

Exhibit No.:
Issue: Overview of Request, Compliance
with CCN Requirements, Tartan
Factors, Timing Request
Witness: Matthew Dority
Type of Exhibit: Supplemental Direct Testimony
Sponsoring Party: Evergy Missouri West
Case No.: EA-2022-0328
Date Testimony Prepared: December 9, 2022

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: EA-2022-0328

SUPPLEMENTAL DIRECT TESTIMONY

OF

MATTHEW W. DORITY

ON BEHALF OF

EVERGY MISSOURI WEST

**Kansas City, Missouri
December 2022**

SUPPLEMENTAL DIRECT TESTIMONY

OF

MATTHEW W. DORITY

CASE NO. EA-2022-0328

I. INTRODUCTION

1

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

3 A: My name is Matthew W. DORITY. My business address is 1200 Main, Kansas City, Missouri
4 64105.

5 **Q: Are you the same Matthew W. DORITY who previously submitted direct testimony in**
6 **this docket on August 18, 2022?**

7 A: Yes, I am.

8 **Q: On whose behalf are you testifying?**

9 A: I am testifying on behalf of Evergy Missouri West, Inc. d/b/a Evergy Missouri West
10 (“Evergy Missouri West”, “EMW”, or the “Company”).

11 **Q: What is the purpose of your Supplemental Direct Testimony?**

12 A: The purpose of my testimony is to describe how the Supplemental Direct Testimony of
13 Company witnesses Kayla Messamore and Jason Humphrey reinforce that Evergy
14 Missouri West has met the requirements for an Operating Certificate of Convenience and
15 Necessity (“Operating CCN” or “CCN”) associated with the Persimmon Creek Wind Farm
16 project (“Persimmon Creek”, “Project”, or “Asset”), as well as the Missouri Public Service
17 Commission’s (“MPSC” or “Commission”) traditional standards for evaluating and
18 approving CCN requests. As Company witnesses Humphrey and Messamore describe in
19 more detail, this Project has discernable energy, capacity and ownership benefits for EMW

1 and its customers with many attributes which support approval of the Company's
2 application:

- 3 • The 2021 Triennial Integrated Resource Plan ("IRP") confirmed the need and
4 customer benefits of additional wind resources over the 20-year planning horizon,
5 which was reinforced in the 2022 IRP Annual Update.
- 6 • Adding Persimmon Creek provides \$130 million in identified EMW customer
7 savings compared to a plan with no new wind additions.
- 8 • After a thorough request for proposal ("RFP") process, Persimmon Creek became
9 the obvious choice to provide low-cost renewable energy to EMW customers.
- 10 • Persimmon Creek is a unique, significantly de-risked asset with permitting,
11 construction and interconnection already complete.
- 12 • The Project is already operational with a strong track record of performance.
- 13 • This Project was selected for having the best balance of cost, supply chain risk, and
14 timeline certainty through a competitive RFP process.
- 15 • Recent changes, particularly the newly-passed Inflation Reduction Act ("IRA"),
16 and SPP increased capacity requirements do not eliminate EMW's need or diminish
17 the fact that Persimmon Creek is the best, low-cost resource to meet it.

18 **Q: Did the Company address in its Application and Direct Testimony the four categories**
19 **of information required by the Commission's relatively new rule at 20 CSR 4240-**
20 **20.045 ("CCN Rule") to apply for an Operating CCN?**

21 A: Yes, the Company previously provided support for meeting the CCN Rule's requirements
22 of the following:

- 23 1. Section (5)(A) requires: "A description of the asset(s) to be operated;"

1 2. Section (5)(B) requires: “The value of the asset(s) to be operated;”

2 3. Section (5)(C) requires: “The purchase price and plans for financing the
3 operation;”

4 4. Section 5(D) requires that an application include: “Plans and specifications for
5 the Asset, including as-built drawings.”

6 **Q: Is the Company providing additional information in support of the Company’s**
7 **compliance with Section (5)(A)?**

8 A: Yes. Company witness Humphrey previously provided in his Direct Testimony a
9 description of Persimmon Creek, its operational history to date, and the Company’s plans
10 to operate the Asset. Mr. Humphrey provides additional details in his Supplemental Direct
11 Testimony regarding Persimmon Creek’s operational history to date, technical due
12 diligence completed by the Company for the Project, as well as how the Company has
13 addressed in-service criteria to provide service to its Missouri customers and will continue
14 to work with Staff to provide for a site visit and address any additional reasonable in-
15 service criteria concerns.

16 **Q: Is the Company providing additional information in support of its compliance with**
17 **Section (5)(B)?**

18 A: Yes. Mr. Humphrey previously addressed the value of the Asset to be operated, and
19 described how this value was assessed through a competitive RFP process, including
20 comparative valuations of other similar projects that have been offered for sale. In his
21 Supplemental Direct Testimony, Mr. Humphrey provides additional detail regarding the
22 RFP process, the methodology and additional details of the selection process, and how the
23 available federal production tax credits (“PTC”) benefit customers specifically for this

1 Project compared to alternative projects. Additionally, Mr. Humphrey addresses that the
2 IRA does not ultimately change the competitiveness of Persimmon Creek compared to
3 other potential projects. In addition, Company witnesses Humphrey and Messamore
4 address the timing of the evaluation process and the value associated with the timing of the
5 Persimmon Creek in-service date for EMW compared to the original preferred Commercial
6 Operation Date (“COD”) in the IRP of June 2024.

7 Finally, Company witness Messamore highlights EMW’s need for Persimmon
8 Creek, as identified through the IRP, additional sources of value associated with
9 Persimmon Creek which are not captured in the IRP, and addresses potential additional
10 costs for transmission service from Persimmon Creek to EMW’s load which may be
11 incurred, but which do not impact whether Persimmon Creek is able to economically meet
12 EMW’s needs.

13 **Q: Is the Company providing additional details regarding its compliance with Section**
14 **(5)(C)?**

15 A: No. Please see the Direct Testimony accompanying the application for details.

16 **Q: Is the Company providing additional details regarding its compliance with Section**
17 **(5)(D)?**

18 A: Yes. Mr. Humphrey previously provided Schedule JH-6 which contains a copy of the
19 general plans and specifications that were followed to construct Persimmon Creek, as well
20 as high-level drawings of the Asset as constructed. In his Supplemental Direct Testimony,
21 he provides additional details regarding the technical due diligence process and includes
22 supplemental drawings as part of Confidential Exhibit JH-12

1 **Q: Does the Company have any supplemental detail related to the Tartan factors as you**
2 **previously addressed in your Direct Testimony?**

3 A: Yes. The Company previously provided support in meeting the following five criteria:

- 4 1. Is the service needed?
- 5 2. Is the applicant qualified to provide the service?
- 6 3. Does the applicant have the financial ability to provide the service?
- 7 4. Is the applicant's proposal economically feasible?
- 8 5. Does the service promote the public interest?¹

9 **Q: For which Tartan factors are you providing additional detail?**

10 A: As part of Supplemental Direct Testimony, the Company is providing additional
11 information in support of Tartan factors # 1, #4, and #5 listed above.

12 **Q: What additional information is the Company providing to support the need for this**
13 **Asset?**

14 A: As Ms. Kayla Messamore described in her Direct Testimony, Evergy Missouri West's
15 acquiring Persimmon Creek is consistent with and supported by its IRP. Ms. Messamore
16 described how the Project is forecasted to reduce costs for EMW customers over the
17 twenty-year planning horizon, and that this value is provided through long-term low-cost
18 energy, as well as capacity which is needed to meet EMW's capacity requirements.

19 In her Supplemental Direct Testimony, Ms. Messamore provides additional
20 background for how the IRP is used to identify the need for new resources in general and
21 for Persimmon Creek specifically in this case. EMW has a demonstrated need for both
22 energy and capacity, and Ms. Messamore describes how Persimmon Creek provides an

¹ In re Tartan Energy, Report and Order, 3 Mo. P.S.C.3d 173, No. GA-94-127, 1994 WL 762882 (September 16, 1994).

1 economic energy source within EMW's portfolio which helps mitigate EMW's exposure
2 to SPP wholesale market prices, making it a valuable mechanism to reduce overall
3 customer costs.

4 Ms. Messamore also addresses why there can be timing differences between
5 modeled COD for a Preferred Plan in an IRP and actual resource procurement, the
6 importance of flexibility to adjust actual resource procurement if it is favorable for
7 customers on a risk-adjusted basis, and considerations for how the Company determines
8 when there is a benefit or detriment to customers related to those timing differences.

9 Finally, Ms. Messamore addresses how passage of the IRA impacts previous and
10 future IRP modeling, and specifically the previously identified need to add 150 MW of
11 wind which Persimmon Creek fulfills, and why the IRA does not change the determination
12 that Persimmon Creek is the best available resource option to meet EMW and its
13 customers' needs.

14 **Q: What additional support is the Company providing in Supplemental Direct**
15 **Testimony to illustrate that the Asset is economically feasible?**

16 A: Ms. Messamore previously described how the IRP process for Evergy Missouri West
17 identified a Preferred Plan with wind that results in reduced costs for EMW customers over
18 time compared to alternative resource plans. In her Supplemental Direct Testimony, Ms.
19 Messamore provides additional detail related to the 2021 IRP demonstrated savings, the
20 2022 Annual Update, and the subsequently updated Preferred Plan.

21 Witness Messamore also highlights additional sources of value associated with
22 Persimmon Creek which are not captured in the IRP, and addresses the additional costs for

1 transmission service from Persimmon Creek to EMW's load which may be incurred, but
2 which do not materially impact whether Persimmon Creek is able to meet EMW's needs.

3 Mr. Humphrey previously described in his Direct Testimony how this Project was
4 chosen as a result of a competitive RFP process for wind generation resources given
5 Persimmon Creek had the lowest levelized cost of energy ("LCOE") of all the offered
6 projects. He described how Persimmon Creek is also less risky from a permitting and
7 supply chain perspective because it has been operational for the past four years, had the
8 lowest congestion risk for delivery to Evergy Missouri West customers, and offered an
9 extremely well performing facility with a proven operational net capacity factor of 50.5%.
10 In his Supplemental Direct Testimony, Mr. Humphrey describes pro forma analysis which
11 has been conducted to demonstrate the effects of the IRA on projects evaluated through
12 EMW's RFP and why Persimmon Creek is still the right asset decision even in light of the
13 IRA.

14 **Q: Does the Company have any additional details to describe how the public interest will**
15 **be served by a grant of the requested CCN?**

16 A: I described in Direct Testimony how this Project serves the public interest, and also how
17 the public interest is served for Evergy Missouri West to merge into the Company the entity
18 that will hold Persimmon Creek after the closing of the Membership Interest and Purchase
19 Agreement ("MIPA"). The Supplemental Direct Testimony provided by Company
20 witnesses Humphrey and Messamore, further outlining EMW customers' need for the
21 project and the additional considerations in light of the passage of the IRA and ongoing
22 supply chain and cost pressures on other renewable projects, only reinforce that this Project
23 is in the public interest and benefits Evergy Missouri West customers.

1 **Q: What is the timing request and summary of relief requested by the Company in this**
2 **docket?**

3 A: Evergy Missouri West previously requested that the Commission issue a final order no
4 later than December 31, 2022. This request was driven by the fact that the MIPA for the
5 acquisition of Persimmon Creek was signed by Evergy Missouri West on August 8, 2022,
6 with closing to occur upon satisfaction of certain conditions precedent, which includes
7 approval by this Commission of an Operating CCN and the merger of PC1 into the
8 Company.

9 Following discussions with Staff regarding additional information desired prior to
10 issuing its recommendation, Staff filed a proposed procedural schedule on November 23,
11 2022, with a proposed Commission Order date of April 6, 2023. This date will allow EMW
12 to complete the transaction before the outside closing date in the contract but essentially
13 leave zero additional time for delay. On November 29, 2022, Evergy Missouri West filed
14 a motion in support of Staff's proposed procedural schedule.

15 **Q: Please summarize your testimony.**

16 A: The issuance of a Commission order by April 6, 2023 granting EMW an Operating CCN,
17 and granting EMW permission to complete the acquisition and merger described in the
18 Application is consistent with the public interest. This is particularly true given EMW's
19 existing need for capacity and energy, Persimmon Creek's successful operational history,
20 and the absence of issues related construction, siting, and related land acquisition issues.
21 The need and economics driving the selection of Persimmon Creek relative to other
22 alternative options are unchanged with the passage of the IRA. This Application is a
23 straightforward acquisition of an out-of-state renewable energy resource which will

1 provide immediate benefits to customers and enhance the Company's generation portfolio,
2 consistent with its Integrated Resource Plan.

3 **Q: Does that conclude your testimony?**

4 **A:** Yes, it does.

