DEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Consideration of Adoption of the PURPA Section 111(d)(12) Fuel Sources Standard as Required by Section 1251 of the Energy Policy Act of 2005)))	Case No. EO-2006-0494
In the Matter of the Consideration of Adoption of the PURPA Section 111(d)(13) Fossil Fuel Generation Efficiency Standard as Required by Section 1251 of the Energy Policy Act of 2005)	Case No. EO-2006-0495

POSITION STATEMENTS OF EXPERT APPEARING ON BEHALF OF THE EMPIRE DISTRICT ELECTRIC COMPANY

In accordance with the "Order Establishing a Procedural Schedule for On-the-Record Presentations" issued on March 15, 2007, by the Missouri Public Service Commission, The Empire District Electric Company ("Empire"), hereby files the attached written position statements of David W. Gibson, who will appear on Empire's behalf at the on-the-record presentations scheduled for April 27, 2007, in the above-captioned dockets.

Respectfully submitted,

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ATTORNEYS FOR THE EMPIRE DISTRICT ELECTRIC COMPANY

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Consideration of Adoption) of the PURPA Section 111(d)(13) Fossil Fuel) Generation Efficiency Standard as Required by) Section 1251 of the Energy Policy Act of 2005)

Case No. EO-2006-0495

POSITION STATEMENT OF DAVID W. GIBSON ON BEHALF OF THE EMPIRE DISTRICT ELECTRIC COMPANY

1 The purpose of the EPAct Standard for fossil fuel generation efficiency was increase the efficiency of a utilities fossil fuel generation. 2 3 The current fossil fuel generation standard that is contained in 4 CSR 240-22.040 4 and used in Missouri by Empire mandates that supply-side resources include "efficiency 5 improvements which reduce the utility's own use of energy". 6 A main point of disagreement among the parties is the use in the EPAct Standard 7 of the word "implement". It does not seem reasonable that this equates to the term 8 commit. The value of having a plan is that it be flexible enough to allow for changes to 9 the plan if they are warranted. This is especially true in the case of a 10 year or longer 10 plan with many assumptions such as load growth, fuel costs etc. It does not make sense 11 to commit to a certain event that is to take place 10 years in the future if you do not need 12 to because of something like construction lead times etc. When a utility develops a 13 preferred plan, it is just that, a plan at that point in time. To put it another way, that is the 14 plan that they are operating on (implemented) until the next planning process is finished. 15 One more example would be if there were an existing power plant that could 16 achieve some additional efficiencies but the plant was nearing the end of its economic 17 life. If a utility anticipated that the changes would provide enough benefits over the 18 additional period, it may be a feasible plan. After the plan is approved, externalities may

- 1 change which would make such changes cost prohibitive. It would it make any sense to
- 2 be locked into such a plan without being able to change if conditions warrant.
- 3 This would indicate that the current rules in effect are adequate and are therefore
- 4 in compliance with the intent of the EPAct Standard.

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the following this 13TH day of April, 2007:

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