

Exhibit No. 10

Public Version

Exhibit No.:

Issue: Updates regarding planned resource additions
and related cost issues

Witness: Jason Humphrey

Type of Exhibit: Supplemental Direct Testimony

Sponsoring Party: Evergy Missouri West & Evergy Missouri Metro

Case No.: EA-2024-0075

Date Testimony Prepared: February 19, 2025

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: EA-2024-0075

SUPPLEMENTAL DIRECT TESTIMONY

OF

JASON HUMPHREY

ON BEHALF OF

EVERGY MISSOURI WEST AND EVERGY MISSOURI METRO

Kansas City, Missouri

February 2025

SUPPLEMENTAL DIRECT TESTIMONY

OF

JASON HUMPHREY

CASE NO.: EA-2025-0075

I. INTRODUCTION

Q: Are you the same Jason Humphrey who filed Direct Testimony in this case on November 15, 2024?

A: Yes. I previously submitted Direct Testimony on behalf of Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri West,” “EMW” or “West”) and Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy Missouri Metro,” “EMM” or “Metro”) (collectively referred to as “Evergy,” “Applicants,” or the “Company”). The Applicants, along with Every Kansas Central, Inc. and Evergy Kansas South, Inc. (“Evergy Kansas Central” or “EKC”), are the operating utilities of Evergy, Inc. (“Evergy”).

Q: What is the purpose of your Supplemental Direct Testimony?

A: This Supplemental Direct Testimony primarily addresses the progress made on EMW’s development efforts. This includes updates regarding various steps of procurement and contracting related to the combined cycle gas turbine (“CCGT”) facilities identified in my Direct Testimony as the Viola and McNew facilities, as well as the Mullin Creek #1 generating unit, a simple-cycle gas turbine (“SSCT”) facility (collectively, the “Projects”). I also discuss at a high level the potential effect of recent decisions announced by the new administration through presidential proclamations related to additional proposed tariffs on steel and aluminum.

1 **Q: What progress has been made regarding the Power Island Equipment (“PIE”)**
2 **acquisition for McNew, Viola, and Mullin Creek #1?**

3 A: At the time the Application and Direct Testimony in this case was filed, EMW had executed
4 reservation agreements for the PIE with Mitsubishi Power Americas (“MPA”) for the
5 Projects. As addressed in the Supplemental Direct Testimony of Evergy witness J Kyle
6 Olson, EMW has now finalized fixed-price PIE Supply Agreements with MPA. The final
7 cost figures in the PIE Supply Agreements had minimal changes compared to the estimated
8 costs reported in the Company’s Direct Testimony

9 **Q: What has occurred regarding the acquisition of the Generator Step-Up (“GSU”)**
10 **Transformers and related equipment for McNew, Viola, and Mullin Creek #1?**

11 A: As discussed in the Supplemental Direct Testimony of Mr. Olson, EMW has finalized
12 agreements for acquisition of GSU transformers for the Projects. The GSU agreements are
13 with a single, well-established provider. EMW attempted to avoid contracting with GSU
14 manufacturers located in Southeast Asia to minimize tariff risks and the possible purchase
15 of parts and components manufactured in China. The utilization of parts and components
16 from China poses substantial risks related to tariff costs, as well as legal risks related to
17 trade regulation. The GSU provider EMW has contracted with is not located in Southeast
18 Asia and, therefore, EMW has further managed the additional risks attendant to Southeast
19 Asia manufacturers. EMW’s experience with both the PIE and GSU agreements has been
20 favorable and shows that the Projects are proceeding smoothly and in due course.

21 The GSU agreements are also in line with expectations from a cost perspective.
22 There are no changes in the cost estimates attributable to the GSUs.

1 **Q: Please identify substantial progress made related to Engineering, Procurement and**
2 **Construction (“EPC”) contracting for the Projects since the filing of the Application**
3 **and Direct Testimony?**

4 A: As stated in Direct Testimony filed by a number of Company witnesses, EMW solicited
5 and expected to receive proposals from as many as three prospective EPC contractors to
6 establish its cost estimates for McNew, Viola, and Mullin Creek #1. On January 31, 2025,
7 EMW received two quality bids from prospective EPC contractors Black & Veatch
8 Corporation and the Kiewit Corporation. EMW has analyzed those bids to produce the
9 updated cost estimates for the Projects. Those cost estimates are discussed in detail in Mr.
10 Olson’s Supplemental Direct Testimony. The EPC bids were timely and complete and have
11 enabled EMW to complete an accurate cost estimate for the Projects. Ultimately, the costs
12 in the EPC bids for the two CCGTs, Viola and McNew, are close to the cost estimates
13 previously provided, and thus resulted in cost estimates that are very close to the original
14 cost estimates submitted in this docket. The EPC bids for the Mullin Creek #1 project were
15 higher than the original cost estimate by ****[REDACTED]****. The Supplemental Direct
16 Testimony of Mr. Olson more directly addresses the costs of the Projects.

17 **Q: Has EMW selected an EPC contractor?**

18 No. EMW has not yet selected an EPC contractor and has not executed a final EPC contract.
19 EMW is still analyzing bids and continues to negotiate general terms and conditions with
20 the two contractors that submitted bids. The EPC bidding process has proceeded favorably,
21 and EMW is on path to have an EPC contract fully negotiated and executed in the second
22 quarter of 2025.

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1 **Q: In your Direct Testimony you discussed the market for generation construction and,**
2 **in particular, natural gas-fired power plants. Have you continued to see inflation and**
3 **competition in that market?**

4 A: Yes. The increase in costs that we witnessed in the initial cost estimates was a function of
5 broad inflation in the general economy, as well as supply and demand forces for new firm,
6 dispatchable power generation, particularly gas-fired power plants. EMW has continued to
7 see significant signs of growing demand for gas-fired power generation construction in the
8 market as a whole,¹ including specific additional projects announced in other jurisdictions
9 like Louisiana,² Georgia,³ and North Dakota,⁴ among others.

10 **Q: What impact does this new information have on your opinion regarding the**
11 **reasonableness of the cost estimates for McNew, Viola, and Mullin Creek #1, and the**
12 **decision to move forward with construction of those plants now?**

13 A: In my opinion this information provides additional support for our determination that the
14 proposed costs for the Projects fairly represent the market and are reasonable under the
15 circumstances. In fact, EMW is pleased it did not see substantial increased costs in the EPC
16 bids for the combined cycle plants it received as a result of this additional evidence of
17 inflationary and competitive forces in these markets. While the cost estimate did increase
18 for Mullin Creek #1, this increase was supported by two bids from qualified EPC providers
19 with market experience with advance class machines generally and the Mitsubishi 501JAC

¹ See “US utilities see way around emission mandates for gas-fired plants,” S&P Capital IQ (Nov. 14, 2024), attached as Sched. JH-1.

² See “Entergy to power \$5B Meta datacenter in Louisiana with new gas capacity,” S&P Capital IQ (Nov. 21, 2024), attached as Sched. JH-2.

³ See 2025 IRP, Georgia Power Company, Docket No. 56002 (January 31, 2025), attached as Sched. JH-3.

⁴ See “Basin Electric to Build 1,400-Megawatt Generation Facility in Northwest North Dakota,” Basin Electric Power Cooperative (Jan. 23, 2025), attached as Sched. JH-4.

1 specifically. Furthermore, EMW has observed cost increases from similar simple cycle
2 projects in other parts of the country that are slightly more advanced than EMW's in their
3 development.

4 Because EMW expects these inflationary and competitive forces to continue, and
5 possibly intensify, this additional evidence further demonstrates that there is considerable
6 risk in delaying these projects such that the most fundamental risk would be not moving
7 forward with the Projects now. Lastly, EMW has performed CCN Supplemental Direct
8 modeling, as described in the Supplemental Direct Testimony of Mr. VandeVelde. The
9 model still supports the need and addition of all the Projects, as contemplated in the Direct
10 Testimony filed in this case.

11 **Q: Based on the developments regarding McNew, Viola, and Mullin Creek #1, what is**
12 **the status overall of the Projects at this time?**

13 A: To this point, the Projects have progressed favorably and are on their expected paths,
14 including the continued timely progress of this Certificate of Convenience and Necessity
15 ("CCN") proceeding. EMW has been able to provide information to support its position in
16 this case that the costs and timing of the Projects are reasonable, and that the Projects will
17 enhance the reliability and efficiency of EMW's generation portfolio and its system as a
18 whole. Evergy has now decided to allocate the second half of the McNew facility to EMW,
19 and provided its rationale and basis for that decision, as it said it would do when it filed the
20 Application. In addition, and also as represented in its initial filing, EMW has been able to
21 update cost estimates for all three projects and has supplied those estimates to the
22 Commission and the parties.

1 Both analysis and testimony continue to fully support the Projects as they develop
2 and progress to construction. Although the timeline is aggressive, the Projects remain on a
3 path to complete their construction within the anticipated timelines.

4 **Q: Could any actions taken by the new administration affect the Projects?**

5 A: Yes. On February 10, 2025, President Trump signed executive proclamations reinstating
6 and expanding a 25% tariff on steel imports, as well as increasing tariffs on aluminum
7 imports to 25%.⁵ The proclamations also revoke existing country-specific exemptions and
8 quota arrangements and eliminate the mechanism for requesting exclusions for steel and
9 aluminum products deemed unavailable from domestic sources. These expanded tariffs
10 will become effective on March 12, 2025. I would note, however, that the proclamations
11 do leave open the possibility that the President may revisit his tariff orders.

12 **Q: What impact will President Trump's new steel and aluminum tariffs have on McNew,
13 Viola, and Mullin Creek #1?**

14 A: Although there is much uncertainty surrounding the President's tariff proclamations, if the
15 expanded tariffs ordered in the proclamations are implemented without significant
16 modification, they could impact the Projects. While the Company will take measures
17 through the contracting process that mitigate some of the risk, such as supporting the
18 purchase of domestic metals where possible, many components that will be needed for
19 these Projects contain steel and aluminum. This extends to less obvious ones like steel rebar
20 in concrete. The new tariffs could increase input costs, cause shortages and supply chain
21 disruptions, and escalate the risk of disputes involving cost allocation, project delays, scope

⁵ See "Adjusting Imports of Steel Into the United States," Proclamation (Feb. 10, 2025), available at:
<https://www.whitehouse.gov/presidential-actions/2025/02/adjusting-imports-of-steel-into-the-united-states/>.

1 changes, and performance defenses such as force majeure, change in law, or
2 impracticability. These tariffs and other federal actions have the potential to impact the
3 final price of the Projects during the five-to-six-year development process that is required
4 for these power plants to reach commercial operation. However, some of the executive
5 action on tariffs have been delayed or rescinded, adding to the uncertainty. We will
6 continue to monitor and take additional remedial steps, as necessary.

7 **Q: What does EMW recommend to the Commission regarding the potential**
8 **impacts of President Trump's tariff proclamations?**

9 A: After the impacts of the tariff proclamations and other changes in law or tariff policy
10 become more certain, EMW recommends that it be allowed to submit an adjusted cost
11 estimate to account for any known and quantifiable tariff-related or other governmental or
12 economic impacts. EMW requests that the Commission grant it leave at such time to
13 provide this information to the Commission and the parties.

14 **Q: Does that conclude your testimony?**

15 A: Yes.

**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 and Evergy Metro, Inc. d/b/a Evergy)
Missouri Metro for Permission and Approval)
of a Certificate of Public Convenience and)
Necessity For Natural Gas Electrical)
Production Facilities)

Case No. EA-2025-0075

AFFIDAVIT OF JASON HUMPHREY

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

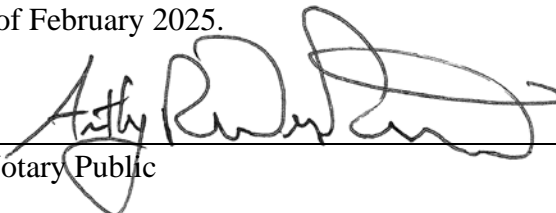
Jason Humphrey, being first duly sworn on his oath, states:

1. My name is Jason Humphrey and I am employed by Evergy Metro, Inc. as Sr Director Renewable & Assistant Treasurer - Renewables Development.
2. Attached hereto and made a part hereof for all purposes is my Supplemental Direct Testimony on behalf of Evergy Missouri Metro and Evergy Missouri West consisting of seven (7) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.
3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.



Jason Humphrey

Subscribed and sworn before me this 19th day of February 2025.



Notary Public

My commission expires: 4/26/2025



**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: February 19, 2025

CONFIDENTIAL INFORMATION

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

Document/Page	Reason for Confidentiality from List Below
Supplemental Direct, p. 3, ln. 15	3, 4, 5, and 6

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2. Employee-sensitive personnel information;
3. Marketing analysis or other market-specific information relating to services offered in competition with others;
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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.
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