

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Union Electric)
Company d/b/a Ameren Missouri for Permission and)
Approval and a Certificate of Public Convenience and)
Necessity Authorizing it to Offer a Pilot Subscriber)
Solar Program and File Associated Tariff.)
EA-2016-0207

AMENDED UNANIMOUS STIPULATION AND AGREEMENT

Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or the "Company"), the Missouri Public Service Commission Staff ("Staff"), Missouri Department of Economic Development – Division of Energy, and Earth Island Institute d/b/a Renew Missouri (collectively the "Signatories") present this Amended Stipulation and Agreement ("Amended Stipulation") to the Missouri Public Service Commission ("Commission") for its approval.

I. BACKGROUND

1. On April 26, 2016, Ameren Missouri requested the Missouri Public Service Commission ("Commission") approve a Subscriber Solar Pilot Tariff for the purpose of implementing a Subscriber Solar Pilot program (the "Pilot"). The filing included direct testimony filed by William Barbieri and Michael Harding. The Signatories held multiple meetings to discuss the Pilot and have come to an agreement to implement the Pilot on the terms and conditions set forth below. On October 5, 2016, the Missouri Public Service Commission approved a Stipulation and Agreement that had been signed (or was not objected to) by all parties in the case.

2. The Company filed its expedited application for a Certificate of Convenience and Necessity on March 7, 2018. The filing, however, was not consistent with certain terms of the Stipulation and Agreement. After talking with the parties in this case, the parties reached agreement on this Amended Stipulation.

II. SPECIFIC TERMS AND CONDITIONS

3. Complete Settlement of Case. As a result of extensive settlement discussions, the Signatories have agreed to the terms and conditions set forth below in full and final resolution of all issues in this case.

4. Certificate of Convenience and Necessity ("CCN"). The Signatories agree to use their best efforts to process an expedited application for a CCN to construct the Solar Resources contemplated herein, consistent with the Minimum Application Conditions and Additional Considerations for Site Evaluation set forth in Appendix A. For purposes of this Amended Stipulation, "best efforts to process an expedited application means Staff (and any other Signatory desiring to conduct a review) shall make its best efforts to complete its review within 45 days after filing the CCN application, and the Signatories will make their best efforts in good faith to support any necessary procedural schedule or other process at the Commission that would allow the Commission to decide the CCN application within 90 days of its filing. If facilities under both this application and the application that is the subject of File No. EA-2016-0208 are to be built, Ameren Missouri will use its best efforts to locate sites that can host facilities for both.

5. Capital Investment Level. Ameren Missouri's capital investment in the Pilot facility is capped at \$3 million.

6. Construction. Upon grant of a CCN, construction of the Pilot facility shall not begin until at least 1000 kW are subscribed.¹

7. Costs and Revenues. The current authorized equity return of 9.53% and the return on Pilot facility investment costs, property taxes, operations and maintenance costs, administrative

¹ Because customers are subscribing to the output of the facility, the facility(ies)' capacity is expressed in Alternating Current ("AC").

costs, tax credits and marketing costs shall be reflected in the subscriber solar tariff rate on a levelized basis over the lifetime of the respective facilities.² Actual costs shall be reviewed by parties to Ameren Missouri rate cases and may be challenged on the basis of imprudence; however, it is agreed that parties may not argue that the decision to construct a Pilot facility according to the terms of this agreement is imprudent. All investment (within the caps) in the Pilot facilities and other costs of the facilities, other than those found to be imprudent, and all revenues arising from the Pilot facilities, will be reflected in Ameren Missouri's revenue requirement in each rate case.

8. Tariff. Upon approval of this Amended Stipulation, the Missouri Public Service Commission should reject the tariff filed on March 7, 2018, and Ameren Missouri will file the tariff in Appendix B, after accepting red-lined changes. The Signatories agree that they will not oppose said tariff becoming effective 30 days after its filing or otherwise seek suspension or rejection of the tariff except on the grounds that the rate reflected in the tariff was improperly calculated.

9. Subscription Solar Price. The "Total Cost to Build Solar Facility" that will be used in the calculation reflected in Appendix C (Confidential) will include the bid associated with constructing the initial Pilot facility on the site selected to host that facility.

10. Request for Proposal. Ameren Missouri will provide the request for proposal ("RFP") it intends to issue for construction of the Pilot facilities to the Signatories and the Office of the Public Counsel prior to its issuance in order to give the Signatories and the Office of the Public Counsel an opportunity to provide comments on the RFP.³ Ameren Missouri will consider

² For purposes of calculating the levelized costs of the facilities, the current authorized equity return rate of 9.53% shall be used for the life of the facility. The equity return on Ameren Missouri's investment in the Pilot facility for ratemaking purposes shall be the same as applied to its other investments.

³ Only one RFP will be issued for both facilities, with the costs for the second facility, if built, to be updated based on "open book" prices (i.e., supplier prices reflecting actual, updated supplier costs) if the second facility is not built concurrently with the first.

and use reasonable efforts to reflect relevant comments in a revised RFP, which it will then issue. Prior to issuance of the RFP, Ameren Missouri will publish notice of the pending RFP in a minimum of two publicly-available forums (such as trade periodicals or industry websites).

11. Subscription Solar Participation Fee and Length of Commitment.

A. The Pilot will consist of one, 1000 kW facility, if there are sufficient subscriptions to support the facility. Customers enrolling in the Pilot will be assigned to the facility until all of the solar blocks for the facility are subscribed, and such customers shall pay a Solar Participation Fee of \$25 per block. Collected Solar Participation Fees shall be treated by Ameren Missouri as a Contribution in Aid of Construction⁴ upon construction of the facility.

B. On and after the date the Company commits to construct the facility, which commitment shall occur upon the Company posting its commitment on its website and sending an e-mail, if available, or by letter if e-mail is not available, announcing its commitment to the enrollees assigned to the facility, said enrollees will be obligated to participate in the Pilot and pay the charges thereunder for a term of two years after the facility's in-service date, unless the customer no longer takes service from the Company. Until said committal date, an enrollee may withdraw from the Pilot and shall receive a refund of the enrollee's Solar Participation Fee.

C. Any enrollee from whom a Solar Participation Fee has been collected who is not receiving service from a facility by the earlier of (i) the date the Company commits to the facility, or (ii) three years after the Solar Subscription tariff first becomes effective, will be refunded the Solar Participation Fee. For enrollments occurring 20 or more days

⁴ This will be reflected as credits in the plant accounts supported by contributed funds.

before a customer's next billing cycle, the refunds shall be credited, via the customer's bill in that next billing cycle; otherwise, in the second billing cycle after enrollment or withdrawal.

D. Customers may enroll in the Pilot after the Company has committed to build the facility, and throughout the Pilot's operation, when solar blocks become available, without paying a Solar Participation Fee. The Company will maintain a waiting list of customers interested in enrolling in the program and will notify customers on the waiting list as and when solar blocks become available.

12. Total Facilities Charge. The Total Facilities Charge used in constructing the rates for this pilot will be as follows:

A. If the initial site is selected and the Solar Subscriber tariff is approved prior to the rates established in File No. ER-2016-0179 becoming effective, then the Total Facilities Charge will be \$0.0308 for the Residential class and \$0.0223 for the Small General Service class. In such an event, Sheet 164 will be filed as part of the tariff compliance filing in File No. ER-2016-0179 and the Total Facilities Charge will change by the same percentage change as the overall \$/kWh rate for the Residential and Small General Service classes, respectively.

B. If the initial site is selected and the Solar Subscriber tariff is approved after the rates established in File No. ER-2016-0179 become effective, then the Total Facilities Charge will, at the time of filing of the compliance tariffs in File No. ER-2016-0179, change by the same percentage change as the overall \$/kWh rate for the Residential and Small General Service classes, respectively.

C. The Total Facilities Charge will be adjusted when rates are reset in such future rate cases by the percentage change to volumetric rates in those future rate cases, unless a party provides a cost study demonstrating that it would be unreasonable to adjust the Total Facilities Charge rate by the percentage change to volumetric rates in future rate cases post-File No. ER-2016-0179. The burden of production and persuasion shall be on the party requesting such an alternative adjustment.

D. The Signatories agree that this treatment does not set precedent for how the Total Facilities Charge should be determined outside of this Pilot.

13. Signatory Meeting. Approximately six months after the Subscriber Solar tariff filed in accordance with ¶ 9 of this Amended Stipulation initially becomes effective, Ameren Missouri will conduct a meeting of the Signatories and the Office of the Public Counsel to discuss whether any tariff and/or program adjustments are needed. Potential program adjustments may include, but are not limited to, participation fees and term commitment requirements.

14. Marketing and Administration.

A. All marketing materials for this pilot, including, but not limited to, the letter to Pure Power customers, shall be shared with the Signatories and the Office of the Public Counsel for review and comment prior to the commencement of marketing efforts. Marketing activities may begin once the Subscriber Solar tariff becomes effective in accordance with ¶ 9 of this Amended Stipulation.

B. Ameren Missouri shall spend no more than \$300,000 for administrative and marketing costs during the first year of the program. Administrative and Marketing costs shall not exceed \$75,000 in any subsequent year and any administrative and marketing

costs in excess of these levels shall be considered non-recoverable in any future rate proceeding.

C. All administrative and marketing costs are subject to prudence review by the parties in a rate case and are subject to proposed adjustment or disallowance in all future rate proceedings based upon a finding of imprudence.

D. Marketing materials must clearly distinguish and explain all differences between this Pilot and the Pure Power program. A letter that clearly distinguishes and explains all differences between this Pilot and the Pure Power program will be sent to all existing Pure Power customers.

E. Ameren Missouri will include on its website a list of Frequently Answered Questions ("FAQs") and the answers, including at least the questions listed below. These FAQs shall be updated in a timely manner for any material changes to the answers, which may be necessary for the answers to remain accurate. Updates to the website FAQ shall be provided to the Signatories for review and comment prior to being made.

- Who is eligible?
- What does it cost?
- Do I own the panel?
- How much solar can I subscribe to?
- Where will the subscription solar be located?
- How big is the subscription solar?
- Will this make my rates go up (non-subscriber)?
- Is my payment for the solar eligible for a tax deduction/credit?
- What is the minimum participation period?
- What if I want to reduce/increase my shares?
- What happens if I drop off or move?
- What happens if I pass away?
- How is my bill calculated?
- How will this appear on my bill?
- How much can I expect my bill to increase?

- Will my bill be subject to additional increases in the future?
- Is it possible the cost of my bill will decrease as a result of my participation?
- What if the cost of solar decreases over the next twenty-years? Will my cost decrease?
- What is the fixed portion of my bill? Will it be the same every month if I participate?
- What are the surcharges on my bill? Will they be the same every month if I participate?
- Do I own the renewable energy credit (RECs) for my portion of this solar project?
- Does participation in this program qualify me as a net metering or co-generation customer?
- Can I still participate in this program if I am currently a net metering or co-generation customer?
- Is the renewable energy I support through the Subscription Solar program delivered directly to my residence?
- Is there a calculator or spreadsheet I can use to help me determine my future expense?
- Am I eligible for the federal tax rebate known as the Investment Tax Credit?
- Who gets to claim the environmental benefits of this project?
- How is this different from Ameren Missouri's Pure Power?
- What if the system is sold out and I want to participate?
- How long will the community solar be in service?
- What panels, inverters and racking systems are being used in the array?
- How do I enroll?

15. Sharing of Undersubscription Risk. In the event that the number of customer-subscribed solar blocks drops below 50% (customer solar blocks subscribed vs. total solar blocks in service), Ameren Missouri shall be deemed to have subscribed to that number of blocks equal to the difference between blocks subscribed by customers and 50% of the total solar blocks in service, with that difference, if any, to be determined in a general electric rate case. In each general electric rate case the subscription level during the last month of the true-up period shall determine whether Ameren Missouri is to be deemed as a subscriber and the amount of subscription attributed to Ameren Missouri. In the event Ameren Missouri is deemed to be a subscriber in a general electric rate case, revenues will be imputed equal to the net cost of Ameren Missouri's

subscription. The gross cost of Ameren Missouri's subscription shall be offset by multiplying the number of solar blocks to which Ameren Missouri is subscribed in a given month by 100 kWh by the Company's published non-time differentiated Qualifying Facilities Purchase Power Rate ("QF Rate") to determine the net cost of Ameren Missouri's subscription; provided, that the offset shall not exceed the total cost of Ameren Missouri's subscription (with any excess to be retained by customers). An example of these calculations is as follows:

Total Solar Blocks Available: 750

50% Threshold: 375 solar blocks (750 * 0.5)

Customer Subscribed Solar Blocks: 300 solar blocks

Ameren Missouri Subscribed Blocks: 75 solar blocks

Ameren Missouri Contribution Revenue = 75 solar blocks * \$12.8 (price per solar block, TBD) = \$960

Offset: \$207.75

75 solar blocks * 100 = 7500 kWh

7500 kWh * \$0.0277 (published Summer 2016 QF Rate) = \$207.75

Revenue Imputation Determination During a General Electric Rate Case Proceeding Example:

Ameren Missouri Contribution Revenue: \$960 (following the calculation directly above for 75 blocks * \$12.8 per block)

Less the Offset of \$207.75 (following the calculation directly above for 7500 kWh * \$0.0277/kWh)

Which results in a net revenue imputation of \$752.25 (\$960 – \$207.75).

16. Reporting. Ameren Missouri shall file reports with the Commission, in this docket, detailing lessons learned. Reports shall be filed quarterly until the first Pilot facility is fully constructed or Ameren Missouri determines it will not be constructed due to lack of enrollment. Thereafter, a report shall be filed annually for the next four years. This sequence shall be repeated for construction of the second Pilot facility, if applicable. Thereafter, reports shall be filed every

three years until the Pilot facilities are retired. The report will, at a minimum, address the issues listed in Appendix D.

17. Brightergy, LLC, United for Missouri, Inc., the Missouri Industrial Energy Consumers and the Office of the Public Counsel have indicated that they do not oppose this Amended Stipulation and Agreement.

III. GENERAL PROVISIONS

18. This Amended Stipulation is being entered into for the purpose of disposing of the issues that are specifically addressed herein. In presenting this Amended Stipulation, none of the Signatories shall be deemed to have approved, accepted, agreed, consented or acquiesced to any ratemaking principle or procedural principle, including, without limitation, any method of cost or revenue determination or cost allocation or revenue related methodology, and none of the Signatories shall be prejudiced or bound in any manner by the terms of this Amended Stipulation (whether it is approved or not) in this or any other proceeding, other than a proceeding limited to enforce the terms of this Amended Stipulation, except as otherwise expressly specified herein. Without limiting the foregoing, it is agreed that this Amended Stipulation does not serve as a precedent for future solar facility programs.

19. This Amended Stipulation has resulted from extensive negotiations, and the terms hereof are interdependent. If the Commission does not unconditionally approve this Amended Stipulation, or approves it with modifications or conditions to which a party objects, then this Amended Stipulation is considered to be void and no Signatory will be bound by any of its provisions.

20. If the Commission does not unconditionally approve this Amended Stipulation without modification, or approves it with modifications or conditions to which a party objects,

and notwithstanding its provision that it shall become void, neither this Amended Stipulation, nor any matters associated with its consideration by the Commission, shall be considered or argued to be a waiver of the rights any Signatory has for a decision in accordance with Section 536.080, RSMo 2000, or Article V, Section 18, of the Missouri Constitution, and the Signatories retain all procedural and due process rights as fully as though this Amended Stipulation had not been presented for approval, and any suggestions or memoranda, testimony or exhibits that have been offered or received in support of this Amended Stipulation shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any further purpose whatsoever.

21. This Amended Stipulation contains the entire agreement of the Signatories concerning the issues addressed herein and resolves all issues in this case.

22. This Amended Stipulation does not constitute a contract with the Commission. Acceptance of this Amended Stipulation by the Commission shall not be deemed as constituting an agreement on the part of the Commission to forego the use of any discovery, investigative or other power which the Commission presently has. Thus, nothing in this Amended Stipulation is intended to impinge or restrict in any manner the exercise by the Commission of any statutory right, including the right to access information, or any statutory obligation.

/s/ Wendy K. Tatro

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing has been e-mailed, this
14th day of May, 2018, to counsel for all parties of record.

/s/ Wendy K. Tatro

Wendy K. Tatro