

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

In the Matter of the Application of Evergy	)	
Missouri West, Inc. d/b/a Evergy Missouri	)	
West for Permission and Approval of	)	<b><u>File No. EA-2024-0292</u></b>
Certificates of Convenience and Necessity	)	
Authorizing It to Construct, Install, Own	)	
Operate, Manage, Maintain, and Control	)	
Two Solar Generation Facilities	)	

**STATEMENT OF POSITIONS**

**COMES NOW**, the Staff of the Missouri Public Service Commission, and for its  
Statement of Positions states as follows:

**I. List of Issues**

A. Does the evidence establish that the 65 megawatt ("MW") solar generation facility to be constructed in Wilson County, Kansas ("Sunflower Sky") and the 100 MW solar generation facility to be constructed in Jasper County, Missouri ("Foxtrot") (collectively, "Projects") for which Evergy Missouri West is seeking a certificate of convenience and necessity ("CCN") is necessary or convenient for the public service?

**Based on Staff's review: 1) the Projects are needed; 2) Evergy Missouri West ("EMW" or "Company") is qualified to construct, install, own, operate, maintain, and otherwise control and manage the Projects; 3) EMW has the financial ability to undertake the Projects; 4) Staff cannot recommend that the Projects are economically feasible; and 5) the Projects may be in the public interest with the conditions recommended by Staff. Based on this analysis, Staff recommends the Commission approve the CCNs with the conditions recommended by Staff. However, because Staff cannot recommend that the Projects are economically feasible, Staff recommends the Commission reject EMW's request for decisional prudence. (Staff Recommendation Report, p. 3).**

1. Should the Commission find that the Projects satisfy the first *Tartan* Factor of need?

**Staff concludes that the additional capacity is effectively a necessity because the lack of the service is such an inconvenience. The Company's arguments regarding providing a hedge against risks associated with power prices, carbon prices, and fuel prices are not relevant to the question of need, but rather if a project is economically feasible. (Staff Recommendation Report, p. 14).**

2. Should the Commission find that the Projects satisfy the second *Tartan* Factor of economic feasibility?

**The lack of detail and transparency, aggregation of results, and inclusion of generic assumptions included in the IRP render it insufficient to justify the economic feasibility of a single generation project. The utility should be able to provide justification of the economic feasibility for individual projects, especially if costs increase or expected revenues decrease from the assumptions that were originally modeled. Additionally, the economic feasibility of the individual project must be considered against viable alternative solutions that can address the identified issue. EMW has not demonstrated that either project is economically feasible, however the projects may still be in the public interest with conditions given the capacity needs identified. (Staff Recommendation Report, p. 40-41).**

3. Should the Commission find that the Projects satisfy the third *Tartan* Factor of ability to finance?

**With the consideration of EMW's financial capacity, the Applicant has the financial ability to purchase and operate the Projects and it is reasonable to conclude that EMW has the financial ability to purchase, operate, manage, maintain, and control the Asset(s). (Staff Recommendation Report, p. 16-18).**

4. Should the Commission find that the Projects satisfy the fourth *Tartan* Factor of qualified to construct?

**Staff concludes that EMW is qualified, and has the experience and expertise to provide construction management, and/or to contract with an EPC services provider that will be qualified to construct these facilities. (Staff Recommendation Report, p. 15).**

5. Should the Commission find that the Projects are in the public interest and satisfies the fifth *Tartan* Factor?

**The Projects are in the public interest with the conditions recommended by Staff. Staff's public interest assessment in this case involves the evaluation of all other Tartan Criteria: need for the project, its economic feasibility, and the qualifications and financial ability of the entity requesting a CCN. Staff considers the evaluation of the separate Tartan criteria and whether, on balance, the project promotes the public interest. Additionally, Staff reviews the project and whether there are any considerations not covered by the other Tartan Criteria that should be considered in the public interest assessment. In this case, these considerations include EMW's proposed in-service criteria, EMW's site of construction, and public engagement. Finally, Staff recommends a number of conditions to the granting of the CCN. (Staff's Recommendation Report, p. 42 and 50).**

- B. If the Commission grants the CCN for the Projects, what conditions, if any, should the Commission impose on the CCN?

**Staff recommends the Commission approve the projects, subject to the following conditions, and that the Commission deny EMW's request for decisional prudence.**

#### **Economic Conditions**

- 1. EMW shall provide the Commission and Staff with justification for moving forward with the project if any costs or assumptions change from those estimates included in the workpapers that underlay EMW's direct testimony by more than 5%, including any costs that exceed the base amounts included in the underlying assumptions provided in support of EMW's application in this case or changes to the expectation of the level of tax credit (i.e. PTCs or ITCs) availability for the facilities.**
- 2. EMW shall provide Staff quarterly reports for a period of three years on negative prices published at the actual P-node and their impact on revenue.**

3. Include contingency plans based on key input scenarios such as:
  - a. Market price changes for key components by resource type
  - b. Changes to tax incentives
  - c. Load assumptions

4. \*\* [REDACTED] . \*\*

#### Engineering Conditions

- EMW shall file in this docket a site-specific Emergency Action Plan, and an Operations and Maintenance Plan for the Projects within 60-days of the facility being placed in service.
- EMW shall utilize the in-service criteria and capacity test procedures recommended by Staff in Confidential Schedule 4 of this report.
- EMW shall provide quarterly reporting of the progress of construction of the Projects. This report shall include, but not be limited to, quarterly progress reports on permitting, plans, specifications, and construction progress for the Projects.
- \*\* [REDACTED] . \*\*

(Staff Recommendation Report, p. 50-51; Luebbert Surrebuttal, p. 2-3.).

- C. Is this an appropriate proceeding for the Commission to review Evergy Missouri West's Green Solution Connections Program?

Staff is not opposed to the general idea of a REC retirement program or a bundled REC program associated with these solar units; however, given the issues noted in the Staff Recommendation Report, the Accelerated Renewable Buyer provisions of Senate Bill 4, and the suite of related proposals and restatement of the GSC proposal that Evergy has put forth for both Missouri jurisdictions in the Large Load Power Service tariff case, EO-2025-0154, Staff is concerned that it would be premature to authorize the program in this docket. 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. Further, there is ample time prior to the completion of construction of the solar facilities (if authorized) for these revisions to be made. (Lange Surrebuttal, p. 5; Staff Recommendation Report, p. 51-59).

1. If so, should the Commission find that the Green Solution Connections Program proposed by Evergy Missouri West is just, reasonable, and not unjustly discriminatory or unduly preferential, and otherwise is lawful?

**Staff recommends rejection of the GSC Program as currently described, as EMW has not demonstrated that there is a need for the GSC Program or that the Renewable Energy Credits (“RECs”) have been properly valued. (Lange Surrebuttal, p. 2, Conner Surrebuttal, p. 3, Staff Recommendation Report p. 51-59).**

- D. If the Commission approves the Green Solution Connections Program proposed by Evergy Missouri West what, if any, conditions should the Commission impose on such approval?

**If the Commission approves the GSC Program, Staff recommends the Commission order the following conditions:**

1. **EMW shall accurately and consistently value their RECs before setting a price and evaluate and update the price on an annual basis to account for volatility in the market.**
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. **GSC Program Renewable Energy Credits (“REC”) sold to the subscribed customers in the GSC Program can only be sold at the price per GSC Program REC that is 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 Reports, and shall include, but not limited to, the GSC Program RECs that were subscribed/unsubscribed, the price per GSC Program REC, the vintage date of the sold GSC Program REC, the date the GSC Program REC was sold.**
5. **Language shall be added in the GSC tariff to reflect that the GSC Program revenues will be recorded as a regulatory liability, with the value of such regulatory liability to be allocated in future rate cases against the ratebase associated with the solar farm(s) from which program RECs were generated.**

**(Lange Surrebuttal, p. 2-3; Staff Recommendation Report, p. 59).**

E. Is this CCN docket the appropriate case to determine whether Evergy Missouri West's decision to acquire, construct, own and operate the Projects is prudent under Section 2(C) of Commission Rule 20 CSR 4240-20.045?

**Commission Rule 20 CSR 4240-20.045 is titled "Electric Utility Applications for Certificates of Convenience and Necessity." Section 2(C) of the rule states the following:**

**In determining whether to grant a certificate of convenience and necessity, the commission may, by its order, make a determination on the prudence of the decision to operate or construct an asset subject to the commission's subsequent review of costs and applicable timelines.**

**Per the language of the rule, the Commission may make a determination on the prudence of Evergy Missouri West's decision to operate or construct an asset in this CCN docket.**

1. Should the Commission grant Evergy Missouri West's request that its decision to acquire, construct, own and operation the Projects is prudent under Section 2(C) of Commission Rule 20 CSR 4240-20.045?

**No. Given the uncertainty that still exists with the costs of completing this project 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, it is inappropriate to determine the decision to move forward with this project is prudent. 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 project 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 project 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. (Luebbert Surrebuttal, p. 5; Staff Recommendation Report, p. 59 -62).**

F. Should the Commission grant Evergy Missouri West's requested variances from Commission Rules 20 CSR 4240-20.045(3)(C), 6(I), and 6(J) so that Evergy Missouri West's plans for restoration of safe and adequate service, as well as as-built drawing, can be provided closer to the time when the Projects will commence commercial operations?

**Yes, subject to Staff's conditions. EMW has included within its Application and Direct Testimony the minimum filing requirements of Commission Rules 20 CSR 4240-2.060, 20 CSR 4240-20.045(6), and 20 CSR 4240-10.0105. Confidential Schedule 1 and Confidential Schedule 2 includes the filing requirements and Staff's review for Foxtrot and Sunflower Sky, respectively. In summary, to ensure the Commission and Staff receives a site-specific Emergency Action Plan, and an Operations and Maintenance Plan, Staff recommends the Commission order EMW to file in this docket a site-specific Emergency Action Plan, and an Operations and Maintenance Plan for the Projects within 60-days of the facility being placed in service. Additionally, in order to facilitate tracking the status of various phases of completion, Staff recommends the Commission order EMW to provide quarterly reporting of the progress of construction of the Projects. This report shall include, but not be limited to, quarterly progress reports on permitting, plans, specifications, and construction progress for the Projects. (Staff Recommendation Report, p. 6).**

**WHEREFORE**, Staff respectfully submits this Statement of Positions for the Commission's information and consideration.

Respectfully submitted,

/s/ Travis J. Pringle

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Missouri Public Service Commission**

### **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been transmitted by electronic mail to all parties and/or counsel of record this 21st day of May, 2025.

/s/ Travis J. Pringle