

# Chapter 10 - Appendix C

## Expected Value of Better Information

The Expected Value of Better Information (EVBI) generally represents the maximum dollar value that Ameren Missouri should be willing to spend on programs designed to eliminate uncertainty around any of the critical uncertain factors in its IRP analysis, given that it has selected a preferred resource plan. Using PVRR as the measure, the analysis indicates there is no value to better information since better information on the critical uncertain factors would not cause the company to select an alternate plan.<sup>1</sup>

**Table 10.C.1 EVBI Excluding Lower Cost Plans**

14 Final Candidate Resource Plans	Without Better Info	Load			Gas Prices			Carbon				DSM			Project Cost			Interest Rate & ROE		
		Low	Base	High	Low	Base	High	BAU	EPA	Mandates	Cap&Trade	Low	Base	High	Low	Base	High	Low	Base	High
B1 - Meramec Continues As Is, Combined Cycle	61,259	58,025	59,489	64,886	62,406	59,489	60,505	59,754	59,476	59,327	65,133	61,411	61,240	61,164	60,862	61,239	61,715	58,381	61,124	64,540
B2 - Meramec Continues As Is, Nuclear 30%	61,568	58,347	59,811	65,180	62,805	59,811	60,722	60,089	59,796	59,731	65,275	61,726	61,545	61,480	61,045	61,539	62,180	58,554	61,429	64,999
B3 - Meramec Continues As Is, Simple Cycle	61,161																			
B4 - Meramec Continues As Is, Wind w/Simple Cycle	61,403	58,178	59,648	65,018	62,611	59,648	60,585	59,918	59,634	59,526	65,178	61,561	61,380	61,313	60,948	61,371	61,955	58,498	61,268	64,713
C1 - Combined Cycle, Meramec Controlled	64,403	61,180	62,588	68,030	65,557	62,588	63,652	62,854	62,574	62,482	68,272	64,571	64,371	64,330	63,590	64,349	65,380	61,215	64,257	68,031
C2 - Combined Cycle, Meramec Gas Conversion	64,875	61,535	63,511	68,518	65,660	63,511	64,392	63,705	63,501	63,119	68,321	65,022	64,849	64,807	64,206	64,829	65,682	61,787	64,732	68,392
C3 - Combined Cycle, Meramec Retired	65,356	62,035	63,954	68,988	66,119	63,954	64,905	64,157	63,943	63,626	68,768	65,505	65,335	65,270	64,546	65,296	66,346	62,214	65,209	68,939
H1 - Meramec Retired, CC, Nuclear 30%	65,596	62,284	64,221	69,213	66,487	64,221	65,010	64,439	64,210	63,984	68,796	65,744	65,569	65,527	64,615	65,534	66,762	62,302	65,438	69,362
H2 - Meramec Retired, CC, Simple Cycle	65,198	61,867	63,821	68,834	65,975	63,821	64,726	64,014	63,810	63,447	68,639	65,337	65,171	65,138	64,426	65,141	66,139	62,084	65,050	68,752
H3 - Meramec Retired, CC, Wind w/Simple Cycle	65,420	62,104	64,043	69,042	66,269	64,043	64,877	64,252	64,032	63,760	68,703	65,576	65,397	65,332	64,523	65,354	66,515	62,258	65,270	69,031
R0 - Meramec Continues As Is, RAP DSM	59,661																			
R1 - RAP DSM, Meramec Controlled	62,867	59,663	61,068	66,472	64,150	61,068	61,984	61,338	61,054	61,036	66,575	63,390	62,836	62,439	62,163	62,819	63,718	59,695	62,722	66,475
R2 - RAP DSM, Meramec Gas Conversion	63,358	60,030	62,018	66,984	64,277	62,018	62,738	62,214	62,008	61,689	66,647	63,917	63,317	62,926	62,700	63,333	64,092	60,229	63,219	66,905
R3 - RAP DSM, Meramec Retired	63,101	59,746	61,799	66,746	64,038	61,799	62,454	61,987	61,789	61,436	66,372	63,604	63,030	62,812	62,481	63,083	63,777	60,061	62,960	66,565
Minimum PVRR among plans		58,025	59,489	64,886	62,406	59,489	60,505	59,754	59,476	59,327	65,133	61,411	61,240	61,164	60,862	61,239	61,715	58,381	61,124	64,540
Plan with Minimum PVRR		B1	B1	B1	B1	B1	B1	B1	B1	B1	B1	B1	B1	B1	B1	B1	B1	B1	B1	B1
Subjective Probability		45%	10%	45%	45%	10%	45%	1%	10%	57%	33%	20%	60%	20%	20%	60%	20%	20%	60%	20%
PVRR with Better Info		61,259			61,259			61,259				61,259			61,259			61,259		
Expected Value of Better Info		0			0			0				0			0			0		

Two plans, Simple Cycle (B3) and RAP (R0), are lower cost than the Preferred Plan (B1). Table 10.C.1 excludes those plans to conclude the Expected Value of Better Information is zero. The two lower cost plans were excluded because of the use of decision factors and a scorecard designed to reflect multiple planning objectives other than merely PVRR.

<sup>1</sup> 4 CSR 240-22.070(8); 4 CSR 240-22.070(11)(E)