

Exhibit No.:
Issue(s): *Green Solutions*
Connections Program
Witness: *Sarah L.K. Lange*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Surrebuttal Testimony*
Case No.: *EA-2024-0292*
Date Testimony Prepared: *May 19, 2025*

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

TARIFF/RATE DESIGN DEPARTMENT

SURREBUTTAL TESTIMONY

OF

SARAH L.K. LANGE

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

CASE NO. EA-2024-0292

Jefferson City, Missouri
May 2025

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1 A. No. Mr. Owen simply cites on page 12 of his rebuttal testimony to EMW's
2 website for his conclusion that "renewable resources will result in reduced costs through a
3 careful, responsible transition away from older, aging facilities and fuel sources."

4 Q. Does Staff recommend approval of the Green Solution Connection Program?

5 A. No. Staff recommends rejection of the GSC Program as currently described,¹
6 as EMW has not demonstrated that there is a need for the GSC Program or that the Renewable
7 Energy Credits ("RECs") have been properly valued; and if EMW's allocation of costs for
8 these resources is consistent with past EMW Class Cost of Service proposals, there could
9 potentially be a mismatch of costs and potential benefits for other rate classes. As stated in its
10 Staff Recommendation Report, if the Commission decides to approve this program,
11 Staff recommended the Commission order the following conditions:

12 1. EMW shall accurately and consistently value their RECs before
13 setting a price and evaluate and update the price on an annual basis to
14 account for volatility in the market.

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

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

22 4. The GSC Program RECs sold must be included in EMW's FAC
23 Monthly Reports, and shall include, but not limited to, the GSC Program
24 RECs that were subscribed/unsubscribed, the price per GSC Program

¹ Further, since the drafting of Staff's Recommendation Report, Senate Bill 4 (Section 393.1030.2) has been signed by Governor Michael Kehoe. This includes a provision for "Accelerated Renewable Buyer" opt-out of Renewable Energy Standard requirements which may apply to qualifying customers if served under the GSC. Evergy has put for a suite of related proposals and restatement of the GSC proposal for both Missouri jurisdictions in the Large Load Power Service tariff case, EO-2025-0154. It is possible, and likely, that the alignment of the tariff language with SB 4 and that the considerations of the EO-2025-0154 case will necessitate adjustment to the tariff provisions. Staff is concerned that it would be premature to authorize the program in this docket.

1 REC, the vintage date of the sold GSC Program REC, the date the GSC
2 Program REC was sold.

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

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

10 [Emphasis added]

11 Q. As noted in Staff's Recommendation Report, EMW has proposed program
12 changes associated with the GSC Program RECs in the Large Load Power Service docket,
13 EO-2025-0154.² In that response, discussed further by Staff expert/witness Amanda Conner in
14 her surrebuttal testimony, EMW indicated its belief that the FAC tariff could be changed
15 between rate cases.

16 Q. Does Staff have an alternative recommendation to conditions 5 and 6
17 referenced above?

18 A. Yes. Staff's revised primary condition in lieu of conditions 5 and 6 referenced
19 above is that:

20 Language shall be added in the GSC tariff to reflect that the GSC
21 Program revenues will be recorded as a regulatory liability, with the
22 value of such regulatory liability to be allocated in future rate cases
23 against the ratebase associated with the solar farm(s) from which
24 program RECs were generated.

25 Q. Does this solution obviate the apparent need to modify the FAC tariffs between
26 rate cases?

27 A. Yes.

² Evergy Missouri West's response to Staff data request 24.1 in this case was provided May 8.

1 Q. Does this solution mitigate – in part – the allocation inequity concerns you
2 discussed in your portion of the Staff Recommendation Report attached to the Rebuttal
3 testimony of J Luebbert?

4 A. Yes. By offsetting the ratebase associated with the underlying plant, the value
5 of the revenues associated with the RECs generated by the plant will necessarily align that
6 portion of revenue from the plant with the cost allocation of the plant.

7 Q. Does this solution eliminate the FAC allocation concern discussed by Staff
8 expert/witness Marina Gonzales in her portion of the Staff Recommendation Report attached
9 to the Rebuttal testimony of J Luebbert?

10 A. Yes.

11 Q. Are there additional benefits to ratepayers in this treatment?

12 A. Yes. This treatment would reduce ongoing revenue requirements by effectively
13 allowing program participants to “buy down” the value of the renewable ratebase.
14 This treatment is consistent with treatment of program participation fees under Ameren
15 Missouri’s Community Solar program.³ The contribution against ratebase would act as an
16 ongoing benefit to non-program participants in offsetting the revenue requirement of the
17 resource, and that benefit would persist even if participants drop off of the GSC Program.

18 In contrast, under the proposed Evergy revenue treatment, if customers do not remain enrolled
19 in the GSC Program, ratepayers will pay the full revenue requirement of the solar facilities
20 without offset.

³ See Union Electric Company d/b/a/ Ameren Missouri MO P.S.C. Schedule 6, 4th revised sheet 89.2, paragraph 2.b..

1 Q. Is Evergy harmed by this treatment?

2 A. No. Evergy would remain appropriately compensated for investment in
3 renewable facilities, although the net amount of investment would decrease over time.
4 Also, Evergy would enjoy the benefit of regulatory lag between rate cases as the reduction in
5 net ratebase would not be recognized until a subsequent rate case, unless recognized through
6 the Renewable Energy Standard Rate Adjustment Mechanism (“RESRAM”).

7 Q. Is Staff opposed to the general idea of a REC retirement program or a bundled
8 REC program associated with these solar units?

9 A. No. However, given the issues noted by Staff expert/witness Amanda Arandia
10 in the Staff Recommendation Report, the Accelerated Renewable Buyer provisions of Senate
11 Bill 4 (Section 393.1030.2), and the suite of related proposals and restatement of the GSC
12 proposal that Evergy has put forth for both Missouri jurisdictions in the Large Load Power
13 Service tariff case, EO-2025-0154, Staff is concerned that it would be premature to authorize
14 the program in this docket. It is possible, and likely, that the alignment of the tariff language
15 with SB 4 and that the considerations of the EO-2025-0154 case will necessitate adjustment to
16 the tariff provisions. Further, there is ample time prior to the completion of construction of the
17 solar facilities (if authorized) for these revisions to be made.

18 Q. Does this conclude your Surrebuttal testimony?

19 A. Yes it does.

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

File No. EA-2024-0292

AFFIDAVIT OF SARAH L.K. LANGE

STATE OF MISSOURI)
)
COUNTY OF COLE) SS.

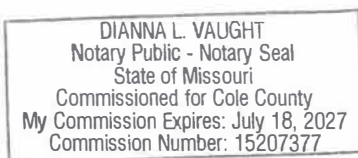
COMES NOW SARAH L.K. LANGE, and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Surrebuttal Testimony of Sarah L.K. Lange*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Sarah L.K. Lange
SARAH L.K. LANGE

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 19th day of May 2025.



Dianne L. Vayns
Notary Public