

**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	)	<u>EA-2025-0075</u>
Missouri Metro for Permission and Approval	)	
of a Certificate of Public Convenience and	)	
Necessity for Natural Gas Electrical	)	
Production Facilities	)	

**EVERGY MISSOURI WEST’S
INITIAL POST-HEARING BRIEF**

COMES NOW, Applicant Evergy Missouri West, Inc. d/b/a Evergy Missouri West (“Evergy Missouri West,” “EMW,” or the “Company”), and for its Initial Post-Hearing Brief (“Brief”) states as follows:

INTRODUCTION

Evergy Missouri West’s straightforward and well-supported Application and testimony seek Certificates of Convenience and Necessity (“CCN”) so that the Company may construct, install, own, operate, manage, maintain, and control three natural gas electrical generation assets, pursuant to Sections 393.170.1¹ and 393.140(4), 20 CSR 4240–2.060, and 20 CSR 4240-0.045(1)-(3) and (6).²

These assets are: (1) an advanced class 710 megawatt (“MW”) combined-cycle gas turbine (“CCGT”) generating facility known as the Viola Generating Station (“Viola”), to be located in Sumner County, Kansas; (2) a second 710 MW CCGT generating facility known as the McNew Generating Station (“McNew”), to be located in Reno County, Kansas; and (3) a 440 MW simple-cycle gas turbine (“SCGT”) generating unit known as the Mullin Creek #1 Generation Station

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

² 20 CSR 4240-0.045 will be referred to as the “CCN Rule.”

(“Mullin Creek #1”), to be located in Nodaway County, Missouri (collectively the “Projects”).³ Viola is expected to commence commercial operations in 2029, with McNew and Mullin Creek #1 expected to begin operating in 2030.⁴

On May 29, 2025, Evergy Missouri West, the Staff of the Missouri Public Service Commission (“Staff”), and the Midwest Energy Consumers Group (“MECG”) signed a Non-Uniform Stipulation and Agreement⁵ (“Agreement”) recommending a resolution to all issues in this proceeding, with the exception of decisional prudence for the Projects, which the Company sought under Section (2)(C) of the CCN Rule. A Revised List of Issues⁶ was submitted to the Commission, leaving certain intervenor issues enumerated herein for the Commission’s resolution.

In addition to the general CCN filing requirements, which no party disputes that EMW has met, the Commission has frequently used the five Tartan factors as guidelines in determining whether the Company meets the statutory standards of the Commission’s CCN Rule and whether the requested CCN “is necessary or convenient for the public service.” See In re Tartan Energy Co., 1994 WL 762882 at *6-15, No. GA-94-127 (1994). See also Missouri Landowners Alliance v. PSC, 593 S.W.3d 632, 63839 (Mo. App. E.D. 2019); In re KCP&L Greater Mo. Operations Co., 2016 WL 946579, No. EA-2015-0245 (2016), aff’d, United for Missouri v. PSC, 515 S.W.3d 754 (Mo. App. W.D. 2016). All parties agree that Evergy Missouri West has the financial ability and is qualified to construct, operate and manage the Projects, and there are no disputes regarding the Company’s construction accounting and variances requests.

As to the remaining issues, the Commission must decide: (1) whether EMW has

³ See Ex. 5, K. Olson Direct at 4-5.

⁴ Id.

⁵ See Non-Uniform Stipulation and Agreement, In re Evergy Missouri West CCN App. for Natural Gas Facilities, No. EA-2025-0075 (May 29, 2029). Sierra Club and Renew Missouri Advocates (“Renew Mo.”) have objected to the Agreement. The Office of the Public Counsel (“OPC”) did not object to the Agreement.

⁶ Revised List of Issues, In re Evergy Missouri West CCN App. Natural Gas Facilities, No. EA-2025-0075 (May 29, 2029).

demonstrated a need for the Projects despite Sierra Club’s opposition;⁷ (2) whether the Projects are economically feasible and in the public interest, notwithstanding concerns from Sierra Club and Renew Missouri;⁸ and (3) whether EMW’s decision to obtain these CCNs was prudent.⁹

As set forth in the Revised Issues List, Evergy Missouri West urges the Commission to find and conclude:

A. The Projects are necessary and convenient. The natural gas facilities are an essential part of the Company’s all-of-the-above, diversified generation resource plan to provide customers with safe, adequate, and reliable service.¹⁰ EMW is actively responding to calls from OPC,¹¹ Staff, and other parties to construct “steel in the ground” generating assets as part of the Company’s long-term infrastructure investment portfolio to satisfy its current and future energy needs.¹²

1. EMW’s Integrated Resource Plan (“IRP”) demonstrates a clear, if not dire, need for the highly efficient natural gas generators to satisfy its customers’ capacity and energy requirements. Sierra Club’s claim that EMW’s IRP failed to analyze transmission congestion at the Project sites is misguided and unfounded.

2. As determined by the Company’s IRP and extensive competitive-bidding process, the Projects are economically feasible. Additionally, EMW has adopted prudent risk strategies to mitigate exposure to cost and market uncertainties.

3. The Commission should grant EMW the CCNs because the Projects are reasonable and in the public interest.

⁷ Sierra Club is the only party contending that EMW has not demonstrated a need for the Projects.

⁸ Only Sierra Club and Renew Mo. contend this issue.

⁹ Staff, OPC, and Renew Mo. are the only parties with positions on this issue.

¹⁰ Ex. 14, J. Humphrey Surrebuttal at 2. See Unanimous Stipulation & Agreement, In re Evergy Missouri West CCN App. Two Solar Facilities, No. EA-2024-0292 (May 29, 2025) (the signatories agreed that EMW’s decisions to obtain CCNs for two solar facilities with a combined approximate 172 MW were prudent).

¹¹ See § 393.130.1. See generally Ex. 300, J. Seaver Rebuttal 3.

¹² Ex. 14, J. Humphrey Surrebuttal at 2. See Ex. 300, J. Seaver Rebuttal 3; Ex. 200, Staff Report & Recommendation (“Staff Rec.”) at 46.

C. EMW's conduct met the decisional prudence standard. The Company has demonstrated that the analytical methods it employed and the expertise which it relied upon to decide that the Projects should be built were prudent. The prudence standard calls for a utility's decisions to be evaluated based upon the facts known at the time they were made. As no party has presented credible evidence that rebuts this evidence,¹³ the Commission should find that EMW's decision to build these Projects is prudent.

D. The Commission should approve the Agreement as it supports EMW's commitment to provide safe and reliable service by addressing a broad array of customer needs and industry challenges, mitigating financial and operational risks, and providing a clear framework for timely deployment of the Projects.

Based on the substantial evidence contained in the record, the Commission should grant EMW the CCNs and decisional prudence for the Projects and should approve the Stipulation.

ISSUES

A. Does the evidence establish that (1) the advanced 710 megawatt ("MW") combined cycle gas turbine ("CCGT") generating facility to be located in Sumner County, Kansas ("Viola"), (2) a 440 MW simple-cycle gas turbine ("SCGT") generating facility located in Nodaway County, Missouri ("Mullin Creek #1"), and (3) the 710 MW CCGT generation facility to be located in Reno County, Kansas ("McNew") (collectively, "Projects") for which Evergy Missouri West is seeking a certificate of convenience and necessity ("CCN") are necessary or convenient for the public service?

Yes. Evergy Missouri West has provided sufficient evidence to determine that the Projects satisfy Section 393.170.1, the CCN Rule, and the Tartan factors.

¹³ Renew Mo. Statement of Positions at 5, No. EA-2025-0075 (May 23, 2025), states only that EMW should not be granted decisional prudence because "no non-utility party who analyzed the Projects could state the Projects were economically feasible." Sierra Club's Statement of Position at 3, No. EA-2025-0075 (May 23, 2025), does not challenge the Company's request for decisional prudence. Although Staff agrees that there is a need for the Projects, it simply says "it is not possible" to determine decisional prudence. See Ex. 200, Staff Rec. at 54-57.

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

Yes. The Southwest Power Pool's ("SPP") energy system is in the midst of a radical change as demand for electricity is significantly outpacing supply.¹⁴ The world is entering a transformative era of electrification, driven by the rapid adoption of electric vehicles, expansion of data centers, advancements in artificial intelligence, and other emerging demand sources. Simultaneously, extreme weather events are placing unprecedented stress on the electrical grid.¹⁵ "While demand is increasing, generators being added are not sufficiently replacing generation being retired. As a result, the amount of excess generating capacity available in the SPP region is shrinking to dangerously low levels."¹⁶ Thus, Evergy Missouri West is in "dire" need of additional generation to provide safe and adequate service to its customers.¹⁷ The Company's need for "additional capacity is effectively a necessity because of the lack of the service is such an inconvenience."¹⁸

Evergy Missouri West's 2024 Triennial IRP and 2025 Annual IRP Update determined the Company's need for the Projects. In doing so, the IRPs assessed and determined EMW's capacity needs based on SPP's increased resource adequacy requirements, SPP's proposal to revise its accreditation capacity methodology, the need for a responsible generation transition, requests from the Commission and other parties to reduce reliance on the SPP wholesale energy market by building generation, and the influx of large industrial and commercial loads in EMW's service area. In particular, these new and imminent large loads have placed significant strain on existing

¹⁴ See Ex. 7, Schedule CV-1, Southwest Power Pool, "Our Generational Challenge: A Reliability Future for Electricity" at 3 (Summer 2024).

¹⁵ Id. at 4.

¹⁶ Id.

¹⁷ See Tr. 96:20-23 (J Luebbert); Ex. 16, C. VandeVelde Surrebuttal at 17.

¹⁸ See Ex. 200, Staff Report & Recommendation ("Staff Rec.") at 19.

infrastructure, necessitating proactive planning and expansion to ensure reliability, capacity, and flexibility.¹⁹

Additionally, the Projects are ideally situated to satisfy EMW's needs because they are highly efficient dispatchable generation assets with "advanced technology which permits them to operate seasonally and efficiently during peak market conditions."²⁰

i. Evergy Missouri West's IRP Analysis

Sierra Club's attacking whether EMW needs capacity and energy by stating that the Company's IRP failed to analyze transmission congestion restraints at the Projects' sites is a misguided effort to deny clear evidence that EMW needs the Projects.

As discussed by Evergy witness Mr. VandeVelde, the Projects "are not built and therefore do not have an existing SPP pricing node to leverage for IRP modeling," so EMW did not fail to "capture" the impact of transmission congestion.²¹ For IRP purposes, even if the assets' locations were identified for the 2024 IRP, relying on a nearby existing pricing node would be insufficient.²² The current system does not account for the planned transmission upgrades needed to support the firm, dispatchable power from the three new natural gas plants.²³ Thus, based on variables able to be modeled in the IRP, the Company has clearly demonstrated a need for the Projects.

When evaluating "need," the Court of Appeals determined that "necessity" does not mean "essential" or "absolutely indispensable," but that a CCN is appropriate if the "additional service would be an improvement justifying its cost." United for Missouri v. PSC, 515 S.W.3d 759 (Mo. App. W.D. 2016); see State ex rel. Pub. Water Supply Dist. No. 8 v. PSC, 600 S.W.2d 147, 154

¹⁹ See Ex. 200, Staff Report & Recommendation ("Staff Rec.") at 9, 12-16, 14; Ex. 16, C. VandeVelde Surrebuttal at 9, 17; Ex. 14, J. Humphrey Surrebuttal at 2-3.

²⁰ See Ex. 16, C. VandeVelde Surrebuttal at 17.

²¹ See Ex. 16, C. VandeVelde Surrebuttal at 12; Ex. 600, M. Goggin Rebuttal at 29-30.

²² Id. at 12-13.

²³ Id.

(Mo. App. W.D. 1980); State ex rel. Beaufort Transfer Co. v. Clark, 504 S.W.2d 216, 219 (Mo. App. K.C.1973). “Any improvement which is highly important to the public convenience and desirable for the public welfare may be regarded as necessary. If it is of sufficient importance to warrant the expense of making it, it is a public necessity.” State ex rel. Mo., Kan. & Okla. Coach Lines, Inc. v. PSC, 179 S.W.2d 132, 136 (Mo. App. K.C. 1944). The concept of necessity is that the additional service would be “desirable for the public welfare.” United for Missouri v. PSC, 515 S.W.3d 754, 759 (Mo. App. W.D. 2016); State ex rel. Intercon Gas, Inc. v. PSC, 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” is served by granting the CCN. See State ex rel. Beaufort Transfer Co. v. Clark, 504 S.W.2d at 219.

Currently, the Company’s owned and contracted generation resources are not sufficient to meet the current and future capacity needs of its customers.²⁴ As such, EMW’s 2024 Triennial IRP determined that Viola and Mullin Creek #1 are vital to satisfying the Company’s capacity and energy requirements identified in its Preferred Plan.²⁵ EMW’s 50% share of the 710 MW Viola CCGT corresponds to the 325 MW of thermal generation in 2029 of the Preferred Plan.²⁶ “EMW’s 100% ownership of the 440 MW Mullin Creek #1 SCGT plant specifically corresponds to the 415 MW of thermal resources that is identified in year 2030.”²⁷

²⁴ See EMW’s 2024 Triennial IRP, Volume 6: Integrated Resource Plan and Risk Analysis at 6, In re EMW’s 2024 Triennial IRP Filing, No. EO-2024-0154 (Apr. 1, 2024).

²⁵ See Order Approving 2024 Triennial IRP at 9, No. EO-2024-0154 (Dec. 4, 2024) (The Commission determined that Evergy Missouri West’s 2024 Triennial IRP filing, and its resource acquisition strategies comply with the requirements of Commission Rule 20 CSR 4240-22.).

²⁶ See Ex. 7, C. VandeVelde Direct at 6. See also EMW’s 2024 Triennial IRP, Volume 6: Integrated Resource Plan and Risk Analysis at 2, No. EO-2024-0154 (Apr. 1, 2024); Tr. 51:19-52:11 (K. Gunn) (discussing with Commissioner Kolkmeier that Evergy Missouri West and Evergy Kansas Central, Inc. will each own a 50% share in Viola and McNew).

²⁷ See Ex. 7, C. VandeVelde Direct at 6.

In addition, EMW's 2025 Annual IRP Update, which confirmed the Company's CCN Supplemental Direct modeling set forth in Mr. VandeVelde's Supplemental Direct testimony, identified a large pipeline of prospective new large commercial and industrial customers in the Company's service territory.²⁸ As a result, the Company proposes to obtain a 50% equity interest in McNew to satisfy its customers' capacity needs and to ensure safe and adequate service.²⁹

However, McNew only satisfies EMW's need for its current and known loads, not other potential large loads in the Company's pipeline. As Mr. VandeVelde testified, EMW took a conservative approach as all such potential customers were not included in the base load modeling analysis to avoid exposing EMW's Preferred Plan to unnecessary risks.³⁰ "EMW's 2025 IRP included only large load customers that are already taking service from EMW or those that have been submitted to the SPP for a load interconnection study and are expected to sign construction and service agreements later in 2025."³¹

The Company's estimate of potential customers is "somewhere in the 3 to 5 gigawatt range," and EMW only "included about 400 megawatts" in the 2025 IRP Update Report.³² In response to Chair Hahn's inquiry whether "... it's safe to say that there's quite a bit of load that still hasn't been accounted for in [EMW's] resource planning," Mr. VandeVelde responded: "That is correct."³³ Simply contending that EMW does not need the Projects because of transmission congestion at the sites is a red herring and ignores SPP price node modeling.

²⁸ See Ex. 16, C. VandeVelde Surrebuttal at 20.

²⁹ See Ex. 3, K. Gunn Supp. Direct at 1-2, 4-7; Ex. 16, C. VandeVelde Surrebuttal at 20.

³⁰ See Ex. 16, C. VandeVelde Surrebuttal at 20.

³¹ Id.

³² Tr. at 31:17-21. (C. VandeVelde).

³³ Id. at 31-32. See Schedule CV-1, Southwest Power Pool, "Our Generational Challenge: A Reliability Future for Electricity" at 10-11 (United States is projected to experience up to \$630 billion in near-term investments in significant new energy consumers, such as factories and data centers, driving an increase in demand of 38 gigawatts by 2028.).

Thus, based on EMW's IRP analysis, which is the most reliable authority to evaluate the Company's capacity and energy deficits, there is clear evidence that the Company needs the Projects.

ii. The Projects Provide Reliability and Security to Customers

Additionally, the Projects and EMW's gas procurement plan are strategically engineered to meet the Company's generation portfolio needs. The Projects consist of advanced, high-efficiency dispatchable natural gas assets, which support flexible seasonal dispatch and enhance operational efficiency during peak load periods, thereby optimizing market participation and resource utilization.

Sierra Club's and Renew Missouri's contention that variable and intermittent resources, including solar, wind, capacity purchases, and batteries, are more viable alternative resource assets than the Projects is unfounded.³⁴ As Mr. VandeVelde testified, batteries were evaluated in EMW's 2024 Triennial IRP and its 2025 Annual IRP Update, but "were not selected in the Company's Preferred Plan because they are not economically feasible to satisfy [EMW's] capacity and energy needs" given their short-term duration.³⁵ Additionally, solar and wind were identified in EMW's Preferred Plan.³⁶

Contrary to Sierra Club and Renew Missouri, the Company needs to own and operate these Projects as a safeguard to variable resources and undue reliance on SPP's wholesale market.³⁷ Historically, EMW has been a net buyer of energy in the SPP market because a large

³⁴ See Ex. 500, W. Jones Rebuttal at 18-50; Ex. 600, M. Goggin Rebuttal at 31-51.

³⁵ See Ex. 16, C. VandeVelde Surrebuttal at 21; Tr. 17:3-9 ("Batteries are not producers of energy. They store energy..."); Schedule CV-1, Southwest Power Pool, "Our Generational Challenge: A Reliability Future for Electricity" at 9 (Battery energy storage is "not yet a reality" "to offset low energy production from variable resources, particularly when that low production occurs over long periods of time.").

³⁶ See EMW 2024 Triennial IRP, Vol. 6: Integrated Resource Plan and Risk Analysis at 2. See also Unanimous Stipulation & Agreement, In re Evergy Missouri West CCN App. Two Solar Facilities, No. EA-2024-0292 (May 29, 2025).

³⁷ See Ex. 7, C. VandeVelde Direct at 8. See generally, Ex. 201, J. Seaver Rebuttal at 3, 17-18.

portion of its existing generation capacity consists of inefficient and infrequently dispatched, high heat rate natural gas turbines.³⁸ Given this, EMW was required to access the SPP energy market to satisfy its capacity needs and provide sufficient energy to its customers.³⁹ However, the SPP market is tightening and is no longer a viable long-term option.⁴⁰ Today SPP needs “dispatchable generation for times when the wind isn’t blowing and the sun isn’t shining” to counteract “renewables’ variability.”⁴¹ An energy hedge, like the Projects, “provides relatively low-cost energy, and can provide greater energy cost stability and security in an uncertain future.”⁴²

The need for dispatchable generation and the demand for its capacity was recently underscored by SPP Senior Vice President of Operations Bruce Rew at the Commission’s May 21st public meeting. He stated that “load-responsible entities [like Evergy Missouri West] are identifying ... resources that can come on at any time, that there’s a need for that and a benefit going forward. And I think that’s why we’re seeing an increase in the natural gas generation that’s in our queue. And there’s a lot of growth in that particular area.”⁴³ He concluded: “So, I think the load-responsible entities are responding based on what we see in the real-time operations, and the need for additional gas and other generation that can be run at any time, whether ... that’s summer and winter, and at all temperatures.”⁴⁴

The Projects’ superior heat rates, lower capital costs per kilowatt, and operational flexibility make them a highly cost-effective generation asset to satisfy EMW’s need. The CCGTs have more efficient “heat rates and lower capital costs per kilowatt of capacity” and have the

³⁸ See Ex. 7, C. VandeVelde Direct at 8-9; EMW 2024 Triennial IRP, Vol. 6: Integrated Resource Plan and Risk Analysis at 9.

³⁹ See Ex. 7, C. VandeVelde Direct at 8-9.

⁴⁰ See Ex. 7, C. VandeVelde Direct at 8.

⁴¹ See Tr. 18:6-9; Schedule CV-1, Southwest Power Pool, “Our Generational Challenge: A Reliability Future for Electricity” at 3, 12.

⁴² See Ex. 7, C. VandeVelde Direct at 9, 17-18.

⁴³ Statement of Bruce Rew at 1:25:44-26:54, Public Meeting MTGR-2025-0005 (Mo. P.S.C., May 21, 2025).

⁴⁴ Id.

“greatest operational flexibility with emissions compliant minimum loads down to 35% of output for the gas turbine.”⁴⁵ The advanced technology significantly increases the high-efficiency baseload of the Company’s capacity generation, particularly to supplement the loss of baseload coal, and utilizes the minimum amount of fuel necessary for a specific amount of energy need.⁴⁶

Conversely, the SCGTs offer dispatchable capacity at a lower capital cost, but they generally produce less energy because of their lower thermal efficiency and higher marginal operating costs relative to CCGTs.⁴⁷ However, SCGTs provide superior operational flexibility, characterized by rapid start-up times and the capability to quickly ramp output up or down to respond to dynamic grid conditions.⁴⁸

In addition to the Projects’ advanced technology, Evergy Missouri West’s natural gas procurement strategy decreases the economic and reliability risks to ratepayers by reducing its exposure to the market’s volatility.⁴⁹ The Company is in the process of developing a comprehensive gas procurement plan for the Projects.⁵⁰ This plan, modeled after the Company’s existing coal purchasing strategy, is designed to minimize exposure to spot market volatility.⁵¹ Pending stakeholder and regulatory approval, the plan enables Evergy Missouri West to reserve firm transport capacity covering the full gas requirements for the combined cycle plants.⁵² It also incorporates a mix of financial hedging instruments and firm physical purchases to balance spot market and long-term fuel procurement.⁵³ Further, “Mullin Creek #1 will have the option to run

⁴⁵ See Ex. 14, J. Humphrey Surrebuttal at 15.

⁴⁶ See Ex. 14, J. Humphrey Surrebuttal at 15; Ex. 7, C. VandeVelde Direct at 9; Ex. 5, K. Olson Direct at 4-5.

⁴⁷ See Ex. 7, C. VandeVelde Direct at 9-10; ; Ex. 5, K. Olson Direct at 4.

⁴⁸ See Ex. 7, C. VandeVelde Direct at 9-10; Schedule CV-1, Southwest Power Pool, “Our Generational Challenge: A Reliability Future for Electricity” at 12.

⁴⁹ See Ex. 14, J. Humphrey Surrebuttal at 11, 14; Ex. 500, W. Jones Rebuttal at 29-30; Ex. 600, M. Goggin Rebuttal at 50-55.

⁵⁰ See Ex. 14, J. Humphrey Surrebuttal at 11, 14; Ex. 7, C. VandeVelde Direct at 10; Ex. 15, K. Olson Surrebuttal at 4-6.

⁵¹ See Ex. 14, J. Humphrey Surrebuttal at 11, 14; Ex. 500, W. Jones Rebuttal at 29-30.

⁵² See Ex. 14, J. Humphrey Surrebuttal at 11, 14.

⁵³ Id.

on liquid fuel for 48 hours at full load with capability to truck in and unload additional fuel while the unit is online.”⁵⁴ This strategy aims to mitigate the price fluctuations typically associated with short-term natural gas purchases.

Overall, the Projects offer EMW customers access to modern, dispatchable power resources that align with the Company’s need as determined by its IRPs. These natural gas plants will not only provide critical capacity benefits but will also enhance the diversification of EMW’s generation portfolio which increases its ability to provide safe, adequate, and cost-effective service to its customers under evolving market and environmental conditions.

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

Yes. Evergy Missouri West’s decision to add Viola, McNew, and Mullin Creek #1 to diversify the Company’s resource assets and provide safe and adequate service is economically feasible.

i. The Evidentiary Threshold to Determine Economic Feasibility

EMW has provided sufficient evidence through testimony, the IRP reports, its competitive bidding process, and risk mitigation measures for the Commission to determine that the Projects are economically feasible. The “analyses” in Mr. Goggin’s Rebuttal regarding EMW’s flawed IRP reports ignore the many reasons that support the Projects’ economic feasibility, lack foundation, and are entirely speculative.

Addressing Chair Hahn’s inquiries regarding how economic feasibility is evaluated,⁵⁵ the Commission’s decisions in its Report & Order at 5, In re Empire Dist. Elec. Co., No. EA-99-172, 2000 WL 228658 (Feb. 17, 2000) (“Empire Order”), and its Report & Order on Remand at

⁵⁴ See Ex. 15, K. Olson Surrebuttal at 5-6.

⁵⁵ See Tr. 73:3-76:3 (J Luebbert).

27, In re Grain Belt Express CCN, No. EA-2016-0358 (Mar. 20, 2019) (“Grain Belt Express Remand Order”), established an evidentiary threshold to assess whether an applicant has provided sufficient evidence to find that a project is economically feasible.⁵⁶ For the Commission to find that a project is economically feasible, a utility should “provide credible evidence regarding the construction costs and revenue expectations associated with the proposed expansion.”⁵⁷ See Empire Order at 5. “A witness’s analysis and conclusions relating to economic feasibility may be credible when they contain ‘levelized cost of energy, levelized avoided cost of energy, loss of load expectation, or production cost modell[ing],’ and do not contain clear errors or incorrect assumptions.”⁵⁸ See Grain Belt Express Remand Order at 27, ¶¶ 84-85(emphasis added).

The Company has provided credible evidence of the Projects’ economic feasibility throughout the record.⁵⁹ EMW’s IRPs “do not contain clear errors or incorrect assumptions,” and Sierra Club and Renew Mo. have failed to provide any opposing analysis or modeling that is not speculative or dependent on hindsight to prove otherwise. The only “incorrect assumptions” alleged by opposing parties pertaining to economic feasibility that are not based on hindsight are wrong and/or immaterial. Specifically, these parties argue that EMW did not model natural gas prices or renewable generation assets, particularly batteries, in its IRP when the evidence demonstrates that it did⁶⁰ and point to transmission congestion a singular basis to defeat economic viability, which has no basis in fact or law, as discussed further under section 2.iii.⁶¹

Sierra Club and Renew Missouri contend without support that the Commission should never grant the Company a CCN unless EMW can prove that the revenues of a generation asset

⁵⁶ See Ex. 13, K. Gunn Surrebuttal at 6.

⁵⁷ Id.

⁵⁸ See Ex. 13, K. Gunn Surrebuttal at 6.

⁵⁹ Id.

⁶⁰ See Ex. 16, C. VandeVelde Surrebuttal at 9-11, 13; Ex. 500, W. Jones Rebuttal at 14.

⁶¹ See Tr. 73:3-76:3 (J Luebbert); Ex. 600, M. Goggin Rebuttal at 9-31.

will always exceed its own anticipated total costs – regardless of the future performance of the wholesale markets or the efficiency of the regional transmission system.⁶² As the Missouri Court of Appeals and this Commission have held, “economic feasibility” may be shown even where a “plant is not currently needed to supplement [a utility’s] load capacity”, “is not the least-cost alternative”, and “is not needed to comply with current environmental regulatory requirements.”⁶³ As demonstrated, the Projects easily exceed this threshold of economic feasibility.

The economic feasibility factor of Tartan was never intended by the Commission to require that applicants guarantee a particular result, that every cost projection be flawless, and that every construction milestone be reached. When the competing propane dealers attacked Tartan Energy Company’s estimates of non-natural gas costs to be used in setting initial rates for the new utility, the Commission stated that while “it is possible that ... these costs have been understated,” it was “of the opinion that the rates established [in a stipulation with Staff] are *objectively reasonable*” Tartan, 1994 WL 762882 at 10, No. GA-94-127 (1994) (emphasis added). After considering the propane dealers’ arguments claiming that the Tartan natural gas project was not economically feasible and the evidence provided by the parties, the Commission concluded “that there is sufficient evidence from which to find that Tartan’s proposal, as modified by the Stipulation, represents a viable project.” Id. at 11. Similar to the present case, where the Company has entered into a non-unanimous stipulation with Staff and MCEG in the form of the Agreement filed on May 29, 2025, there is no question that the Projects proposed here are “viable.”

⁶² See Ex. 200, Staff Rec. at 54. See generally Ex. 600, M. Goggin Rebuttal 8-31; Ex. 500, W. Jones Rebuttal at 6-13.

⁶³ See United for Missouri v. PSC, 515 S.W.3d 754, 764 (Mo. App. W.D. 2016) (approving Greenwood solar CCN). See Report & Order at 18, In re Union Elec. Co. CCN Application for a Distributed Solar Pilot Program, No. EA-2016- 0208 (Dec. 21, 2016) (“While the immediate benefits to Ameren Missouri and its ratepayers are not easily quantifiable, in light of the need for additional solar generation in the future, it is likely that those future cost savings will be substantial.”).

Further, the Commission in Tartan noted that if the applicant had “underestimated the economic feasibility of its project,” it “bears most of the risk” and “the public benefit outweighs the potential for underestimating these costs.” Tartan, 1994 WL 762882 at 11. Likewise, in EMW’s case, the Signatories to the Agreement agreed that the Company “shall bear the burden of proof to show that any amount it incurs in excess” of the project cost estimates “is prudently incurred and is just and reasonable to recover from EMW customers.”⁶⁴

The facts in Tartan, where “a start-up company” faced vigorous opposition by competitive propane dealers who insisted that the application be “virtually risk-free,” are far different from EMW’s case. However, the Commission set a standard of reasonableness in judging CCN applications that has continued for the past thirty years. Just as the Tartan order declared that “[t]he question” is “whether the estimates given are reasonable” in finding that the proposal was economically feasible and in the public interest,⁶⁵ the Company has clearly passed the reasonableness test in this case where the technology, efficiency, and economics of the Projects are clear.

As discussed below, Evergy Missouri West has provided the most credible evidence showing that the Projects are economically feasible.

ii. The Cost Estimates of the Projects

Evergy Missouri West’s 2024 Triennial IRP, CCN Supplemental Direct modeling analysis, and the 2025 Annual IRP Update demonstrate that the Projects are economically feasible.⁶⁶ The most credible evidence and best measurement of economic feasibility in the regulated utility

⁶⁴ Non-Unanimous Stip. and Agmt., § 6 at pp. 2-3 (filed May 29, 2025).

⁶⁵ Tartan, 1994 WL 762882 at 11, No. GA-94-127 (1994).

⁶⁶ See Ex. 16, C. VandeVelde Surrebuttal at 4.

environment is to compare the net present value revenue requirement (“NPVRR”) of the various alternatives in the Company’s IRP.⁶⁷

Additionally, the Company’s estimate of the Projects’ cost was based on the competitive bidding process conducted by EMW and its Owner’s Engineer (“OE”), Burns & McDonnell (“BMCD”), as discussed in the testimony of Company witnesses Kyle Olson and Jason Humphrey.⁶⁸ Evergy Missouri West also conducted a competitive bidding process for its Power Island Equipment (“PIE”) and the Engineer, Procure, and Construct (“EPC”) contractor.

As Mr. Olson states in his Surrebuttal, Evergy has now finalized fixed-price PIE Supply Agreements with Mitsubishi Power Americas, and is in the final stages of executing a final fixed-price EPC agreement.⁶⁹ Those cost estimates are consistent with Mr. Olson’s Supplemental Direct testimony.⁷⁰ The capital cost estimates submitted in Mr. Olson’s Supplemental Direct included: the “generation portion of the project,” “estimated Interconnection Facilities costs” and “transmission Network Upgrades,”⁷¹ the “EPC and the identification of expected costs for all items outside of the EPC contract,” including the Generator Step-Up (“GSU”) Transformers and related equipment.⁷² The GSU agreements are “in line with expectations from a cost perspective.”⁷³ The Projects’ cost estimates are substantially lower when compared to similar projects in the available market.⁷⁴

⁶⁷ Id. at 3-5; 20 CSR 4240-22.010(2)(B).

⁶⁸ See Ex. 15, K. Olson Surrebuttal at 3-4; Ex. 5, K. Olson Direct at 6, 10-11, 28.

⁶⁹ See Ex. 5, K. Olson Direct at 29-30.

⁷⁰ Id.

⁷¹ See Tr. 71:2-4 (Commissioner Mitchell) (asking whether EMW included Interconnection Facilities Cost and transmission Network Upgrade in its cost estimate); Ex. 6, K. Onnen Direct at 11-13; Ex. 14, J. Humphrey Surrebuttal at 12; Ex. 200; Staff Rec. at 27 (“Evergy has provided cost estimates of interconnection costs, unless or until the studies are completed, those costs are not known.”).

⁷² See Ex. 5, K. Olson Direct at 29-30.

⁷³ See Ex. 10, J. Humphrey Supp. Direct at 2.

⁷⁴ See Ex. 15, K. Olson Surrebuttal at 3-4.

In conjunction with the Projects' economically justified cost estimates, EMW has undertaken prudent project-specific risk mitigation strategies, such as key agreements with major equipment and service providers that were competitively bid, the natural gas procurement strategy, and contingency planning to minimize the Company's exposure to cost variability and market uncertainty.⁷⁵ For example, EMW prudently finalized GSU agreements with a manufacturer not located in southeast Asia "to minimize tariff risks and the possible purchase of parts and components manufactured in China."⁷⁶

Additionally, Evergy Missouri West has established contingency reserves for the Projects.⁷⁷ As outlined in Mr. Olson's Direct testimony, the contingency fund is designed to mitigate cost overruns resulting from both identified and unforeseen risks.⁷⁸ Given the extended construction duration, the contingency provides a prudent financial safeguard against external cost drivers, including regulatory changes, transmission interconnection facilities and network upgrades, procurement market volatility, and project management complexities.⁷⁹ EMW will only seek recovery of actual incurred expenditures, excluding preliminary estimates, and will not request reimbursement for any unused contingency funds.⁸⁰ The Company's inclusion of a contingency fund reflects prudent decision-making consistent with the Commission's prudence standard based on what EMW "knew at the time that the CCN was requested," recognizing the inherent uncertainties in early capital cost forecasting during project development.⁸¹ While final cost recovery will be subject to Commission review, incorporating contingencies is essential to

⁷⁵ See Ex. 15, K. Olson Surrebuttal at 3-5; Ex. 13, K. Gunn Surrebuttal at 10; Ex. 14, J. Humphrey Surrebuttal at 6-8.

⁷⁶ See Ex. 10, J. Humphrey Supp. Direct at 2.

⁷⁷ See Ex. 5, K. Olson Direct at 32; Ex. 15, K. Olson Surrebuttal at 3; Ex. 13, K. Gunn Surrebuttal at 10.

⁷⁸ Id.

⁷⁹ Id.; Ex. 200, Staff Rec. at 27-28; Tr. 73:3-76:3 (J. Luebbert); Ex. 14, J. Humphrey Surrebuttal at 6-8.

⁸⁰ See Ex. 5, K. Olson Direct at 32; Ex. 15, K. Olson Surrebuttal at 3.

⁸¹ See Ex. 13, K. Gunn Surrebuttal at 10; Tr. 41:12-20 (K. Gunn) ("It's what you knew at the time that the CCN was requested and granted, which is what you knew November 15th of 2024 or whatever date is agreed to. It's what you knew at the time and it has nothing to do with future costs being reviewed." (Chair Hahn) "Correct.").

manage potential capital expenditure variances and to mitigate financial risk throughout project execution.⁸²

The Projects' cost estimates are economically feasible, as demonstrated by EMW's IRPs and extensive competitive-bidding process based on facts reasonably known at the time EMW requested the CCNs and to date.⁸³

iii. Transmission Congestion

Mr. Goggin's conclusion in Section 2 of his Rebuttal, alleging that EMW disregards transmission congestion within SPP and that such congestion "will inhibit" the economic operation of the Projects, is entirely speculative and lacks substantive evidentiary support.⁸⁴

Staff concluded: "Evergy has done its due diligence in evaluating, assessing, and selecting its proposed sites for the electrical generation facilities in Kansas and in Missouri."⁸⁵ In 2023 EMW, with help from Power Engineers, Inc., conducted an extensive siting study to locate, investigate, and evaluate potential sites for the Projects.⁸⁶ EMW's site selection process evaluated and prioritized known technical variables like minimization of transmission upgrade needs, access to natural gas pipelines, adequate water and land access, and transmission injection capability.⁸⁷

Based on these efforts, "Evergy worked with 1898 & Co. to perform evaluations that could simulate the SPP generator interconnection process and identify potential system Network Upgrades that may be all or partially cost assigned to the Evergy Projects."⁸⁸ Although the interconnection facilities and network upgrade costs specific to the Projects, as determined by the

⁸² See Ex. 13, K. Gunn Surrebuttal at 10.

⁸³ See Tr. 103:7-9 (K. Bolin) ("Based upon my prior research on the cost of constructing natural gas plants, yes, we find these to be reasonable.").

⁸⁴ See Ex. 600, M. Goggin Rebuttal at 8-31.

⁸⁵ See Ex. 200, Staff Rec. at 51.

⁸⁶ See No. Ex. 5, K. Olson Direct at 12-17; Ex. 14, J. Humphrey Surrebuttal at 7-8.

⁸⁷ See Ex. 14, J. Humphrey Surrebuttal at 7-8.

⁸⁸ See Ex. 6, K. Onnen Direct at 11.

SPP Definitive Interconnection System Impact Study (“DISIS”), are unknown at this point, the costs in Table 1 of Ms. Onnen’s Direct “are current best estimates” and “the final Network Upgrade costs for the Projects will be determined by the SPP DISIS process for the 2024-001 cluster.”⁸⁹ The current interconnection cost estimates may not reflect final amounts determined by SPP because of backlog uncertainties and potential withdrawals of higher queued Generator Interconnection Requests.⁹⁰ As projects drop off, the queue could reshuffle, necessitating restudies and causing interconnection costs to remain uncertain at this time.⁹¹ These cost estimates will remain uncertain as the SPP DISIS-2024-001 cluster is expected to start Generator Interconnection Agreement negotiations in late 2026.⁹²

Additionally, transmission congestion is a widespread and persistent challenge affecting power systems nationwide. SPP’s Transmission Planning processes, such as the Integrated Transmission Planning assessment, Generation Interconnection studies, Delivery Point assessments, and Transmission Service studies, have identified a substantial need for transmission projects.⁹³ Under SPP’s ambitious transmission expansion plans, the Integrated Transmission Planning Assessment has approved approximately \$3 billion in projects, including some near the Projects’ sites.⁹⁴ These transmission projects “will support the efficient transmission of energy across the SPP footprint and promote reliability, as well as potentially provide relief for the most congested areas in SPP.”⁹⁵

⁸⁹ See Tr. 71:5-10 (J. Tevie); Staff Rec. at 27-28; Ex. 6, K. Onnen Direct at 10, 12-13.

⁹⁰ See Tr. 73:3-76:3; Staff Rec. at 27-28; Ex. 6, K. Onnen Direct at 10, 13.

⁹¹ See Ex. 6, K. Onnen Direct at 8-9.

⁹² “SPP Generation Interconnection Queue Study Schedule” (spp.org/documents/studies/sppgistudy_weekly.pdf).

⁹³ See SPP Market Monitoring Unit, “State of the Market 2024” at 158 (May 28, 2025) (“SPP 2024 State of the Market Report”) (spp.org/documents/73953/2024_annual_state_of_the_market_report.pdf).

⁹⁴ *Id.* at 159, 166.

⁹⁵ *Id.* at 160.

What's more, the mere presence of transmission congestion should not be used as a rationale to disproportionately depend on emerging or still-maturing technologies, such as battery energy storage systems, or on intermittent renewable resources like wind and solar.⁹⁶ Mr. Goggin's contentions contradict his support for renewables as those "resources are often built at geographic locations far from population centers. These remote locations can create congestion or 'too much traffic' on existing transmission lines, thus requiring massive investment in new transmission to connect and deliver power from these generating resources."⁹⁷

Finally, it must be recognized that the SPP locations which experienced the highest congestion costs in 2024 were in North Dakota, eastern Oklahoma, and New Mexico. "Much of Kansas, Nebraska, South Dakota, and northwest Oklahoma experienced the lowest congestion costs for the year. These patterns are very similar to those experienced in 2023 [emphasis added]."⁹⁸ The location of the Projects in central Kansas and in northwestern Missouri are not near SPP's areas of greatest congestion.

Any issues of transmission congestion where the Projects are to be built are not compelling and provide no basis for not issuing CCNs to Evergy Missouri West. As transmission projects are built and interconnection queue issues are addressed, congestion will be mitigated and addressed. Sierra Club's argument should hold no weight when evaluating whether the Projects are economically feasible.

⁹⁶ See Schedule CV-1, Southwest Power Pool, "Our Generational Challenge: A Reliability Future for Electricity" at 9. See generally Ex. 600, M. Goggin Rebuttal at 31-52.

⁹⁷ See Schedule CV-1, Southwest Power Pool, "Our Generational Challenge: A Reliability Future for Electricity" at 9. See generally Ex. 600, M. Goggin Rebuttal at 31-52.

⁹⁸ See SPP 2024 State of the Market Report at 3.

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

Yes. As the Company has explained in its Application and supporting testimony, the Projects are “reasonable” and in the public interest, and the Commission should grant EMW the CCNs.⁹⁹ In Tartan the Commission made the following observation regarding the public interest factor:

The requirement that an applicant’s proposal promote the public interest is in essence a conclusory finding as there is no specific definition of what constitutes the public interest. Generally speaking, positive findings with respect to the other four standards will in most instances support a finding that an application for a certificate of convenience and necessity will promote the public interest.¹⁰⁰

EMW’s proposed Projects satisfy the four Tartan factors of (1) need, (2) economic feasibility, (3) financial capability, and (4) operational qualifications. As a result, these positive findings support a decision that the CCNs will promote the public interest.

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

Yes. The Commission should find that EMW’s decision to acquire, own and operate the Projects is prudent. Such a finding would follow recent Commission precedent where it granted a CCN for the Company to acquire and operate the Dogwood natural gas facility and concluded that the decision to do so was prudent. See Order at 4, In re Applic. of Evergy Mo. West for a CCN, No. EA-2023-0291 (Mar. 21, 2024).

The Commission recently reaffirmed the prudence standard in its Amended Report and Order at 32, In re Evergy Mo. West’s App. for Financing Order Authorizing Securitized Utility

⁹⁹ See Tr. 103:7-9 (K. Bolin) (“Based upon my prior research on the cost of constructing natural gas plants, yes, we find these to be reasonable.”).

¹⁰⁰ In re Tartan Energy Co., 1994 WL 762882 at 11, No. GA-94-127 (1994).

Tariff Bonds, EF-2022-0155 (Nov. 17, 2022): “The Commission’s standard for assessing whether conduct was prudent considers whether the conduct was prudent at the time the utility had to solve a problem. The Commission’s prudence standard does not rely on hindsight.” See State ex rel. Associated Natural Gas v. PSC, 954 S.W.2d 520, 528-529 (Mo. App. W.D. 1997).¹⁰¹

The definition of “decisional” prudence has been confused with “implementation” or “execution” prudence throughout this proceeding.¹⁰² Decisional prudence refers to the Commission’s evaluation of the reasonableness and integrity of a utility’s decision-making process as of the time that decision was made.¹⁰³ The standard focuses on whether the utility exercised sound judgment based on a comprehensive and diligent assessment of all relevant information available at that time, not based in hindsight.¹⁰⁴ In contrast, implementation or execution prudence pertains to the oversight of the utility’s conduct during the construction of the project after the CCN has been granted.¹⁰⁵ This standard involves a detailed evaluation of the utility’s management and control over key elements such as individual expenditures, construction timelines, and associated risks during both the development and operational phases.¹⁰⁶ There is a clear line of demarcation between the two standards.¹⁰⁷

Importantly, the Commission specifically amended the CCN Rule in 2018 to authorize the determination of decisional prudence in the evaluation of a utility’s CCN application to “apply

¹⁰¹ See, e.g., Report & Order at 12, In re Evergy Missouri West Eleventh Prudence Review FAC, No. EO-2023-0277 (Aug. 7, 2024); Report and Order at 19, In re Eighth Prudence Rev. of Costs Subject to the Comm’n-Approved Fuel Adjustment Clause of KCP&L Greater Mo. Operations Co., No. EO-2019-0067 (Nov. 6, 2019); Report and Order at 13-14, In re Third Prudence Rev. of Costs Subject to the Comm’n-Approved Fuel Adjustment Clause of KCP&L Greater Mo. Operations Co., No. EO-2011-0390 (Sept. 4, 2012); Report and Order at 13-15, In re: PGA Filing for Laclede Gas Co., No. GR-2004-0273 (June 28, 2007).

¹⁰² See Tr. 47:23-49:9 (K. Gunn).

¹⁰³ See Report & Order at 12, No. EO-2023-0277.

¹⁰⁴ See Tr. 41-42 (K. Gunn).

¹⁰⁵ Id.

¹⁰⁶ Id. Tr. 47-49.

¹⁰⁷ Id. See Order of Rulemaking at 7, 4 CSR 240-20.045 Elec. Util. Apps. for CCNs Adopted, No. EX-2018-0189 (Aug. 8, 2018) (All parties, including the Commission, were in agreement that the adopted rule grants the Commission the power to determine decisional prudence.) (“Order of Rulemaking”).

to the operation or construction of ‘assets’” and “be subject to a ‘subsequent’ review.”¹⁰⁸ Similarly, the Commission acknowledged the Company's efforts to build generation assets when it declined to change EMW’s FAC sharing mechanism from 95/5.¹⁰⁹ The “Commission is mindful of the fact that EMW must compete against other electric utilities for investment dollars. In fact, EMW is currently attempting to build more capacity to serve its customers.”¹¹⁰

An order that grants decisional prudence effectively protects the decision to proceed with a project from second-guessing and that “the entire project ... is no longer at risk” of having its costs totally disallowed in a future rate case.¹¹¹ Such an order would signify the Commission’s recognition that EMW’s decision-making process was reasonable and well-founded based on the information available at the time.¹¹² This finding would affirm that the decision to proceed with the Projects is prudent and justified, thereby providing regulatory assurance that their reasonable costs are legitimate and recoverable, regardless of future outcomes or uncertainties.¹¹³

As the hearing testimony revealed, none of the parties in their pre-filed testimony have presented evidence that rebuts the Commission’s established decisional prudence standard and its presumption of decisional prudence.¹¹⁴ Staff’s review lacks a clear articulation of the prudence standard applied to evaluate the Company’s actions¹¹⁵ and Staff’s assertion that EMW’s analyses inadequately considers the projected Projects’ costs and anticipated revenues from the SPP integrated marketplace is unfounded.

¹⁰⁸ Id.

¹⁰⁹ See Report & Order at 9, In re EMW Rate Case, No. ER-2024-0189 (Dec. 4, 2024).

¹¹⁰ Id. at 10.

¹¹¹ Tr. at 49.

¹¹² Id. at 49-50.

¹¹³ Id.

¹¹⁴ See Ex. 300, J. Seaver Rebuttal at 3, 17-18, Ex. 200, Staff Rec. at 54-57; Renew Mo. Statement of Positions at 5, No. EA-2025-0075 (May 23, 2025).

¹¹⁵ See Ex. 200, Staff Rec. at 54-57; Ex. 13, K. Gunn Surrebuttal at 14.

Additionally, Staff's contention that EMW's decision-making is indifferent to expected generation revenues is not supported by fact.¹¹⁶ "Staff did not discuss the Company's decision-making process pursuant to EMW's 2024 IRP, CCN Supplemental Direct modeling analysis, the range of reasonable conduct based on other electric utilities' conduct, or even prior EMW CCN requests regarding gas generation facilities, and does not evaluate the quality of the Company's decisions for the CCNs based on what was reasonably known at the time any decision was made."¹¹⁷ Similarly, Staff ignores EMW's multi-step process that determined the Projects as the most prudent generation assets to build, consistent with the Company's IRP results. Upon such determination in the IRP, EMW then conducted a site selection analysis for each facility, followed by a competitive-bidding process for several component of the Projects, such as the Power Island Equipment (PIE), the engineering, procurement, and construction (EPC) contractor, and the Generator Step-Up (GSU) transformer.¹¹⁸ The Company has provided the Commission with ample justification for the Projects based on complete and reliable information reasonably known at the time they were made.

Moreover, Staff's belief that the Projects are not economically feasible because of the uncertainty in the domestic and international markets, particularly tariffs, is contrary to its recommendation that the Commission approve CCNs for Evergy's proposed solar facilities in Case No. EA-2024-0292, and that EMW's decision to construct, acquire, and operate them was prudent.¹¹⁹ Despite the Federal Government's positions on tariff and trade policy, production and investment tax credits for solar projects, and the Inflation Reduction Act ("IRA"), as well as

¹¹⁶ See Ex. 13, K. Gunn Surrebuttal at 14.

¹¹⁷ Id. at 13-14. See Ex. 200, Staff Rec. at 54-57.

¹¹⁸ See Ex. 14, J. Humphrey Surrebuttal at 5; Ex. 15, K. Olson Surrebuttal at 3-4.

¹¹⁹ Unanimous Stip. & Agmt. at 1-2, In re Evergy Mo. West App. for CCNs to Construct Two Solar Gen. Facilities, No. EA-2024-0292 (May 29, 2025). See Tr. 44:1-13 (K. Gunn).

legislation being considered by both houses of Congress, Staff signed the Unanimous Stipulation and Agreement in the solar CCN case, agreeing that decisional prudence was appropriate. Although these uncertainties clearly impact the cost and the amount of SPP market revenue of both the solar assets and the Projects, Staff argues here that EMW should not be granted decisional prudence without providing a basis to justify its contradictory position.¹²⁰

Staff contends that the Unanimous Stipulation and Agreement in the solar CCN case is distinguishable from this proceeding as there are specific cost estimates for the facilities and quarterly reporting requirements.¹²¹ However, although not identical in language, the Agreement in this proceeding identifies the Projects' cost estimates in Paragraphs 3, 4, and 5, along with requiring the Company to "bear the burden of proof to show that any amount it incurs in excess of these cost estimates (including any impacts from legislative or executive actions including tariffs on the Facilities' costs) is prudently incurred and is just and reasonable to recover from EMW customers."¹²² Additionally, in Paragraph 9 EMW similarly agrees to "to file quarterly progress reports for each of the projects." Staff's stated rationale for rejecting decisional prudence for the Projects, when compared to No. EA-2024-0292, is unfounded.

In its objection, OPC offers a quantitative analysis to evaluate a "range of reasonable behavior" regarding the Projects' economic feasibility, but it is based on improper hindsight.¹²³ However, OPC retrospectively compares a roughly ten-year capital cost differential for the CCGTs to EMW's updated pricing presented in its Supplemental Direct testimony.¹²⁴ From this, OPC alleges that the Company could have reduced capital costs for customers had it acted on

¹²⁰ See Tr. 99:1-11 (J Luebbert); Ex. 200, Staff Rec. at 30, 54.

¹²¹ See Tr. 93:4-95:13 (J Luebbert).

¹²² See Agreement at 2-3.

¹²³ See Ex. 300, J. Seaver Rebuttal at 17-18.

¹²⁴ Id.; Ex. 13, K. Gunn Surrebuttal at 14.

OPC’s and Staff’s recommendations by constructing firm, dispatchable, and reliable generation between 2018 and 2021.¹²⁵ Such second-guessing is improper. See Amended Report & Order at 20, In re Empire Dist. Elec. Co. Sixth Prudence Review of Fuel Adjust. Clause Costs, No. EO-2017-0065 (Feb. 28, 2018) (“It is very easy to look back at [market prices] with perfect 20-20 hindsight to say that [a utility’s] decision ... has cost its ratepayers a definite amount of money.”).

Based on this flawed hindsight analysis, OPC reiterates its claim for the twelfth time that EMW’s strategy of purchasing energy from the market has resulted in fuel and purchased power cost losses for customers since 2019.¹²⁶ However, the “Commission has never found EMW imprudent for resource planning decisions that rely on the SPP integrated energy marketplace to meet the Company’s energy needs in lieu of building or acquiring cost-effective generation.” See Report & Order at 9, In re EMW Rate Case, No. ER-2024-0189 (Dec. 4, 2024).

Finally, Renew Missouri opposes EMW’s request for decisional prudence because “no non-utility party who analyzed the Projects could state the Projects were economically feasible, no decisional prudence should be granted in this case.”¹²⁷ Given that Staff has offered no analysis to challenge the Company’s decisional prudence, that OPC’s analysis relies on hindsight, and Sierra Club does not address decisional prudence, Renew Missouri’s conclusory bootstrap argument is insufficient as a matter of law and fact.¹²⁸

Evergy Missouri West demonstrated prudent decision-making in pursuing CCNs for the Projects through its 2024 Triennial IRP process, its 2025 Annual IRP Update, and its competitive bidding evaluations. The individual findings and conclusions reflected in these efforts were

¹²⁵ Id.

¹²⁶ See Ex. 300, J. Seaver Rebuttal at 3; Report & Order at 12, No. EO-2023-0277; Ex. 13, K. Gunn Surrebuttal at 16.

¹²⁷ See Renew Mo. Statement of Positions at 5, No. EA-2025-0075 (May 23, 2025)

¹²⁸ Id.; Sierra Club’s Statement of Position at 3, No. EA-2025-0075 (May 23, 2025); Ex. 300, J. Seaver Rebuttal at 3; Report & Order at 12, No. EO-2023-0277; Ex. 13, K. Gunn Surrebuttal at 14-16; Ex. 200, Staff Rec. at 54-57.

informed by an analysis of all relevant variables reasonably known at the time, including capital and operating cost projections, supply chain constraints, tariff structures, and demonstrated system need.¹²⁹ The Company’s Application, testimony, and supporting schedules provide a complete record that allows a thorough assessment of the decision to build the Projects.¹³⁰ EMW has supplemented its initial filing with updated capital cost estimates, resource planning models, and technical analyses to ensure that the Commission possesses all requisite data to render a decisional prudence determination.¹³¹ The evidence in this case includes exhaustive documentation of the IRP modeling, RFP evaluation, due diligence on technical and operational factors, site selection, ownership structure, and finalized transaction pricing.¹³²

Accordingly, the Commission is fully equipped to find that the Projects satisfy Section 393.170.1 and the Tartan factors, and to approve the CCNs. The Commission should conclude that EMW’s determination to obtain CCNs for the Projects reflects sound and prudent utility decision-making.

D. Should the Commission approve the Agreement?

Yes. Evergy Missouri West, Staff, and MEGC filed the Agreement which resolves all issues in the case except for the decisional prudence.¹³³ OPC does not oppose the Agreement.¹³⁴ And, as explained above, the objections of Renew Mo. and Sierra Club are baseless.

¹²⁹ See Ex. 16, C. VandeVelde Surrebuttal at 18-19; Ex. 14, J. Humphrey Surrebuttal at 6-8.

¹³⁰ See Ex. 13, K. Gunn Surrebuttal at 17-18.

¹³¹ Id.

¹³² Id.

¹³³ See Non-Uniform Stipulation and Agreement, In re Evergy Missouri West CCN App. Natural Gas Facilities, No. EA-2025-0075 (May 29, 2029); Tr. 7:9-9:21 (EMW Opening Statement), 99:15-16 (J Luebbert) (“Staff’s position would be that you approve the stipulation and agreement.”), 18:24-19:3 (MEGC Opening Statement) (“MEGC is a signatory to the stipulation and agreement that was filed today, and I ask that the Commission issue an order approving that.”).

¹³⁴ See Non-Uniform Stipulation and Agreement, In re Evergy Missouri West CCN App. Natural Gas Facilities, No. EA-2025-0075 (May 29, 2029); Tr. 23:4-5 (OPC Opening Statement) (OPC’s “not opposing the stipulation and agreement in this case.”).

The Agreement recommends that the Commission approve the Company's CCN requests for the Projects and grant the unchallenged variances sought in the Application. The Agreement also establishes the Projects' cost estimates which are confidentially set forth in Paragraphs 3, 4, and 5. Regarding "implementation prudence," Paragraph 6 places the burden on the Company to demonstrate that any costs exceeding these estimates are prudently incurred and are just and reasonable to recover from EMW customers. Paragraph 9 requests that the Commission establish a compliance docket associated with this case which requires EMW to file quarterly progress reports on each Project, with detailed reporting procedures outlined therein.

Additional provisions address in-service criteria, natural gas purchasing and hedging strategies, future integration of battery storage options in EMW's IRP, and EMW's intent to seek Construction Work in Progress ("CWIP") and Plant-in-Service Accounting ("PISA"), consistent with Senate Bill 4 and its amendments to Chapter 393.¹³⁵ In particular, Section 16 of the Agreement provides for the Company to collaborate with Staff and OPC to develop a Gas Purchasing Plan and to present the results to the Commission, while Section 17 states that EMW will file a Natural Gas Hedging Plan in a new case to focus on commodity prices and volume risks, among other issues.

Overall, the Agreement represents a strategic and effective framework for advancing the Projects by resolving key regulatory issues and narrowing the scope of disputes. It establishes well-defined capital cost estimates, cost recovery mechanisms, and stringent accountability protocols, including comprehensive quarterly reporting and compliance tracking. These provisions ensure enhanced transparency, regulatory oversight, and adherence to sound utility investment and

¹³⁵ See Agreement at 3, ¶ 8; Tr. 101-02 (Chair Hahn and K. Bolin discussion that the Commission would make a determination regarding CWIP and PISA "in the next general rate proceeding" after the utility has been granted a CCN).

operational practices throughout the construction and commissioning phases. Collectively, the Agreement aligns the interests of all stakeholders, mitigates financial and operational risks, and facilitates the timely deployment of critical generation assets, enabling Evergy Missouri West to maintain safe and adequate electric service to its customers in accord with industry standards and regulatory requirements.¹³⁶

CONCLUSION

The Commission should grant Evergy Missouri West the CCNs for the Projects, along with decisional prudence, as they are essential to addressing EMW's critical need for energy and capacity reliability in the region. EMW is answering the call to put "steel in the ground" by its decision to build the Projects. By doing so, EMW will enhance system resilience and ensure safe and reliable service for its customers, as these Projects represent a strategic, long-term investment to diversify and strengthen the Company's generation portfolio. Consistent with these determinations, the Commission should also approve the Agreement.

WHEREFORE, the Company respectfully submits its Initial Brief to the Commission.

¹³⁶ See Tr. 56:23-57:1 (K. Gunn).

Respectfully submitted,

/s/ Roger W. Steiner

Roger W. Steiner, MBN 39586
Cole Bailey, MBN 77268
Evergy, Inc.
1200 Main – 16th Floor
Kansas City, Missouri 64105
Phone: (816) 556-2314
Fax: (816) 556-2110
roger.steiner@evergy.com
cole.bailey@evergy.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
jfisherpc@aol.com

Attorneys for Evergy Missouri West, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was served upon counsel for all parties on this 24th day of June 2025, by EFIS filing and notification, and/or e-mail.

/s/ Roger W. Steiner

Roger W. Steiner