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

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In the Matter of the Application of Evergy Missouri West, Inc., d/b/a Evergy Missouri West and Evergy Metro, Inc. d/b/a Evergy Missouri Metro for Permission and Approval of a Certificate of Convenience and Necessity Authorizing Them to Construct, Install, Own, Operate, Manage, Maintain, and Control Natural Gas Electrical Production Facilities

Case No. EA-2025-0075

### APPLICATION OF EVERGY MISSOURI WEST AND EVERGY MISSOURI METRO FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY

Evergy Missouri West, Inc. ("Evergy Missouri West" or "EMW") and Evergy Metro, Inc. d/b/a Evergy Missouri Metro ("Evergy Missouri Metro" or "EMM") (collectively, "Applicants" or "Company"), pursuant to Sections 393.170.1, , and 393.140(4),<sup>1</sup> 20 CSR 4240-2.060, and 20 CSR 4240-20.045(1)-(3) and (6), file this Application to the Missouri Public Service Commission ("Commission" or "PSC") for a Certificate of Convenience and Necessity ("CCN") that authorizes EMW to construct, install, own, operate, manage, maintain, and control the following natural gas electrical production facilities: (1) an advanced class 710 megawatt ("MW") combined cycle gas turbine ("CCGT") generating facility, known as the Viola Generating Station ("Viola"), and located in Sumner County, Kansas; and (2) a 440 MW simple-cycle gas turbine ("SCGT") generating facility, known as the Mullin Creek #1 Generating Station ("Mullin Creek #1"), located in Nodaway County, Missouri.

In addition, as discussed herein and in the accompanying witness testimony, Applicants request a CCN that authorizes them to construct, install, own, operate, manage, maintain, and control a second advanced class 710 MW CCGT generating facility, known as the McNew

<sup>1</sup> All citations are to the Revised Statutes of Missouri (2016), as amended.

Generating Station ("McNew"), and located in Reno County, Kansas (together, Viola, Mullin Creek #1, and McNew are the "Projects" or "Assets").

Applicants seek permission and authority for them to engage in the proposed selfdevelopment transactions; to construct, operate, and finance the Projects; to complete the acquisitions of the Projects by EMW and/or EMM as stated herein; for construction accounting; and for variances from Section (3)(C) of 20 CSR 4240-20.045 ("CCN Rule") to provide plans for restoration of safe/adequate service and as-built design drawings in a later submission.

The Applicants also requests that the Commission determine under the CCN Rule's Section (2)(C) that its decision to acquire, construct, and operate the Projects is prudent, and that the Commission issue an Order granting the relief requested in this Application by July 8, 2025.

In support of this Application, Applicants state:

#### I. Applicants Evergy Missouri Metro and Evergy Missouri West

1. Evergy Missouri Metro is a Missouri corporation with its principal office and place of business at 1200 Main Street, Kansas City, Missouri 64105. It is engaged in the generation, transmission, distribution, and sale of electricity in western Missouri and eastern Kansas, operating primarily in the Kansas City metropolitan area. Evergy Missouri Metro is an "electrical corporation" and a "public utility" subject to the jurisdiction, supervision, and control of the Commission under Chapters 386 and 393. Evergy Missouri Metro's certificate of good standing was filed in Case No. EN-2020-0063 and is incorporated by reference pursuant to 20 CSR 4240-2.060(1)(G).

2. Evergy Missouri West is a Delaware corporation with its principal office and place of business at 1200 Main Street, Kansas City, Missouri 64105. It is engaged in the generation, transmission, distribution, and sale of electricity in western Missouri, including the suburban

Kansas City metropolitan area, St. Joseph, Warrensburg, Sedalia, and surrounding counties. Evergy Missouri West is an "electrical corporation" and a "public utility" subject to the jurisdiction, supervision, and control of the Commission under Chapters 386 and 393. A certificate of authority for EMW to do business in Missouri as a foreign corporation was filed with the Commission in No. EN-2020-0064 and is incorporated by reference pursuant to 20 CSR 4240-2.060(1)(G).

3. Evergy Missouri Metro and Evergy Missouri West are wholly owned subsidiaries of Evergy, Inc. ("Evergy"). The other public utility wholly owned by Evergy is Evergy Kansas Central, Inc. ("EKC"). EMW and EMM have no annual report or regulatory assessment fees that are overdue.

4. Evergy Missouri Metro and Evergy Missouri West have no pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court that involve customer services or rates, which action, judgment, or decision has occurred within three years of the date of this Application, except as follows:

- (i) *Allegri, et al. v. Evergy Missouri West*, Case No. EC-2024-0015;
- (ii) Marquette Lumumba Mugabe Bey v. Evergy Missouri Metro, Case No. EC-2024-0289;
- (iii) Kevin Kojeski v. Evergy Missouri Metro and Evergy Missouri West, Case No. EC-2025-0007;
- (iv) Shamera E. Williams v. Evergy Missouri Metro, Case No. EC-2025-0110; and
- (v) *William Gregoric v. Evergy Missouri Metro*, Case No. EC-2025-0143;

5. In addition to serving counsel named below, all correspondence, pleadings, notices, orders, and other communications regarding this proceeding should be sent to:

Kevin Gunn Vice President of State & Federal Policy Evergy, Inc. 1200 Main Street Kansas City MO 64105 (816) 716-0553 Kevin.gunn@evergy.com

Matthew W. Dority Director – Regulatory Affairs Evergy, Inc. 1200 Main Street Kansas City MO 64105 (816) 652-1289 matthew.dority@evergy.com

Anthony R. Westenkirchner Senior Paralegal, Legal Department Evergy, Inc. 1200 Main Street Kansas City MO 64105 (816) 556-2668 anthony.westenkirchner@evergy.com

6. Evergy Missouri West filed its Notice of Intended Case Filing ("60-Day Notice")

to comply with the 60-day notice provisions of 20 CSR 4240-4.017(1) on September 3, 2024, and

then both EMM and EMW accordingly filed their Amended 60-Day Notice on October 9, 2024.

7. In further support of this Application, Applicants have contemporaneously filed the

Direct Testimony of the following Company witnesses:

Witness	Subject-Matter Summary	
Kevin Gunn	Application & Projects Overview	
Jason Humphrey	Overview of generation planning/development in connection with IRP	
Kyle Olson	Discussion of RFP process and specific CCN requirements	
Cody VandeVelde	Discussion of IRP process and how it supports the Application & Projects	
Ronald Klote	Construction accounting request and jurisdictional allocations	
John Grace	Projects financing and ownership	
Katy Onnen	SPP process and transmission upgrades	

8. Data requests concerning this Application should be addressed to: Regulatory.Affairs@evergy.com.

### II. Description of the Projects and their Transactions

9. To respond to a developing critical need to deploy dispatchable generation as soon as possible, Evergy Missouri West seeks a CCN to construct, install, own, operate, manage, maintain, and control natural gas electrical production facilities: (1) an advanced class 710 MW CCGT generating facility, known as Viola and located in Sumner County, Kansas; and (2) a 440 MW SCGT generating facility, known as Mullin Creek #1, located in Nodaway County, Missouri.

10. Additionally, Applicants seek a CCN to construct, install, own, operate, manage, maintain, and control McNew, an advanced class 710 MW CCGT generating facility located in Reno County, Kansas. As discussed herein and in the accompanying witness testimony, Applicants intend to submit supplemental testimony on February 19, 2025 (per the attached proposed procedural schedule), which will include additional support for the McNew CCN, based on the decisional framework provided in Company witness Kevin Gunn's testimony. Mr. Gunn explains the decision will be based on the expectation of an incremental large load customer locating in EMW or EMM territory and the Company's ability to complete transmission infrastructure upgrades.

11. The Applicants expect that the Projects will serve their customers (all of EMW's are in Missouri, while EMM's customers are in Missouri), including projected future load increases. The Applicants expect that the Projects will be included in rate base and their prudently incurred costs will be recovered in retail rates. Constructing these Projects is an important part of a larger overall plan called for by EMW's Preferred Plan in the 2024 Triennial IRP, filed in No. EO-2024-0153 (Apr. 1, 2024), along with the updated EMW IRP analysis . These Projects help meet both EMM's and EMW's current and forecasted energy and capacity requirements, as

identified in EMW's 2024 IRP and ongoing modeling for Applicants, while ensuring system reliability and minimizing carbon emissions.

12. This Application is submitted pursuant to the Commission's CCN Rule which requires a CCN for an electric utility to construct an electric generating plant under Section 393.170.1. Such "construction" or "line" CCNs are required if an "electric generating plant ... is expected to serve Missouri customers and be included in the rate base used to set their retail rates regardless of whether the item(s) to be constructed or operated is located ... inside or outside Missouri; ...." See CCN Rule Sections (1)(A)1, (B)1, & (2)(A)2.

13. Section (6) of the CCN Rule requires that an application for a Construction CCN include 11 categories of information regarding the Assets.

14. Section (6)(A) requires "A description of the proposed route or site of construction;

a. **Viola and McNew**. These Projects are being developed by Evergy. In 2023, Evergy engaged a comprehensive study to identify and evaluate potential sites for construction of electrical generation facilities in Missouri and Kansas, within the Evergy service territory. The study's analysis resulted in six preferred site locations, three in Kansas and three in Missouri. Accordingly, the Viola facility will be built on a greenfield site in Sumner County, Kansas, accessible by road near 37°20'00.5" N and 97°40'28.3" W. The McNew facility will be built on a greenfield site in Reno County, Kansas, accessible by road near 38°0'10.23" N and 97°55'11.10" W. A detailed description of the Assets to be constructed, including their proposed routes and sites, is provided in the Direct Testimony of J Kyle Olson, Evergy's Director of Conventional Generation Development and Construction.

b. **Mullin Creek #1**. Mullin Creek #1 will be constructed approximately eight miles south of Maryville, Missouri in Nodaway County. It can be accessed by road near 40°13'20.51"N and 94°52'5.11"W. Mr. Olson provides a detailed description of the Asset to be constructed, including its proposed routes and sites, in his Direct Testimony.

15. Section (6)(B) requires "A list of all electric . . . conduit, wires, cables, and lines of regulated and nonregulated utilities, railroad tracks, and each underground facility as defined in section 319.015, RSMo, which the proposed construction will cross; ...."

a. **Viola and McNew**. Because these Projects will be constructed in Kansas, this provision is inapplicable.

b. **Mullin Creek #1**. This Project does not cross any other utility facilities, railroad tracks, or an underground facility.

16. Section (6)(C) requires "A description of the plans, specifications, and estimated costs for the complete scope of the construction project that also clearly identifies what will be the operational features of the asset once it is fully operational and used for service; ...."

a. **Viola and McNew**. As detailed in Mr. Olson's testimony, Evergy has selected Burns & McDonnell Engineering Company, Inc. ("BMcD") as its Owner's Engineer ("OE"), and is in the process of procuring Power Island Equipment ("PIE") manufactured by Mitsubishi Power Americas Inc. ("Mitsubishi") through a Reservation Agreement leading to a PIE Supply Agreement, along with an Engineer, Procure and Construct ("EPC") Contractor. Each of the 710 MW CCGT stations will consist of a 1x1 single-shaft advanced J-Class gas turbine, an electrical generator, a heat recovery steam generator, and a steam turbine with exhaust cooled by an air-cooled condenser. This is the major equipment included in PIE, and such equipment for these two facilities will be

substantially the same. The estimated total cost to construct Viola, excluding allowance for funds used during construction ("AFUDC") is approximately **\***. The estimated total cost to construct McNew is approximately **\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\***. Company witness Katy Onnen provides estimates for interconnection facilities and network upgrades in the Southwest Power Pool ("SPP") which are included in the total amount for each of the Projects.

At this time, Applicants propose that one half of Viola (or 355 MW) will be owned by EMW, with the other half owned by EKC. While it is currently planned that EKC will own 100% of McNew, because of all Evergy subsidiaries' potential future growth in load and capacity needs discussed herein and in the accompany witness testimony, along with McNew's longer-term construction timeline, it is possible that EMW and/or EMM will acquire interests in McNew. These amounts will be financed through EMW's and/or EMM's available utility financing resources, with each joint-owner financing their proportionate share of the Project during construction to ensure that each utility's customers pay for only the facilities from which they will receive benefits. It is intended that these Assets will ultimately be included in the joint-owners' respective rate bases through the Commission's traditional ratemaking and cost of capital procedures, which Company witness John Grace (Senior Director, Corporate Planning and Financial Performance) explains in his Direct Testimony.

b. **Mullin Creek #1**. This SCGT will consist of a single advanced class J-Class gas turbine, electrical generator, and associated auxiliary equipment, which will be located inside of separate heated enclosures. The estimated total cost to construct Mullin Creek #1, excluding AFUDC, is **\*\*** 



provides an estimate for interconnection facilities and network upgrades in the Southwest Power Pool ("SPP") which is included in the total amount for this Project. It is currently planned that this Project will be owned 100% by EMW. These amounts will be financed through EMW available utility financing resources with the intent that these Assets will ultimately be included in rate base through the Commission's traditional ratemaking and cost of capital procedures, which Mr. Grace explains in his Direct Testimony.

17. These Projects are the most cost-effective build plan for EMW customers in order to meet their energy needs over the twenty-year planning horizon compared to other options, as described by Company witness Cody VandeVelde, Evergy's Senior Director of Strategy and Long-Term Planning. The selection of an OE, PIE manufacturer, and EPC Contractor for the Projects was reached through a competitive request-for-proposal ("RFP") process, as explained in Mr. Olson's Direct Testimony. Since the Projects will utilize the same OE and EPC Contractor, as well as common generation technology and PIE manufacturer, the economies of scale within these core functions will lead to more efficient, reliable, and cost-effective Project delivery.

18. As discussed above, Evergy will develop the Projects' Assets, and then EMM and EMW respectively will acquire equity interests in the Projects as noted above, and as further supported by forthcoming supplemental witness testimony. Mr. Olson describes the details of these transactions in his Direct Testimony.

19. As described in the Direct Testimonies of Katy Onnen, the Company's Director of Transmission & Distribution Planning, SPP would likely identify and require interconnection and system Network Upgrades related to Viola, McNew, and Mullin Creek #1, which as noted above, would in turn likely involve additional costs during the Projects' construction.

20. Ronald Klote, the Company's Senior Director - Regulatory Affairs discusses Applicants' need and request for construction accounting pursuant to Section 393.140(4), which specifies that the Commission has the "power, in its discretion, to prescribe uniform methods of keeping accounts, records and books, to be observed by ... electrical corporations ... engaged in the manufacture, sale or distribution of gas and electricity for light, heat or power . . . It may also, in its discretion, prescribe, by order, forms of accounts, records and memoranda to be kept by such persons and corporations." As described by Mr. Klote, the Company seeks to continue to accrue AFUDC and defer depreciation expense for the Projects during the period commencing when the costs of the Projects are booked to plant in-service and ending with the effective date of new rates in the Applicants' next rate proceeding. As noted by Mr. Klote, similar deferrals have been approved by the Commission in past cases involving large generation projects. In the event that the Plant in Service Accounting statute ("PISA") is revised, Evergy would ask the Commission to make clear in its order that the PISA statute applies to natural gas facilities proposed in this Application, or if any other statute applies to those facilities that results in deferral and recovery of return on and return of investment from the in-service date to the effective date of new rates, then no Construction Accounting will be applied.

21. Section 6(D) requires that an application include: "The projected beginning of construction date and the anticipated fully operational and used for service date of the asset;..." The projected beginning of construction date for Viola, McNew, and Mullin Creek #1 is Q4 2026/Q1 2027. Equipment construction on all three of the Projects will begin well before the inservice dates. Viola is expected to be fully operational, and used and useful for service, by January 1, 2029. McNew and Mullin Creek #1 are both expected to be fully operational, and used and useful for service, by January 1, 2030.

22. Section 6(E) requires that an application include: "A description of any common plant to be included in the construction project; ...." As indicated in the Direct Testimony of Mr. Olson, an Operations & Maintenance ("O&M") building and shared water tanks will be included as part of the construction of the Projects.

23. Section 6(F) requires that an application include: "Plans for financing the construction of the asset; ...." As stated above, the Projects will be financed using Evergy's existing debt and equity financing structure, similar to other capital investments made by the Company.

24. Section 6(G) requires that an application include: "A description of how the proposed asset relates to the electric utility's adopted preferred plan under 4 CSR 240-22; ....." As discussed above and in the testimony of Mr. VandeVelde, Viola corresponds to the 325 MW need for thermal generation identified in year 2029 of EMW's Preferred Plan, while Mullin Creek #1 corresponds to 440 MW for EMW by 2030. Further, it is possible that EMW and/or EMM will acquire interests in McNew, if the future energy and capacity needs of either Applicant exceeds those of EKC. For example, while EMM's IRP does not currently show a natural gas generation need in 2030 when McNew will go into service, there is nonetheless a strong possibility that EMM will experience customer growth necessitating additional dispatchable generation before 2032 (the year by which EMM's current IRP shows the addition of a simple cycle natural gas unit). Conversely, EMW may need to acquire interests in McNew if it gains an incremental large-load customer for which EMW is responsible for developing capacity resources (and EMW can do so within associated construction and financing timeframes). Mr. VandeVelde's testimony further addresses the Company's IRP process along with future expectations for growth and capacity

needs, which in turn additionally supports the need for the Projects. As noted above, the Company intends to submit supplemental testimony in this docket related thereto.

25. Section 6(H) requires that an application include: "An overview of the electric utility's plan for this project regarding competitive bidding, although competitive bidding is not required, for the design, engineering, procurement, construction management, and construction of the asset; ...." As described in Mr. Olson's testimony regarding the Projects, an OE provides augmented technical and managerial support to the owner of a project (here, the Applicants), including assistance with EPC oversight, and serves as the owner's representative in the EPC Contractor's procurement activities. The Company issued an OE RFP developed by a team with considerable experience in natural gas plant configurations and construction, which emphasized the long-term nature of the Projects and insisted that bidders put forward their best effort to commit their most experienced resources to Evergy over the next several years. Based on the criteria detailed by Mr. Olson, the Evergy team determined five firms were qualified and solicited bids therefrom. Evergy received bid proposals from three of those firms, and the final result was a unanimous decision to award the OE services contract to BMcD. As described by Mr. Olson, BMcD had submitted the strongest overall proposal, and has completed more than 2,000 Evergy projects in the past 20 years.

26. With assistance from BMcD, the Company issued a competitive RFP for PIE, resulting in the above-mentioned selection of Mitsubishi as the PIE supplier for the Projects. With further assistance from BMcD, the Company developed an RFP for an EPC Contractor, and bids from the three experienced contractors in the market are due on January 31, 2025. The Company expects to finalize selection of the EPC Contractor in time to supply supplemental testimony

thereon on February 19, 2025, as discussed herein. Within that same supplement, the Company also expects to provide an update to Mr. Olson's initial estimate for the Projects' EPC costs.

27. Section 6(I) requires that an application include: "An overview of plans for operating and maintaining an asset; …." Evergy currently operates over 12,000 MW of generation facilities, including gas assets. These Assets will join Evergy's generation portfolio, and benefit from the knowledge and experience gained from Evergy's many years of operating generating facilities. As discussed herein, the Company will provide more detailed operations and maintenance plans when they are available closer to the Projects' respective commercial operations. To the extent necessary, the Company thus respectfully requests a variance from this provision, per 20 CSR 4240-2.060(4) and CCN Rule Section 3(C).

28. Section 6(J) requires that an application include: "An overview of plans for restoration of safe and adequate service after significant, unplanned/forced outages of an asset; …." As stated above, the Company respectfully requests a variance from this provision, per 20 CSR 4240-2.060(4) and CCN Rule Section 3(C), so that the Company's plans for restoration of safe and adequate service can be provided closer to the time each Project will commence commercial operations.

29. Because no landowners will be directly affected by the Projects which will be constructed on vacant land, Section 6(K) is inapplicable. However, as noted by Mr. Olson, outreach has begun associated with local governmental authorities proximate to each Project.

30. Section (3)(B) of the CCN Rule states that "[i]f an asset [is] to be operated or constructed outside Missouri," which is the case for Viola and McNew but not Mullin Creek #1, "the application shall include plans for allocating costs, other than regional transmission organization/independent system operator cost sharing, to the applicable jurisdiction." For Viola,

half of the costs will be allocated on EKC's books and half will be allocated on EMW's books, as contemplated by their joint ownership. As detailed by Mr. Klote and as will be further supported by forthcoming supplemental testimony, the Company will record the costs incurred related to the second half of McNew on EKC's books unless and until a decision is made to allocate that portion of the plant to a different affiliate. In the event an interest is allocated to EMM or EMW, the appropriate transactions will be recorded on relevant entities' books to ensure already-incurred costs are transferred to the acquiring utility at that time.

#### III. Public Convenience and Necessity under Section 393.170

31. Pursuant to the requirement of the CCN Rule's Section (3)(A), Applicants provide the following "facts showing that granting the application is necessary or convenient for the public service; ...."

32. The PSC may grant a CCN if the proposed construction is "necessary or convenient for the public service." See § 393.170.3; CCN Rule § (3)(A). Missouri courts have consistently held that "necessity" does not mean "essential" or "absolutely indispensable." The concept of necessity is that the additional service "would be an improvement justifying its costs" and be "desirable for the public welfare." <u>United for Missouri v. PSC</u>, 515 S.W.3d 754, 759 (Mo. App. W.D. 2016); <u>State ex rel. Intercon Gas, Inc. v. PSC</u>, 848 S.W.2d 593, 597-98 (Mo. App. W.D. 1993). If "the public convenience will be enhanced" and "there is [a] reasonable necessity" for the service, then the public "convenience and necessity" and "need" are served by granting the CCN. State ex rel. Beaufort Transfer Co. v. Clark, 504 S.W.2d 216, 219 (Mo. App. K.C. 1973).

33. The Commission generally applies five criteria known as the <u>Tartan</u> factors in CCN cases.<sup>2</sup> The <u>Tartan</u> factors are: (1) There must be a need for the service; (2) The proposal must be economically feasible; (3) The applicant must have the financial ability to provide the service; (4) The applicant must be qualified to provide the service; and (5) The proposed service must promote the public interest. <u>Missouri Landowners Alliance v. PSC</u>, 593 S.W.3d 632, 638 & n.6 (Mo. App. E.D. 2019), <u>affirming</u> Report & Order on Remand at 40-47, <u>In re Grain Belt Express Clean Line LLC</u>, No. EA-2016-0358 (Mo. P.S.C., Mar. 20, 2019). <u>See In re Tartan Energy Co.</u>, No. GA-94-127, 1994 WL 762882 (Mo. P.S.C. 1994). An affirmative finding on the first four factors will generally lead to a finding that the requested CCN will promote the public interest. <u>Id.</u> at \*14.

34. Kevin Gunn, Vice President of State and Federal Policy, provides an overview of EMW's request for a CCN. He explains in his Direct Testimony how the Projects meet the requirements set forth in the CCN Rule, as well as the Commission's traditional standards for evaluating and approving CCN requests. Mr. Gunn also testifies that the Company's decisions to acquire and construct the Projects are prudent and that the Commission should so determine under Section (2)(C) of the CCN Rule.

35. <u>**Demonstrated Need:**</u> As described in the Direct Testimonies of Mr. Gunn, Mr. VandeVelde, and Mr. Humphrey, the addition of the Assets to the Company's generation fleet is projected to reduce customer costs through long-term, low-cost energy and capacity that will meet the Company's respective system requirements. As owned resources, the Projects will be under Evergy's operational control, and their costs will be recovered in base rates approved by the

<sup>&</sup>lt;sup>2</sup> <u>In Re Tartan Energy</u>, No. GA-94-127, 1994 WL 762882 at 3 (1994). While a project is not required as a matter of law to meet the "Tartan Factors," the Commission has traditionally used the factors when evaluating CCN applications. Cf. <u>United for Missouri v. PSC</u>, 515 S.W.3d 754, 759 (Mo. App. W.D. 2016) (noting "specific criteria have not been set out by statute").

Commission, as opposed to purchased power costs. Adding these generating facilities to Evergy Missouri West's and Evergy Missouri Metro's generation portfolios is consistent with positions taken by the PSC, its Staff, and other parties that have encouraged the Company and its predecessors to invest in their own dispatchable generation, instead of relying on power purchase agreements and the wholesale electricity markets.<sup>3</sup> The Assets are being procured as part of executing Evergy's Preferred Plans as identified through the IRP process, included expected expanded capacity and energy needs in upcoming IRP planning and filings.

36. Further, Mr. Olson's and Mr. Humphrey's testimony details the Company's energy transition, less reliance on older units, and efforts to ensure a responsible, diversified portfolio that will balance risk and cost for the best overall value to customers. Indeed, Evergy has discussed in testimony in previous dockets the capacity needs created by SPP's revised resource adequacy requirements, attributable to increased reserve margin requirements and changes in capacity accreditation standards, as well as the growth already occurring in EMW's and EMM's systems.<sup>4</sup> Because of this, the fact that Applicants expect the addition of one or more large customers within the next three-year period, the Company needs to be prepared to serve them and encourage the associated economic development benefits for Missouri, and the timeframe for construction of

<sup>&</sup>lt;sup>3</sup> <u>See, e.g.</u>, Report & Order at 14-15, <u>In re KCP&L Greater Mo. Operations Co. Application for a CCN regarding Solar</u> <u>Generating Facilities in Western Mo.</u>, No. EA-2015-0256 (Mar. 2, 2016), <u>aff'd United for Missouri v. PSC</u>, 515 S.W.3d 754, 764-65 (Mo. App. W.D. 2016) (CCN issued for Greenwood solar facility); Report & Order at 81-85, 98-99, <u>In re KCP&L Greater Mo. Operations Co. Rate Case</u>, No. ER-2010-0356 (May 4, 2011), <u>aff'd State ex rel. KCP&L</u> <u>Greater Mo. Operations Co. v. PSC</u>, 408 S.W.3d 153, 161-62 (Mo. App. W.D. 2013) (Crossroads Energy Center included in rate base). <u>See also</u> Office of the Public Counsel Initial Brief at 5-6, 22-26, 39-40, <u>In re Eleventh Prudence</u> <u>Review of Evergy Mo. West</u> Fuel Adjustment Costs, No. EO-2023-0277 (filed June 24, 2024).

<sup>&</sup>lt;sup>4</sup> <u>See</u> Surrebuttal Testimony of Cody VandeVelde, Sched. CV-2, Southwest Power Pool, "Our Generational Challenge: A Reliable Future for Electricity" at 1-2 (Summer 2024); , attached as Schedule CV-\_\_\_ to the Direct Testimony of Mr. VandeVelde. SPP's graphic of the grid risks described in this report is attached as Schedule CV-3\_\_ (graphic attached to SPP report), In re Evergy Mo. West, Inc. General Rate Case, No. ER-2024-0189 (filed Sept. 10, 2024).

new generation is at least three years, Applicants request this CCN and prudence determination from the Commission at this time.

37. Economic Feasibility: As described in the Direct Testimonies of Mr. VandeVelde and Mr. Humphrey, Applicants' decision to add the Projects to their resources is economically feasible as the Assets will produce low-cost energy from Kansas and within Missouri. The value of these Projects was also confirmed in EMW's Preferred Plan of the 2024 Triennial IRP filed in April 2024, even as updated with higher cost estimates, which indicated the addition of natural gas-fired resources will produce economic benefits for customers above other alternative plans. As further discussed above and in witness testimony, the Projects will add fuel and ownership structure diversity to Applicants' generating resource portfolios while helping them meet forecasted capacity and energy needs. Moreover, as noted above, since the Projects will utilize the same OE and EPC Contractor, as well as common generation technology and PIE manufacturer, the economies of scale within these core functions will lead to more efficient, reliable, and cost-effective Project delivery.

38. <u>Financial Ability to Provide the Service</u>: As explained in the Direct Testimony of Mr. Grace, Evergy Missouri Metro and Every Missouri West have the financial resources to acquire stakes in Viola, McNew, and Mullin Creek #1, as well as to construct, install, own, operate, manage, maintain, and control the Assets through rate base at the Company's authorized weighted average cost of capital.

39. **Qualifications to Provide the Service**: As the Direct Testimony of Jason Humphrey explains, Evergy Missouri Metro and Evergy Missouri West have constructed and operated various electricity generation facilities for many years. Likewise, EKC has operated and maintained generating units in Kansas for several years. Such experience and expertise will be

utilized when EMW and EMM begin to operate the Projects, along with the combined experiences of BMcD, Mitsubishi, and the future EPC Contractor for the Projects.

40. **Public Interest:** In addition to the factors discussed above, which demonstrate that approval of this CCN application is in the public interest, adding the Assets to Evergy Missouri West's and Evergy Missouri Metro's portfolios will provide a diversified energy resource to serve the community as Evergy transitions its generation fleet to achieve net-zero CO<sub>2</sub> emissions by 2045, with an interim goal of a 70% reduction in such emissions from 2005 levels by 2030. Further, as discussed above, adding the Projects to Applicants' generation portfolios is consistent with positions taken by the Commission, Staff, and OPC encouraging Applicants to invest in its own dispatchable generation instead of relying on power purchase agreements and the wholesale electricity markets.

#### IV. Conclusion and Request for Approval

41. The Company's Application seeks a Construction CCN for the Projects, the natural gas electricity production facilities in Kansas and Missouri that it will develop and jointly own.

42. As with any commercial transaction, there will be issues associated with transitioning the ownership of the Projects and integrating the Assets into the Company's operations. However, it is in the best interest of all parties to ensure that benefits of the Projects flow to Missouri customers in a timely manner. Further, the Company needs to issue the official Notice to Proceed ("NTP") on the Projects after receiving a final Commission order, and if the NTP is delayed beyond August 15, 2025, there is increased risk that the Projects will not achieve their currently targeted commercial operations dates. The Company, therefore, urges the Commission to issue a final order no later than July 8, 2025 with an effective date as soon as practicable thereafter, in accordance with the attached proposed procedural schedule (Exhibit A).

WHEREFORE, Applicants respectfully request that the Commission:

(1) Grant the Company a Construction CCN pursuant to Section 393.170.1 and the Commission's CCN Rule, 20 CSR 4240-20.045, that authorizes Applicants to construct, install, own, operate, maintain, manage and control the Projects, along with all existing facilities, structures, fixtures, and other equipment related to the Assets;

(2) Grant variances from 20 CSR 4240-20.045(3)(C), (6)(I), and (6)(J) so that the Company's plans for restoration of safe and adequate service, as well as as-built design drawings, can be provided closer to the time when each Project will commence commercial operations;

(3) Find that the Company's decision to acquire, construct, own, and operate the Projects is prudent under Section (2)(C) of the CCN Rule;

(4) Authorize construction accounting as requested herein pursuant to Section 393.140(4);

(5) Issue its Order, as requested above, no later than July 8, 2025; and

(6) Provide any further relief, findings, or orders that the Commission believes just, reasonable, and in the public interest.

Respectfully submitted,

## |s| Roger W. Steiner

Roger W. Steiner, MBN 39586 Corporate Counsel Evergy, Inc. 1200 Main Street Kansas City, MO 64105 Phone: (816) 556-2314 roger.steiner@energy.com

Karl Zobrist, MBN 28325 Jacqueline M. Whipple, MBN 65270 Chandler Hiatt, MBN 75604 Dentons US LLP 4520 Main Street, Suite 1100 Kansas City, MO 64111 Phone: (816) 460-2400 Fax: (816) 531-7545 karl.zobrist@dentons.com jacqueline.whipple@dentons.com chandler.hiatt@dentons.com

James M. Fischer, MBN 27543 Fischer & Dority, P.C. 2081 Honeysuckle Lane Jefferson City, MO 65109 Phone: (573) 353-8647 jfischerpc@aol.com

Attorneys for Evergy Missouri West and Evergy Missouri Metro

### **CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing document has been handdelivered, emailed, or mailed, postage prepaid, to the Staff of the Commission and to the Office of the Public Counsel this 15<sup>th</sup> day of November 2024.

### |s| Roger W. Steiner

Attorney for Evergy Missouri West and Evergy Missouri Metro

#### **VERIFICATION**

STATE OF MISSOURI ) ) ss COUNTY OF JACKSON )

I, Kevin Gunn, state that I am Vice President, State and Federal Regulatory Policy for Evergy, Inc., that I have reviewed the foregoing Application, that I am familiar with its contents, and that the statements contained therein are true and correct to the best of my knowledge and belief. Evergy has had no communication with the Office of the Commission within the prior 150 days regarding any substantive issue likely to arise in this case.

Under penalty of perjury, I declare that the foregoing is true and correct to the best of my knowledge and belief.

Subscribed and sworn before me this 15<sup>th</sup> day of November 2024.

Notary Public

My commission expires:  $\frac{4}{2u}$ 

ANTHONY R. WESTENKIRCHNER NOTARY PUBLIC - NOTARY SEAL OF MISSOURI STATE Y CON ON EXPIRES APRIL 26, 2025 PLATTE COUNTY COMMISSION #1727995

Application/Direct Testimony	Friday, Nov. 15, 2024
Evergy Supplemental Testimony (specifically identified in Application and Supporting Testimony)	Wed., Feb. 19, 2025
Staff and Intervenor(s) Rebuttal	Friday, March 14, 2025
Surrebuttal Testimony	Monday, April 14, 2025
Settlement Conference	Thursday, April 17, 2025
Evidentiary Hearings	Week of April 29, 2025
Initial Brief	Monday, May 26, 2025
Reply Brief	Friday, June 6, 2025
Requested Commission Order	Tuesday, July 8, 2025

# PROPOSED PROCEDURAL SCHEDULE

### Evergy Metro, Inc. d/b/a Evergy Missouri Metro and Evergy Missouri West, Inc. d/b/a Evergy Missouri West

Docket No.: EA-2025-0075 Date: October 25, 2024

### CONFIDENTIAL INFORMATION

The following information is provided to the Missouri Public Service Commission under CONFIDENTIAL SEAL:

Document/Page	Reason for Confidentiality from List Below
Application, p. 8, ¶16.a. and 16.b.	3, 4, and 6

Rationale for the "confidential" designation pursuant to 20 CSR 4240-2.135 is documented below:

- 1. Customer-specific information;
- 2. Employee-sensitive personnel information;
- 3. Marketing analysis or other market-specific information relating to services offered in competition with others;
- 4. Marketing analysis or other market-specific information relating to goods or services purchased or acquired for use by a company in providing services to customers;
- 5. Reports, work papers, or other documentation related to work produced by internal or external auditors, consultants, or attorneys, except that total amounts billed by each external auditor, consultant, or attorney for services related to general rate proceedings shall always be public;
- 6. Strategies employed, to be employed, or under consideration in contract negotiations;
- 7. Relating to the security of a company's facilities; or
- 8. Concerning trade secrets, as defined in section 417.453, RSMo.
- 9. Other (specify)

Should any party challenge the Company's assertion of confidentiality with respect to the above information, the Company reserves the right to supplement the rationale contained herein with additional factual or legal information.