## BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the Matter of the Application of Great Plains	)	
Energy Incorporated, Kansas City Power &	)	
Light Company and Westar Energy, Inc. for	)	Docket No. 18-KCPE-095-MER
Approval of the Merger of Westar Energy, Inc.	)	
and Great Plains Energy Incorporated.	)	

## SIERRA CLUB PETITION TO INTERVENE

Pursuant to K.S.A. 77-521 and K.A.R. 82-1-225, Sierra Club respectfully petitions the Kansas Corporation Commission ("KCC" or "Commission") to intervene in the above-captioned docket. In support of its petition, Sierra Club asserts the following:

- 1. On August 25, 2017, Great Plains Energy Incorporated ("Great Plains Energy"), Kansas City Power & Light Company ("KCP&L"), and Westar Energy, Inc. and Kansas Gas and Electric Company ("Westar") (collectively, the "Applicants") filed an application seeking approval for Great Plains Energy's merger with Westar (the "Merger").
- 2. Sierra Club is a national organization organized and existing under the nonprofit corporation laws of the state of California. Sierra Club has over 800,000 members nationally, including over 5,500 members in Kansas, many of whom are KCP&L and Westar customers. These members are directly affected by the rates, policies, terms, and conditions governing Applicants' provision of electricity to them. As a result, these members have strong and direct financial and policy interests in having their electricity provided in a dependable and environmentally responsible manner, and at

- costs that are competitive over the long term. These interests are implicated by the Merger.
- 3. Sierra Club's national office is located at 2101 Webster, Suite 1300, Oakland, California 94612. The Kansas Chapter of Sierra Club's address is P.O. Box 8186, Topeka, Kansas, 66608-0186. Sierra Club is dedicated to exploring, enjoying, and protecting the wild places of the earth; to practicing and promoting the responsible use of the earth's ecosystems and resources; to educating and enlisting humanity to protect and restore the quality of the natural and human environment; and to using all lawful means to carry out these objectives. Sierra Club has many years of experience working on energy and electric generation issues throughout the United States, including in Kansas. Sierra Club advocates for robust renewable energy and energy efficiency investments that produce safe and sustainable jobs, while also reducing electric system costs for both utilities and ratepayers and reducing emissions from coal-fired power plants. Sierra Club has jointly or individually intervened and/or provided testimony on these and similar issues in proceedings in Kansas and a number of other states including Arkansas, California, Colorado, Florida, Indiana, Kentucky, Louisiana, Michigan, Minnesota, Missouri, North Carolina, Ohio, Oklahoma, Pennsylvania, Virginia, Washington, and West Virginia.
- 4. Sierra Club previously intervened in KCC Docket No. 04-KCPE-1025-GIE, which addressed issues related to meeting demand for electricity, emissions from coal-fired plants, and alternatives to coal as a boiler fuel. Sierra Club also intervened in KCC Docket No. 11-GIME-492-GIE, which addressed the impacts on coal-fired generators in Kansas from a suite of regulatory requirements. Sierra Club further intervened in

KCC Docket No. 11-KCPE-581-PRE, which concerned environmental retrofits for Kansas City Power & Light's La Cygne coal-fired power plant. Sierra Club intervened in KCC Docket No. 16-GIME-242-GIE, which considers the Environmental Protection Agency's Clean Power Plan. Most recently, Sierra Club intervened and participated in Docket No. 16-KCPE-593-ACQ, which contemplated the acquisition of Westar by Great Plains Energy. Sierra Club has also participated in numerous proceedings regarding KCP&L's operations in Missouri. Consequently, Sierra Club will bring a unique perspective to this docket having worked for more than a decade on economic and regulatory issues that affect the specific power plants involved in the Merger.

- 5. Among other aspects, the Applicants argue that the Merger will have no detrimental effect for its Kansas customers, will have a positive effect on the environment, and will confer substantial benefits upon customers<sup>3</sup> (fiscal and otherwise). Sierra Club, on behalf of its ratepayer members, is interested in reviewing these and other assertions in this docket. Given the interests of Sierra Club and its numerous members who are customers of KCP&L or Westar, the Sierra Club seeks authorization to fully participate in this proceeding.
- 6. In the previous merger docket, the Commission granted Sierra Club intervention status, but limited such intervention to only two of the merger standards set forth by the Commission in its August 9, 2016 Order on Merger Standards in KCC Docket No. 16-KCPE-593-ACQ: (1) the transaction's effect on the environment, and (2)

<sup>&</sup>lt;sup>1</sup> Application, ¶ 45. <sup>2</sup> Application, ¶ 50.

<sup>&</sup>lt;sup>3</sup> Direct Testimony of Terry Bassham, p. 6, lines 1-2.

whether the transaction maximizes the use of Kansas energy resources. Sierra Club respectfully contends that its intervention in this proceeding should not be restricted to only certain issues given both its interests in this proceeding as a whole, and the interrelated nature of many of the standards the Commission uses to evaluate such mergers. For example, the effect that the Merger would have on the financial condition of the newly created entity goes directly towards whether the new entity would have the financial wherewithal to pursue the type of wind and energy efficiency resources that would help reduce the effect on the environment and maximize the use of Kansas energy resources.

7. To the extent that the Commission is inclined to again limit Sierra Club's intervention to only a subset of issues in the proceeding, such issues should be expanded beyond the two on which Sierra Club was granted intervention in the previous proceeding. At a minimum, Sierra Club should be authorized to opine on not only the two issues on which intervention was authorized in the prior merger proceeding, but also on: (1) the effect of the Merger on the financial condition of the newly created entity as compared to the financial condition of the stand-alone entities absent the Merger and (2) whether the Merger will reduce the possibility of economic waste. The combined company would consolidate nearly 13,000 MW of generating capacity, the majority of which is coal-fired and thus faces increased costs associated with current and pending environmental regulations, while also facing increased competition from renewable energy and natural gas. Accordingly, the Merger could drastically affect rates, market share, competition, reliability, and Kansas's generation portfolio. Sierra

<sup>&</sup>lt;sup>4</sup> Application, ¶ 17.

- Club's members have an interest in ensuring that the Merger facilitates the combined company's ability to prudently plan for, and comply with, all environmental compliance obligations, as well as efficiently utilizes Kansas's tremendous wind resources. Given Sierra Club's expertise on these issues nationwide, Sierra Club respectfully requests the opportunity to explore these issues in this proceeding.
- 8. Sierra Club's interests in promoting clean, low-cost energy resources is different from those of the general public and may be substantially affected by the Merger. Sierra Club is uniquely situated to represent the interests of its members in this proceeding as a result of its expertise and experience in energy policy and law, and regulations that affect the market for energy generation. Aside from its recent participation in the prior Kansas merger-related docket, Sierra Club has recently intervened to consider the economics and public interest of utility merger proposals in Hawaii, Louisiana, Maryland, Nevada, and North Carolina. Thus, Sierra Club may provide the Commission with legal, technical, and economic information to help develop a record that will provide the Commission with evidence on issues that may not otherwise be analyzed.
- 9. Granting Sierra Club intervention would serve the interests of justice and will not impair the orderly and prompt conduct of the proceedings.
- 10. Sierra Club respectfully requests the right to fully participate in all aspects of this docket, including but not limited to discovery, the filings of motions, pleadings, and testimony, and participation at the evidentiary hearing.
- 11. In addition to signatory counsel, please address communications and correspondence to Sierra Club, including service of all notices and orders of the Commission, to:

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WHEREFORE, Sierra Club respectfully requests that the Kansas Corporation

Commission grant its Petition for Intervention in this docket.

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## **VERIFICATION**

STATE OF MISSOURI	)
	) ss
COUNTY OF JACKSON	)

I, Daniel R. Zmijewski, of lawful age and being duly sworn, state and affirm the following: that I am counsel for Sierra Club; I have read and reviewed the above and foregoing Petition; and the contents thereof are true and correct to the best of my information, knowledge, and belief.

Daniel R. Zmijewski

SUBSCRIBED AND SWORN before me this 5th day of October, 2017.

Notary Public

My commission expires:

2/28/2018



## CERTIFICATE OF SERVICE

I, the undersigned, do hereby certify that on this 5th day of October, 2017, a true and correct copy of the above and foregoing Sierra Club Petition to Intervene this Petition was electronically delivered to the following individuals:

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