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# Exhibit No. 208

Staff – Exhibit 208  
Brad Fortson Testimony  
Surrebuttal  
File No. EO-2023-0136

*Exhibit No.:*  
*Issues:* *Plan I vs. Plan C, Foregone Earnings Opportunity, Reliability and Affordability, Staff's Alleged Failure to Address Issues, Collaborative Process*  
*Witness:* *Brad J. Fortson*  
*Sponsoring Party:* *MoPSC Staff*  
*Type of Exhibit:* *Surrebuttal Testimony*  
*Case No.:* *EO-2023-0136*  
*Date Testimony Prepared:* *May 30, 2024*

**MISSOURI PUBLIC SERVICE COMMISSION**

**INDUSTRY ANALYSIS DIVISION**

**ENERGY RESOURCES DEPARTMENT**

**SURREBUTTAL TESTIMONY**

**OF**

**BRAD J. FORTSON**

**UNION ELECTRIC COMPANY  
d/b/a AMEREN MISSOURI**

**CASE NO. EO-2023-0136**

*Jefferson City, Missouri  
May 2024*

**TABLE OF CONTENTS OF  
SURREBUTTAL TESTIMONY  
OF  
BRAD J. FORTSON  
UNION ELECTRIC COMPANY  
d/b/a AMEREN MISSOURI  
CASE NO. EO-2023-0136**

1  
2  
3  
4  
5  
6  
7  
8  
  
9  
10  
11  
12  
13  
14  
15  
16

EXECUTIVE SUMMARY .....1  
PLAN I vs. PLAN C .....2  
FOREGONE EARNINGS OPPORTUNITY .....6  
RELIABILITY AND AFFORDABILITY .....9  
STAFF’S ALLEGED FAILURE TO ADDRESS ISSUES .....10  
COLLABORATIVE PROCESS .....13  
PAST CYCLE SAVINGS .....15

1 **SURREBUTTAL TESTIMONY**  
2 **OF**  
3 **BRAD J. FORTSON**  
4 **UNION ELECTRIC COMPANY**  
5 **d/b/a AMEREN MISSOURI**  
6  
7 **CASE NO. EO-2023-0136**

8 Q. Please state your name and business address.

9 A. My name is Brad J. Fortson, and my business address is Missouri Public  
10 Service Commission, 200 Madison Street, PO Box 360, Jefferson City, MO 65102.

11 Q. Are you the same Brad J. Fortson that filed direct testimony on March 1, 2024,  
12 and rebuttal testimony on April 26, 2024, in this case?

13 A. Yes, I am.

14 **EXECUTIVE SUMMARY**

15 Q. What is the purpose of your rebuttal testimony?

16 A. My surrebuttal testimony will respond to Union Electric Company d/b/a  
17 Ameren Missouri (“Ameren Missouri” or “Company”) witnesses’ rebuttal testimony filed on  
18 April 26, 2024. The issues addressed in my surrebuttal testimony are:

19 (1) Plan I<sup>1</sup> vs. Plan C within the 2023 Integrated Resource Plan (“IRP”),

20 (2) Foregone Earnings Opportunity (“EO”),

21 (3) Reliability and affordability,

22 (4) Staff’s alleged failure to address issues throughout the MEEIA process,

23 (5) The MEEIA collaborative process, and

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<sup>1</sup> Filed on September 26, 2023, as part of the 2023 IRP in Case No. EO-2024-0020, and updated on April 2, 2024.

1 (6) Past cycle savings.

2 Staff's rebuttal testimony in this case substantively addresses many of the issues raised  
3 in Ameren Missouri's rebuttal testimony. Silence on a particular issue raised by  
4 Ameren Missouri in rebuttal testimony, especially those that were addressed within Staff's  
5 rebuttal testimony or Ameren Missouri witness conjecture regarding future Staff positions,  
6 should not be construed as acceptance of Ameren Missouri's position in this case.

7 **PLAN I vs. PLAN C**

8 Q. Several Ameren Missouri witnesses discuss the 2023 IRP<sup>2</sup> and the comparison  
9 of two alternative resource plans, Plan I vs. Plan C. Can you give a brief description of what  
10 Plan I and Plan C is?

11 A. Plan C, the plan Ameren Missouri has chosen as its preferred resource plan  
12 ("PRP") from its IRP, includes demand-side management ("DSM") throughout the entirety of  
13 the planning horizon (through 2043), a simple cycle ("SC") gas plant in 2028, and combined  
14 cycle ("CC") gas plants in 2033, 2040, and 2043. Plan I does not include DSM throughout  
15 the planning horizon, but does include the same SC gas plant in 2028 and CC gas plants in  
16 2040 and 2043 as Plan C, another SC gas plant in 2037, and an additional combined cycle  
17 plant in both 2028 and 2043.

18 Q. What does Ameren Missouri claim Plan I, a plan with no DSM, will cost  
19 ratepayers compared to Plan C, a plan with DSM?

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<sup>2</sup> Filed on September 26, 2023, in Case No. EO-2024-0020, with portions updated on December 20, 2023 and April 2, 2024.

Surrebuttal Testimony of  
Brad J. Fortson

1           A.     Ameren Missouri repeatedly claims in its rebuttal testimony that Plan I will  
2 cost ratepayers approximately \$4.197 billion more than Plan C.<sup>3</sup>

3           Q.     Does Staff agree with Ameren Missouri’s claim that Plan I would cost  
4 ratepayers \$4.197 billion more than Plan C?

5           A.     Not at all.

6           Q.     Please explain.

7           A.     There are several flaws in Ameren Missouri’s claim. The summer and winter  
8 capacity position<sup>4</sup> documentation<sup>5</sup> provided in the Company’s 2023 IRP filing in  
9 Case No. EO-2024-0020 failed to include within the capacity position calculations, in each  
10 plan, an approximately 800 MW SC gas plant starting in 2028. Excluding the addition  
11 of 800 MW from the capacity position calculation, for each plan, immediately makes each of  
12 those plans appear 800 MW short on capacity, and therefore, 800 MW longer once included  
13 into the capacity position calculation.

14           Prior to including the 800 MW SC gas plant in 2028 in the summer capacity position  
15 calculation of Plan C, the DSM could be removed from the plan, and the Company’s capacity  
16 position remains long until 2040. Plan I, which never included DSM, is already long  
17 throughout the 20-year planning horizon prior to including the 800 MW SC gas plant in the  
18 summer capacity position calculation. Once the 800 MW SC gas plant is included in the  
19 summer capacity position calculation of Plan C, with the DSM still removed, the Company is  
20 long on capacity throughout the entire planning horizon. Since Plan I was already long on

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<sup>3</sup> *Rebuttal testimony of Antonio M. Lozano*, pgs. 7, 9, 10, 11, 12; *Rebuttal Testimony of Matt Michels*, pgs. 11, 15, 16, 17; *Rebuttal Testimony of Steven M. Wills*, pgs. 6, 21, 33.

<sup>4</sup> Capacity position is a comparison of the utility’s accredited generation capacity compared to the resource adequacy requirements of the Regional Transmission Organization (“RTO”).

<sup>5</sup> Ameren Missouri’s 2023 IRP Filing – Part 4, Chapter 9 – Appendix A and corresponding workpapers filed on September 26, 2023, and updated April 2, 2024.

1 capacity, even without DSM, it simply gets substantially longer throughout the planning  
2 horizon once the 800 MW SC gas plant is included.

3 Ameren Missouri's winter capacity position is worse than its summer capacity  
4 position. Prior to including the 800 MW SC gas plant in 2028 in the winter capacity position  
5 calculation, Plan C (with DSM) shows a capacity shortfall in 2025 – 2027, long on capacity  
6 from 2028 – 2037, short again in 2038 and 2039, long again from 2040 – 2042, then short  
7 again in 2043. Plan I, which never included DSM, showed a shortfall of capacity  
8 in 2025 – 2027, then long on capacity from 2028 – 2038, short again in 2039 and 2040, then  
9 long again in 2041 – 2043 prior to including the 800 MW SC gas plant in the winter capacity  
10 position calculation.

11 Once the 800 MW SC gas plant is included in the winter capacity position calculation  
12 of Plan C, Ameren Missouri remains long on capacity from 2028 – 2043. Most notably, after  
13 including the 800 MW SC gas plant into the winter capacity position calculation, you can  
14 remove the DSM from the calculation and the Company still remains long from 2028 – 2036.  
15 Plan I becomes long on capacity after 2027 once you include the 800 MW SC gas plant.

16 Q. Plan I includes a large CC gas plant in 2028 that the Company has alleged will  
17 be avoided by including DSM in Plan C. How does including the approximately 800 MW SC  
18 gas plant in 2028 into the winter capacity position calculation affect the large CC gas plant  
19 in 2028?

20 A. With the capacity position calculations updated in Plan I to include  
21 the 800 MW SC gas plant, no additional supply-side is needed until 2033, similar to Plan C.  
22 Further, the supply-side needed in 2033 in Plan I could be cut in half from the size of the plant  
23 originally contemplated in 2028 under Plan I, and the Company would still remain long on

1 capacity throughout the planning horizon. Lastly, if you take that same CC plant not needed  
2 until 2033, and size it down by roughly one-third of the originally contemplated CC in 2028,  
3 the Company not only remains long on capacity throughout the planning horizon, but the CC  
4 in 2043 is no longer needed.

5 Q. What relevance does this have to Ameren Missouri's claim that Plan I would  
6 cost ratepayers \$4.197 billion more than Plan C?

7 A. Including an unnecessary, large CC gas plant in 2028, coupled with not sizing  
8 it down accordingly in 2033, potentially to a size that negates the need for another CC in 2043,  
9 significantly over-estimates the cost of Plan I compared to Plan C. Therefore, any reference  
10 by Ameren Missouri to a \$4.197 billion cost to ratepayers by not including DSM is overstated.

11 Q. In regards to Plan C, you mentioned above that once you include the  
12 approximately 800 MW SC gas plant into the winter capacity position calculation, you could  
13 remove the DSM from that plan and the Company's capacity position, after 2027, remains  
14 long until 2037. Can you explain the relevance of that?

15 A. Yes. Once you include the 800 MW SC gas plant into the winter capacity  
16 position calculation, and remove the DSM from Plan C, the Company is long on capacity after  
17 2027 and through 2037. The Company is projected to be short on capacity from 2025 – 2027,  
18 even with DSM included in Plan C. This is the same timeframe as the Company's proposed  
19 MEEIA Cycle 4. This illustrates that the Company's proposed MEEIA Cycle 4 application is  
20 not deferring or avoiding supply-side investment, on its own or in combination with other  
21 cycles. However, delaying MEEIA Cycle 4 until 2034, as described in Staff witness  
22 Mr. J Luebbert's rebuttal testimony, could eliminate the short capacity position in 2037 and  
23 the remaining planning horizon.

1 Q. Is there anything else you would like to note before moving on?

2 A. Yes. On page 42, lines 1 – 4, of Mr. Wills’ rebuttal testimony, he states:  
3 “The average measure life associated with a measure for the most recent program year  
4 evaluated under the Company’s existing MEEIA programs (which I use as a proxy for  
5 expected measure life for those installed during the term of MEEIA 4) is 13.85 years.”  
6 I would note that, based on Staff’s determination that under an updated Plan C (include 800  
7 MW SC gas plant and exclude DSM), the Company remains long on capacity until 2037.  
8 If a MEEIA Cycle 4 is approved, measures installed during that time (2025 – 2027) are at or  
9 nearing their end of useful life at the time additional supply-side is needed.

10 **FOREGONE EARNINGS OPPORTUNITY**

11 Q. On page 21, lines 12 – 20, and page 22, lines 1 – 4, of Company witness  
12 Mr. Steven M. Wills’ rebuttal testimony, he states:

13 If the Company does not implement this next MEEIA cycle and instead invested in  
14 two more natural gas-fired cycle plants, the Company’s earnings would be higher by  
15 including those two plants in rate base. Not building those plants, which is enabled by  
16 MEEIA programming, and therefore not earning on an investment in them, is the very  
17 definition of deferred or avoided investment and foregone earnings, completely  
18 irrespective of whether there is also other supply-side investment occurring that will  
19 help build the new fleet of resources that will replace the capabilities of the retiring  
20 coal fleet. There is a reason that energy efficiency and demand response programs are  
21 referred to as demand-side *resources*; they fill in for, or substitute, for traditional  
22 supply-side investments that would otherwise need to be made.  
23 The General Assembly recognized this when it mandated that utilities be given an  
24 earnings opportunity to provide earnings the utilities otherwise would have received  
25 on incremental supply-side resources that the MEEIA programs displace.

26  
27 Does Staff agree with Mr. Wills’ statement?

28 A. Staff agrees that not building plants that are enabled by the MEEIA  
29 programming, and thus not earning an investment on them, is the very definition of deferred  
30 or avoided investment and foregone earnings. However, as demonstrated above in the

1 Plan I vs. Plan C section, this is not the case for Ameren Missouri's MEEIA Cycle 4  
2 Application as it is not deferring or avoiding investments and foregone earnings. Staff further  
3 agrees that the General Assembly recognized this when it mandated that utilities be given an  
4 earnings opportunity to provide earnings the utilities otherwise would have received on  
5 incremental supply-side resources that the MEEIA programs displace. However, as  
6 demonstrated above in the Plan I vs. Plan C section, this is not the case for Ameren Missouri's  
7 MEEIA Cycle 4 Application as it is not displacing any incremental supply-side resources.

8         However, Staff strongly disagrees that if the Company does not implement this next  
9 MEEIA cycle and instead invested in two more natural gas-fired cycle plants, the Company's  
10 earnings would be higher by including those two plants in rate base. The two plants that  
11 Mr. Wills is referring to are the CC in 2028 and 2043 in Plan I. Staff's analysis, as stated  
12 above, shows that in Plan I, the plan without DSM, and after the 800 MW SC gas plant is  
13 appropriately included in the winter capacity position calculation, the CC in 2028 is now not  
14 needed until 2033, similar to Plan C. However, in Plan I, that CC in 2033 can be significantly  
15 sized down and the Company remains long on capacity through 2043, or sized down to a size  
16 that negates the need for an additional CC in 2043. Based on an appropriately updated  
17 Plan I, the Company is short on capacity from 2025 – 2027, similar to Plan C and the  
18 timeframe of its proposed MEEIA Cycle 4. The Company is then long on capacity until 2033.  
19 Neither the CC in 2028 or 2043 are needed, and are therefore not being avoided, which in turn  
20 provides no foregone earnings opportunity.

21         When analyzing Plan C, the Company's preferred resource plan, you see that once the  
22 approximately 800 MW CC gas plant is appropriately included in the winter capacity position  
23 calculation, you can remove the DSM from that plan and the Company remains long on

1 capacity until 2037. Similar to Plan I, the Company is short on capacity from 2025 – 2027,  
2 the timeframe of its proposed MEEIA Cycle 4. It is then long on capacity until 2037,  
3 demonstrating that its proposed MEEIA Cycle 4 is not avoiding supply-side and therefore  
4 providing no foregone earnings opportunity.

5 Q. On page 26, lines 5 – 8, of Mr. Wills’ rebuttal testimony, he states:  
6 “The conclusion of that analysis can be summarized with the expression “the whole is greater  
7 than the sum of its parts.” The effect of sustained investment in energy efficiency and demand  
8 response is greater than the standalone effect of any individual (shorter-term) MEEIA cycle.”  
9 How do you respond to that?

10 A. As demonstrated above, Ameren Missouri’s proposed MEEIA Cycle 4  
11 Application is not deferring or avoiding supply-side investment, on its own or in combination  
12 with other cycles. Further, Commission rule 20 CSR 4240-20.094(4)(C)4. states:

13 (C) Demonstration of cost-effectiveness for each demand-side program and for the  
14 total of all demand-side programs of the utility. At a minimum, the electric utility  
15 shall provide all workpapers, with all models and spreadsheets provided as executable  
16 versions in native format with all links and formulas intact, and include:

17  
18 4. The impacts from all demand-side programs included in the application on any  
19 postponement or new supply-side resources and the early retirement of existing  
20 supply-side resources, **including annual and net present value of any lost utility**  
21 **earnings related thereto. [emphasis added]**  
22

23 This provision requires demonstration that the demand-side programs in **that** MEEIA  
24 application impacts “on any postponement or new supply-side resources and the early  
25 retirement of existing supply-side resources, including annual and net present value of any  
26 lost utility earnings related” to **that** MEEIA application. Ameren Missouri has not and cannot  
27 meet this rule requirement since there are no lost utility earnings from its proposed MEEIA  
28 Cycle 4 Application.

1 **RELIABILITY AND AFFORDABILITY**

2 Q. Company witnesses Mr. Wills, Mr. Michels, and Mr. Lozano make statements  
3 in regards to reliability and affordability, such as:

4 I have significant concerns with Staff's perspective on resource planning, especially  
5 given the ongoing and historic energy transition that is taking place as aging coal-fired  
6 energy centers... reach end of life. Staff's resource planning perspective lacks any  
7 clear direction or urgency to address the issues that are facing the Company, and rather  
8 looks to impede the progress on steps that the Company firmly believes are imperative  
9 to ensuring future reliability and affordability of energy services.<sup>6</sup>

10 While the industry as a whole – not just Ameren Missouri – has entered what is clearly  
11 the most dynamic period of change in the mix of generation resources employed to  
12 serve customers in its history, Staff continues to cling to a “do nothing” philosophy  
13 (e.g., deny CCNs, pause Demand Side Management programming) that, if followed,  
14 will inevitably lead to the failure of Missouri utilities to proactively develop the  
15 resources that will be needed to replace the aging and environmentally-pressured  
16 legacy coal-fired generation facilities that will be retiring in a systematic fashion...<sup>7</sup>

17  
18  
19 Suspending MEEIA programs altogether would require a major shift in the Company's  
20 resource planning to ensure sufficient alternative resources are available to meet  
21 customer needs and ensure reliability in both the near term and long term...<sup>8</sup>

22  
23 It is important to recognize the role those other factors play. The first priority is to  
24 ensure reliability. This includes not only capacity, but also energy and a consideration  
25 of the ability and flexibility of resources to ensure reliability during the most critical  
26 times, such as geographically widespread winter storms of the kind we've seen more  
27 frequently in recent years. In ensuring reliability, we also want to ensure affordability.  
28 The requirement in the IRP rules that cost to customers, as measured by the NPVRR,  
29 be considered the primary selection criterion for utilities in selecting their PRP  
30 supports this notion, along with consideration of impacts on rates.<sup>9</sup>

31  
32 The recommendation is at odds with the Commission's past approvals of the  
33 Company's MEEIA 1-3 Cycles, public policy, state law, and sound integrated resource  
34 planning; these recommendations undermine the Company's obligations to provide  
35 safe, reliable, and affordable power.<sup>10</sup>  
36

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<sup>6</sup> *Rebuttal Testimony of Steven M. Wills*, pg. 3, lines 17 – 23, and pg. 4, line 1.

<sup>7</sup> *Rebuttal Testimony of Steven M. Wills*, pg. 4, lines 7 – 14.

<sup>8</sup> *Rebuttal Testimony of Matt Michels*, pg. 11, lines 5 – 7.

<sup>9</sup> *Rebuttal Testimony of Matt Michels*, pg. 11, lines 13 – 20.

<sup>10</sup> *Rebuttal Testimony of Antonio M. Lozano*, pg. 5, lines 19 – 22.

1 Discontinuing energy efficiency programs is extremely harmful to our customers and  
2 our state, as we are attempting to move forward together through this clean energy  
3 transition in a safe, reliable, and affordable manner.<sup>11</sup>  
4

5 How does Staff respond to these statements?

6 A. Staff is absolutely concerned about reliability and affordability, but I would  
7 simply point back to the above discussion comparing Plan I vs. Plan C where Staff  
8 demonstrates that by not including DSM, the Company is still long on capacity for several  
9 years and reliability is not jeopardized by not including DSM.

10 **STAFF'S ALLEGED FAILURE TO ADDRESS ISSUES**

11 Q. Ameren Missouri witnesses go to great lengths in their rebuttal testimony to  
12 point out all of the opportunities that Staff has had to criticize the TRM, deemed savings table,  
13 and EM&V process. How do you respond?

14 A. Ameren Missouri's MEEIA Cycle 3 was settled through the *Stipulation and*  
15 *Agreement* ("MEEIA Cycle 3 Stipulation") filed on October 25, 2018, in  
16 Case No. EO-2018-0211, and approved by the Commission.<sup>12</sup> Simply put, there was give and  
17 take by all parties involved, as with most settlements. The MEEIA Cycle 3 Stipulation  
18 included a revised MEEIA Cycle 3 report as well as Appendices a – n. The revised  
19 MEEIA Cycle 3 report included a high-level discussion of the EM&V process,  
20 Appendix e provided sample evaluation plans, Appendix f provided the deemed savings table,  
21 and Appendix g – i provided TRM volumes 1 – 3, respectively. The EM&V process as  
22 described in the MEEIA Cycle 3 report and the previously mentioned Appendices e – i were  
23 not heavily criticized by Staff due to the bigger "takes" that Staff was focused on in the

---

<sup>11</sup> *Rebuttal Testimony of Antonio M. Lozano*, pg. 12, lines 12 – 14.

<sup>12</sup> *Order Approving Stipulation and Agreement and Granting Waivers*, issued on December 5, 2018, in Case No. EO-2018-0211.

1 settlement discussions. Therefore, the EM&V “give” by Staff was for the “greater good” of  
2 getting to a MEEIA Cycle 3 settlement.

3 Since an EM&V process was ultimately agreed to as a part of the overall  
4 MEEIA Cycle 3 Stipulation, Staff conceded to that EM&V process being what was going to  
5 be in place for the MEEIA Cycle 3 years of 2019 – 2021. However, for the agreed to  
6 MEEIA Cycle 3 extension year 2022 (“PY 2022 Stipulation”),<sup>13</sup> the parties agreed to reduce  
7 spending on EM&V, no process evaluation for programs (with the exception of PAYS®), and  
8 a focus on ex post gross savings. For the agreed to MEEIA Cycle 3 extension year 2023  
9 (“PY 2023 Stipulation”),<sup>14</sup> the parties agreed to similar EM&V modifications as was agreed  
10 to in the PY 2022, with the exceptions of a further reduced EM&V budget and additional  
11 funding included for more targeted net-to-gross research. For the agreed to MEEIA Cycle 3  
12 extension year 2024 (“PY 2024 Stipulation”),<sup>15</sup> the parties agreed to EM&V similar to  
13 the PY 2023 EM&V.

14 Staff has exercised its ability to comment and recommend modification to the EM&V  
15 process through the settlement process of each MEEIA Cycle 3 extension year. Once those  
16 agreements were in place, Staff conceded to the EM&V process agreed to in each of those  
17 years to be the EM&V process in place for each extension year.

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<sup>13</sup> *Unanimous Stipulation and Agreement Regarding the Implementation Certain MEEIA Programs Through Plan Year 2022*, filed on July 10, 2020, in Case No. EO-2018-0211, and approved on August 5, 2020.

<sup>14</sup> *Non-Unanimous Stipulation and Agreement Regarding the Implementation Certain MEEIA Programs Through Plan Year 2023 and Motion for Expedited Treatment*, filed on October 13, 2021, in Case No. EO-2018-0211, and approved on October 27, 2021.

<sup>15</sup> *Non-Unanimous Stipulation and Agreement Regarding the Implementation of Certain MEEIA Programs Through Plan Year 2024*, filed on August 3, 2023, in Case No. EO-2018-0211, and approved on August 23, 2023.

1           We now have a proposed multi-year MEEIA Cycle 4 Application in front of us, and  
2 Staff is once again exercising its ability to comment and recommend modification to the  
3 EM&V process through the MEEIA filing process.

4           Q.     Mr. Graser makes a similar criticism of Staff and its opportunity to comment  
5 on the Company’s deemed savings table and Technical Resource Manual (“TRM”).<sup>16</sup>  
6 How do you respond to that?

7           A.     In a similar manner as I responded to his criticism of Staff and its opportunity  
8 to comment on the Company’s EM&V process above. A deemed savings table and TRM was  
9 approved as a part of the MEEIA Cycle 3 Stipulation. Similar to EM&V, the deemed savings  
10 table and TRM was not heavily criticized by Staff due to the bigger “takes” that Staff was  
11 focused on in the settlement discussions. Mr. Graser points out that Staff is provided the  
12 Company’s deemed savings table and TRM updates to provide feedback. While Mr. Graser  
13 is correct in his statement, Staff has limited time and resources to do a comprehensive review  
14 of the deemed savings table and TRM, whether it be at the onset of a MEEIA application  
15 filing, or during a program year.

16           The TRM filed with the MEEIA Cycle 3 Stipulation was a three-part, 362-page  
17 document. The deemed savings table filed with the MEEIA Cycle 3 Stipulation was  
18 a 28-page document (with an Excel workpaper) that includes hundreds, if not thousands, of  
19 cells. The TRM filed in Ameren Missouri’s MEEIA Cycle 4 Application is a  
20 three-part, 379-page document. The deemed savings table filed in Ameren Missouri’s  
21 MEEIA Cycle 4 Application is a 42-page document (with an Excel workpaper) that again  
22 includes hundreds, if not thousands, of cells (more than in MEEIA Cycle 3). Staff is reviewing

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<sup>16</sup> *Rebuttal Testimony of J. Neil Graser*, pg. 12, lines 3 – 14.

1 the 379-page TRM and the thousands of cells in the deemed savings table workpaper.  
2 However, as addressed by other Staff witnesses in their rebuttal testimonies,<sup>17</sup> Staff's review  
3 of the Company's deemed savings table and TRM quickly discovered (1) sources utilized for  
4 a multitude of assumptions are opaque, (2) citations that are no longer valid, (3) citations that  
5 are still valid are largely vague references to entire documents that are often hundreds of  
6 pages, (4) assumed values that do not appear reasonable, and (5) reliance on studies that are  
7 likely outdated, many of which did not provide clear citation to justification for the  
8 assumptions.<sup>18</sup>

### 9 **COLLABORATIVE PROCESS**

10 Q. Company witnesses Mr. Via and Mr. Lozano speak to a collaborative process  
11 leading up to the initial MEEIA Cycle 4 Application filing on March 27, 2023, and seemingly  
12 represent in testimony that Staff somehow hindered that collaborative process. Is this true?

13 A. No, not at all. There were relatively high-level discussions amongst the parties  
14 leading up to the initial MEEIA Cycle 4 filing. It was nearly impossible to think the parties  
15 could cover all potential issues with a MEEIA filing prior to the actual filing, even after the  
16 initial MEEIA Cycle 4 Application was provided to Staff prior to filing. Once the initial  
17 MEEIA Cycle 4 Application was filed, Staff continued collaborating with the Company and  
18 other stakeholders. However, as Staff was reviewing the filing, more detailed, granular  
19 questions and concerns came up. This led to an agreement to extend MEEIA Cycle 3 through  
20 2024<sup>19</sup> in order to continue discussions on a 3-year cycle to begin 2025.

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<sup>17</sup> J Luebbert, Hari Poudel, and Justin Tevie.

<sup>18</sup> *Rebuttal Testimony of J Luebbert*, pgs. 32 – 33.

<sup>19</sup> *Non-Unanimous Stipulation and Agreement Regarding the Implementation of Certain MEEIA Programs Through Plan Year 2024*, filed on August 3, 2023, in Case No. EO-2018-0211.

Surrebuttal Testimony of  
Brad J. Fortson

1 As Mr. Via mentions in his rebuttal testimony,<sup>20</sup> Mr. Lozano outlined the workshops  
2 and collaboration efforts within his direct testimony in this case. However, some further  
3 context is needed from Staff's perspective. On April 6, 2023, Staff submitted Staff  
4 Data Request ("DR") 0001.0 requesting the following:

5 Refer to the confidential "Ameren Missouri 2024-26 MEEIA Energy Efficiency Plan"  
6 ("Report") and the associated appendices provided in support of Ameren Missouri's  
7 Application: 1. Provide all workpapers utilized by Ameren Missouri to support the  
8 claims, data, figures, tables, and graphics included in the Report and appendices in  
9 excel format with links and formulas intact. 2. Provide justification for any  
10 assumptions made within the workpapers and citations for any hardcoded numbers. 3.  
11 Provide specific citations to the underlying file, tab, and cell for the specific data  
12 referenced in each page of the Report and the appendices. 4. Provide the entire  
13 document, as well as specific citations to the page and line number, for all references  
14 to work products of Ameren Missouri, other Ameren affiliates, or outside entities  
15 relied upon for the Report, appendices, and the underlying workpapers. For example,  
16 Appendix I refers to numerous sources of information, but does not provide those  
17 source documents nor the page numbers where the information relied upon may  
18 be found.

19  
20 There were several discussions regarding this DR since Staff considered the initial response  
21 from the Company to be incomplete. Unfortunately, this DR was never fully resolved as  
22 certain numbers remained hardcoded and issues remained, such as the issues with the TRM  
23 as discussed above.

24 As Mr. Via states in his rebuttal testimony,<sup>21</sup> Ameren Missouri kept stakeholders  
25 abreast with a series of workshops and collaboration meetings. For example, after an  
26 October 18, 2023, workshop, Ameren Missouri contacted all participants via email on  
27 October 19, 2023, with the Company's proposal on how to move forward with action items  
28 and future workshops. Specifically though, that email ended by stating:

29 More to come in very short order on the details of the above, and please don't hesitate  
30 to reach out asap with any questions, concerns, or discussion needed.  
31

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<sup>20</sup> *Rebuttal Testimony of Timothy E. Via*, pg. 2, lines 1 – 4.

<sup>21</sup> *Rebuttal Testimony of Timothy E. Via*, pg. 11, lines 1 – 4.

1 On October 31, 2023, Staff reached out to Ameren Missouri via email stating:

2  
3 ...Attached is a spreadsheet we put together, that once filled out with input by you all,  
4 could help guide our next workshop. This spreadsheet should tie directly to the most  
5 recently filed IRP as well. The spreadsheet gets to several of the things brought up in  
6 the first workshop and tees up IRP discussion as well...

7  
8 On November 3, 2023, Ameren Missouri responded, stating:

9 Thank you so much for sending this, and for you and Staff's ongoing collaboration  
10 with our MEEIA 4 filing. While we'd definitely see the value of discussing the  
11 requested data in the spreadsheet, we don't think this is the right time for this level of  
12 granularity. I offer that up as we still have multiple other topics to cover, with  
13 January 16th coming quickly for the amended MEEIA 4 application. Given that, we  
14 believe it's more imperative to meet a few more times on some version of the topics  
15 laid out to understand what questions and concerns you all have. This would allow us  
16 collectively to not go a mile deep into one topic and miss the others, but at least allow  
17 stakeholders an opportunity to voice their thoughts on all topics before the  
18 January update. In the meantime we will continue to collaborate and provide responses  
19 to the submitted data requests and to interact with your team on any questions.

20  
21 Ameren Missouri acknowledged and expressed its appreciation for Staff's ongoing  
22 collaboration with its MEEIA Cycle 4 filing. Unfortunately, Ameren Missouri did not think  
23 it the right time for the level of granularity Staff was requesting, and therefore did not provide  
24 the information. That lack of level of granularity is one of the very reasons we are where we  
25 are in this case. The spreadsheet Staff sent to Ameren Missouri is attached as  
26 Schedule BJJF-s1.

27 **PAST CYCLE SAVINGS**

28 Q. On page 28, lines 16 – 18, and page 29, lines 1 – 9, of his rebuttal testimony,  
29 Ameren witness Mr. Lozano provides the energy and demand savings determined from  
30 Evaluation, Measurement & Verification (“EM&V”) for program years (“PY”) 2019 – 2022.  
31 Staff has been critical of the EM&V process in this case. Do you dispute the level of savings  
32 for PY2019 – PY2022?

Surrebuttal Testimony of  
Brad J. Fortson

1           A.     Yes, to some extent. Staff does not dispute that there are some level of savings  
2 achieved by offering energy efficiency and demand response programs. However, in  
3 reviewing the deemed savings table, the TRM, the rebound effect, attribution, the principal-  
4 agent problem, etc. as Staff has done in this case, those savings levels are called into question.  
5 Due to those factors, Staff has concerns about the savings levels deemed by the Company for  
6 MEEIA Cycle 4.

7           Q.     On page 24, lines 4 – 9, of Ameren witness Mr. Wills’ rebuttal testimony,  
8 he states:

9           As I discussed in the opening of my testimony, where I shared Figures 1 and 2 that  
10 illustrate the Company’s experienced load as compared to what those loads would  
11 have looked like “but for” MEEIA, and observed the 2.5 MWh and 600 MW  
12 differences directly attributable to the Company’s MEEIA efforts of the last decade, it  
13 is in fact entirely implausible to conclude that significant additional generation  
14 investment has not already been avoided and/or deferred.

15  
16 Is it in fact entirely implausible to conclude this?

17  
18           A.     No. I could not find where Mr. Wills substantiates this claim beyond simply  
19 making this statement and basing it off figures he provided that illustrate Ameren Missouri’s  
20 actual load compared to what load would have been without MEEIA. Years when the  
21 Company is substantially long on capacity, adding supply-side generation, adding load  
22 building programs, etc., makes it in fact entirely plausible to achieve savings without deferring  
23 or avoiding supply-side generation.

24           Q.     On page 7, lines 3 – 9, of Ameren witness Mr. Michels’ rebuttal testimony, in  
25 response to you, he states:

26           Q.     Do his arguments have any validity with respect to the generation deferral  
27 benefits of MEEIA?

28           A.     None at all. To say that load reductions from implementing MEEIA programs  
29 will not reduce the Company’s need for *additional* generation resources *beyond* those  
30 it already is planning is illogical. He provides no basis at all for questioning the

Surrebuttal Testimony of  
Brad J. Fortson

1 analysis in the Company’s 2023 IRP comparing Plan C (*with* demand-side resources)  
2 to Plan I (*without* demand-side resources).  
3

4 Is it illogical to say this?

5 A. No. Similar to my response in the preceding Q&A in response to Mr. Wills, I  
6 could not find where Mr. Michels substantiates this claim beyond simply making this  
7 statement and alleging that I provide no basis for questioning the analysis comparing Plan C  
8 to Plan I. Years when the Company is substantially long on capacity, adding supply-side  
9 generation, adding load building programs, etc., makes it in fact entirely logical to achieve  
10 savings without deferring or avoiding supply-side generation.

11 In response to Mr. Michels’ claim that I provided no basis for questioning the Plan C  
12 to Plan I comparison, I have provided the following basis:

- 13 • Substantial near-term and long-term renewable buildout (2,800 MWs by 2030 and  
14 2,600 MWs after 2030).<sup>22</sup>
- 15 • Substantial near-term and long-term non-renewable additions (800 MW SC gas plant  
16 by 2028, 1,200 MWs of as-yet-unspecified clean dispatchable generation in each of  
17 2040 and 2043).<sup>23</sup>
- 18 • Staff data request (“DR”) MPSC 0129.0 asked Ameren Missouri to identify the  
19 specific supply-side generation that can be avoided or deferred by Ameren Missouri’s  
20 proposed MEEIA Cycle 4 Application without consideration of additional  
21 MEEIA cycles. The Company stated, “The requested analysis has not been  
22 performed.” The Company further referenced a comparison of Plan I to Plan C and  
23 the additional CC gas plants Plan I was expected to avoid.<sup>24</sup>

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<sup>22</sup> *Direct Testimony of Brad J. Fortson*, pg. 10.

<sup>23</sup> *Ibid.*

<sup>24</sup> *Direct Testimony of Brad J. Fortson*, pgs. 8 and 9.

Surrebuttal Testimony of  
Brad J. Fortson

- 1       • Staff DR MPSC 0130.0 asked Ameren Missouri to identify the specific supply-side  
2       generation avoided or deferred by Ameren Missouri’s past MEEIA cycles.  
3       The Company stated, “Requested analysis has not been performed.” The Company  
4       referenced the savings achieved in prior MEEIA cycles and prior IRPs.<sup>25</sup>  
5       • Discussion of prior IRP plans that excluded DSM never deferred or avoided the  
6       additional supply-side generation it showed it would.<sup>26</sup>  
7       • The Company’s non-compliance with 20 CSR 4240-20.094(4)(C)4.<sup>27</sup>  
8       • The discussion of Plan I vs. Plan C above.

9  
10      Q.     Does this conclude your surrebuttal testimony in this proceeding?

11      A.     Yes, it does.

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<sup>25</sup> *Direct Testimony of Brad J. Fortson*, pgs. 9 – 10.

<sup>26</sup> *Rebuttal Testimony of Brad J. Fortson*, pgs. 10 – 14.

<sup>27</sup> *Direct Testimony of Brad J. Fortson*, pgs. 14 – 15 and *Rebuttal Testimony of Brad J. Fortson*, pgs. 8 – 10.

