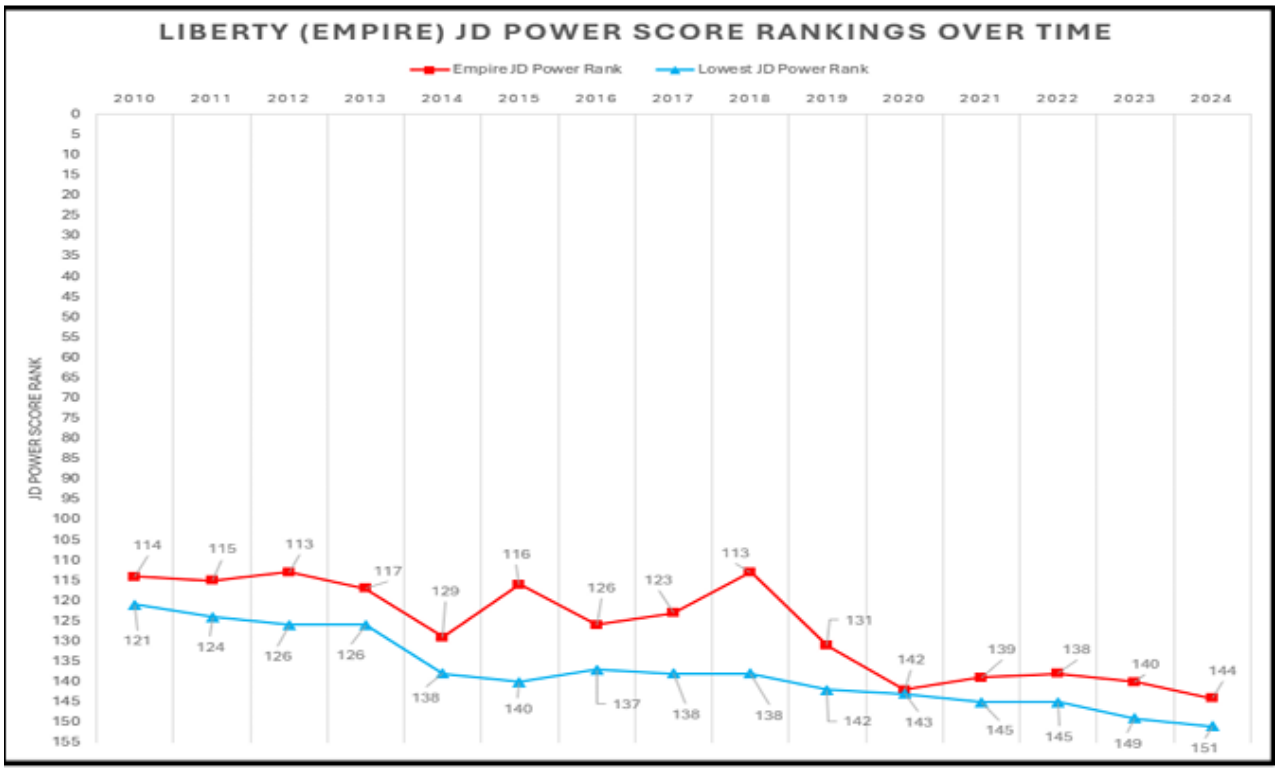
A. This is what we call a net negative outcome for Liberty ratepayers and is exactly why Liberty bills are some of the largest in the nation.

Although not demonstrably the only reason why Liberty's rates are unaffordable, the decision to prematurely strand Asbury well before the end of its useful life has been an ongoing money-making exercise for Liberty's shareholders and continues to put severe economic constraints on Southwest Missouri.

Other reasons why Liberty is consistently one of the most cost prohibitive utilities in the United States includes Empire/Liberty incurring over $100M from poor natural gas hedging strategies that captive customers had to absorb as well as Liberty's refusal (the only utility in Missouri to refuse) to flow tax benefits back to ratepayers following the 2017 Tax Cuts and Jobs Act.

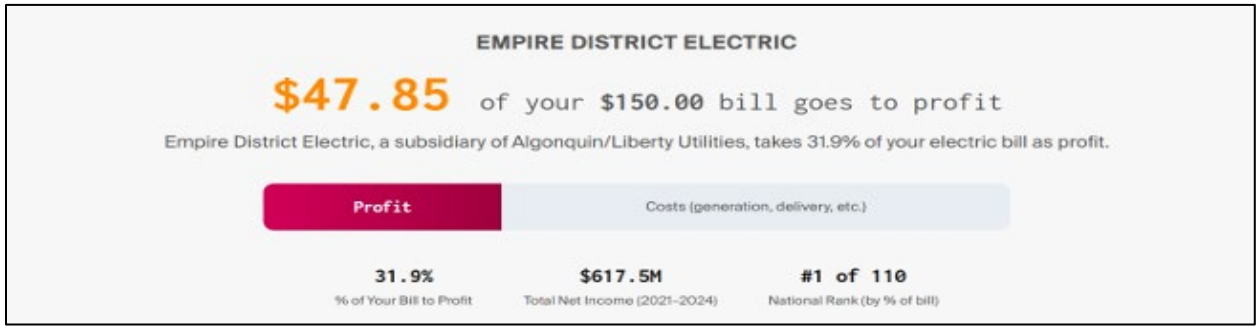
As a result Liberty consistently ranks in the bottom 5% of all electric utilities in the United States for the better part of a decade per JD Power's residential customer satisfaction scores as seen in Figure 4.

Figure 4: Liberty/Empire JD Power Scores relative to other US Utilities 2010-2024



Liberty was also recently cited by the Energy & Policy Institute as the #1 ranked, most profitable utility (out of 110 analyzed) as a percentage of total monthly bill in the United States as seen in Figure 5.

Figure 5: Energy & Policy Institute "How much do utilities *profit* from your electric bill?"[4]



[4] Green, S., Sturgis, S & D. Tait (2026) How much do utilities profit from your electric bill?" *Energy & Policy Institute* https://energyandpolicy.org/utilityprofittracker/?utility=empire-district-electric&bill=150

Q. What does the foregoing testimony have to do with clarifying the meaning of the PPA replacement value in the Commission-approved MPPM?

A. My rebuttal testimony provides greater context regarding the financial impact of these investments that have been thrust upon captive ratepayers located in Southwest Missouri which shows why Liberty has strong motivation to calculate the MPPM in a manner that eviscerates any benefit to its retail customers.

Q. What do you recommend the Commission do?

A. I recommend that the Commission clarify the PPA Replacement Value in the MPPM so that Liberty's retail customers are not more unfairly penalized than they already have been, by including a zero value for the PPA Replacement Value for the years the Elk River and Meridian Way wind PPAs are in effect.

Q. Does this conclude your testimony?

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 GEOFF MARKE

STATE OF MISSOURI)
) **ss**
COUNTY OF COLE)

Geoff Marke, of lawful age and being first duly sworn, deposes and states:

1. My name is Geoff Marke. I am a Chief Economist for the Office of the Public Counsel.

2. Attached hereto and made a part hereof for all purposes is my rebuttal testimony.

3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

Geoff Marke
Chief Economist

Subscribed and sworn to me this 5th day of November 2026.

TIFFANY HILDEBRAND
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES AUGUST 8, 2027
COLE COUNTY
COMMISSION #15637121

Tiffany Hildebrand
Notary Public

My Commission expires August 8, 2027.