

**BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

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**REBUTTAL TESTIMONY  
OF  
JOHN CARLSON**

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**ON BEHALF OF EVERGY KANSAS CENTRAL, INC.,  
EVERGY KANSAS SOUTH, INC., and EVERGY METRO, INC.,**

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**In the Matter of the Petition of Evergy Kansas Central, Inc., Evergy Kansas  
South, Inc., and Evergy Metro, Inc. for Determination of the Ratemaking  
Principles and Treatment that Will Apply to the Recovery in Rates of the Cost to  
be Incurred for Certain Electric Generation Facilities under K.S.A. 66-1239.**

**DOCKET NO. 25-EKCE-207-PRE**

**I. INTRODUCTION AND OVERVIEW**

**Q. Please state your name and business address.**

A. My name is John R. Carlson. My business address is 1200 Main, Kansas City, Missouri 64105.

**Q. Did you provide Direct Testimony in this docket?**

A. Yes, I filed Direct Testimony with the Petition filed herein on November 6, 2024.

**Q. What is the purpose of your Rebuttal Testimony?**

A. To address certain recommendations from Staff regarding the Kansas Sky solar facility under review in this docket.

**Q. Initially, were there any parties that opposed the Petition insofar as it relates to the addition of the Kansas Sky solar facility?**

A. No. Based on my review of the filed testimony in this case, all of the parties unanimously supported EKC's acquisition of the Kansas Sky solar facility, predetermination of ratemaking principles related to the costs of such acquisition and construction, and supported the definitive cost estimate for the Kansas Sky solar facility, with the exception of certain minor conditions or revisions discussed herein.

**Q. What is the definitive cost estimate for the Kansas Sky solar facility?**

A. The total definitive cost estimate is **\*\*[REDACTED]\*\***.

**Q. Have the parties and Intervenors objected to the definitive cost estimate in this docket?**

A. None of the parties have stated a material objection to the above definitive cost estimate. The only minor reservation to the Kansas Sky solar definitive cost estimate was a slight modification suggested by Staff witness Justin Grady. Mr. Grady overall found the Kansas

1 Sky solar definitive cost estimate to be reasonable and recommended approval of the  
2 levelized revenue requirement approach for the Kansas Sky solar facility with the minor  
3 exception of approximately 1%. Staff recommended that the definitive cost estimate be  
4 revised to \*\*[REDACTED]\*\*, a reduction of \*\*[REDACTED]\*\* to  
5 account for a lower agreed upon purchase price of \*\*[REDACTED]\*\* for the project.  
6 EKC's response to this request is that, although it represents only an approximate 1%  
7 reduction in the definitive cost estimate, EKC requests that the reduction not be made and  
8 that its definitive cost estimate be approved. In the current climate of inflationary pricing  
9 and uncertainty related to international trade issues, federal tariffs, and other substantial  
10 cost and market pressures identified in this docket, it would not be appropriate to reduce  
11 the definitive cost estimate as recommended by Staff. EKC believes, despite some  
12 reduction in the purchase price of certain \*\*[REDACTED]\*\* utilized in this project, the  
13 initial definitive cost estimate of \*\*[REDACTED]\*\* is reasonable under all the  
14 circumstances, and that reduction of the cost estimate is not warranted simply based upon  
15 reduction in costs in a single component of the bill of materials for the plant. Although Mr.  
16 Humphrey did identify this reduced equipment cost in his Supplemental Direct Testimony,  
17 EKC still maintained the above definitive cost estimate at the time it submitted the  
18 Supplemental Direct Testimony and, therefore, this specific saving did not reduce EKC's  
19 overall cost estimate in this docket for the Kansas Sky solar facility. EKC has continued  
20 to see some pricing movement, and additional upward pressure on various costs from the  
21 time it provided the definitive cost estimate in February up to completion of contracting  
22 for EPC services. As a result, and despite the lower price for \*\*[REDACTED]\*\* referenced  
23 in Mr. Humphrey's Supplemental Direct Testimony, EKC has reduced its contingency on

1 the Kansas Sky solar project to keep the definitive cost estimate of \*\*[REDACTED]\*\*.  
2 Reduction of the definitive cost estimate would likely cause EKC to have to utilize additional  
3 contingency prior to construction, which is not preferable. Although it acknowledges Staff's  
4 request, EKC is requesting that the Commission maintain the definitive cost estimate of  
5 \*\*[REDACTED]\*\* and not reduce it at this time. Notably, EKC will only be able to  
6 ultimately recover its actual costs. Therefore, if any cost savings do result in a reduction in  
7 the overall cost of the project, EKC will only be entitled to recover that reduced cost in any  
8 case.

9 **Q. Are there any other recommendations to which you would like to respond related to**  
10 **the Kansas Sky solar project?**

11 A. Staff also highlighted uncertainty related to the Production Tax Credits ("PTCs") in the  
12 Inflation Reduction Act related to solar facilities, and requested an additional condition that  
13 EKC be required to make a compliance filing justifying economics and prudence of  
14 continuing forward with the Kansas Sky project, or informing the KCC that it will  
15 abandon the project, if the production tax credit provisions of the Inflation Reduction  
16 Act are substantially revised or repealed prior to start of construction.

17 EKC is mindful of the risks and uncertainties related to the PTCs and renewable  
18 energy policy supporting the PTCs, and as such EKC acknowledges the need to continue  
19 to advise the Commission regarding developments in these areas as they may impact the  
20 economic viability of the Kansas Sky project. In addition, EKC is committed to doing  
21 everything it can do to secure, to the best of its ability, favorable benefits like the PTCs  
22 to support the Kansas Sky project. For example, EKC has studied safe harbor provisions  
23 related to the PTCs, and will continue to monitor the progress of the project to determine

1 if EKC can prudently and in due course meet minimum safe harbor thresholds to protect  
2 its ability to claim the PTCs for the Kansas Sky solar project. Overall, EKC is mindful  
3 of the uncertainty in this area, and acknowledges that they support the need for continued  
4 progress reporting to the Commission. EKC is also engaging in ways that it can to best  
5 manage and minimize project risks related to these uncertainties.

6 **Q. Does that conclude your testimony?**

7 A: Yes, it does.

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STATE OF KANSAS                     )  
  ) ss:  
COUNTY OF SHAWNEE             )

**VERIFICATION**

John Carlson, being duly sworn upon his oath deposes and states that he is the Director Project Management and Controls, for Evergy, Inc., that he has read and is familiar with the foregoing Testimony, and attests that the statements contained therein are true and correct to the best of his knowledge, information and belief.

  
\_\_\_\_\_  
John Carlson

Subscribed and sworn to before me this 4<sup>th</sup> day of April 2025.

  
\_\_\_\_\_  
Notary Public

My Appointment Expires: May 30, 2026



**CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing document has been emailed, this 4<sup>th</sup> day of April 2025, to all parties of record as listed below:

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