

STATE OF IOWA
BEFORE THE IOWA UTILITIES BOARD

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

REPLY TESTIMONY OF
DAVID B. POSNER

ON BEHALF OF

ENVIRONMENTAL LAW & POLICY CENTER
IOWA ENVIRONMENTAL COUNCIL
SIERRA CLUB

JANUARY 21, 2021

1 **I. INTRODUCTION**

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

3 A. My name is David B. Posner. I am an independent consultant. My address is 1801
4 Wedemeyer Street Unit 621, San Francisco, CA 94129. I am testifying on behalf of the
5 Environmental Law and Policy Center, the Iowa Environmental Council, and Sierra Club
6 (collectively “Environmental Intervenors”).

7 **Q. Are you the same David B. Posner 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: Did you “evaluate the emission control technology already installed on**
14 **MidAmerican Energy Company’s (“MidAmerican”) generating units, or that could**
15 **feasibly be installed on MidAmerican’s generating units” as argued by**
16 **MidAmerican witness William R. Whitney in his reply testimony?**¹

17 A: No. I conducted a financial analysis using publicly available data about the capital and
18 operating costs of Neal Units 3 and 4, including the impacts of existing emission control
19 technology. I compared the ratepayer costs of these units with alternative scenarios using

¹ Reply Testimony of William R. Whitney, EPB-2020-0156, Filed with the Iowa Utilities Board on January 7, 2021, at 2: 22-24.

1 an emissions-free technology—wind turbines—that has experienced significant cost
2 declines in recent years, is eligible for valuable federal tax credits, and can leverage
3 Iowa’s extremely rich wind resource potential. I found that both Neal units could be
4 retired, their capital recovered, and their energy output and additional services replaced
5 at a lower levelized cost than continued operation of the Neal units with the installed
6 controls. MidAmerican did not provide in discovery any data on future capital
7 investments in the Neal units, but it is hard to conceive of any such investments that
8 could lower the levelized costs imposed on ratepayers by these units.

9 **Q. Does your testimony challenge the prudence of previously approved capital**
10 **expenditures?**

11 A. No. I offer no challenge to the prudence of capital expenditures that were previously
12 approved. On the contrary, my modeling includes the recovery of the undepreciated
13 capital balances associated with Neal Units 3 and 4 plus the deployment of new clean
14 assets, all while still offering levelized cost savings for ratepayers.

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

16 A: Yes.

AFFADAVIT OF DAVID B. POSNER

STATE OF ILLINOIS)
COUNTY OF)
COOK

ss.

I, David B. Posner, being first duly sworn on oath, state that I am the same David B. Posner 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/ David B. Posner
David B. Posner

State of Illinois County of Cook
Subscribed and sworn before me the 20th day of January, 2021
By David B. Posner

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