

**STATE OF IOWA**  
**BEFORE THE IOWA UTILITIES BOARD**

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IN RE: )  
 ) DOCKET NO. EPB-2020-0156  
 )  
MIDAMERICAN ENERGY COMPANY )  
ELECTRIC POWER GENERATION )  
FACILITY EMISSIONS PLAN )  
 ) REPLY TESTIMONY  
 )

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**REPLY TESTIMONY**  
**OF**  
**STEVEN C. GUYER**

**ON BEHALF OF**  
**ENVIRONMENTAL LAW & POLICY CENTER**  
**IOWA ENVIRONMENTAL COUNCIL**  
**SIERRA CLUB**

**JANUARY 21, 2021**

1 **Q: Please state your name, business name and address, and role in this proceeding.**

2 A. My name is Steven C. Guyer. I am the Energy & Climate Policy Specialist with the Iowa  
3 Environmental Council, located at 505 Fifth Ave, Suite 850, in Des Moines, Iowa. I  
4 appear here in my capacity as a witness on behalf of the Environmental Law and Policy  
5 Center, the Iowa Environmental Council, and Sierra Club (collectively “Environmental  
6 Intervenors”).

7 **Q: Are you the same Steven C. Guyer who previously submitted direct testimony in this**  
8 **proceeding?**

9 A. Yes.

10 **Q: What is the purpose of your prepared reply testimony?**

11 A. The purpose of my reply testimony is to address certain reply testimony submitted in this  
12 proceeding by MidAmerican Energy Company on January 7, 2021.

13 **Q: Can MidAmerican Energy be in compliance with the air emission regulations if a**  
14 **coal unit is retired?**

15 A: Yes. To suggest otherwise defies logic and is not supported by facts. When MidAmerican  
16 retires its coal plants, as it did with Neal Units 1 and 2, the retired coal plants are clearly  
17 in compliance with air emission regulations after they cease operation. MidAmerican  
18 acknowledged as much in its response to discovery on this issue (Guyer Reply Exhibit 1),  
19 in which it stated that a retired facility would no longer have to comply with requirements  
20 such as the Mercury Air Toxics Standard. MidAmerican witness Mohr conflates the issue  
21 of air emission regulations compliance with a requirement to retire. The question is

1 whether a retired unit is in compliance with air emission regulations, not whether air  
2 emission regulations require a unit to retire. As discussed further below, MidAmerican  
3 has itself used retirement as its compliance method in prior EPB dockets.

4 **Q: Does the Department of Natural Resources determine the cost-effectiveness, or**  
5 **render a position, on cost-effectiveness in the EPB proceeding?**

6 A: No. In the direct testimony of DNR witness Sarah Pizioli, it is clear that the DNR only  
7 reviews the EPB to determine “whether the filings meet applicable state environmental  
8 requirements according to the provisions of Iowa Code section 476.6(19)(a)(4).” The cost  
9 effectiveness of the EPB is not determined by the DNR, nor does the DNR render any  
10 position on cost effectiveness.

11 **Q: How does MidAmerican’s cost-effectiveness analysis in this docket compare to prior**  
12 **proceedings?**

13 A: Importantly, as pointed out by OCA witness Bents, in previous EPBs as recently as 2018,  
14 MidAmerican touted its retirement of coal-fired generating units as being the “least-cost  
15 alternative” for compliance with regulated emissions. (OCA Bents Direct at 5.)

- 16 • In EPB-2018-0156, MidAmerican witness McIvor testified that “MidAmerican  
17 retired certain coal-fueled generating units as the least-cost alternative to comply  
18 with the Mercury and Air Toxics Standards (“MATS”). WSEC Units 1 and 2  
19 were retired in April 2015 and Neal Units 1 and 2 were retired in April 2016. A  
20 fifth unit, Riverside Generating Station, was limited to natural gas combustion in  
21 March 2015.” EPB-2018-0156, McIvor Direct Testimony, at 4 (filed April 2,

1           2018).

2           • In EPB-2016-0156, MidAmerican witness McIvor testified that “MidAmerican is  
3           retiring certain coal-fueled generating units as the least-cost alternative to comply  
4           with the Mercury and Air Toxics Standards (“MATS”). Walter Scott Energy  
5           Center Units 1 and 2 were retired in 2015 and George Neal Energy Center Units 1  
6           and 2 are to be retired by April 15, 2016.” EPB-2016-0156, McIvor Direct  
7           Testimony, at 5 (filed April 1, 2016).

8           • In EPB-2014-0156, MidAmerican witness McIvor testified that “MidAmerican  
9           determined that, based on economic and other considerations, **it is in the best**  
10          **interest of its customers** to comply with the MATS and other environmental  
11          requirements by discontinuing the utilization of coal as a fuel and not installing  
12          environmental controls on five operating units. Therefore, by April 16, 2016,  
13          MidAmerican will cease burning coal at Neal Energy Center Units 1 and 2,  
14          Walter Scott Jr. Energy Center Units 1 and 2, and Riverside Generating Station.”  
15          EPB-2014-0156, McIvor Direct Testimony, at 6 (filed April 1, 2014) (emphasis  
16          added).

17          • In EPB-2012-0156, MidAmerican submitted its compliance plan stating that  
18          “MidAmerican is required under the final MATS to provide written notice to the  
19          Planning Authority for the area in which the relevant units are located of its  
20          compliance plans for the facilities it owns or operates. In this compliance notice,  
21          MidAmerican must identify (a) the units it plans to deactivate and the anticipated

1           dates of deactivation....” EPB-2012-0156, Electric Power Generation Facility  
2           Emissions Plan, at 12 (filed Apr. 2, 2012).

3           In the past, MidAmerican has evaluated plant retirements as a means of compliance with  
4           environmental requirements, and previously selected plant retirement as a cost-effective  
5           means of managing its regulated emissions. MidAmerican has done this within previous  
6           Emission Plan and Budget dockets. There is no reason this type of evaluation and  
7           selection should not take place in the current docket.

8           **Q: Did MidAmerican Energy evaluate the economic development potential as required**  
9           **as a part of the EPB at 476.6(19)(c)?**

10          A: No. The direct testimony of OCA witness Bents confirms that “MidAmerican has made it  
11          clear that it has not performed even a basic analysis of economic development potential.”  
12          (OCA Bents Direct at 9.) In the reply testimony of MidAmerican witness Fehr, he  
13          references participation in the development of wind generation in Iowa, but otherwise  
14          ignores economic development. (MidAmerican Fehr Reply at 5.)

15          **Q: Has the economic development potential of renewable energy been demonstrated**  
16          **and publicized?**

17          A: Yes. In fact, MidAmerican witness Fehr demonstrated the economic development  
18          potential of renewable energy in his direct testimony as part of Wind XII as follows:

19                   “The economic development benefits arise in a number of ways over the  
20                   40-year life of the Project. First, multiple communities will benefit from  
21                   the added tax base. These benefits are expected to exceed \$270 million.

22                   Second, landowners who host wind turbines or are otherwise included in

1 the Project will receive annual payments totaling approximately \$220  
2 million over the 40-year life of the wind farms. A portion of this  
3 additional revenue stream makes its way back into the local economy  
4 through incremental purchases to improve farming operations and make  
5 home improvements or other local purchases for goods and services that  
6 might have otherwise been deferred.

7 Third, renewable energy is a considerable economic development asset  
8 for Iowa by helping to attract new businesses to Iowa and encouraging  
9 existing businesses to expand. For example, customers that recently  
10 announced plans to locate new facilities or expand existing facilities in  
11 Iowa, including Apple, Facebook, Google, Microsoft, and others as  
12 described further in the testimony of MidAmerican witness Wright have  
13 publicly stated a preference for renewable energy. In addition, renewable  
14 energy projects like Wind XII encourage wind equipment manufacturers  
15 to locate or expand in Iowa, furthering the economic development of  
16 Iowa.

17 Fourth, there will be benefits associated with the Wind XII construction  
18 payroll and supply chain revenues. Based on the National Renewable  
19 Energy Laboratory's ("NREL") Jobs and Economic Development Impact  
20 ("JEDI") model, it is estimated there will be approximately \$42 million  
21 in labor associated with Wind XII construction, interconnection  
22 construction, construction-related services, and induced-impact payroll.  
23 When non-labor spending is included with payroll, it is estimated that an  
24 additional \$91 million will be expended in Iowa and locally. Depending  
25 on the final suppliers selected, there also may be additional labor and  
26 non-labor spending associated with purchases of wind generator  
27 components and other project equipment from Iowa-based manufacturers  
28 that are not included in these numbers.

29 Fifth, there will be additional new permanent jobs and local spending that  
30 arise from Wind XII. The total amount estimated using the JEDI model  
31 for on-site maintenance professionals' labor and spending, local revenue  
32 and supply chain labor and spending, and induced-impact labor and  
33 spending is approximately \$24 million annually."

34 *In Re MidAmerican Energy Company*, Docket No. RPU-2018-0003, MidAmerican Fehr  
35 Direct at 16-17 (filed May 30, 2018). This does a good job of demonstrating the  
36 economic development potential of renewable energy, and as shown in Guyer Reply  
37 Exhibit 2, Berkshire Hathaway, MidAmerican, and multiple public officials have touted  
38 the economic development potential of wind energy.

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**Q: Does the continued operation of the coal plants that are the subject of this EPB proceeding represent any economic development potential?**

A: No. As discussed in the reply testimony of MidAmerican witness Whitney, MidAmerican is not proposing any capital expenditures as a part of the EPB. MidAmerican only addressed economic development in a single paragraph:

By reducing emissions, the air emission increment available for other industrial developments increased. More importantly, emission reductions maximize the opportunity for Iowa to avoid non-attainment status. Non-attainment status can be a significant economic development detriment. MidAmerican’s implementation strategy occurred across the state, resulting in air quality benefits in all areas.

(Electric Power Generation Facility Budget Update, at 12 (filed Apr. 1, 2020).)

If economic development potential is evaluated based on increasing the air increment available to avoid non-attainment and improving air quality, then retiring Neal 3 and Neal 4 would clearly represent greater economic development potential.

In addition, as Jennifer McIvor testified in EPB-2014-0156, retiring coal plants can be an economic benefit to customers. EPB-2014-0156, MidAmerican McIvor Direct Testimony, at 6 (filed April 1, 2014).

**Q: Does this conclude your testimony?**

A: Yes.

AFFADAVIT OF STEVEN C. GUYER

STATE OF ILLINOIS     )  
COUNTY OF             )  
COOK

ss.

I, Steven C. Guyer, being first duly sworn on oath, state that I am the same Steven C. Guyer identified in the testimony being filed with this affidavit, that I have caused the testimony to be prepared and am familiar with its contents, and that the testimony is true and correct to the best of my knowledge and belief as of the date of this affidavit.

/s/ Steven C. Guyer  
Steven C. Guyer

State of Illinois County of Cook  
Subscribed and sworn before me the 20th day of January, 2021  
By Steven C. Guyer

/s/ Elizabeth Praker  
Notary Public in and for the  
State of Illinois