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Rebuttal Testimony of Justin Tevie
Case No. EA-2026-0154

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MISSOURI PUBLIC SERVICE COMMISSION

TARIFF AND RATE DESIGN DIVISION

INDUSTRY ANALYSIS DEPARTMENT

REBUTTAL TESTIMONY

OF

JUSTIN TEVIE

EVERGY METRO, INC.,
d/b/a EVERGY MISSOURI METRO

CASE NO. EA-2026-0154

Jefferson City, Missouri
September 2026

** Denotes Confidential Information **

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REBUTTAL TESTIMONY

OF

JUSTIN TEVIE

EVERGY METRO, INC. d/b/a EVERGY MISSOURI METRO

CASE NO. EA-2026-0154

Q. Please state your name and business address.

A. My name is Justin Tevie, P.O. Box 360, Jefferson City, Missouri, 65102.

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

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

Q. Please describe your educational and work background.

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

Q. What is the purpose of your rebuttal testimony?

A. I will discuss economic feasibility of the proposed project.

ECONOMIC FEASIBILITY

Q. What is economic feasibility?

A. The Cambridge Dictionary defines "economic feasibility" as "the degree to which the economic advantages of something to be made, done, or achieved are greater than the economic costs."[1] Feasibility studies should assess whether a proposed project or solution is financially viable and cost-effective with respect to given alternative solutions.

Q. What need does this project satisfy?

A. The project is needed for resource adequacy driven by large load growth and changing SPP requirements. Staff witness Trevor Rucker discusses this issue in more detail in his testimony. If Evergy does not have sufficient capacity to meet resource adequacy requirements, Evergy may be assessed a financial penalty from SPP.

Q. How did Staff approach the economic feasibility of the Mullin Creek #2 project?

A. Staff finds the following questions to be appropriate in making its recommendation regarding the economic feasibility of the Project:

a. Is the project of sufficient importance to warrant the expense of making it?

b. Or is the project of such an improvement to justify or warrant the expense of making the improvement?

[1] https://dictionary.cambridge.org/us/dictionary/english/economic-feasibility (21NOV2024).

Q. What aspects of the project may impact its economic feasibility?

A. Staff considered alternative plans, natural gas procurement uncertainty, and economies of scale as important factors for consideration in evaluating the economic feasibility of the project.

ALTERNATIVE PLANS

Q. Did EMM provide Staff with alternatives to its preferred plan?

A. Yes. Staff issued DR No. 0015, which asked for, among other things, "a list of proposed alternatives to the Mullin Creek #2 project and their associated costs." EMM provided the following response:

> Evergy Metro's 2025 IRP identified a new simple-cycle gas turbine (SCGT) project in 2031 as part of the lowest cost plan to meet customer needs. Evergy Metro's 2026 IRP confirmed that the project, Mullin Creek #2, continues to be needed and selected as part of the lowest cost resource plan.
>
> Two alternative resource plans tested the 2031 SCGT decision in the 2025 IRP. See Section 9.5 of the 2025 IRP. Plan AAGA included 150 MW of additional storage in 2030 (replacing solar) and ½ combined cycle gas turbine (CCGT) in 2031, and Plan AAHA included 750 MW additional storage 2029-2031 (and removal of 150 MW wind and 150 MW solar from those years). Both plans also had differences from the Preferred Plan AAAA in future planning years. Plan AAGA increased NPVRR by $33 million and Plan AAHA increased NPVRR by 1.2 billion compared to Preferred Plan AAAA with the 2031 SCGT.
>
> Section 10.5 of the 2026 IRP tested an alternative resource plan removing Mullin Creek #2 as an option. The Plan ACDA included an additional 150 MW storage in 2029 and ½ CCGT in 2031 as well as some other differences in later years from Preferred Plan ACAA. Plan ACDA increased NPVRR by $230 million compared to Preferred Plan ACAA.

Q. Do the differences in net present value of revenue requirement ("NPVRR"). between plans provide a transparent view of the direct economic benefit or costs of pursuing Mullin Creek #2?

A. No, as noted in the DR response above there are differences in future planning years beyond the single Mullin Creek #2 addition that ultimately impacts that calculated NPVRR for each plan.

Q. What are the differences between the preferred plans in the 2025 and 2026 IRP Annual Updates?

A. The differences between the 2025 and 2026 preferred plans are outlined in Table 3 from Evergy Metro's 2026 IRP Annual Update, shown below.

Table 3: Evergy Metro Preferred Plan Comparison

	2025 IRP Annual Update	2026 IRP Annual Update
Retirements	La Cygne 1 March 2033 La Cygne 2 March 2040 Iatan 1 March 2040	La Cygne 1 March 2038
Wind Additions	150 MW in 2028 150 MW in 2029 150 MW in 2034 150 MW in 2035 150 MW in 2044	
Solar Additions	300 MW in 2027 150 MW in 2030 300 MW in 2036 300 MW in 2038 300 MW in 2041 300 MW in 2042 300 MW in 2043	150 MW in 2028
Battery Additions	150 MW in 2030	150 MW in 2030
Thermal Additions	440 MW CT in 2031 355 MW CC in 2032 355 MW CC in 2033 355 MW CC in 2037 355 MW CC in 2039 355 MW CC in 2040	440 MW CT in 2031 355 MW CC in 2032 440 MW CT in 2035 440 MW CT in 2038 355 MW CC in 2040 355 MW CC in 2042 148 MW RICE in 2044
New DSM Programs	MEEIA Cycle 4 Extended Demand Response	Continuation of Demand Response

**CCGT = CC, SCGT = CT, Natural Gas = NG*

Q. Did Staff raise concerns with EMM's 2026 IRP Annual Update?

A. Yes. In case EO-2026-0188/0189, Staff stated that:

> Concern #1
> Additionally, Evergy limited its review of Intermediate Capacity to half of a combined cycle generator in its capacity expansion model. A combined cycle generator ("CC") is essentially a combustion turbine generator ("CT") with an additional heat exchanger that captures the waste heat in order to improve the overall efficiency of the generator. In the stakeholder group meeting, Evergy stated that this limitation was due to capital constraints. However, while not allowing for a full CC in a given year, Evergy's capacity expansion model did allow for a half of a CC and a full CT in the same year despite the similarity in expected capital cost on a per MW basis.

Concern #2
Evergy's analysis only reviewed 4-hour batteries and did not consider other configurations, such as 6 and 8- hours as potential resources.

Concern #3
Evergy's 2026 Preferred Plan increases thermal additions that are primarily fueled by natural gas. Evergy does acknowledge some limitations to natural gas supply in EMM's discussion on the Mullen Creek site,[2] natural gas is generically treated as having one price for all proposed generators with a firm fuel supply.[3] Evergy further states that they expect to use fuel oil at the Mullen Creek site during extreme cold weather events,[4] but the price of the fuel oil does not appear in 1898 & Co.'s 2025 Wholesale Market Price Forecasts. It's unclear that Evergy's model accounts for the cost or differences in dispatch for the proposed Mullen Creek CT to account for dual fuel operation. There is no discussion about utilizing dual fuel resources in EMW's 2026 Annual Update. The natural gas price for these generators is a critical uncertain factor.[5] It is likely that the assumed resource accreditation or presumed operational costs would be different as Evergy moves from a generic thermal addition to a site-specific generation addition.

Conclusion
Overall, Staff is concerned that Evergy's analysis is short-sighted and focuses only on meeting short-term needs without considering longer term solutions that can prove more affordable to its customers. Neither baseload generation, which requires a longer time period to develop and construct, nor constructing full CCs were considered. The emphasis on short-term projects is highlighted when Evergy stated that it "does not plan to execute on 2037 resources this early in the planning process."[6] Evergy's preferred plans also did not discuss the interaction between the RES legal requirements and large load customers. This means that the preferred plan comparisons shown in Tables 1 and 2 are incomplete and likely to change in subsequent IRP filings. Evergy's short term view

[2] EMM 2026 Annual IRP Report, page 121.
[3] EMM 2026 Annual IRP Report, page 50 and EMW 2026 Annual IRP Report, page 49.
[4] EMM 2026 Annual IRP Report, page 121.
[5] EMM 2026 Annual IRP Report, page 27 and EMW 2026 Annual IRP Report, page 26.
[6] EMM 2026 Annual Report, page 104 and EMW 2026 Annual IRP Report, pages 100-101.

> means that it is likely the Commission will continue to only be presented with multiple Certificates of Convenience and Necessity ("CCN") filings with relatively expensive projects to fulfill immediate needs which will prompt frequent general rate case proceedings.

These comments cast some doubt on the portfolio selection of EMM's 2026 preferred resource plan ("PRP").

Q. What conclusions do you draw based upon the current CCN application and the Staff 2026 IRP Annual Update memorandum?

A. Given the relative cost per MW of a combined cycle generator and a combustion turbine generator, it may have been more cost-effective for Evergy to plan to build a combined cycle generator. A more efficient unit of the same fuel type would generally be dispatched more frequently by SPP, increasing the opportunity to flow marginal revenue back to ratepayers through the Fuel Adjustment Clause. The IRP analysis may have understated the cost to transport fuel, and may not have appropriately addressed dispatch of the proxy unit for Mullin Creek 2, ultimately impacting the assumed level of revenue and cost of the unit. Given the flaws identified in the Staff memorandum in Case No. EO-2026-0188, Staff does not recommend reliance on the IRP results to conclude that Mullin Creek is economically feasible.

ECONOMIES OF SCALE/INCREASING RETURNS TO SCALE

Q. Please describe EMM's assertion of the benefits of economies of scale.

A. EMM argues that economies of scale could be achieved by the addition of Mullin Creek #2. Mullin Creek #1 and Mullin Creek #2 both share the same owner's

engineer (OE) and engineering, procurement, and construction (EPC) and share a common generation technology by having the same power island equipment (PIE). The commonality in these core functions will result in increasing returns to scale that will lead to more efficient, reliable, and cost-effective delivery of the facility.

Q. Does Staff agree with this assertion?

A. Staff recognizes that there are potential benefits to integrating the engineering processes of Mullin Creek #1 and Mullin Creek #2, EMM provided estimates of cost savings in DR 0066, but does not provide documentation and support.

Q. What is EMM's estimate of the cost benefits from economies of scale?

A. EMM estimates that approximately $27m will be saved with the civil and engineering scopes of the project, while an additional $27m will be saved through the use of common site, common project teams, common suppliers and contractors, among others.[7]

Q. What is Staff's conclusion on the subject of economies of scale?

A. Economies of scale could partially offset some of the costs and beneficially impact the economic feasibility of the project.

NATURAL GAS SUPPLY UNCERTAINTY

Q. Is infrastructure needed to supply natural gas to Mullin Creek #1 and #2?

A. Yes. EMM engaged interstate, intrastate, and mid-stream natural gas pipelines to discuss potential natural gas infrastructure upgrades.[8] ** [redacted]

[7] Response to Staff DR 0066
[8] Direct Testimony of J Kyle Olson, Page 24, lines 17-18.

[redacted] **.[9]

** [redacted] **[10]

Q. How do the expected fuel transport costs compare to Evergy's annual natural gas transport costs?

A. For comparison, in 2025, Evergy Metro spent approximately ** [redacted] **[11] Further, Staff notes that for ** [redacted] ** EMM assumed ** [redacted] ** in its 2026 IRP annual update.[12]

Q. Did Evergy consider all alternatives to supply natural gas to the site?

A. ** [redacted] **.[13]

[9] Response to Staff DR 0037.
[10] Response to Staff DR 0037.
[11] Response to Staff Data Request 0055.
[12] EMM 2026 Annual IRP Update Report, Page 44, Table 6.
[13] Response to Staff DR 0037.1

Q. What condition does Staff recommend the Commission order in this case related to the natural gas transport cost?

A. Staff recommends the Commission order EMM to evaluate the ** [redacted] ** if the ** [redacted] ** and file such evaluation in this case.

Q. Do other Staff witnesses discuss natural gas supply and procurement?

A. Yes. Staff witness Trevor Rucker discusses the natural gas pipeline facilities and Staff witness David Sommerer discuss gas procurement in their respective rebuttal testimonies.

OTHER CONSIDERATIONS

Q. What other considerations can impact the economic feasibility of the project?

A. Resource adequacy sufficient to meet the peak load and reserve requirement is an important consideration that can impact economic feasibility. Resource adequacy provides benefits in the form of reliable grid operations, economic stability for generators, and regional risk mitigation across its 14-state footprint. It can also help utilities avoid fines for not being resource adequate.

Q. What is Staff's conclusion on resource adequacy as it applies to economic feasibility?

A. Resource adequacy can provide benefits to EMM in the form of system stability, reliability, and avoiding penalties for non-compliance.

CONCLUSION

Q. What are Staff's conclusions regarding the economic feasibility of the Project?

A. Given the flaws identified in the Staff memorandum in Case No. EO-2026-0188, Staff does not recommend reliance on the results of Evergy's IRP to conclude that Mullin Creek #2 is economically feasible. Further, Evergy has not ** [redacted] ** Fuel availability may require higher cost fuel to be used during winter generation, limiting the market revenue of the Mullin Creek #2 unit. Furthermore, conditions in the global markets could affect the final design of the fuel back up system and can create cost uncertainties that may impact the economics of the project.

Staff concludes that Evergy's planning to date may have eliminated a more economic resource consideration for the identified need.

However, the current time frame to redevelop an alternative generation resource to meet the relatively short-term capacity need in 2031, Evergy's application for ERAS for the Mullin Creek unit, resource adequacy requirements, and the beneficial impact of economies of scale are public interest considerations the Commission should consider.

Thus while Staff questions the economic feasibility of the project as presented, the project may still be in the public interest as further discussed by Staff witnesses Shawn Lange, PE.

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

A. Staff recommends that the Commission order the following conditions in this case:

- Evergy should consider alternative battery configurations such as a 6- or 8-hour type in future IRP analysis.
- Future IRP analysis should not constrain the model to build ½ CC per year.
- EMM shall evaluate the ** [redacted] ** if the ** [redacted] ** and file such evaluation in this case.

Q. Does this conclude your rebuttal testimony?

A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Application of Evergy Metro, Inc. d/b/a Evergy Missouri Metro for Permission and Approval of a Certificate of Convenience and Necessity Authorizing it to Construct, Install, Own, Operate, Manage, Maintain, and Control a Natural Gas Electrical Production Facility	)))))))	Case No. EA-2026-0154

AFFIDAVIT OF JUSTIN TEVIE

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

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

Further the Affiant sayeth not.

JUSTIN TEVIE

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 9th day of September 2026.

Notary Public

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2027
Commission Number: 15207377

CREDENTIALS AND CASE PARTICIPATION OF

JUSTIN TEVIE

Present Position:

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

Educational Background and Work Experience:

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

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

ER-2024-0184	Evergy Missouri Metro	Staff Recommendation	MEEIA Cycle 3
ER-2023-0369	Evergy Missouri West	Direct	MEEIA Cycle 4 Savings shapes, program evaluation, EM & V, Principal-Agent problem
		Rebuttal	
ER-2023-0370	Evergy Missouri Metro	Direct	MEEIA Cycle 4 Savings shapes, program evaluation, EM & V, Principal-Agent problem
		Rebuttal	
ER-2024-0189	Evergy Missouri West	Direct	Special Incremental Load/NUCOR Locational Market Prices
		Rebuttal	
		Surrebuttal/True up	
		True-up rebuttal	
GR-2024-0106	Liberty MidStates Utilities	Direct	Transport Revenues
		Rebuttal	
		Surrebuttal	
ER-2024-0319	Ameren Missouri	Direct Testimony	Locational Market Prices
EA-2024-0292	Evergy Missouri West	Solar CCN	Economic Feasibility and resource adequacy.
EA-2025-0075	Evergy Missouri West	Natural Gas CCN	Economic Feasibility, interconnection costs and resource adequacy.
ER-2024-0261	Empire District Electric	Direct Surrebuttal	Market Prices Economic Development Rider

EA-2025-0238	Ameren Missouri CCN	CCN	Economic feasibility, interconnection cost, request for proposal
EA-2025-0239	Ameren Missouri	CCN	Economic feasibility, interconnection costs
EA-2025-0299	Empire	CCN	Economic feasibility, interconnection costs
EO-2026-0129	Evergy Missouri West	Demand-side management	Hold harmless, load forecast, capacity costs
ER-2026-0143	Evergy Missouri Metro	General Rate Case	Energy Market Prices