

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

IN THE MATTER OF THE APPLICATION OF)
OKLAHOMA GAS AND ELECTRIC COMPANY) Case No. PUD2025-000084
FOR COMMISSION PREAPPROVAL OF NEW)
GENERATION CAPACITY PURSUANT TO)
17 O.S. § 286(C) AND RIDER COST RECOVERY)

Direct Testimony

of

Kimber L. Shoop

on behalf of

Oklahoma Gas and Electric Company

December 19, 2025

Kimber L. Shoop
Direct Testimony

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

2 A. My name is Kimber L. Shoop. My business address is 321 North Harvey, Oklahoma City,
3 Oklahoma 73102.
4

5 Q. **By whom are you employed and in what capacity?**

6 A. I am employed by Oklahoma Gas and Electric Company (“OG&E” or “Company”) as the
7 Director of Regulatory Affairs.
8

9 Q. **Please summarize your educational background and professional qualifications.**

10 A. I earned a Bachelor of Arts degree in Government from the University of Virginia (1996)
11 and a Juris Doctorate from the University of Oklahoma College of Law (2002). I am a
12 member of the Oklahoma Bar Association, the Arkansas Bar Association, and the District
13 of Columbia Bar Association. After law school, I practiced law in Washington D.C. until
14 accepting the position of Senior Attorney at OG&E in 2006. In 2015, I was named
15 Managing Director of Law at OG&E. In 2017, I left OG&E to establish a private law
16 practice in Edmond, Oklahoma and continued to perform work for OG&E. In 2020, I
17 returned to OG&E as Director of Regulatory Policy and Planning before being named
18 Director of Regulatory Affairs in 2022.
19

20 Q. **Have you testified previously before this Commission?**

21 A. Yes, I have.
22

23 **INTRODUCTION**

24 Q. **What is the purpose of your testimony?**

25 A. The purpose of my testimony is to support the Company’s request for relief in this
26 Application, which includes a request for Commission pre-approval of the Deriva Frontier
27 Energy Storage Project (hereinafter “Frontier Energy Storage Project” or “Project”) from
28 OG&E’s 2024 All Source RFP. This Frontier Energy Storage Project is a 302 MW battery
29 energy storage Project located near Ponca City, OK and has an expected commercial

1 operation date in 2027. My testimony first provides some context for how the Project fits
 2 into the Company's overall need for generating capacity to ensure reliable operations for
 3 our customers. Next, I discuss how OG&E identified the Frontier Energy Storage Project
 4 requested for approval in this case, provide an overview of how and why the resource was
 5 selected from OG&E's 2024 All Source RFP, and describe the timing of when the Project
 6 will come on-line. I will also discuss the statutory basis for the Company's request for pre-
 7 approval of the Project (*i.e.*, 17 O.S. § 286(C)) and provide an overview of the cost of the
 8 Project, the rider recovery requested in this case, and the estimated customer impact of
 9 adding this resource to OG&E's generation mix. Finally, I introduce the other witnesses
 10 in this Case and the subject matter of their testimonies.

- 11
- 12 **Q. Please explain in general terms what this case is about.**
- 13 **A.** OG&E is in a situation where it must acquire additional generation capacity to meet
 14 growing load and reserve requirements. As discussed by OG&E witness Kelly Riley,
 15 OG&E's 2024 Integrated Resource Plan ("2024 IRP") showed a significant capacity need
 16 and this need has only grown since its issuance. Below is a table that shows the growing
 17 need by year under the 2024 and 2025 IRPs:

Table 1: Comparison of Need Between 2024 and 2025 IRPs

Planning Source	2028	2029	2030
2024 IRP	1,096 MW	1,136 MW	1,215 MW
2025 IRP	1,083 MW	1,349 MW	1,647 MW

18 To address the capacity needs identified in the 2024 IRP (and ultimately the 2025
 19 IRP), the Company issued an all-source request for proposals ("2024 All Source RFP") to
 20 identify capacity options available to OG&E as it meets that growing need. The Frontier
 21 Energy Storage Project resulted from extensive analyses to determine what combination of
 22 resources are the lowest reasonable costs to customers, are available when OG&E needs
 23 the capacity, maintains a fuel diverse portfolio, and provides reliability and resiliency
 24 benefits to both OG&E and the Southwest Power Pool, Inc. ("SPP").

1 OG&E is asking the Commission, pursuant to 17 O.S. § 286(C), to approve the
2 Project selected through the RFP process given the Company's capacity need, other
3 reasonable alternatives considered in the 2024 All Source RFP, the quantitative and
4 qualitative RFP evaluation criteria, and the Company's timing requirements for adding new
5 capacity.

6
7 **Q. Has the Commission issued a prior determination affirming that the Company's 2024**
8 **IRP establishes a clear and substantiated need for increased generation capacity?**

9 A. Yes. The Commission's decision in PUD 2025-000038 (Order No. 753440) affirmed
10 OG&E's demonstrated need for generation capacity through 2030. That conclusion relied
11 on the Company's 2024 and 2025 IRP analyses, which is discussed by OG&E witness
12 Kelly Riley. Even after the approval of the three projects in Case No. PUD 2025-000038
13 and after the approval of the Project in this Case, the Company still has a significant need
14 of 394 MW in 2028, 661 MW in 2029, 555 MW in 2030 and 981 MW in 2031. Approving
15 the Frontier Energy Storage Project aligns with the need identified in the 2024 and 2025
16 IRPs and will allow OG&E to ensure safe, adequate, and reliable service for Oklahoma
17 customers while supporting prudent, forward-looking resource planning.

18
19 **Q. Did the Frontier Energy Storage Project arise from OG&E's 2024 All Source RFP?**

20 A. Yes. The Frontier Energy Storage Project was one of the seven selected bids in the 2024
21 All Source RFP. As discussed in Case No. PUD 2025-000038, OG&E's 2024 All Source
22 RFP was very robust with the Company receiving 200 bids from 24 participating entities
23 at 58 sites. As detailed in Case No. PUD 2025-000038, OG&E analyzed and ranked the
24 conforming bids by their qualitative and quantitative attributes as set out in the RFP. The
25 Company selected seven winners and began negotiations with these selected bidders.
26 Through the course of negotiations, several bidders either withdrew from the RFP or
27 significantly increased their bid pricing. These negotiations were complicated by evolving
28 tariff risk, supply chain issues, tax credit uncertainty, and high demand for capacity, all of
29 which made negotiations difficult. The RFP and the bid evaluation process was overseen
30 by an Independent Evaluator, who concluded that the RFP was conducted according to the
31 Commission's rules and that RFP scoring seemed to be reasonable.

1 OG&E was able to finalize contracts with three winning bidders in May 2025 and
2 these initial three projects were the subject to the approvals received by the Commission
3 in Case No. PUD 2025-000038. During the processing of Case No. PUD 2025-000038,
4 OG&E continued to negotiate with Deriva regarding the Project, and the contract was
5 ultimately executed on December 8, 2025.
6

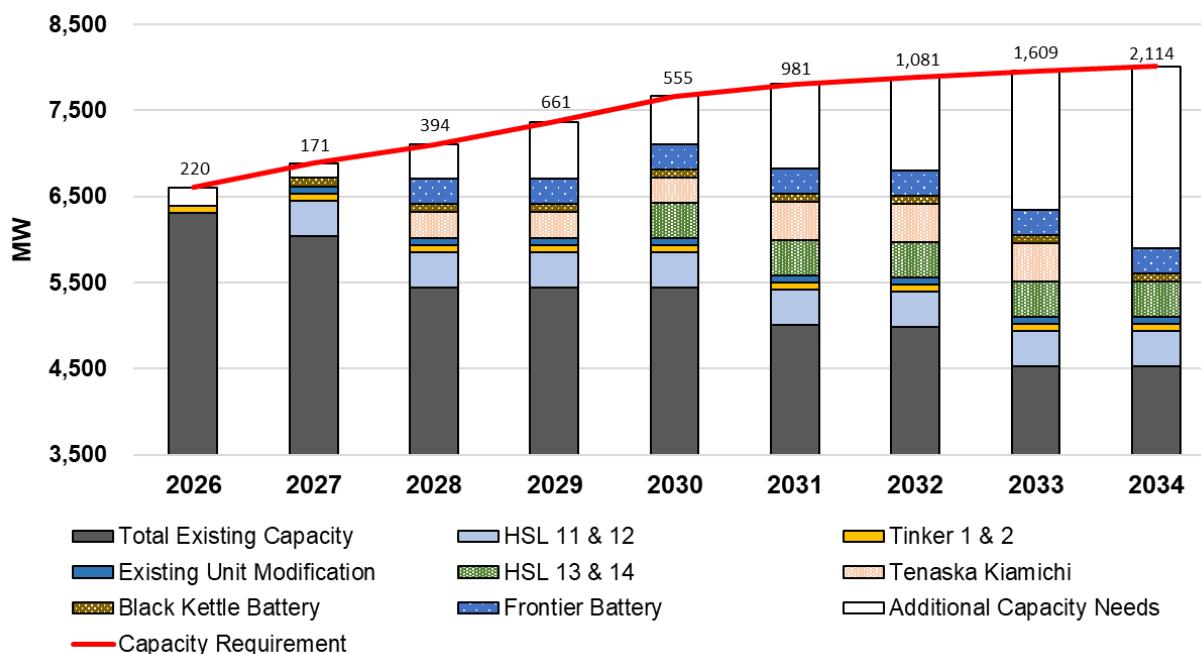
7 **Q. Can you describe the Frontier Energy Storage Project OG&E which is requesting**
8 **pre-approval for in this case?**

9 A. The Frontier Energy Storage Project is a 302 MW Battery Energy Storage System
10 (“BESS”) Project located in Kay County, Oklahoma near Ponca City. The Project will be
11 constructed pursuant to the Build Transfer Agreement (“BTA”), under which Deriva will
12 construct the Project and then transfer ownership to OG&E when the Project is constructed
13 and achieves mechanical completion in the latter half of 2027. The total cost of the Frontier
14 Energy Storage Project is approximately \$394 million, inclusive of contract costs, owner’s
15 costs, and tariff and construction contingency costs and excluding AFUDC and taxes.
16 OG&E witness Matthew Schuermann discusses the details of the BTA, the transaction
17 structure, and the detailed breakdown in costs for the project.
18

19 **Q. Will this Frontier Energy Storage Project satisfy the Company’s capacity needs?**

20 A. No. Below is a breakdown of the need under the 2025 IRP *after* the Project and the other
21 projects selected from the 2024 All Source RFP are added to the system over the next five
22 years. As you can see in Chart 1, the four projects selected in the 2024 All Source RFP
23 (including the Black Kettle CPA, the Kiamichi CPA, Horseshoe Lake 13 & 14 and now
24 the Frontier Energy Storage Project) are critical in beginning to address OG&E’s on-going
25 capacity needs, as identified in the 2024 IRP and reiterated in the 2025 IRP. However,
26 OG&E still has needs that it will seek to address in future RFPs.

Chart 1: Adjusted Need by Year



1 Q. **What specific relief is OG&E requesting of the Commission in this proceeding?**

2 A. The Company is requesting the Commission approve the Frontier Energy Storage Project
 3 by finding that: (i) there is a need for the Project; (ii) OG&E properly considered reasonable
 4 alternatives through OG&E’s 2024 All Source RFP; and (iii) the modified Generation
 5 Capacity Rider (“GCR”) should be utilized for recovery of the costs associated with
 6 Project.

7
 8 Q. **Who are the other witnesses testifying on behalf of OG&E in this proceeding?**

9 A. Table 2 below is a brief description of the witnesses testifying for the Company and the
 10 purpose of their testimony.

Table 2: OG&E Witness List

Witness	Title	Purpose of Testimony
Kimber Shoop	Director, Regulatory Affairs	Provides an overview of the capacity needs and OG&E's plan to address that need and explains the relief sought under 17 O.S. § 286 (C).
Kelly Riley	Director, Resource Planning	Discusses the Company's need for capacity, the 2024 IRP, the 2025 IRP, the analysis conducted in evaluating the 2024 All Source RFP, and OG&E's capacity requirements.
Matthew Schuermann	Vice President, Power Supply Operations	Discusses the RFP selections, as well as the contract negotiation process and the Frontier Energy Storage Project requested for approval in this case.
Gwin Cash	Senior Manager, Pricing, Rate Administration, and Load	GCR Tariff modifications

NEED AND REASONABLE ALTERNATIVES

1
2 **Q. Who sets the amount of capacity needed to ensure reliability?**

3 A. The SPP is charged with maintaining reliability of the regional electric grid. One of the
4 ways it ensures reliability in the region is to make sure there is sufficient generation
5 capacity in the SPP footprint to meet load requirements in all scenarios and circumstances.
6 SPP ensures there is sufficient generating resources at all times by requiring all load serving
7 entities to maintain adequate generating capacity to serve their peak loads plus a "reserve."
8 The reserve is used to ensure all load serving entities have capacity above and beyond their
9 peak load so SPP can maintain a reliable grid during unforeseen events (such as generation
10 outages, derates, fuel disruptions, etc.).

11
12 **Q. How did OG&E determine its capacity need that ultimately led to the selection of**
13 **this Frontier Energy Storage Project?**

14 A. As required by Commission rules at OAC 165:35-37, OG&E prepared its 2024 IRP to
15 determine how much generating capacity it needed to meet its load and SPP requirements.
16 In that IRP analysis, OG&E assessed the state of its existing resources (supply side and
17 demand side resources), assessed the evolving SPP resource adequacy requirements, and
18 studied its load forecast to determine whether there was any capacity needed in the coming
19 years. An IRP is done at least every three years to ensure the utility plans appropriately for

1 future needs of its customers. Based on its IRP, OG&E issued a series of Requests for
2 Proposals (“RFPs”) to work towards meeting its capacity needs.

3
4 **Q. Has OG&E’s capacity need continued to change since its 2024 IRP?**

5 A. Yes. As discussed by OG&E witness Kelly Riley, the capacity needs identified last year
6 in the 2024 IRP were already quite significant. These capacity needs have grown since the
7 2024 IRP was finalized due to an increase in the load forecast and the identification of new
8 customers coming to the OG&E system.¹ Based on the 2025 IRP, OG&E currently has a
9 capacity need of 1,083 MW beginning in 2028 and growing to 1,349 MW in 2029 and
10 1,647 MW in 2030. Based on future uncertainty with SPP resource adequacy requirements,
11 combined with the unprecedented interest OG&E is seeing from prospective large load
12 customers, OG&E believes this is a conservative estimate of its need in these years, and it
13 is likely this need will continue to increase.

14
15 **Q. What steps did OG&E take to implement the 2024 IRP Action Plan?**

16 A. Based on the need established in the 2024 IRP, OG&E initiated the 2024 All-Source RFP
17 in May 2024 and opened 200 bids in September 2024. An “All-Source” RFP essentially
18 means that OG&E’s request was not limited to any specific type of technology, any fuel
19 source, any specific generation location or any particular type of capacity contract (*i.e.*,
20 PPA, CPA, affiliate bid or third party constructed facility with transferred ownership to
21 OG&E).

22
23 **Q. How did OG&E consider the options presented in the 2024 All-Source RFP?**

24 A. OG&E carefully analyzed the 200 bids and scored them based on quantitative and
25 qualitative attributes. OG&E then ranked them and selected winners based on the rankings,
26 resource types, and timing of when they could come on-line. For more discussion on the
27 RFP design and evaluations, please see the Direct Testimony of OG&E witnesses Kelly
28 Riley. After selecting winners, OG&E started negotiating with the seven winning bidders,
29 and, as described by OG&E witnesses Kelly Riley and Matthew Schuermann, OG&E
30 proceeded to finalize contracts for three of the projects (Black Kettle CPA, Kiamichi CPA

¹ See Table 1 above.

1 and Horseshoe Lake 13 & 14 approved in Case No. PUD 2025-000038) and then continued
2 negotiations with Deriva for the Frontier Energy Storage Project.

3

4 Q. **Was an IE involved in the RFP processes?**

5 A. Yes. PUD selected Bates White as an Independent Evaluator (“IE”) to monitor each of the
6 Company’s RFPs, which was approved by the Commission in Order No. 741869.

7 Q. **Did the IE make any suggestions during the RFP evaluation process that affected the
8 contract negotiations with Deriva regarding the Frontier Energy Storage Project?**

9 A. Yes. During the evaluation process, the IE provided OG&E with suggestions on alternative
10 methods for providing OG&E customers the benefits of the Federal Investment Tax Credits
11 (“ITCs”) that could be available for battery projects and provide additional customer
12 benefit. This alternative method involves utilizing ITCs without normalization in a way to
13 reduce rate base and therefore the revenue requirement for customers. These federal ITC
14 benefits are discussed in OG&E witness Kelly Riley’s testimony.

15

16 Q. **Does the Frontier Energy Storage Project represent one of the lowest reasonable cost
17 projects evaluated in the 2024 All-Source RFP?**

18 A. Yes. As explained by OG&E witness Matthew Schuermann, the RFP identified capacity
19 resources that both meet the goals of the IRPs and are available in the market at a
20 reasonable cost. Not only does the Frontier Energy Storage Project address the large
21 capacity needs of OG&E, but it was one of the seven lowest reasonable bids selected
22 through a robust competitive bidding process, contributes to fuel and technology diversity
23 and adds a new resource to balance portfolio age.

17 O.S. § 286(C) - THE PRE-APPROVAL STATUTE

24 Q. **You mentioned 17 O.S. § 286(C) above, what is your understanding of that statute?**

25 A. That statute allows rate-regulated electric companies like OG&E to file an application
26 seeking Commission approval “to construct a new electric generating facility, to purchase
27 an existing electric generating facility or enter into a long-term contract for purchased
28 power and capacity and/or energy.”

1 The statute further states that “[i]f, and to the extent that, the Commission
2 determines there is a need for construction or purchase of the electric generating facility or
3 long-term purchase power contract, the generating facility or contract shall be considered
4 used and useful and its costs shall be subject to cost recovery rules promulgated by the
5 Commission.” This means that to satisfy the requirements of the statute, OG&E must show
6 there is a need for the Projects. If OG&E can show the Projects are needed, then they are
7 considered used and useful, and subject to cost recovery.

8 Finally, the statute says that the Commission shall enter an order in the pre-approval
9 case “after consideration of reasonable alternatives.” This requires there to be evidence of
10 such reasonable alternatives presented to the Commission during the pendency of the
11 proceeding.

12
13 **Q. Has OG&E complied with the requirements of 17 O.S. § 286(C)?**

14 **A.** Yes. Based upon OG&E’s 2024 and 2025 IRPs , OG&E has established that it has a need
15 for new generating capacity. The 2024 IRP is discussed in detail and supported by OG&E
16 witness Kelly Riley and is attached to her testimony as Exhibit KMR-1. After the IRP, the
17 Company then initiated the competitive bidding process under the Commission’s
18 competitive bidding rules (OAC 165:35-34) to further assess reasonable alternatives for
19 meeting that need and the various market opportunities. OG&E’s capacity need is further
20 confirmed by the 2025 IRP, attached to witness Kelly Riley’s testimony as Exhibit KMR-
21 4.

22 As discussed above, OG&E conducted an All-Source RFP to investigate all of its
23 options. After that comprehensive investigation, OG&E chose seven projects to proceed
24 to final negotiations. Unfortunately, three of those winning bidders either pulled out of the
25 RFP process or changed their pricing that prevented contract finalization. Three winning
26 projects were approved in Case No. PUD 2025-000038, and the final project is the Frontier
27 Energy Storage Project that is the subject of this Case.

COST RECOVERY AND CUSTOMER IMPACT

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Q. How does OG&E plan to recover the costs of the Frontier Energy Storage Project?

A. The Company is proposing to recover the costs of the Project through the amended GCR Rider, which will terminate with the inclusion of the Project in base rates.

Q. Please explain how the GCR Rider will operate?

A. The GCR Rider was approved in Case Nos. PUD 2023-000038 and PUD 2025-000038 for recovery of the costs related to Horseshoe Lake Units 11 through 14, which are all currently under construction. OG&E witness Gwin Cash discusses the proposed changes to the GCR. Since the Frontier Energy Storage Project is not a new, gas-fired generating facility, it does not qualify for CWIP regulatory treatment under 17 Okla. Stat. 286(C)(6).

Q. Will there be a process for a review of final costs by this Commission?

A. Yes. The GCR Rider provides for recovery of costs after the Project is placed in service and provides benefits to customers. The Commission will review the final costs of the Frontier Energy Storage Project in a later general rate case and, if the Commission disallows any costs that are in excess of the costs approved in this proceeding, any GCR Rider recovery can be refunded to customers.

Q. Are recovery riders for new generation facilities common in Oklahoma?

A. Yes. In addition to the approval of the GCR in Case No. PUD 2023-000038 and PUD 2025-000038, for recovery of Horseshoe Lake Units 11 through 14 (*See* Order Nos. 738566 & 753440), the Commission has approved rider recovery for many past generation projects: the Crossroads wind farm (OG&E Order 577371 in Cause No. PUD 201000037, July 29, 2010); and OU Spirit wind farm (Order No. 571788 in Cause No. PUD 200900167, November 25, 2009). The Commission also approved a recovery rider when OG&E purchased its Redbud generating facility (Order No. 559892 in Cause No. PUD 200800086, September 24, 2008), as well as when OG&E purchased its River Valley and Frontier generating facilities (Order No. 696007 in Cause No. PUD 201800159). The Commission also granted generation cost recovery rider approvals in February 2020 (Order No. 708933

1 in Cause No. PUD 201900048) and May 2023 (Order No. 734110 in Cause No. PUD 2022-
2 000121).

3 The Commission has also granted rider recovery for many other costs, including
4 OG&E's Smart Grid Program (Cause No. PUD 201000029), OG&E's System Hardening
5 project (Cause No. PUD 20900212), OG&E's Windspeed transmission line (RTSA Rider
6 (Cause No. PUD 200800148), OG&E SPP Transmission System Additions Rider (Cause
7 No. PUD 201200172), PSO's Automated Metering Infrastructure Rider (Cause No. PUD
8 201300217), and PSO's Capital Investment Rider (Cause No. PUD 200900181).

9

10 Q. **What is the customer impact resulting from the three selected projects?**

11 A. The average residential impact for the Frontier Energy Storage Project is estimated to be
12 \$2.21 per month when the Project is placed in service in 2027.

13

14 **CONCLUSION**

15 Q. **What are your recommendations to this Commission?**

16 A. OG&E is requesting the Commission grant pre-approval of the Frontier Energy Storage
17 Project requested herein pursuant to 17 O.S. § 286(C), including a determination that
18 OG&E has a need for the generation provided by the Project and has evaluated reasonable
19 alternatives, resulting in the Project being used and useful. In addition, this Project has
20 been evaluated as a lowest reasonable cost option for meeting OG&E's current resource
21 needs through an RFP process.

22 The Company also requests the Commission authorize OG&E to recover the costs
23 of the Frontier Energy Storage Project through the GCR Rider. Granting recovery through
24 the existing GCR is consistent with previous recovery treatment granted by the
25 Commission and allows OG&E to begin timely cost recovery of the selected investment.

26

27 Q. **Does this conclude your testimony?**

28 A. Yes.

CERTIFICATE OF SERVICE

I hereby certify that on the 19th day of December 2025, a true and correct copy of the foregoing was electronically served via the Electronic Case Filing System to those on the Official Electronic Case Filing Service List, or via electronic mail to the following persons:

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A. Chase Snodgrass

AFFIDAVIT


STATE OF OKLAHOMA)
)
COUNTY OF OKLAHOMA)

On the 19th day of December 2025, before me appeared Kimber L. Shoop, to me personally known, who, being by me first duly sworn, states that he is the Director of Regulatory Affairs for Oklahoma Gas and Electric Company ("OG&E") and acknowledges that he has read the above and foregoing document and believes that the statements therein are true and correct to the best of his information, knowledge, and belief.

Print Kimber Shoop

Signature 

Subscribed and sworn to before this 19th day of December, 2025.


Notary Public

My commission expires: 10-17-2026

Seal

