



**Empire District**  
A Liberty Utilities Company

# Local Wind Energy: A Path to Customer Savings



On October 31, 2017, our company filed with regulators an exciting new plan to expand our wind energy resources. The plan calls for the development of an additional 800 megawatts of wind energy strategically located in or near our service territory by the end of 2020. Once this project is fully operational it is expected to generate cost savings of \$150-\$300 million over a 20 year time period. Regulatory approval of this project is expected by summer of 2018.

First and foremost, our customers expect us to look for innovative ways to provide reliable energy, hold down costs, and support our region by investing locally. This initiative is an important step to ensure we meet those expectations.

– David Swain, President

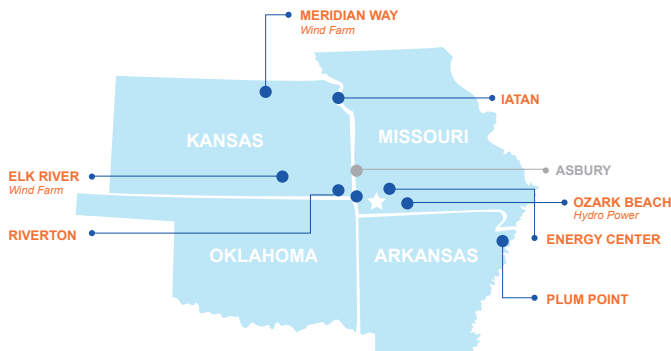


## Why Now?

With improved turbine capacity ratings, wind is more valuable than ever. Comprehensive research and analysis has shown adequate wind speed and frequency for reliable wind production within our region. With these advancements in technology, lower wind production costs, and tax credits currently available until December 31, 2020, wind is a decision that will result in cost reduction and sustainability.

## Reliability

The wind does not always blow, so it's important to know we have resources in place to ensure reliability for our customers. This wind initiative will be supported by a robust and efficient fleet of natural gas facilities such as our Riverton, State Line and Energy Center Power Plants in conjunction with other generation resources. An abundant and low-cost natural gas supply further support reliability and affordability.



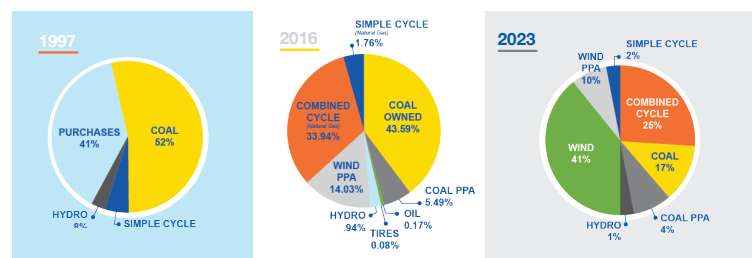
## Investing Locally

Up to 500 megawatts of this wind initiative may be developed in Southwest Missouri, keeping economic benefits here at home. The potential local sites for wind development are in rural Barton, Jasper, Dade, and Lawrence counties. The first land lease was signed in April 2017, and nearly 50,000 acres have already been secured.

Wind development in Southwest Missouri will become an environmental highlight for the region. Wind farms will provide economic stimulus during construction, and will become an attractive career field for ongoing operation. Landowners in rural counties will receive payment for the use of their land, much of which will remain available for existing uses like farming and livestock production.

## An Evolving Resource Mix

Over the years, our resource mix has evolved to ensure reliability, affordability and diversity. Based on economics, this plan proposes to replace the energy generated by the Asbury Power Plant. An estimated \$25 million in environmental upgrades will be required at the Asbury Power Plant to comply with additional EPA regulations by April 2019. This and other unknown required investments in the years ahead at Asbury, along with ongoing operational and fuel costs relative to the lower costs of wind generation are key factors driving an expansion of wind energy.



## Planning For A Transition

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It will be important to use the time leading up to April 2019 to assist employees at Asbury with the transition. While we continue to work on the details, we will work with employees to provide training opportunities to enhance or broaden skill sets. These skill sets may be utilized to attain other existing positions within the company that may come open due to retirements or transfers. In addition, potential wind developments in Southwest Missouri may provide job opportunities, though skill sets will differ from those currently utilized at Asbury.

As we work with employees to assist in the transition, we also recognize the importance of providing savings to our customers by adapting to rapidly changing market forces.

## Projected Dates

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Wind is not new for Empire. In 2016, our purchased power agreements with two Kansas wind projects accounted for 14% of the energy we delivered to the electrical grid. Wind data gathered through the implementation of SODAR and MET towers have proven the value of adding wind projects in Southwest Missouri.

## Natural Habitat

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Protection of the environment, natural habitat and wildlife is extremely important. The project will be developed in accordance with the EPA Voluntary Wind Energy Siting Guidelines and industry best practices. We are also consulting with the Missouri Department of Conservation to ensure the protection of public lands and wildlife.

## Customer Rates

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This proposal does not mean that rates will not increase in the future. What it does mean is that after wind project(s) are operational by the end of 2020, the reduction in fuel, as well as avoided costs related to the operation of Asbury, will mean lower costs relative to what they would have been with our current resource plan.

## A New Path Forward

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This new proposed plan allows us to take greater control of our own future. Rather than maintaining the status quo, we see an opportunity to chart a course that maintains our commitment to reliability and affordability through a diverse energy mix that is both cost effective and sustainable.

