Exhibit No.: Issue(s): Sponsoring testimony Witness: J Luebbert Sponsoring Party: MoPSC Staff Type of Exhibit: Direct Testimony Case No.: EA-2024-0292 Date Testimony Prepared: May 7, 2025

## **MISSOURI PUBLIC SERVICE COMMISSION**

### **INDUSTRY ANALYSIS DIVISION**

### **TARIFF/RATE DESIGN DEPARTMENT**

### **REBUTTAL TESTIMONY**

### OF

### **J LUEBBERT**

## EVERGY MISSOURI WEST INC., d/b/a Evergy Missouri West

### CASE NO. EA-2024-0292

Jefferson City, Missouri May 2025

\*\* Denotes Confidential Information \*\*

1		<b>REBUTTAL TESTIMONY OF</b>			
2	J LUEBBERT				
3 4 5	EVERGY MISSOURI WEST INC., d/b/a Evergy Missouri West				
6	CASE NO. EA-2024-0292				
7	Q.	Please state your name and business address.			
8	А.	My name is J Luebbert. My business address is P.O. Box 360, Suite 700,			
9	Jefferson City, MO 65102.				
10	Q.	Have you previously filed testimony in cases before the Missouri Public Service			
11	Commission ("Commission").				
12	А.	Yes, numerous times. Schedule 6 attached to the Staff recommendation report			
13	includes an updated case participation list.				
14	Q.	What is the purpose of your rebuttal testimony?			
15	А.	I will provide an overview of the Staff Recommendation regarding Evergy			
16	Missouri West, Inc. d/b/a Evergy Missouri West's ("Evergy Missouri West" or "EMW")				
17	application for approval of Certificates of Convenience and Necessity ("CCNs") for two solar				
18	generation facilities (the "Projects"), <sup>1</sup> approval of a new tariffed program that Evergy Missouri				
19	West named "Green Solutions Connections Program," and requests that the Commission find				
20	that Evergy Missouri West's acquisition of the two solar facilities is a prudent decision. I will				
21	also sponsor the Staff Recommendation report filed in this docket on April 4, 2025, <sup>2</sup> that				
22	provides the details of Staff's analysis and recommendations.				

<sup>&</sup>lt;sup>1</sup> Sunflower Sky is an approximately 65 megawatt ("MW") solar farm to be constructed in Wilson County, Kansas. Foxtrot is an approximately 100 MW solar farm to be constructed and located in Jasper County, Missouri. <sup>2</sup> Attached to this testimony as Confidential Schedule JL-r1.

1	Q.	How is the Staff Recommendation report organized?			
2	А.	The Staff Recommendation report includes testimony of 11 Staff witnesses from			
3	the Engineering Analysis Department, Financial Analysis Department, and Tariff/Rate Design				
4	Department. <sup>3</sup> The Staff Recommendation report is organized as follows:				
5	I.	Executive Summary			
6	II.	Application Summary			
7	III.	Five Tartan Criteria			
8		A. Whether there is a need for the facilities and service			
9		B. Whether the applicant is qualified to construct, install, own, operate,			
10		maintain, and otherwise control and manage the Projects			
11		C. Whether the applicant has the financial ability for the undertaking			
12		D. Whether the proposal is economically feasible			
13		E. Whether the proposal is in the Public Interest			
14	IV.	Green Solution Connection Program			
15	V.	Request for Decisional Prudence			
16	Section III provides the bulk of Staff's review and analysis of the CCN applications. Section				
17	IV provides Staff's analysis and recommendation regarding the request for approval of the				
18	Green Solution Connection ("GSC") Program. Section V provides Staff's recommendation				
19	regarding Evergy Missouri West's request for decisional prudence of the acquisition of the				
20	solar facilities.				
21	Q.	Please provide an overview of Staff's recommendation regarding the			
22	CCN applicat	ions.			

<sup>&</sup>lt;sup>3</sup> The credentials of each witness are attached as Schedule 6 of the report.

1	А.	Based on Staff's review: 1) the Projects are needed; 2) EMW is qualified to		
2	construct, install, own, operate, maintain, and otherwise control and manage the Projects; 3)			
3	EMW has the financial ability to undertake the Projects; 4) based on the information provided			
4	by EMW, Staff cannot conclude that the Projects are economically feasible; and 5) the Projects			
5	may be in the public interest with the conditions recommended by Staff.			
6	Staff	recommends the Commission approve the projects, subject to the		
7	following conditions:			
8	Economic Conditions			
9	1.	EMW shall provide the Commission and Staff with justification for moving		
10	forward with the Projects if any costs or assumptions change from those estimates included in			
11	the workpapers that underlay EMW's direct testimony by more than 5%, including any costs			
12	that exceed the base amounts included in the underlying assumptions provided in support of			
13	EMW's application in this case.			
14	2.	EMW shall provide Staff quarterly reports for a period of three years on negative		
15	prices published at the actual P-node and their impact on revenue.			
16	3. Include contingency plans based on key input scenarios such as:			
17		a. Market price changes for key components by resource type		
18		b. Changes to tax incentives		
19		c. Load assumptions		
20	4.	**		
21				
22				
23		**.		

1	Engineering Conditions		
2	• EMW shall file in this docket a site-specific Emergency Action Plan Operations and		
3	Maintenance Plan for the Projects within 60-days of the facility being placed in service.		
4	• EMW shall utilize the in-service criteria and capacity test procedures recommended by		
5	Staff in Confidential Schedule 4 of the Staff Recommendation report.		
6	• EMW shall provide quarterly reporting of the progress of construction of the Projects.		
7	This report shall include, but not be limited to, quarterly progress reports on permitting,		
8	plans, specifications, and construction progress for the Projects.		
9	• **		
10	**.		
11	Q. Would Staff recommend that the Commission approve the applications absent		
12	the aforementioned conditions?		
13	A. No.		
14	Q. Does Staff recommend approval of the Green Solution Connection Program?		
15	A. No. Staff recommends rejection of the program as currently described, as EMW		
16	has not demonstrated that there is a need for the program or that the RECs have been properly		
17	valuated; and if EMW's allocation of costs for these resources is consistent with past EMW		
18	Class Cost Of Service proposals, there could potentially be a mismatch of costs and potential		
19	benefits for other rate classes. If the Commission decides to approve this program, Staff		
20	recommends the Commission order the following conditions:		
21	1. EMW shall accurately and consistently valuate their RECs before setting a price		
22	and evaluate and update the price on an annual basis to account for volatility in the market.		

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2. Approval of this program is for EMW only. Evergy Missouri Metro, Inc. d/b/a Evergy Missouri Metro has filed a separate tariff in Case EO-2025-0154.

3 3. GSC Program Renewable Energy Credits ("REC") sold to the subscribed
4 customers in the GSC Program can only be sold at the price per GSC Program REC that is
5 agreed to or approved by the Commission at the conclusion of this case.

4. The GSC Program RECs sold must be included in EMW's FAC Monthly
7 Reports, and shall include, but not limited to, the GSC Program RECs that were
8 subscribed/unsubscribed, the price per GSC Program REC, the vintage date of the sold GSC
9 Program REC, the date the GSC Program REC was sold.

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5. Language shall be added in the GSC tariff to reflect that the REC revenues from the RECs sold in the GSC Program will be included in the FAC, and the Company shall begin to include the GSC Program REC revenues in the FAC as of the effective date of the GSC tariff.

6. Language will be added in the FAC tariff in EMW's next general rate case, to
reflect that the GSC Program REC revenues from the RECs sold in the GSC Program are
included in the FAC.

Q. Is it appropriate to grant Evergy Missouri West's request for a determination of
decisional prudence for the solar facilities?

A. No. Given the uncertainty that still exists with the costs of completing the
Projects and the unreliability of EMW's projections of market revenue, as well as the
inflationary and competitive forces regarding material and supply chain disruptions from tariffs

on steel and aluminum,<sup>4,5</sup> it is inappropriate to determine the decision to move forward with the Projects is prudent at this time. Staff recommends the Commission reject EMW's request for decisional prudence. If the Commission decides to approve EMW's application, it is appropriate to withhold the determination of prudence of this project until EMW includes the Projects in rates proposed in a general rate case where all factors can be reviewed. The Commission does not need to make this determination in the context of this case.

Based on the information that EMW has provided and Staff has reviewed, it is
not possible to determine that moving forward with the Projects is a prudent decision.
The economic analyses provided by EMW are flawed, and deciding to move forward with the
acquisition based upon the results of such analysis introduces unnecessary risk for ratepayers.

11 Q. Does Staff have any corrections or updates to its recommendation at this time? 12 In the pleading that was attached to the Staff Recommendation filed on A. 13 April 4, 2025, there was an additional condition under paragraph 4.c.iv. that recommended 14 EMW file contingency plans based on ongoing litigation regarding existing resources. This 15 condition was not a part of Staff's final memorandum, and it was mistakenly included in the pleading. Staff also understands that EMW has proposed program changes associated with the 16 GSC Program RECs.<sup>6</sup> Staff will provide further testimony on this issue in surrebuttal, 17 18 if warranted.

<sup>&</sup>lt;sup>4</sup> Maltais, K. (2025, March 29). *Commodities Report: Metals Prices Soar Amid Tariff War*. S&P Capital IQ. <u>https://www.capitaliq.spglobal.com/apisv3/spg-webplatform-</u>core/news/article?id=88270914&KeyProductLinkType=18.

<sup>&</sup>lt;sup>5</sup> Maltais, K. (2025, February 21). U.S. Aluminum Buyers Scramble for Metal as Trump Tariff Looms. S&P Capital IQ. <u>https://www.capitaliq.spglobal.com/apisv3/spg-webplatform-core/news/article?id=87673113&redirected=1</u>.

<sup>&</sup>lt;sup>6</sup> Evergy Missouri West's response to Staff data request 24.1 in this case is due May 8.

A.

- Q. Do you have any additional recommendations?
   A. I recommend reviewing the Staff Recommendation report which provides
   detailed discussion on many of the concerns that arose throughout Staff's review of
   Evergy Missouri West's application and through the course of discovery in this case.
   Q. Does this conclude your direct testimony?
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Yes it does.

#### **BEFORE THE PUBLIC SERVICE COMMISSION**

#### **OF 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 for Permission and Approval of Certificates of Public Convenience and Necessity Authorizing it to Construct, Install, Own, Operate, Manage, Maintain and Control **Two Solar Generation Facilities** 

Case No. EA-2024-0292

#### **AFFIDAVIT OF J LUEBBERT**

STATE OF MISSOURI	)	
	)	SS.
COUNTY OF COLE	)	

COMES NOW J LUEBBERT, and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing Rebuttal Testimony of J Luebbert and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

**J LUEBBERT** 

### JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for 7th the County of Cole, State of Missouri, at my office in Jefferson City, on this \_\_\_\_\_ day of May 2025.



Suscellankin Notary Public