

Exhibit No. 12

FILED
June 29, 2022
Data Center
Missouri Public
Service Commission

Liberty – Exhibit 12
Shaen T. Rooney
Surrebuttal Testimony
File Nos. EO-2022-0040 & EO-2022-0193

Exhibit No.: _____
Issue(s): Asbury Retirement
Witness: Shaen T. Rooney
Type of Exhibit: Surrebuttal Testimony
Sponsoring Party: The Empire District
Electric Company
Case Nos.: EO-2022-0040; EO-2022-0193
Date Testimony Prepared: May 2022

**Before the Public Service Commission
of the State of Missouri**

Surrebuttal Testimony

of

Shaen T. Rooney

on behalf of

The Empire District Electric Company d/b/a Liberty

May 2022



SURREBUTTAL TESTIMONY OF SHAEN T. ROONEY
THE EMPIRE DISTRICT ELECTRIC COMPANY
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
CASE NOS. EO-2022-0040 and EO-2022-0193

1 **Q. Please state your name and business address.**

2 A. My name is Shaen T. Rooney. My business address is 602 Joplin Street, Joplin,
3 Missouri 64801.

4 **Q. Are you the same Shaen T. Rooney who provided Direct Testimony in Case No.**
5 **EO-2022-0193 (Asbury) on behalf of The Empire District Electric Company d/b/a**
6 **Liberty (“Liberty” or the “Company”)?**

7 A. Yes.

8 **Q. What is the purpose of your Surrebuttal Testimony in these now consolidated**
9 **proceedings?**

10 A. I respond to the rebuttal testimony of Office of the Public Counsel (“OPC”) witnesses
11 Geoff Marke and John Robinett. I specifically respond to their testimony regarding
12 reasons for the retirement of Asbury and the effects on the unit’s efficiency due to
13 changes to Asbury’s operation mode.

14 **Q. On page 26 of his Rebuttal Testimony, Dr. Marke accuses the Company of**
15 **“stranding an efficient baseload asset with fifteen years remaining life so that it**
16 **could utilize Asbury’s SPP interconnection lines for its intermittent North Fork**
17 **Ridge Wind Farm.” Does this statement accurately portray the facts and the**
18 **Company’s decision making?**

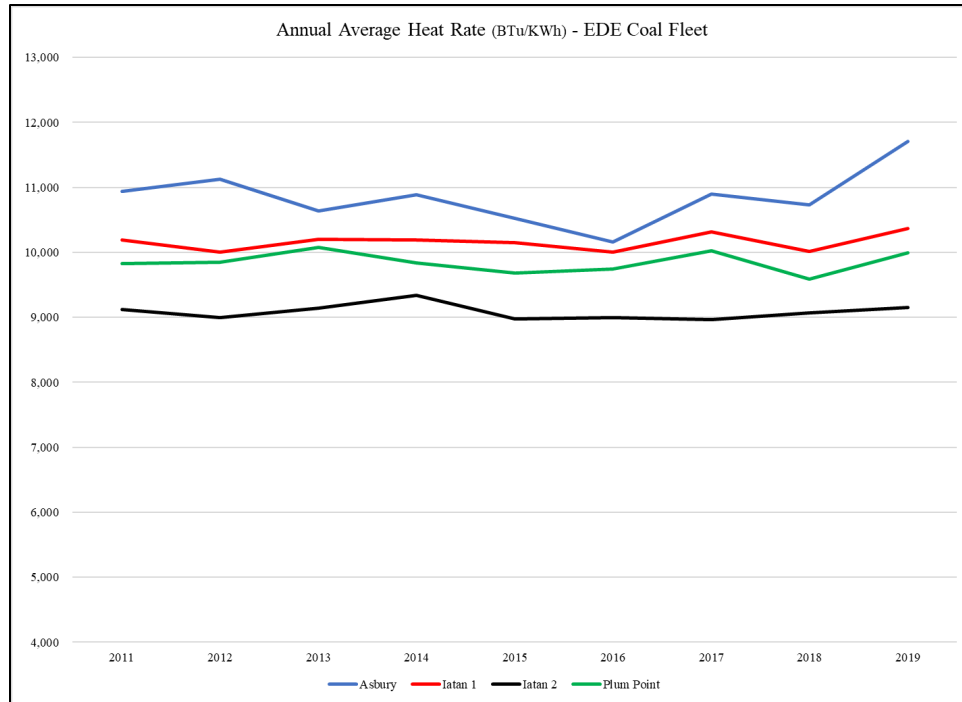
19 A. No, it does not. First it is a mischaracterization to say that Asbury was an efficient
20 asset. As explained in the Direct Testimony of Company witness Aaron Doll, Asbury
21 had been losing money in the market and was not forecasted to become economic in

1 the future. Liberty did what any prudent utility would do – it examined market
2 conditions, conducted an analysis of the economics of the unit under those conditions,
3 and then made decisions based on that data. Additionally, as explained in Commission
4 Case Nos. EO-2018-0092 and EA-2019-0010, Empire based its decision to retire
5 Asbury and build wind on an extensive economic analysis (the “Generation Fleet
6 Savings Analysis” or “GFSA”) that was vetted with this Commission in Case Nos. EO-
7 2018-0082 and EA-2019-0010. The GFSA factored in not just fuel savings, but also
8 savings from future capital expenditures at Asbury, including an approximately \$20
9 million expenditure to convert Asbury’s ash handling system to one that was compliant
10 with the U.S. EPA’s Effluent Limitations Guidelines rule, as further discussed by
11 Company witness Landoll in his surrebuttal testimony. The reduction in the risk that
12 North Fork Ridge’s interconnection would trigger the construction of network upgrades
13 was simply a co-benefit to customer savings.

14 **Q. On page 26, Dr. Marke describes Asbury as “one of the most efficient and**
15 **environmentally sound coal plants in the country”. Do you agree with this**
16 **statement?**

17 A. Not at all. As stated in the Rebuttal Testimony of OPC witness Robinett “[t]he heat
18 rate is a measure of generating station thermal efficiency, generally expressed in Btu
19 per net kilowatt-hour (Btu/KWh)¹.” Based on heat rate, Asbury was the least efficient
20 coal plant in Liberty’s fleet. See the graphic below to compare the heat rate of Asbury
21 with Iatan 1, Iatan 2, and Plum Point. I cannot reconcile how it could be one of the most
22 efficient coal plants in the country, as alleged by OPC, as it was the least efficient coal
23 plant in the Company’s fleet.

¹ Rebuttal Testimony of John Robinett. File No. EO-2022-0193, p. 17, line 10.



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Q. OPC witnesses Marke and Robinett state several times that the efficiency of Asbury was disregarded in the years after 2017. For instance, on page 28, lines 4-6 of his Rebuttal Testimony, Dr. Marke says “Asbury was an extremely efficient unit; it only became less efficient as Liberty decided efficiency no longer mattered. . . .” On page 30, lines 21-22, he goes on to say that, “Asbury was an extremely efficient unit until the Company decided that it wouldn’t be by changing how it operated Asbury.” On page 21, lines 11-12 of Mr. Robinett’s Rebuttal Testimony, he says that, “Liberty in 2018 decided efficiency was less of a concern and adjusted how it operated the unit.” Are these statements reflective of the facts and the Company’s view of the importance of plant efficiency, especially with respect to the Asbury Power Plant?

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A. No, these statements are not consistent with the Company’s view of plant efficiency and are the witnesses’ opinion presented without any factual basis or empirical evidence. In 2017 and 2018, as the Plant Operations Manager, I was involved in

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1 preparing a business plan and scorecard for the Asbury Plant. This involved a goal-
2 setting session where plant management personnel developed a set of plant goals –
3 including heat rate – to be tracked. Progress to goal targets were discussed in monthly
4 results meetings attended by the entire plant staff to prompt collaborative approaches
5 to improvement. This goal setting and tracking process continued in 2019, even after I
6 had left my position at the plant.

7 **Q. Beginning on page 19, line 21 and continuing on page 20, lines 1-2, of his Rebuttal**
8 **Testimony, Mr. Robinett states that when monthly heat rate data is plotted for**
9 **Unit 1, “it becomes evident from the graph that starting in 2018 the Asbury unit’s**
10 **efficiency begins to vary and decrease as its heat rates fluctuated more and**
11 **increased in value.” Did changes to Asbury’s mode of operating result in a marked**
12 **degradation in Asbury’s performance?**

13 A. It did not. This is another mischaracterization by OPC. Mr. Robinett is correct that the
14 variability of the unit’s monthly heat rate increased, but looking at a short-term measure
15 of a single metric is not a good ruler to judge overall unit performance. The changes
16 made to Asbury’s mode of operations did not preclude the unit from operating as it had
17 previously, but instead enabled it to also operate under market conditions where it had
18 not been competitive previously. When market conditions supported it, Asbury
19 continued to operate much as it had historically. These longer duration generating runs
20 helped to moderate the impact on heat rate that was sometimes observed in months
21 where significant cycling duty was called for. This can be seen in Table 1 below, which
22 shows the annual heat rate and unit starts for Asbury Unit 1 from 2015 to 2019.

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Table 1: Asbury Unit 1 Heat Rate and Unit Starts by Year

Year	2015	2016	2017	2018	2019
Heat Rate (Btu/kWh)	10,524	10,165	10,903	10,733	11,042
Unit Starts	11	10	11	34	26

2 **Q. What does this data show?**

3 A. In contrast to what Mr. Robinett alleges, a review of the annual heat rate data
4 demonstrates that Asbury operated more efficiently in 2018 than it did in 2017. And
5 while the heat rate in 2019 was higher than in previous years, the increase of 1.27%
6 over the 2017 (pre-cycling) heat rate while the number of annual starts more than
7 doubled was less than the 7.26% increase between 2016 and 2017, when the number
8 of annual starts was virtually unchanged. This reflects that changes made to make the
9 unit more competitive in a wider range of market conditions did not result in a decrease
10 in efficiency outside of the range of normal variations in the heat rate, when properly
11 calculated on an annual basis.

12 **Q. Does this conclude your Surrebuttal Testimony at this time?**

13 A. Yes.

VERIFICATION

I, Shaen T. Rooney, under penalty of perjury, on this 27th day of May, 2022, declare that the foregoing is true and correct to the best of my knowledge and belief.

/s/ Shaen T. Rooney