Exhibit No.: _____
Issue(s): Market Price Protection Mechanism
Witness/Type of Exhibit: Payne/Rebuttal
Sponsoring Party: Public Counsel
Case No.: EO-2026-0101

REBUTTAL TESTIMONY

OF

MANZELL PAYNE

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

TABLE OF CONTENTS

Testimony	Page
Market Price Protection Mechanism	2

REBUTTAL TESTIMONY

OF

MANZELL M PAYNE

THE EMPIRE DISTRICT ELECTRIC COMPANY D/B/A LIBERTY

CASE NO. EO-2026-0101

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

A. My name is Manzell Payne. I am a Senior Utility Regulatory Auditor for the Office of the Public Counsel ("OPC" or "Public Counsel"), P.O. Box 2230, Jefferson City, Missouri 65102.

Q. Are you the same Manzell Payne who filed direct testimony for the Office of the Public Counsel in this case?

A. Yes.

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my rebuttal testimony is to address The Empire District Electric Company d/b/a Liberty[1] witness Aaron Doll's testimony on his interpretation of the PPA Replacement Value and his proposal to disregard Elk River's continued contribution after the original PPA contract term. I also address his treatment of Ozark Beach, the 1.25 multiplier for qualifying Missouri renewable generation under Missouri's Renewable Energy Standard (RES), and TCR/ARR Revenues.

Q. What are you recommending to the Commission in this proceeding?

A. I recommend that the Commission require Liberty to use a zero PPA Replacement Value for the periods in which both the Elk River and Meridian Way PPAs remain in effect. The Commission should reject Liberty's proposal to disregard Elk River's contribution solely because the original PPA contract term ended and the extension term began. If one PPA ends while the other continues, the Commission should evaluate the replacement attributable to the agreement that ended and recognize the contribution still available from the continuing agreement. Based on the contract information discussed in my direct testimony, Meridian Way is scheduled to expire in 2028, while Elk River's extension is into 2030.[2] My

[1] Heretofore "Company" or "Liberty."

[2] Company response to OPC Data Request in Case No. ER-2024-0261. Attached to direct testimony as MMP-D-10.

recommendation for the Commission follows the actual status of the agreements rather than expiration dates assumed in the original MPPM illustration.

MARKET PRICE PROTECTION MECHANISM

Q. What is Liberty witness Aaron Doll's position on the PPA Replacement Value for the MPPM?

A. Mr. Aaron Doll in his direct testimony maintains that Liberty's calculation follows the approved MPPM and the clarification in Case No. ER-2021-0312. He contends that a replacement value can arise while the existing Elk River and Meridian Way PPAs remain active if their production, together with the specified solar treatment, does not satisfy the applicable renewable requirement and the Wind Projects supply the remainder. He opposes an Ozark Beach offset, the in-state 1.25 multiplier, and additional customer-solar adjustments. He also proposes treating Elk River's PPA extension as a separate procurement and recognize the original PPA only through its original term. [3]

Q. What is your central disagreement with Mr. Doll's testimony?

A. As Mr. Doll points out, if the Commission looks only at today's annual MPPM calculation they could have questions about each component included in, or excluded from, that calculation, which is why the historical record is important.[4] In my direct testimony, I provide historical context for each case in which the MPPM was contemplated or litigated. Liberty's lawyer and its witness both provided important context for the PPA Replacement Value during the live hearing in Case No. EA-2019-0010.[5] Now, Mr. Doll is changing how the Company interprets the PPA Replacement Value in the MPPM from what they said and testified to there. Mr. Doll treats the portion of Liberty's RES requirement not met by the existing Elk River and Meridian Way wind PPAs as sufficient to establish a nonzero PPA Replacement Value to include in the MPPM. Under his interpretation, that credit can arise even while both the Elk River and Meridian Way wind PPAs continue to supply energy. I

[3] Liberty witness, Aaron Doll, Direct Testimony, Case No. EO-2026-0101. Page 51, Lines 4-21.
[4] Liberty witness, Aaron Doll, Direct Testimony, Case No. EO-2026-0101. Pages 3, Lines 21-22 and 1-2, respectively.
[5] Case No. EA-2019-0010, Evidentiary Hearing Live Testimony Transcript, Item No. 89. Page 29-30, lines 18-25 & 1-8 (opening statement of Dean Cooper); Pages 194-195, lines 18-25(testimony of David Holmes). Attached to my direct testimony as MMP-D-7. Video of hearing can be found at https://psc.mo.gov/VideoDetail.aspx?Id=6122

disagree that every such shortfall represents the replacement of an existing wind PPA as contemplated by the Commission when it approved the MPPM. The Commission should determine when that credit is allowed by the MPPM before accepting the numerical result that Liberty has calculated. That amount begins whenever the PPAs for Elk River and Meridian Way go away.[6]

Q. Does your position depend only on the zero values presented to the Commission in the original illustration of the MPPM?

A. No. The zero values are consistent with the explanation Liberty's lawyer and witness gave when the Commission considered and then approved the MPPM. Appendix B associates the value with replacing the existing wind PPAs.[7] Liberty witness David Holmes explained that the Wind Projects would support renewable requirements after the Elk River and Meridian Way PPAs rolled off. When asked why the illustration assigned the zero values during the contractual duration of the PPAs, he answered, "Correct. You haven't replaced anything."[8]

Mr. Doll also acknowledges that in the 2019 Report and Order the Commission discusses the replacement value after expiration of the wind PPAs. I read the illustration and Liberty's explanation together with that discussion. They support recognizing a PPA replacement value when an existing PPA ends, rather than whenever wind farm PPA production falls below an assumed level. In my opinion, Mr. Doll's interpretation goes directly against the original intent and meaning of the PPA replacement value as presented by Liberty and ordered by the Commission.

Q. What is your response to Mr. Doll's reliance on the 2022 Fourth Partial Stipulation and Agreement for his interpretation of the PPA replacement value in the MPPM?

A. The 2022 clarification must be considered with the mechanism it clarified. It addresses the renewable requirement not met by the existing wind PPAs and ties the **PPA replacement**

---

[6] Company attorney Dean Cooper's Opening. Case No. EA-2019-0010, Evidentiary Hearing Live Testimony Transcript, Item No. 89. Page 29-30, lines 18-25 & 1-8. Attached to direct testimony as MMP-D-7. Video of hearing can be found at https://psc.mo.gov/VideoDetail.aspx?Id=6122 Timestamp: 37:17

[7] Case No. EA-2019-0010, Non-Unanimous Stipulation and Agreement, Appendix B. Attached to direct testimony as MMP-D-5.

[8] Case No. EA-2019-0010, Evidentiary Hearing Live Testimony Transcript, Item No. 89. Pages 194-195, lines 18-25. Attached to direct testimony as MMP-D-7. Video of hearing can be found at https://psc.mo.gov/VideoDetail.aspx?Id=6122 Timestamp: 5:51:30

value calculation to Wind Project energy used for compliance, subject to solar treatment. I read those provisions as specifying the amount of eligible replacement after a wind PPA ends. Mr. Doll reads that same provision to allow a PPA replacement credit whenever the existing PPAs do not supply enough renewable energy to meet the applicable RES requirement, even before a wind PPA ends. That reading expands the circumstances in which a PPA replacement value arises. In my opinion, it is inconsistent with the continued PPA replacement concept and the characterization of the 2022 Commission order that was for "clarification only." The Commission must clarify the MPPM to resolve the differing viewpoints on how the PPA replacement value works in the MPPM.

Q. Does the 2022 Stipulation and Agreement language expressly say that a PPA must expire before a replacement value is calculated?

A. No. The language does not expressly repeat that condition. However, the clarification also does not expressly state that production from an ongoing PPA that is insufficient to meet the applicable RES requirement establishes a PPA Replacement Value. The Commission must read the clarification together with the language of the MPPM it clarified. I do not believe the absence of a repeated expiration condition is enough to discard the earlier replacement concept. My recommendation recognizes the clarification's limits on the amount of Wind Project energy eligible for PPA Replacement Value while retaining the requirement that an existing wind PPA—Elk River and Meridian Way PPAs—first end. The Commission needs to clarify the meaning of its orders.

Q. Does the phrase "Clarification only" resolve the issue?

A. No. The phrase supports continuity with the existing mechanism, but the substance of the clarification must also be considered. Mr. Doll agrees that the parties were providing specificity, not proposing that the Commission modify the MPPM to establish a new economic bargain. The relevant question is whether his proposed pre-expiration credit supplies that specificity or changes the event that makes a replacement credit available. I believe that Mr. Doll's position changes the event where a PPA Replacement Value is recognized.

Q. Mr. Doll brings up the history and the positions for which Public Counsel advocated across the different proceedings involving the MPPM. Are you asking the Commission to adopt all positions for which OPC advocated in earlier proceedings?

A. No. As Mr. Doll has pointed out, the MPPM was negotiated and ultimately a compromise mechanism that was ordered by the Commission. OPC advocated for positions in earlier proceedings that were not fully incorporated into the Commission-approved MPPM. My recommendation here is based on the PPA Replacement Value component that the Commission approved and later clarified. Earlier proposals and explanations presented to the Commission provide context for interpreting the approved MPPM. However, a party's earlier position does not, by itself, establish what the Commission ultimately approved. My recommendation considers that history together with the approved language.

Q. How do you respond to Mr. Doll's argument that the original zero values in the illustrative MPPM were merely the mathematical result of assumed production?

A. I agree that actual production should be used in the MPPM. However, using actual production does not resolve whether a PPA Replacement Value should be recognized while both Meridian Way and Elk River wind PPAs remain in effect. That explanation does not fully address the reason Mr. Holmes gave for those zero values in Case No. EA-2019-0010. Mr. Holmes connected the zero values to the continuing Elk River and Meridian Way wind PPAs and explained that nothing had been replaced. My position follows that explanation, where lower production under an existing PPA does not, by itself, establish that the PPA has been replaced. The Commission's discussion of value after wind PPA expiration is also relevant. These explanations support an eligibility condition that cannot be resolved by simply replacing forecasted production with actual production as Liberty is doing in its PPA Replacement Value formulation. In doing so, Liberty is doing the exact thing they say they are not, which is changing the ordered MPPM to fit their narrative instead of following the Commission's ordered MPPM. I agree that forecast dollar amounts and production should be updated to actuals. I disagree that updating those quantities permits Liberty to recognize a PPA replacement value before the event occurs that originally justified the value.

Q. What if actual production from the Elk River and Meridian Way PPAs is below the amount needed to meet Liberty's applicable RES requirement?

A. That may create a compliance need that Liberty must address. However, that does not mean an existing wind PPA has ended or has been replaced. My position is that the PPA Replacement value reflects the replacement of the existing PPAs when they end. A shortfall in production while both PPAs remain in effect does not, by itself, justify including a PPA Replacement Value in the MPPM.

Q. What treatment does Mr. Doll propose for Liberty's extension of its Elk River PPA?

A. He proposes treating Elk River as an existing wind PPA through the original term contemplated when the MPPM was developed, then treating the extension as a separate procurement period. He explains that the extension had different commercial terms and was driven by changed capacity and reliability needs. He nevertheless acknowledges that the extension was implemented through an extension of the existing PPA.

Q. Why do you disagree with that treatment?

A. The procurement rationale does not establish that renewable energy ceased to be available from Elk River. Mr. Doll describes an extension under which Liberty continued purchasing output from that facility.[9] The calculation should recognize that continuing contribution rather than assume it disappeared on the original expiration date. The approved replacement provisions do not expressly state that output purchased under an amendment extending an existing PPA must be excluded after its original term ends. In my opinion, treating the extended agreement as irrelevant to the existing PPA contribution could attribute replacement value to the owned Wind Projects for renewable supply Liberty continued to obtain from Elk River.

Q. How does that proposal relate to Mr. Doll's emphasis on actual values?

A. Mr. Doll relies on actual PPA production to argue that the original MPPM illustration's zero values should change. The same approach should recognize that the Elk River PPA was extended and that Liberty continued receiving its output. By continued output, I mean the energy Liberty purchases from Elk River and the associated renewable attributes available to Liberty under the PPA after its extension. Whether those renewable attributes are available to

[9] Company response to OPC Data Request in Case No. ER-2024-0261. Attached to direct testimony as MMP-D-10.

Liberty to meet its RES requirement depends on the PPA and Liberty's RES records. An original forecasted expiration date should not cause that qualifying contribution to be disregarded. Even if the Commission accepts Liberty's position that a PPA Replacement Value can arise whenever the existing wind PPAs do not meet the applicable RES requirement, it should recognize Elk River's qualifying contribution during the PPA extension period when determining the remaining requirement.

Q. Are you contesting the prudence of extending the Elk River PPA?

A. My recommendation concerns how the extended agreement is reflected in the MPPM. It does not require the Commission to address the prudency of the extension.

Q. Does excluding a separate capacity value from the MPPM justify disregarding Elk River's continued renewable contribution?

A. No. Mr. Doll explains that capacity value is not separately credited in the approved MPPM. I agree, but that does not establish a reason to disregard renewable energy supplied under the Elk River PPA extension. His concern is that the MPPM would recognize the extension's renewable contribution without separately recognizing the capacity benefit that motivated the extension. But the mechanism does not measure every wind PPA benefit. The omission of a capacity credit does not make the extension's qualifying renewable contribution disappear.

Q. Does the Kansas approval discussed by Mr. Doll resolve the Missouri MPPM issue?

A. No. Missouri is not Kansas. Mr. Doll acknowledges that the Kansas approval does not determine how the Missouri MPPM operates. His description concerns approval of a procurement amendment. It does not establish that the Missouri PPA Replacement Value calculation should exclude Elk River's continued contribution.

Q. What is the focus of your disagreement with Liberty's PPA Replacement Value calculation?

A. My disagreement concerns when a PPA Replacement Value should be included (nonzero) and which renewable resources should be recognized in determining that value. My position is that no replacement value should be recognized while both existing wind PPAs—Elk River and Meridian Way—remain in effect, including during Elk River's extension term.

Q. How do you respond to Mr. Doll's proposed exclusion of Ozark Beach?

A. He argues that Ozark Beach was known when the MPPM was developed, but was not expressly identified as an offset in the PPA replacement value calculation. Ozark Beach is

relevant because eligible renewable attributes available from that resource could reduce the amount of new Wind Project energy needed for Liberty to meet its RES requirements. If eligible renewable energy credits from Ozark Beach are available to Liberty and used to meet part of its RES requirement, that portion does not also require procurement from the new Wind Projects. Whether those attributes are recognized in this MPPM calculation is another interpretation dispute. I recognize that the approved language specifically identifies the existing wind PPAs and solar treatment, and that it does not expressly list Ozark Beach. I recommend that the Commission expressly determine whether eligible Ozark Beach RECs are recognized in the PPA replacement value calculation. Its absence from a calculation does not establish that those RECs were unavailable for RES compliance. Any numerical adjustment should be supported by the eligible resources available in the relevant period.

Q. What is your response to Mr. Doll concerning Missouri's 1.25 renewable weighting?

A. Section 393.1030.1, RSMo, gives qualifying Missouri generation a compliance weighting of 1.25. If the PPA replacement value calculation is based on energy used to satisfy that standard, its treatment of physical energy and compliance credit must be consistent. A physical MWh and a weighted compliance MWh are not necessarily the same quantity. Mr. Doll argues that the multiplier was not separately incorporated into the MPPM. The Commission should clarify the MPPM's PPA replacement value on this point of contention. The statutory weighting should not be applied indiscriminately to facilities outside Missouri or applied twice to a quantity already weighted.

Q. What should the Commission clarify about solar resources?

A. The PPA replacement value calculation should distinguish the solar requirement specified in the clarification from actual solar production and the renewable resources Liberty owns or can use. The two percent solar share is a share of the renewable portfolio requirement; it is not two percentage points of all retail sales. Eligibility to use customer solar attributes should be established from ownership and retirement records. Mr. Doll contends that the parties agreed only to the specified solar adjustment. The Commission should clarify how solar production affects the PPA replacement value based on the MPPM language it approved, not what Liberty now claims it intended. Customer Solar generation should not automatically be counted as available to Liberty without establishing its rights to the associated attributes.

Q. Does Mr. Doll consistently apply his position that the MPPM should reflect actual circumstances?

A. In my opinion, he does not. On pages 34 and 35 of his direct testimony, Mr. Doll explains that the original MPPM illustration should not control the annual calculation because actual PPA production, retail sales, and other operating information differ from the original assumptions. He relies on those differences to support recognizing a PPA Replacement Value while the existing PPAs remain in effect. However, when addressing the Elk River wind PPA extension, Mr. Doll proposes retaining the original contractual end date as the cutoff for recognizing Elk River as an existing PPA, even though Liberty continued purchasing its output under an extension of that PPA. His approach updates the original assumptions when lower PPA production supports a replacement value but preserves an original assumption when recognizing the extension would reduce that value. The Commission should require a consistent explanation of why actual production is the control before the original expiration date but continued qualifying production under the amended agreement should be disregarded afterward.

Q. How does this concern relate to Mr. Doll's treatment of Ozark Beach and Missouri's 1.25 renewable compliance multiplier?

A. Mr. Doll bases his proposed PPA Replacement Value on the Missouri renewable requirement that remains unmet after recognizing selected resources are considered. Yet, he then rejects consideration of Ozark Beach and the 1.25 multiplier because they are not expressly incorporated into the MPPM calculation. This creates a further inconsistency in his explanation: he relies on renewable compliance to establish the claimed benefit while excluding matters relevant to determining the amount of renewable energy actually needed for RES (renewable energy standard) compliance. Mr. Doll distinguishes updating numerical inputs from adding provisions he believes were not adopted. That distinction identifies the parties' disagreement, but it does not resolve it. The Commission must determine whether the approved reference to renewable compliance calls for recognizing those resources and compliance characteristics, rather than accepting Liberty's selected inputs as the necessary meaning of that reference. My recommendation does not depend on treating the MPPM as a complete valuation of the Wind Projects. It requires consistent treatment of the particular replacement benefit Liberty claims. Actual circumstances should not be used selectively to

increase that benefit while circumstances that could reduce it are excluded without a sufficient basis in the approved provisions.

Q. Does Liberty's inclusion of TCR/ARR revenues provide another example of it being inconsistent in approach?

A. Yes. As discussed in my direct testimony, TCR/ARR revenues were not separately identified in the original illustrative MPPM calculation, which I provided in my direct testimony. Nevertheless, Liberty includes those revenues in its annual calculations. In response to Staff Data Request No. 0010[10], Liberty relies on the broader references to SPP market revenues, Wind Project revenues, and miscellaneous revenues to support that treatment. By contrast, Mr. Doll rejects consideration of Ozark Beach and the 1.25 renewable compliance multiplier because they are not expressly identified in the approved replacement calculation. Liberty therefore accepts broader language as sufficient to support inclusion of TCR/ARR revenues but treats the absence of express language as a reason to exclude matters relevant to the renewable compliance requirement on which its replacement credit depends. Mr. Doll is simply choosing which approach for interpreting MPPM language that he views is in Liberty shareholders' interests, regardless of whether those approaches are consistent.

Q. Would you please summarize your recommendations?

A. I recommend that the Commission preserve the approved replacement concept and require a zero PPA Replacement Value for periods during which both wind PPAs remained in effect and continued to supply energy, including the Elk River amended term. If one agreement ends while the other continues, the Commission should determine the eligible replacement value attributable to the PPA that ended while recognizing the continuing PPA's contribution. The Commission should reject Liberty's proposal to disregard Elk River solely because the amended term reflects a new procurement decision. Even if the Commission accepts Liberty's compliance-shortfall interpretation, it should still recognize Elk River's qualifying contribution and determine which other resources and compliance characteristics belong in that calculation.

[10] Company response to Staff Data Request No. 0010. Attached as MMP-R-1.

Q. Does this conclude your rebuttal testimony?

A. Yes it does.

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 MANZELL PAYNE

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

Manzell Payne, of lawful age and being first duly sworn, deposes and states:

1. My name is Manzell Payne. I am a Senior Utility Regulatory Auditor 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.

Manzell Payne
Senior Utility Regulatory Auditor

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.