Responses to frequently asked questions and testimony that was provided at the Missouri House General Laws Committee February 11 hearing.

Evergy testified that if the legislation passes, “it will be the end of baseload electricity.”

In competitive states, private companies invest in generation that can be successfully bid into the wholesale and capacity market based on cost and reliability. Companies also invest in renewable energy assets to meet the requirements of the state Renewable Portfolio Standard (RPS). This requirement to build and sell clean energy is determined by the state legislature. A state that has a high RPS like Massachusetts (62%) will have a high number of renewable generation assets.

Two states with similar RPS requirements to Missouri (15%) are Ohio (8%) and Pennsylvania (18%). Pennsylvania and Ohio produce significantly more electricity than Missouri and a review of the top 10 “baseload power” generators (coal, nuclear, natural gas) in each of those states affirms that more baseload generation has been built Pennsylvania and Ohio and more recently than in Missouri.

View Comparison of State Power Generation

While Missouri’s RPS is less than Pennsylvania, Missouri has built more wind and solar resources per capita. This is in line with the Evergy and Ameren achieving each of their company-set carbon and climate commitments by 2045.

Ameren Missouri plans to build 4,700 MW of renewable generation by 2036 ($9.4 billion), 800 MW simple-cycle natural gas energy center by 2027 and a 1,200 MW combined-cycle natural gas facility by 2033 ($2.5 billion) and 800 MW of battery storage by 2035 ($1.3 billion) (Ameren Climate Report pg. 37).

Missouri is a net importer of electricity, consuming eight times more electricity than is generated in the state. Utilities must purchase this electricity from other states, independent power producers or the wholesale market. If prices fluctuate in the wholesale market, the utility has the authority to recover these “unforeseen costs” from ratepayers through a Fuel Adjustment Clause. In a competitive market, retail energy suppliers are not able to do this. If a retailer hedges wrong and prices change, they must honor the fixed-rate price in the customer contract. There is no mechanism for them to recover “unforeseen costs” from customers.

Missouri utilities do not have enough electricity to serve customers today. This is before the planned retirement of more than 50% of the state’s electric generation in the next 10 years.

Evergy testified that no private company would "invest a billion or billion and a half dollars to build a natural gas or even a nuclear facility without a guaranteed customer base. You'll be left with more and more wind and solar generation."

According to the Energy Information Administration, natural gas-fired power plant construction costs were $820 per kilowatt in 2022, solar power construction costs were $1,588 per kilowatt and wind power construction costs were $1,451 per kilowatt.

A typical 500MW natural gas plant would cost approximately $410 million to build. As affirmed here, these are regularly being built in competitive states with **eight new natural gas power plants built in the last six years in Ohio and Pennsylvania** and no new construction in Missouri.

New nuclear power is a significant investment, and the U.S. Department of Energy and Nuclear Regulatory Commission are investing in research and development for large-scale and small modular reactors. The costs and risks associated with building these facilities should be assumed by the private market, not at the expense of ratepayers.

Examples of states where the utility has experimented with generation technologies with a captive ratepayer base forced to fund these efforts demonstrates the importance of competition in this area and protecting ratepayers from risk.

- **Vogtle (Georgia):** Proposed nuclear facility projected to cost $14B and provide power by 2017. Costs more than doubled to $35B and 7 years behind budget. Georgia Power collected $4.1 billion in advance charges.
- **V.C. Summer (South Carolina):** Proposed as a 1117 MW nuclear facility in 2008. It was delayed 11 years with cost overruns and never went into service. Ratepayers are paying $3.8B for a plant that will never generate electricity.
- **Kemper (Mississippi):** Originally proposed as a Carbon Capture Sequestration plant costing $2B. Costs increased to $7.5B. Ultimately it was converted into a natural gas plant because the CCS technology was unworkable. Each ratepayer was charged $4,500 before it was ever in service.
- **Coastal Offshore Wind (Virginia):** Dominion Energy's 2.6-GW Coastal Virginia Offshore Wind project had a projected capital cost of $9.8 billion. Dominion announced in 2025 the project is $1B over budget (not including financing costs).

Oakstone Consulting and Ameren Corp. lobbyist, Thomas "TJ" Berry testified that "it is one transmission line no matter if deregulated and the power generators end up being the same group anyway."

In states that broke up the utility monopoly, many of the utilities did spin off to create private companies to continue to build and sell electricity as competitors within the

market. However, that “group of companies” is not that same as the electric distribution companies that remain a monopoly on the poles and wires business.

There are hundreds of different companies that invest in building and selling generation in competitive energy states and hundreds more different companies that specialize in the sale of electricity plans and services.

How many companies will build and sell the electricity?

2023 Pennsylvania market participants as an example:

- 150+ unique companies that built and/or own electric generation assets
- 458 electric retail suppliers licensed in the state to sell electricity, offering a variety of energy plans and services to industrial, commercial and residential customers

Oakstone Consulting and Ameren Corp. lobbyist, Thomas “TJ” Berry directed committee members to look at EIA data on electric rates and reliability of generation and referenced Texas and Winter Storm Uri in 2021 as an example of reliability in a deregulated state.

Texas Winter Storm Uri

This is a common talking point by monopoly market advocates. In 2021, Texas winter storms and sustained freezing temperatures caused a surge of electricity demand combined with malfunctioning generation assets due to the unusual temperatures and intermittent performance of all assets within the system.

This incident raised important issues related to coordination of natural gas and renewables within electricity systems and coordination of the wholesale market and led to reforms and new requirements on investment in energy infrastructure winterization and weatherization of equipment. **This would have happened if the power generation fleet had been owned by one utility monopoly or several companies.**

Customer Impact Analysis: The majority of residential customers in the retail market in Texas were shielded from the impacts of price volatility in the wholesale market.

- 75% of retail residential customers were enrolled in fixed-price contracts
- 24% on variable rate plans
- Less than 0.5 percent of residential customers were on wholesale index pricing plans impacted by price volatility of wholesale market

Customers with access to retail choice incurred a lower average cost per residential customer compared to their non-retail choice counterparts in the areas of Texas that do not have choice.

- A residential customer with access to retail choice had an average electricity bill of $86 per month whereas a customer served by a muni or co-op had an average electricity bill of $373 per month.

- This is because the risk was born by the retail energy supplier, not the customer
- The diverse products and pricing plans due to retail choice actually mitigated the impacts of the Winter Storm Uri electricity crisis on retail customers.

Costs to Build and Maintain Generation

According to the Integrated Resource Plans published by Missouri's utilities, it is a guarantee that electric rates in Missouri will increase significantly if the status quo is maintained. Ameren alone has forecasted more than $13 billion in the next decade in electricity generation costs to replace aging coal-fired power plants with new energy resources (Ameren, pg. 37). This does not include the additional forecasted costs to build and maintain the necessary electric infrastructure.

In a monopoly utility market like Missouri, if the utility makes a poor investment decision in the generation type or does not manage the assets with proper operation and maintenance and the asset is unable to perform until its retirement date, the ratepayer is on the hook for these poor decisions.

For example: Rather than comply with a U.S. District Court order to install scrubbers at the Rush Island coal-fired power plant in Missouri, Ameren has filed a request with the MOPSC to retire the plant early (originally set for 2039) and recoup its investment of $475 million. Ameren framed this as a plan to save customers $120 million over 15 years. Ratepayers paid Ameren to retire generation early and will pay Ameren to build generation to replace it (plus their return on equity profit margin).

In a rapidly evolving energy market where new nuclear and carbon capture technologies, battery storage, behind-the-meter and demand-side management programs are being introduced, the monopoly model puts market evolution and innovation in the hands of just a few companies and ratepayers have no choice but to pay. New technology may come online tomorrow that is more efficient and cost-effective than investments utilities made today. In a monopoly market, ratepayers must pay for the life cycle of that utility investment even if something better is available.

Competitive energy markets shift the risk from ratepayers to investors and create a market in which companies can move quickly and respond to regulations, market conditions and customer demand quickly. If they do not, they bear risk.

Cost of Electricity Sold

Context when comparing EIA state data is important. Your electric bill is comprised of many different charges, not just the cost of electric supply and delivery charges. Many of these charges are directed by the state legislature. For example, many states have included energy efficiency and electric vehicle programs, advanced metering infrastructure, rural broadband, a rider to fund clean energy development and a renewable portfolio standard that requires a certain amount of the electricity to be sourced from specific energy resources. No two states are the same.

For example, at face value, Illinois electric rates may appear higher than Missouri, but they include different charges than Missouri, put in place by state programs or the

legislature as Illinois has an RPS of 25% and different program costs included in their electric rate than Missouri does with a 15% RPS.

To effectively analyze the data to determine the benefit to ratepayers from a cost-savings standpoint, you must look at **price performance for each individual state**.

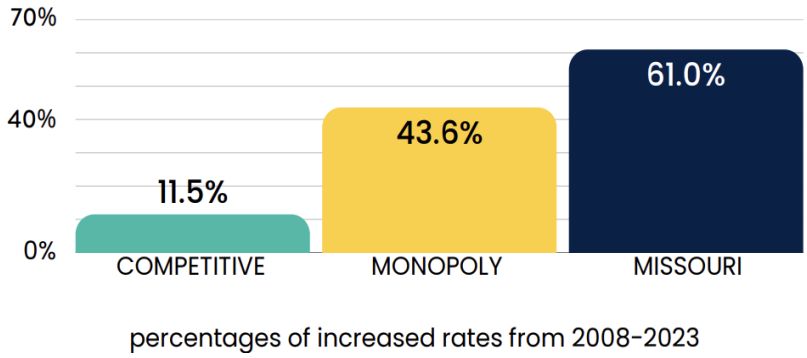
How much have electric rates increased over time and how quickly? In this context, Missouri's price performance is poor and competitive states have fared better than monopoly states on price performance. With cost-savings as the focus, it is important to consider the rates today but also, how much generation is scheduled to retire and how much will electric rates have to increase to cover these upcoming costs?

As is the case with all products and services, electric rates have increased over the years across the country. However, according to EIA data, the price of electricity has increased at a slower rate in competitive energy states than monopoly states. This was accomplished at the same time that these states have been replacing aging generation with newer assets and reduced the carbon emissions associated with the electric generation.

Competitive states are positioned to continue a flat or slow increase on prices whereas ratepayers in monopoly states that have aging assets are facing sharp increases as replacement generation is built.

PRICE PERFORMANCE:
Electric rates in states with a utility monopoly have increased faster than states with competitive energy markets.

In 2023, Missouri ranked 4th in the U.S. for biggest jump in electric rate increases (data source: US EIA).



Ameren was asked if the company had significant upcoming generation retirements and replacements. Ameren testified, "No."

Below is a schedule of Ameren retirements and replacements for Missouri only (Ameren Climate Report pg. 10).

For context on MW load size, in 2023, Ameren Missouri customers consumed 3,459 MW. By 2036, 3,336 MW of generation will be retired, and Ameren has not built a new "baseload electricity" power plant in Missouri since 2001.

Ameren Missouri: Schedule of Retirements and New Generation

(Ameren Climate Report pg. 10)

Plant Name	Generation Capacity Retirement (MW)	Generation Capacity New Build (MW)	Retirement or New Build In-Service Year
Meramec 3&4	(827) Coal		2022
Rush Island 1&2	(1,178) Coal		2024
New Build		+800 Natural Gas	2027
New Build		+400 Battery Storage	2030
New Build		+1,000 Wind	2030
New Build		+1,800 Solar	2030
Sioux	(972) Coal		2032
New Build		+1,200 Natural Gas	2033
Labadie (2 units)	(1,186) Coal		2036
New Build		+400 Battery Storage	2036
New Build		+1,000 Wind	2036
New Build		+900 Solar	2036
New Build		+1,200 "Clean Dispatchable Resources"	2040
Labadie (2 units)	(1,186) Coal		2042
New Build		+1,200 "Clean Dispatchable Resources"	2043
Callaway	(1,194) Nuclear		2044

Who builds and maintains the transmission and distribution lines to ensure reliability of local infrastructure ("poles and wires")?

In a competitive energy market, the transmission and distribution is still owned and operated by the utility and continues in a "business as usual" case. According to EIA data compiled on average outage duration, frequency of power outages and time to restore, competitive energy states average better compared to the monopoly utility states.

Will Missouri's cooperatives be harmed by this legislation?

No. Cooperatives and municipal-owned generation are exempt from this legislation and will continue operating in a "business as usual" case. If the cooperative has a purchase agreement with the utility, that agreement will be honored for its duration and going forward, the cooperative will have significantly more options and improved terms to purchase generation. If the coops purchase capacity from the wholesale market, they will continue to do so and more market participants will drive down costs. If the coops generate their own electricity for customers, this legislation does not impact their operations.

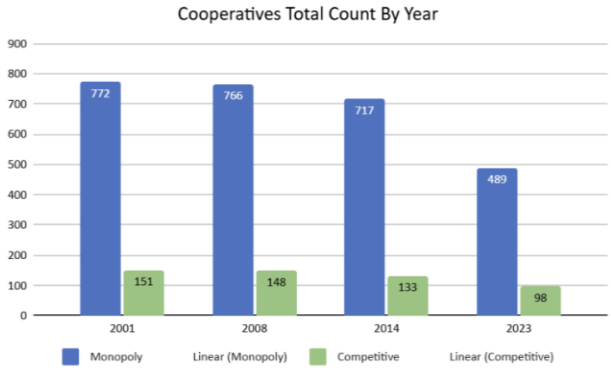
Cooperatives exist within the competitive energy markets and have benefited from access to more purchasing options for their customers.

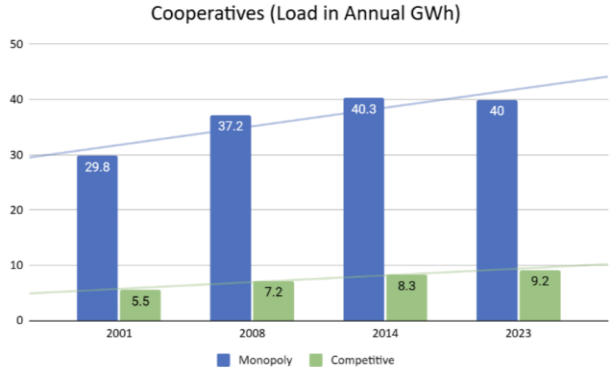
Cooperatives Data

(2001, 2008, 2014, 2023)

Observation:

- Over the past two decades, in both jurisdictions the number of cooperatives has only recently begun to decline. However, this decrease in cooperatives is not reflected in load, which has continued to increase in both competitive and traditional jurisdictions.





Source: U.S. Energy Information Administration (EIA-861 Data 2023)

Will customers have options and a variety of plans and prices to choose from?

Yes. In each restructured state that allows competition with the utility, there are dozens to 100+ different companies offering a variety of plans and programs. In every restructured state, there are offers from competitive energy suppliers below the utility price to compare and offers that include value-added products or services compared to the utility offering. Some of the state-managed shopping websites for customers to view and compare these offers with the utility product are listed below.

- Pennsylvania: www.papowerswitch.com
- Texas: www.powertochoose.org
- Connecticut: energizect.com/rate-board/compare-energy-supplier-rates
- Massachusetts: www.energyswitchma.gov
- Ohio: www.energychoice.ohio.gov

Residential plans terms vary, including those for the price-conscious customer, from 6–36-month fixed rate offers and flat monthly bills to time-of-use and demand response programs that incentivize consumers to support grid resiliency by reducing usage during peak demand to energy efficiency programs, 100% renewable plans and electric vehicle offers that provide free chargers and special rates for charging times.

Ratepayer and tax dollars are not used to deploy and manage these programs whereas in a monopoly market like Missouri, these offerings, the research and development, marketing and deployment and program management are funded by the ratepayer and government, like Evergy's time-of-use program and there is no competition.

Has legislation been introduced in Massachusetts to close the residential retail electric market?

Yes. There are advocacy efforts by special interest groups on behalf of the utility, lobbying to reinstate monopoly control of the generation and sale of electricity. This campaign against competition uses reports that cherry pick data to try to represent cost overpayment (learn more) as a justification for market closure.

The success of competitive markets hinges on proper consumer protections, enforcement by the state utility commissions and a fair marketplace that creates a level playing field with the incumbent utility.

Legislation that has been introduced to restrict or close markets has been fought by customers (view customer quotes). The retail industry supports legislation to improve consumer protections in Massachusetts and a utility commission regulatory proceeding to address market deficiencies, rather than close it.

In states that began the market restructuring process and pulled back due to successful utility lobbying efforts like in Virginia, legislators are again looking to competition to address costs to ratepayers.

In 2025 legislators across Virginia introduced 8 retail choice bills. Virginia is a partial competition state where the utility still has a monopoly on the generation of electricity but some commercial and industrial customers may shop with restrictions (view fact sheet). The legislation ranged from allowing residential municipal aggregation to allowing ratepayers to shop for 100% renewable energy to loosening some of the restrictions facing commercial and industrial customers who wish to shop. Like Missouri, Virginia's utilities do not generate enough electricity to serve customers.

Senators: Virginia 'better off with anything but Appalachian Power'
Citing "ever increasing bills," three state senators from Southwest and Southside asked regulators whether Virginia can end the utility's monopoly.
Cardinal News (February 14, 2025)

Three Virginia senators on Thursday said that they sent a letter to state regulators asking how to remove Appalachian Power's monopoly status as an electricity provider or end its ability to do business in the commonwealth.

Citing "ever increasing bills," Sens. Bill Stanley, R-Franklin County; Todd Pillion, R-Washington County; and Travis Hackworth, R-Tazewell County, said that "our region deserves better than an out-of-state company who doesn't work with [its] struggling customers and continually works to extract maximum profit for an essential utility service."

“The situation has become untenable, and we respectfully believe that Virginia and our area in particular are better off with anything but Appalachian Power Company,” the senators wrote.

In a statement Friday, Appalachian Power spokesperson Karen Wissing said that the company is “very disappointed in the inaccurate statements being made” and that its workforce is composed of “men and women born and raised here who want the best for their families, friends, and neighbors.”

“Working with the legislature, we have made significant progress toward finding real solutions that bring relief to our customers, and we will continue to do so,” Wissing said, adding that customers who are struggling with bills should contact the company for support.

Appalachian Power, a subsidiary of Columbus, Ohio-based American Electric Power (NASDAQ:AEP), has about 540,000 customers in western Virginia, including about 466,000 residential customers.

The average Appalachian Power monthly residential bill has risen about $50 in the past three years to $174. Lawmakers during the current General Assembly session have shared anecdotes about constituents paying hundreds of dollars more than that, with some seeing monthly bills above $1,000.

Stanley, Pillion and Hackworth are among lawmakers who have backed legislation this year that attempts to deal with rising customer costs.

Bills that have passed the Senate and House would allow Appalachian to package certain large expenses into interest-bearing bonds that it sells to investors. Supporters of that financing mechanism, called securitization, say it can lower customers’ monthly bills by spreading those costs over a longer time at favorable terms, but critics say it costs ratepayers more in the long run.

The two bills have had other ideas variously attached to them, including forbidding rate increases during certain winter months, requiring Appalachian to implement lower seasonal winter rates and prohibiting the utility from disconnecting residential service for late payment between July 1, 2025, and Dec. 31, 2026. The final version of the legislation has yet to be worked out.

Separately, Hackworth and Pillion backed a bill that would have created a pilot program to allow local governments to buy electricity from other providers on behalf of businesses and residents. It failed in the Senate Commerce & Labor committee on an 8-7 vote.

In their letter, the senators asked the State Corporation Commission whether the General Assembly or the SCC has the authority to revoke Appalachian’s monopoly status and what the cost to residents would be if that happened.

The SCC regulates utilities in Virginia, and its three commissioners are chosen by the General Assembly to serve six-year terms. The commissioners handle cases such as when Appalachian Power requests permission to raise its electric rates.

Virginia residents have been mostly unable to shop around for electricity since 2007, when lawmakers enacted sweeping changes to utility regulation that included ending residential electricity choice unless the power comes from 100% renewable sources.

At that time, the average Appalachian Power residential monthly bill was about $66, or a little more than a third of what it is today.

In a statement, the executive director of the Charlottesville-based nonprofit Clean Virginia called the senators' letter "a critical stand" against an "unchecked monopoly" and noted that Appalachian's rates have risen faster than the rate of inflation in recent years.

"When a monopoly fails to deliver fair, affordable service, the State Corporation Commission and our legislators must explore alternatives that better serve the people," said Brennan Gilmore, whose organization has a stated mission of "fighting utility monopoly corruption in Virginia politics."

In their letter, the senators asked if the SCC sees alternatives to address the utility's "extreme customer service deficiencies."

The senators said in their letter that their attempts to work with Appalachian to address rising customer bills "have seemingly fallen on deaf ears."

"During our numerous attempts to find solutions that work for all parties, APCO has not only failed to provide solutions, but they have also insulted the lived experiences of their customers and attempted to convince us all that the problem lies with our overuse of electricity," the senators said in a joint statement separate from the letter.

"No more. We look forward to receiving answers from the State Corporation Commission and acting on that information in the days ahead."