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MISSOURI PUBLIC SERVICE COMMISSION

FILE NO. EA-2019-0021

SURREBUTTAL TESTIMONY

OF

AJAY K. ARORA

ON

BEHALF OF

UNION ELECTRIC COMPANY

d/b/a AMEREN MISSOURI

*****DENOTES HIGHLY CONFIDENTIAL INFORMATION*****

**St. Louis, Missouri
January 2019**

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SURREBUTTAL TESTIMONY

OF

AJAY K. ARORA

FILE NO. EA-2019-0021

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

2 A. Ajay K. Arora, Union Electric Company d/b/a Ameren Missouri ("Ameren
3 Missouri" or "Company"), One Ameren Plaza, 1901 Chouteau Avenue, St. Louis, Missouri
4 63103.

5 **Q. Are you the same Ajay K. Arora that filed direct testimony in this**
6 **proceeding?**

7 A. Yes, I am.

8 **I. PURPOSE OF TESTIMONY**

9 **Q. What is the purpose of your surrebuttal testimony in this proceeding?**

10 A. My surrebuttal testimony in this proceeding will provide an overview of the
11 surrebuttal testimonies filed by other Ameren Missouri witnesses and will addresses issues
12 raised by the Missouri Public Service Commission Staff ("Staff"), the Missouri Department
13 of Conservation ("MDC"), and Atchison County, DeKalb County, and the Tarkio R-I
14 School District (collectively, "the Counties").

15 **Q. What other witnesses are filing surrebuttal testimony on Ameren**
16 **Missouri's behalf?**

17 A. The following witnesses are filing surrebuttal testimony in addition to my
18 testimony:

1 5. Providing notice to MDC of all U.S. Fish and Wildlife Service
2 ("USFWS") meetings and calls and providing a copy of all
3 documents provided to USFWS.

4 There are two remaining recommended conditions. The first involves placing a cap upon
5 Total Designated Network Upgrade ("TDNU") costs (cost to interconnect to and upgrade
6 the Midcontinent Independent System Operator, Inc. ("MISO") system) of ***____
7 _____.***. If the actual costs are estimated by MISO to exceed that amount, Staff wants
8 Ameren Missouri to conduct additional analysis which would be filed for Commission
9 consideration. The second remaining condition is for the Company to agree it will conduct
10 what Staff refers to as a "curtailment sensitivity analysis" with future CCN applications for
11 wind and solar projects interconnected at the transmission level.

12 **Q. What is Ameren Missouri's position on these two additional requests?**

13 A. Neither additional condition is appropriate. Starting with the request for a
14 cap to be placed on TDNU costs, the recommended condition is inappropriate for three
15 reasons. First, the MISO Generator Interconnection Process only permits generator
16 interconnection applicants 15 business days following MISO's release of its study results
17 to make a determination to withdraw from the MISO queue or proceed to the next study
18 phase. Further, in the case of this project, if the estimated upgrade costs exceed certain cost
19 thresholds set in the Build-Transfer Agreement ("BTA"), then Ameren Missouri is required
20 to make its election to proceed or withdraw within just eight business days.

21 Second, the MISO study process occurs over three phases in order for applicants to
22 receive estimated transmission study results and elect to proceed or withdraw from the
23 MISO queue. As the number of applicants changes through the three study phases, so do
24 the transmission system constraints and the costs to mitigate the constraints. It is not

1 uncommon for applicants with high interconnection costs to withdraw at the conclusion of
2 a study phase, which can often result in fewer constraints and lower costs to the remaining
3 applicants during the next study phase. This iterative process often results in a reduction in
4 an applicant's estimated upgrade costs, sometimes significantly so, from the first, to the
5 second, or third study phase. Ameren Missouri has anticipated this outcome by including
6 declining thresholds for upgrade costs at the first and second study phase in the BTA. In
7 the case where the first phase were to result in estimated costs of more than *** _____
8 _____ ***, Ameren Missouri may elect to proceed to the second phase in order to receive
9 more accurate study results to make a more educated decision on whether or not to proceed.
10 Alternatively, if under the same hypothetical, Ameren Missouri were to elect to withdraw,
11 EDF may elect to proceed to the subsequent study phase to also seek more accurate results.
12 By requiring Commission approval, this process would not be allowed to take place in a
13 timely manner to meet the BTA and MISO's deadlines.

14 Third, Ameren Missouri bears the burden to prove the marginal upgrade cost above
15 *** _____ *** would be a prudent investment. Consequently, it should be allowed to
16 do so in the time required to meet MISO's schedule requirements and to comply with the
17 BTA so as to not delay project construction, and avoid schedule risk while project
18 execution activities are delayed pending Commission consideration and approval of the
19 additional transmission costs.

20 In summary, the recommended condition is neither practical nor needed. There is
21 no practical way the Company could conduct an analysis, have the Commission consider
22 it, and get a ruling within the 8/15 business day time constraints imposed by the process.
23 Additionally, the Company must have a CCN (not one that *could* be in effect but then be

1 cancelled later due to a condition) by June 1, 2019, according to the BTA's terms. And in
2 the end, the Company must act prudently. If proceeding with the project, should the
3 incremental cost exceed the above-noted sum not be a prudent decision, then the
4 Commission can and presumably will exercise its authority to protect customers.

5 **Q. What is Ameren Missouri's position on the request for it to conduct**
6 **curtailment sensitivity analyses in all future certificate cases for wind or solar**
7 **facilities interconnected to transmission?**

8 A. The second condition requests that Ameren Missouri be required to
9 provide a "curtailment sensitivity analysis," which is not required by statute or by
10 Commission regulation. The regulations governing CCNs were recently modified and
11 even the new rules do not require this analysis. There may be times when undertaking this
12 analysis is appropriate, but at other times it will not make sense. Determining what
13 analysis is needed for each case it brings before the Commission and the parameters that
14 should be used in such an analysis is the responsibility of Ameren Missouri, as part of its
15 efforts to demonstrate to the Commission that the requested CCN is appropriate.

16 **III. MDC TESTIMONY**

17 **Q. What is MDC's position on Ameren Missouri's application for a CCN**
18 **and request for authority to merge?**

19 A. MDC's testimony recommends several conditions it desires the
20 Commission to impose, should a CCN be granted in this case. As justification, while
21 MDC's witnesses say they do not oppose wind energy, they point to their investment of
22 public funds in eagle research and conservation in the state.

1 **Q. Can you please provide your overall perspective on the impact of**
2 **conservation issues on the project?**

3 A. The conservation issues associated with the project are not unlike a myriad
4 of environmental compliance issues that are often faced with any large-scale construction
5 project. This includes other power plants (whether coal- or gas-fired or whether utility- or
6 developer-owned), transmission lines, waste handling facilities, etc. The developers of
7 such projects, including wind generation facilities, have to evaluate and study any potential
8 impact they may have on the environment, including wildlife. From Ameren Missouri's
9 perspective, the important question is how do such projects prudently identify and mitigate
10 those impacts while balancing the need for, as well as the benefits of, the project for our
11 customers. While wind generation facilities can impact wildlife, it should be kept in mind
12 that wind generation facilities bring with them significant environmental benefits
13 compared to more traditional generation sources. EDF-RE US Development, LLC ("EDF-
14 RE"), the project developer, has taken and will continue to take seriously the need to
15 properly address conservation issues. And I can assure the Commission that Ameren
16 Missouri will also properly address these issues as it works with EDF-RE from now until
17 project completion and after closing of the transaction. EDF-RE has been substantially
18 engaged with the USFWS since the spring of 2016 and is following the 2012 USFWS
19 Land-Based Wind Energy Guidelines and, as applicable, the 2013 USFWS Eagle
20 Conservation Plan Guidance, as well as the USFWS 2016 Range-Wide Indiana
21 Bat/Northern Long Ear Bat Summer Survey Guidelines.² I should note that these guidelines
22 not only provide recommendations for site selection and project development, but also

² Studies do not indicate the presence of any endangered or protected species.

1 provide recommendations for facility operation as well. Ameren Missouri will also follow
2 these guidelines for the operation of the project after Ameren Missouri owns the project.

3 **Q. What conditions does MDC request the Commission impose?**

4 A. MDC witness Jennifer Campbell requests three conditions:

- 5 1. Require Ameren Missouri to conduct a traffic count survey at
- 6 Brickyard Hill Conservation Area and Corning Conservation Area,
- 7 2. Require Ameren Missouri to conduct a viewshed study at the same
- 8 two conservation areas, and
- 9 3. Prohibit Ameren Missouri from construction or operating a wind
- 10 turbine within three miles of any conservation area.

11 MDC witness Dr. Haslerig requests eight additional conditions:

- 12 1. Require Ameren Missouri to provide advance notice to MDC of all
- 13 scheduled meetings and conference calls with USFWS,
- 14 2. Prohibit Ameren Missouri from clearing any known active or
- 15 inactive eagle nest trees,
- 16 3. Require Ameren Missouri to conduct post-construction monitoring
- 17 in accordance with USFWS Guidance,
- 18 4. Require a one-mile set-back for turbines from known active and
- 19 future eagle nests,
- 20 5. Report to MDC all eagle carcasses within 48 hours of observation,
- 21 6. Annually report to MDC observed mortalities for all raptors and
- 22 birds of species of conservation concern,
- 23 7. Provide MDC a copy of all documents and reports provided to
- 24 USFWS, and
- 25 8. Provide the Commissions with an annual report which includes
- 26 information in conditions 3, 5, 6, and 7 above.

27 **Q. What is the basis upon which MDC makes these requests?**

28 A. As is pointed out by Ms. Campbell, MDC has a constitutional mandate to
29 conserve fish, forest and wildlife in the state of Missouri. It does this in various ways,
30 including supporting recreational opportunities, the establishment of conservation areas
31 and research into forestry and wildlife species. MDC is asking the Commission to adopt its
32 proposed conditions as part of what MDC calls the Commission's "public interest" analysis.
33 It is my understanding that MDC does not have any regulations of its own which impose

1 any of these requested conditions. Mr. Byrne addresses this matter further in his surrebuttal
2 testimony.

3 **Q. Does Ameren Missouri agree that the suggested conditions are in the**
4 **public interest?**

5 A. We do not. Regarding all three conditions requested by Ms. Campbell, I
6 note that her testimony does not say that Ameren Missouri's proposed wind facility
7 negatively impacts MDC's conservation areas, or that it harms Missouri wildlife, or that it
8 interferes with hunting or fishing. Instead, her testimony is that MDC doesn't know if it
9 will negatively impact those conservation areas or the activities that occur there. Then,
10 despite having not provided any real basis for concern, MDC asks Ameren Missouri to
11 undertake studies that no other developer of a wind facility in the state would be required
12 to undertake. Again, it is my understanding that MDC has no regulations that require any
13 of these conditions, but in effect asks the Commission to impose such a "regulation" on
14 Ameren Missouri alone. Using a "public interest" standard, MDC has not set forth a
15 concern that can properly be weighed by the Commission. Would the proposed facility
16 interfere with the public's use and enjoyment of the Conservation Areas? MDC does not
17 know.³ Will Missourians be able to see any of the wind turbines from one of the
18 Conservation Areas? MDC does not know.⁴ And despite not being able to answer those
19 (and other) questions with factual information or otherwise showing a need, MDC asks this
20 Commission to impose multiple conditions on the requested CCN. That is not a basis on
21 which the Commission should order any condition. The Commission should deny these
22 requests.

³ Campbell Rebuttal, p. 6, l. 16-18.

⁴ Campbell Rebuttal, p. 6, l. 19-20.

1 One other fact bears noting. Based upon publicly available Geographic Information
2 System files for state conservation areas and surveyed coordinates for proposed turbine
3 placement, in this particular instance all MDC conservation areas are at least three miles
4 from any proposed turbine location. Consequently, as Mr. Byrne notes, this particular
5 condition is moot in this case. I point this fact out not to say it should ever be a condition
6 imposed by the Commission, but regardless, it is irrelevant to this case.

7 **Q. What about the conditions contained in the testimony of MDC witness**
8 **Dr. Janet Haslerig?**

9 A. Again, Dr. Haslerig proposes eight conditions to be imposed. Generally, it
10 is my belief that Dr. Haslerig has also failed to provide the Commission with a factual basis
11 to enable it to order any of these conditions (aside from the two we have agreed to in our
12 Application). Dr. Haslerig's testimony does not state that this wind facility will endanger
13 eagles. Instead, she simply says she is concerned about the "potentially cumulative effects"
14 of our project along with existing and possible future wind facilities. Her testimony does
15 not indicate what those potential cumulative effects might be, how likely they are to occur,
16 or why Ameren Missouri's proposal is even close to being the tipping point that causes
17 these potential harms. And why should the mere fact that as an investor-owned utility
18 Ameren Missouri must obtain this Commission's approval via CCN impose a different
19 standard – by imposing additional conditions – that other wind developers have not, and
20 will not have to meet – simply because they are not regulated by this Commission? This is
21 not to say that the Company is not concerned about bald eagles. To the contrary, the
22 Company included specific provisions in the BTA to protect the bald eagle. Specifically,
23 the BTA requires EDF to seek an Eagle Take Permit ("ETP") if USFWS indicates one is

1 recommended for the project. EDF is in mature discussions with the USFWS on an Eagle
2 Conservation Plan, which is a key prerequisite to the ETP process.

3 Two of the proposed conditions, number one (invite MDC to all USFWS
4 meetings/calls) and number seven (provide MDC with copies of all documents/reports
5 shared with USFWS) have already been agreed to by the Company in its initial Application
6 in this case.

7 Condition number two (not clearing known active/inactive eagle nest trees) would
8 be included in an ETP and does not need to be predetermined by the Commission in this
9 case. One additional data point: surveys of the project area indicate that there are no eagle
10 nests located there. Again, this is not to say that the condition should be adopted, but rather
11 to point out that the condition is unneeded and duplicative of another agency's authority.

12 Condition numbers three (post-construction monitoring), four (one mile set-back
13 from known or even future nest trees), five (report eagle caresses within 48 hours), and six
14 (report observed mortalities for all raptors and birds) are similar in that they will already
15 all be considered, and perhaps required, as part of the ETP process under the USFWS's
16 jurisdiction. The Commission does not have to determine whether or not those conditions
17 are reasonable because experts in the field who are empowered by federal law to make that
18 determination will fulfill that obligation, and MDC will have a seat at that table if it wants
19 one. And remember, the Company has already agreed to provide MDC with copies of all
20 documents and reports provided to USFWS, so MDC will receive all required reporting.
21 With respect to MDC's desire that a condition be imposed that would prevent EDF from
22 building a turbine if in the future an eagle nest arises within one mile, and would even force
23 the Company to shut down an already built turbine if that happened, as earlier discussed,

1 MDC has no statutory authority, nor does it have a validly-adopted regulation that would
2 impose any such restriction. None of the roughly 1,000 megawatts of wind generation
3 already located in Missouri (another approximately 300 MW is about to go online in
4 Nodaway County) is subject to such an onerous and unreasonable restriction.

5 The last proposed condition, number eight, is to provide the Commission with an
6 annual report which includes the information from condition numbers three, five, six and
7 seven. I am unsure of the point of this condition, as I am told by my attorneys that the
8 Commission would not have authority to modify any CCN conditions after the facility is
9 constructed. These areas are beyond the Commission's general authority and will be
10 monitored by the USFWS, making a state report unnecessary.

11 IV. THE COUNTIES' TESTIMONY

12 **Q. The Counties are not supportive of Ameren Missouri's proposal,**
13 **entirely because of their own financial interests arising from a difference in increase**
14 **in property taxes a county would receive from an investor-owned utility that owns a**
15 **new wind facility versus an unregulated wind developer that owns the facility. This**
16 **testimony goes on to suggest that a Purchased Power Agreement ("PPA") would meet**
17 **Ameren Missouri's needs. Do you agree?**

18 **A.** I do not. It is my opinion that the Counties' alternative is not a practical
19 option. The Counties' testimony will also be addressed by other Ameren Missouri
20 witnesses, including Joe LaMacchia (tax calculations) and Tom Byrne (policy
21 implications). I will address the practical implications of the Counties' assertion that
22 Ameren Missouri could just purchase the power. Ameren Missouri bases its decision of
23 how to add renewable generation to its mix by evaluating all options, one of which was by

1 using PPAs. Ultimately, we determined the BTA structure was more advantageous for our
2 customers than a PPA for a number of reasons, both economic and otherwise. From an
3 economic perspective, our analysis, based upon an alternative PPA bid price from EDF as
4 part of the request for proposal process (adjusted to put it on an apples-to-apples basis given
5 the impact of federal tax reform and other changes that have occurred since that time)
6 estimates that the levelized cost of energy from our ownership of the facility is \$27.40 per
7 MWh versus \$28.46 per MWh under a PPA. That cost difference would be borne by our
8 customers. That said, even if the cost of ownership were higher, there are other advantages
9 of ownership (through the BTA structure) that led us to enter into the agreement before the
10 Commission in this case.

11 **Q. What were those advantages of a BTA structure as compared to**
12 **acquiring renewable energy certificates needed for Renewable Energy Standard**
13 **("RES") compliance by buying wind energy under a PPA?**

14 A. The advantages include the following:

15 1. Capturing long-term asset value: Ameren Missouri ownership of
16 wind generation through a BTA allows Ameren Missouri to develop a long-term
17 asset with an expected life of 30 years, and quite possibly more, for the benefit of
18 Ameren Missouri customers. In the typical 20-year PPA, Ameren Missouri
19 customers would pay a fixed energy price for 20 years but at the end of the PPA's
20 term, would have no asset to show for those payments. In order to obtain the full
21 value of the 30-plus year life of the asset, Ameren Missouri customers would need
22 to sign up for another long-term PPA with the developer that has existing
23 infrastructure that Ameren Missouri cannot now utilize for its benefit and again

1 compensate the wind developer at a higher cost of capital for access to generation
2 it has already paid for over a period of 20 years. I address the value of Ameren
3 Missouri ownership of the project over the long-term further below.

4 2. Maximizing the value of the PTCs for the benefit of Ameren
5 Missouri's customers: As noted earlier, the PTCs for the project will total
6 approximately \$160 million, all of which will lower RES compliance costs for
7 Ameren Missouri's customers. However, if Ameren Missouri were to buy wind
8 energy under a PPA, it is highly likely that a significant part of the PTC value will
9 be lost to Missourians because of the typical tax-equity financing structure used by
10 wind developers who own and operate wind farms and then sell the power under a
11 PPA. Tax-equity partners typically demand more return on their capital, for
12 providing up-front cash for financing for the project in exchange for the ability to
13 use PTCs and other tax attributes from the project, than the regulated rate of return
14 on its capital invested that is allowed to Ameren Missouri. This higher return
15 demanded by tax-equity partners results in lost PTC value for Ameren Missouri
16 customers which is then reflected in the energy prices (by increasing them) that can
17 be offered under a PPA.

18 3. Minimizing finance costs: Another important aspect of the benefit
19 that Ameren Missouri customers obtain from utility ownership through a BTA as
20 compared to a PPA is that if a PPA were utilized, the counterparty (the developer)
21 would effectively rely on Ameren Missouri's healthy balance sheet to typically
22 finance more of the project's costs with debt; i.e., the project would be more highly
23 leveraged than if Ameren Missouri owned it, which would result in higher interest

1 rates on that debt than Ameren Missouri incurs on its own debt. In addition, because
2 of the higher leverage making the project a riskier investment, equity investors
3 would also demand a higher return on equity, than Ameren Missouri's allowed
4 return on equity, to finance the project. These higher financing costs manifest
5 themselves in the energy pricing that would be available under a PPA to the
6 detriment of Ameren Missouri customers.

7 4. Retaining the ability to optimize operations and maintenance
8 ("O&M") costs: In a BTA structure with Ameren Missouri owning and operating
9 the project, Ameren Missouri can optimize (i.e., lower or slow the growth in) O&M
10 costs and capture the benefit of that optimization for its customers. If Ameren
11 Missouri were simply purchasing power under a PPA, any O&M savings realized
12 by the developer would benefit the developer instead of Ameren Missouri
13 customers. Any O&M cost savings under Ameren Missouri ownership would
14 provide additional economic value for our customers beyond the cost advantage of
15 ownership versus a PPA noted above.

16 5. Developing expertise in wind generation development: Through a
17 BTA structure, Ameren Missouri can develop valuable expertise in developing,
18 constructing, operating, and maintaining wind farms. This is because, under the
19 BTA, while the developer is literally constructing the project, Ameren Missouri
20 will, through its quality assessment program, have a much greater role in the project
21 and gain valuable expertise through the construction process than it would if
22 Ameren Missouri had simply contracted for project output under a PPA. Over time,
23 as Ameren Missouri's coal plants retire and are replaced with other resources,

1 including low emitting technologies like wind and solar, these other resources will
2 become the foundation for supplying power to our customers and we believe it is
3 important that we have the experience and expertise to own and operate those
4 facilities. We believe that this experience and expertise will provide a valuable
5 long-term benefit for Ameren Missouri customers.

6 6. Ensuring Oversight and Access: There are also other
7 considerations, some of them regulatory, that support ownership of wind generating
8 facilities rather than utilizing PPAs to meet Ameren Missouri's renewable energy
9 needs. When power is purchased through a PPA, the Company, and by extension
10 the Commission, has less oversight of and less information about the generating
11 facilities being used to provide power to Ameren Missouri's customers. When the
12 utility owns the facility, it is required to file monthly reports regarding the facility's
13 operation and must also immediately report outages and other operational
14 issues. However, there are no similar reporting requirements for facilities owned
15 and operated by unregulated entities. In addition, the Commission and its Staff can
16 access Company generation facilities today (e.g., for routine tours, to observe when
17 material improvements are made, and other inspections), but there is no assurance
18 of similar access to facilities owned by an unregulated entity.

19 **Q. Please elaborate on the first advantage outlined above, capturing long-**
20 **term asset value.**

21 A. As noted earlier, by the end of the term of the typical 20-year PPA, the asset
22 will have effectively been paid for by Ameren Missouri customers through the PPA energy
23 costs. By owning the asset instead, Ameren Missouri can capture for its customers the value

1 remaining after 20 years either by continuing to operate that depreciated asset out to 30
2 years, or optionally, by making incremental investments in it through re-powering to more
3 efficient and higher production wind turbines, at a significantly lower costs than a new
4 project, for potentially another at least 20 years.

5 **Q. In regard to the second advantage, does this mean that tax-equity**
6 **financing of a resource and purchase under a PPA would never be used by Ameren**
7 **Missouri?**

8 A. Not necessarily. There may be a number of areas where tax-equity
9 investments would be a helpful tool to utilities and provide value to Ameren Missouri
10 customers, but in instances like PTCs for wind generation, where Ameren Missouri is itself
11 able to use the tax credits and fully pass the value of the credits through to its customers as
12 they are obtained through the RESRAM, customers gain more value by Ameren Missouri
13 ownership of the asset as compared to the reduced value available under a PPA.

14 **Q. No party except the Counties opposes granting Ameren Missouri's**
15 **request for a CCN, although certain parties do ask the Commission to impose**
16 **conditions. Does that fact seem significant to you?**

17 A. Absolutely. This project is the one in a series of wind generation projects
18 for Ameren Missouri which allow the Company to comply with the Renewable Energy
19 Standard, to provide our customers with renewable energy, and to do so in a manner that
20 is cost-effective. The Company negotiated a BTA which provides a multitude of customer
21 protections, with the aim of ensuring as much of the benefit for customers as possible. This
22 arrangement is the best structure for capturing the entire value of this project and bringing

1 it to the Company's customers. It is in the best interest of our customers for the Commission
2 to grant our request for a CCN and for authority to merge.

3 **Q. DeKalb County filed similar testimony as Atchison. Do you have**
4 **anything to add specific to DeKalb County's testimony?**

5 A. I would just add that this project is not in DeKalb County, there are no lines
6 in DeKalb County, and there are no turbines in DeKalb County. Ameren Missouri has not
7 evaluated any wind facility in DeKalb County and it is not currently considering any wind
8 generation in DeKalb County. The project before the Commission in this case is in
9 Atchison County only.

10 **Q. Do you have any other observations about the Counties' position?**

11 A. Yes I do, based on feedback I heard at the Local Public Hearing in Rock
12 Port and in light of the analyses reflected in Mr. LaMacchia's testimony.

13 First, it must be remembered that whether Ameren Missouri or some other entity
14 owns this facility, Atchison County will receive *more* property taxes than it does today
15 because today, there are no property taxes from the facility since it does not exist. Second,
16 in my opinion there is a very significant probability that if the Commission denies the CCN
17 and prevents the Company from proceeding with the BTA there will be no project at all.
18 If the BTA proposal dies now for lack of a CCN, EDF would have to start over on the hope
19 that it could find an alternative, but given the timeline to get construction started in order
20 to capture the full PTC value, it will have precious little time to do so (the facility must be
21 in service by the end of 2020 to obtain full PTC value and the timeline is already very tight
22 to get this CCN approved, complete the MISO interconnection process, and to then
23 complete construction in time). It took the Company about a year to negotiate the BTA.

1 The Counties' position assumes Atchison County will have a new facility to tax if the
2 Commission denies the CCN, but that is far from certain.

3 Third, for the reasons given by Mr. Byrne, it seems to me to be poor policy for the
4 Commission to decide whether a given project is necessary or convenient for the public
5 service based upon the parochial interest of a county that may receive less *new, incremental*
6 property taxes if Ameren Missouri owns the facility than if another entity does because the
7 General Assembly has decided how regulated utilities are to pay their property taxes. In
8 that regard, I would note that legislation has been introduced in the current General
9 Assembly (S.B. 72) which would change the current law, where most of the facility, if
10 owned by Ameren Missouri, will be assessed statewide with the taxes allocated mostly to
11 counties Ameren Missouri serves, to a system where Atchison County would locally assess
12 the facility and receive all of the new property taxes it would generate. As indicated at the
13 Local Public Hearing question and answer session, Ameren Missouri supports that
14 legislation, but if that is how taxation of wind facilities is to occur, that is a decision for the
15 General Assembly in my view. It shouldn't be a consideration for a CCN.

16 **Q. Does this conclude your surrebuttal testimony?**

17 A. Yes, it does.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Union)
Electric Company d/b/a Ameren Missouri for)
Permission and Approval and a Certificate of)
Convenience and Necessity Authorizing it to)
Construct a Wind Generation Facility.)

File No. EA-2019-0021

AFFIDAVIT OF AJAY K. ARORA

STATE OF MISSOURI)
) ss
CITY OF ST. LOUIS)

Ajay K. Arora, being first duly sworn on his oath, states:

1. My name is Ajay K. Arora. I work in the City of St. Louis, Missouri, and I am employed by Union Electric Company d/b/a Ameren Missouri as Vice President of Power Operations and Energy Management.

2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of Union Electric Company d/b/a Ameren Missouri consisting of 18 pages and Schedule(s) N/A, all of which have been prepared in written form for introduction into evidence in the above-referenced docket.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.



AJAY K. ARORA

Subscribed and sworn to before me this 16th day of January, 2019.



Notary Public

My commission expires:

March 7, 2021

CATHLEEN A DEHNE
Notary Public - Notary Seal
St. Louis City - State of Missouri
Commission Number 17119727
My Commission Expires Mar 7, 2021