

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

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| In the Matter of the Determination of Special |) | |
| Contemporary Resource Planning Issues to be |) | |
| Addressed by Ameren Missouri in its Next |) | File No. EO-2021-0069 |
| Triennial Compliance Filing or Next Annual |) | |
| Update Report. |) | |

**AMEREN MISSOURI'S COMMENTS ON THE PROPOSED LIST OF
SPECIAL CONTEMPORARY ISSUES**

COMES NOW Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") and, pursuant to 20 CSR 4240-22.080(4)(B), submits to the Missouri Public Service Commission ("Commission") the following Comments on the Proposed List of Special Contemporary Issues:

1. 20 CSR 4240-22.080(4) requires Missouri's electric utility companies to consider and analyze "special contemporary issues" in their Integrated Resource Plan ("IRP") triennial compliance filings and in their annual IRP update reports. On September 14, 2020, the Commission issued its *Order Opening a File Regarding Special Contemporary Resource Planning Issues and Offering an Opportunity to File Suggestions* ("Order Opening File"). Also on September 14, 2020, the Office of the Public Counsel ("OPC") and Ameren Missouri jointly submitted a *Request for Extension of Time and Request for Expedited Treatment* ("Request for Extension"), requesting a two-week extension for the submission of, and response to, special contemporary issues. On September 15, 2020, the Commission issued its *Order Extending Time to Respond*, which extended the time for submission of proposed issues to September 29, 2020, with responses to be filed by October 15, 2020.

2. On September 29, 2020, OPC, the Sierra Club ("SC"), and the Natural Resources Defense Council ("NRDC") filed lists of proposed special contemporary issues for Ameren Missouri to address.

3. The language of 20 CSR 4240-22.080(4) provides that the purpose of the special contemporary issues list is "... to ensure that evolving regulatory, economic, financial, environmental, energy, technical, or customer issues are adequately addressed by each utility in its electric resource planning." In addition, the Rule provides that "[e]ach special contemporary issues list will identify new and evolving issues, but may also include other issues such as unresolved deficiencies or concerns from the preceding triennial compliance filing." 20 CSR 4240.080(4).

4. Ameren Missouri has reviewed the special contemporary issues lists proposed by the other parties and, as set forth in Attachment A, believes that some of the issues proposed by the parties offer enough value to warrant inclusion in the Company's next annual update. However, Ameren Missouri suggests some of these issues do not merit treatment as special contemporary issues, most of which fall under a few general categories. First, several of the suggested special contemporary issues are ones addressed in the Company's triennial IRP filing made just over two weeks ago. Ameren Missouri recognizes that its IRP filing was made just before the parties submitted their recommended special contemporary issues and understands the parties likely did not have time to review its IRP prior to making their filings. However, the Commission should allow the IRP triennial process play out before ordering more analysis on those particular topics. There will be two more rounds of the special contemporary issues process prior to the Company's next triennial IRP filing. The second grouping are suggestions of items that are not typically part of long-term resource planning and thus are not appropriate to be addressed in this docket. Finally,

Ameren Missouri notes that a few of the issues suggested do not offer sufficient value as compared to the time and resources necessary to undertake such work while simultaneously completing analysis required by the Commission IRP rules.

5. With this in mind, Ameren Missouri submits Attachment A with this pleading, representing its comments on the proposed list of special contemporary issues. Ameren Missouri looks forward to continuing to work with stakeholders to address the issues presented in this docket.

WHEREFORE, Ameren Missouri submits its attached comments on the proposed list of special contemporary issues and requests.

Respectfully Submitted,

**UNION ELECTRIC COMPANY
D/B/A AMEREN MISSOURI**

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, transmitted by e-mail or mailed, First Class, postage prepaid, this 15th day of October, 2020, to counsel for all parties on the Commission's service list in this case.

/s/ Wendy K. Tatro
Wendy K. Tatro

2020 Special Contemporary Issues Ameren Missouri Comments

Introduction and Summary

The Missouri Public Service Commission's (Commission) Chapter 22 rules governing electric utility resource planning include consideration of special contemporary issues {20 CSR 4240-22.080(4)} as ordered by the Commission. 20 CSR 4240-22.080(4) characterizes special contemporary issues generally as, "evolving regulatory, economic, financial, environmental, energy, technical, or customer issues," that utilities must adequately address in their resource planning. The Commission has provided additional guidance on the assessment of proposed special contemporary issues in its order in File No. EO-2012-0039.¹ The Office of Public Counsel (OPC), Natural Resources Defense Council (NRDC) and Sierra Club (SC) have filed proposed special contemporary issues pursuant to 20 CSR 4240-22.080(4)(A). Ameren Missouri provides these comments pursuant to 20 CSR 4240-22.080(4)(B), which allows the subject utility and other parties to file comments on the proposals of Staff and the other parties.

In making its decision about what specific issues utilities must address, the Commission must consider the significance and urgency of issues and the time available in which to address them, both individually and in total. As a basic test, such issues must be "special," they must be "contemporary," and they must, in fact, be "issues." This means that the issues must not only meet a threshold of significance in terms of their potential effect on resource decisions, but that the potential effect must also be imminent. The Commission should carefully consider whether inclusion of certain special contemporary issues provides added value or distracts from the analysis of such important emerging issues. The Commission should also bear in mind the specific circumstances applicable to each utility regarding what might be a "special contemporary issue" for a given utility at a given point in time. In other words, what is a special contemporary issue for one utility at a given point in time may not be a special contemporary issue for another. Each utility has its own particular generation mix, service territory, size, and other applicable factors to be considered.

Ameren Missouri notes that the timing of its 2020 triennial IRP filing may have prohibited OPC, NRDC, and SC from fully reviewing that filing before submitting their lists of special contemporary issues for consideration. Regardless, there are several instances where these parties have proposed as special contemporary issues for the Company's 2021 annual update that have already been included and addressed in the Company's just-filed 2020 triennial IRP. Therefore, while the Company does affirm that several issues below should not be included as

¹ Issued October 19, 2011.

special contemporary issues, it is not because such issues are not worthy; rather, it is because they have already been addressed.

The Company's review of the suggested special contemporary issues proposed by the parties indicates that some of the proposed issues do, in fact, merit treatment as special contemporary issues by the Commission. For those issues that are determined by the Commission to be special contemporary issues, it is important to define how the Company will address them. Below is a list of the issues suggested by the OPC, the NRDC, and SC, as well as the Company's recommendation for the Commission's determination as to whether each issue should be treated as a special contemporary issue and how the Company would plan to address those issues determined to be special contemporary issues.

Issues Proposed by the Parties and the Company's Assessment

OPC Issue 1: Analyze how multiple levels of fossil-fueled generation retirements in the MISO² footprint would impact costs and reliability.

Ameren Missouri's Assessment and Recommendation: This should be not included as a special contemporary issue because Ameren Missouri, consistent with other utilities in the industry, does not have the necessary capabilities to perform this type of analysis. Ameren Missouri relies on MISO's assessments of reserve margin requirements and reliable capacity that can be counted for wind and solar resources in developing its resource planning capacity position. Utilities work through their respective RTOs on reliability analyses and are not equipped to perform this kind of analysis on their own. Trying to do this analysis would require a massive amount of duplication of effort, and so much time required just to collect data on all utilities in MISO that own coal-fired units to be able to start any of the suggested economic analysis, which is outside the scope of utility resource planning.

OPC Issue 2: Explore additive manufacturing ("AM" or "3D Printing")

Ameren Missouri's Assessment and Recommendation: This should not be considered as a special contemporary issue because it is not a planning level issue for utilities. The Commission's resource planning rule requires utilities to analyze 'generic' costs of candidate *resources*; i.e., utility resources to be used to serve utility customers. In contrast, 3D printing is a potential *cost management measure*, like other cost

² Midcontinent Independent System Operator, Inc.

management measures, that *developers, vendors, and construction contractors* may choose to employ when implementing projects.

OPC Issue 3: Necessary rooftop solar penetration and steps that need to be taken to justify virtual power plant (VPP) as a candidate resource option.

Ameren Missouri's Assessment and Recommendation: Ameren Missouri does not oppose to having this issue considered as a special contemporary issue.

OPC Issue 4: Investigate small modular reactor (SMR) as a candidate option in future resource planning modeling and scenarios.

Ameren Missouri's Assessment and Recommendation: Ameren Missouri has, in fact, analyzed SMRs as a candidate resource option in its 2014 IRP. As NuScale received design approval from the Nuclear Regulatory Commission, Ameren Missouri may very well include it again in its 2023 IRP filing. However, there is no need to analyze SMRs again at this time for the 2021 IRP annual update.

OPC Issue 5: Combustion turbine conversion to combined cycle units.

Ameren Missouri's Assessment and Recommendation: This should not be considered as a special contemporary issue because, much like OPC Issue 2, this is an implementation issue rather than a resource planning one. Ameren Missouri has analyzed converting some of its CTG units to combined cycle (CC) units as well as greenfield CC options in its 2011 IRP and concluded that analyzing conversion of units does not add any additional information that the greenfield CC resource option does not already provide.

OPC Issue 6: Grain Belt Express Energy

Ameren Missouri's Assessment and Recommendation: This should not be considered as a special contemporary issue because Ameren Missouri included an analysis of Grain Belt Express Energy as a candidate resource option in its 2020 triennial IRP, which was filed on September 27, 2020.

OPC Issue 7: Long duration energy storage (LDES)

Ameren Missouri's Assessment and Recommendation: Ameren Missouri does not oppose to having this issue considered as a special contemporary issue.

NRDC Issue 1: Analyze the benefits of integrated distribution planning as a way to manage distribution grid investments in a manner that reduces peaks and fills valleys in load profiles and lowers overall system costs.

Ameren Missouri's Assessment and Recommendation: This should not be considered as a special contemporary issue because Ameren Missouri addressed this issue in its 2020 IRP filing. However, the Company would be happy to include a discussion if there are any further developments in this area.

NRDC Issue 2: Analyze and assess agriculture-based sequestration opportunities in Ameren's service territory to provide low-cost solutions to achieve Company's overall carbon goals.

Ameren Missouri's Assessment and Recommendation: Ameren Missouri has already started researching agriculture-based sequestration and does not oppose to having this issue be considered a special contemporary issue for its next annual update.

NRDC Issue 3: Analyze and document the prospects for using securitization to advance the retirement of coal generation assets and channel the savings into more economical investments such as demand-side management, building wind and solar generation, and satisfying corporate renewable energy goals to attract new business to the service territory.

Ameren Missouri's Assessment and Recommendation: This should not be considered as a special contemporary issue because Ameren Missouri addressed securitization in its 2020 triennial IRP filing, which was filed just over two weeks ago.

NRDC Issue 4: Assess the value of a solar tariff that encourages distributed solar installers to optimize the direction that solar panels face to provide more kWh during the utility's peak and provide maximum benefits for all utility customers.

Ameren Missouri's Assessment and Recommendation: This should not be considered as a special contemporary issue. The most effective way for rates to properly value solar, or any customer side technology for that matter, is for those rates to reflect the cost structure of the electric system at the appropriate time. To that end, Ameren Missouri has recently begun offering a number of optional Time-of-Use rates that make significant progress in achieving that goal. Further, Ameren Missouri will be evaluating opportunities to make those rates compatible

with net metering in its next rate case to make such rates available for all solar customers. As such, Ameren Missouri does not think it is necessary to study this issue in the context of the IRP.

NRDC Issue 5: Assess the benefits of providing a utility return on power purchase agreements as an alternative to utility ownership to create a win-win for consumers and the utility.

Ameren Missouri's Assessment and Recommendation: Ameren Missouri does not oppose to having this considered a special contemporary issue.

NRDC Issue 6: Explore what would be the right metrics for moving to performance-based regulation rather than cost of service regulation for generation assets, such as incentivizing energy and capacity procurement through contracts rather than capital investment.

Ameren Missouri's Assessment and Recommendation: This should not be considered as a special contemporary issue because analysis of performance-based versus cost of service regulation is outside the scope of an IRP analysis. Specifically, performance-based regulation is an alternative means of *setting overall utility rates* but is not a means to plan for the resources the utility should utilize to meet its overall service obligations.

SC Issue 1: Analyzing and documenting the relative economics of continuing to operate each Ameren coal-fired generating unit versus retiring and replacing each such unit.

Ameren Missouri's Assessment and Recommendation: This should not be considered as a special contemporary issue because it has been thoroughly addressed in the Company's 2020 triennial IRP filing made just over two weeks ago. Specifically, that filing includes extensive analysis of its coal-fired fleet, including multiple alternative resource plans reflecting the advancement of retirement for coal-fired units. Moreover, Ameren Missouri adopted a preferred plan that advances the retirements of four of its coal-fired units. There is no evidence that conditions have materially changed since the time of the 2020 triennial IRP filing nor is there any reason to believe that re-analyzing such issues for a 2021 annual update that may very well be filed while the 2020 triennial IRP docket remains pending would lead to better or different information than that already before the Commission and the parties.

SC Issue 2: Analyze the comparative public health impacts of each of the alternative resource plans considered by the Company.

Ameren Missouri's Assessment and Recommendation: This should not be considered as a special contemporary issue. Such matters are matters of policy for federal and state legislatures and the environmental agencies enabled by the legislation they adopt. It is the utility's job to abide by environmental regulations and emission limits while meeting its obligation to serve its customers. Moreover, while utilities have expertise in

regulatory compliance, they are not equipped – nor should they be – to assess “public health” issues. If SC wants to conduct such an assessment, or engage others to do so, it would be free to do so, but such an assessment is not a part of utility resource planning.

SC Issue 3: Analyze and develop as candidate resource options the satisfaction of municipal and corporate renewable energy goals.

Ameren Missouri’s Assessment and Recommendation: This should not be considered as a special contemporary issue. "Satisfaction of municipal and corporate renewable energy goals" is not a resource option, but rather a specific demand driver. Further, the Company continues to look for ways to better meet the desire of its customers for cleaner and more fuel diverse sources of energy and has already addressed this in its just recently filed 2020 triennial IRP.

SC Issue 4: Analyze and document whether inclusion of an all-source procurement into Ameren’s IRP process could have benefits for customers.

Ameren Missouri’s Assessment and Recommendation: This should not be considered as a special contemporary issue as this is an implementation/procurement issue. Further, such an analysis is likely to yield no additional benefit beyond the wind/solar RFP just issued by the Company in August of this year.

SC Issue 5: Analyze and document the prospects for using securitization to support cost-effective accelerated retirement of coal generation assets and to channel the savings into cost effective investments such as demand-side management, wind and solar generation, and storage.

Ameren Missouri’s Assessment and Recommendation: As noted previously in response to NRDC Issue 3, this should not be considered as a special contemporary issue because Ameren Missouri included a discussion of securitization in its 2020 triennial IRP filing.

SC Issue 6: Develop and document for use in all economic modeling and resource planning reasonable natural gas prices and CO₂ prices that fully account for the risks to Missouri.

Ameren Missouri’s Assessment and Recommendation: This should not be considered as a special contemporary issue. Ameren Missouri regularly includes estimates of natural gas and CO₂ prices for use in its resource planning analyses and did so in its just recently filed 2020 triennial IRP. In fact, both natural gas and CO₂ price assumptions were shared for comment with all intervenors from the Company's previous triennial IRP in spring of this year. Additionally, there is no evidence that conditions have materially changed since the time of the 2020 IRP filing or that such changes would occur between now and when the 2021 annual update would be filed.

SC Issue 7: Analyze and document the costs of putting flue gas desulfurization and dry sorbent injection technology on Rush Island and Labadie, respectively.

Ameren Missouri's Assessment and Recommendation: This should not be considered as a special contemporary issue as Ameren Missouri has already included this analysis in its just recently filed 2020 triennial IRP. There is no reason to believe that the costs would be materially different if analyzed again between now and when the 2021 annual update is to be filed.

SC Issue 8: Analyze and document the future capital and operating costs faced by each Ameren coal-fired generating unit in order to comply with all existing, pending, or potential environmental standards.

Ameren Missouri's Assessment and Recommendation: This should not be considered as a special contemporary issue as Ameren Missouri included a comprehensive assessment of environmental regulations and the probable environmental costs associated with compliance as part of its 2020 triennial IRP. To the extent conditions have materially changed with respect to a particular regulation, Ameren Missouri will address such changes as part of its 2021 IRP annual update.

SC Issue 9: Analyze and document the cost of any transmission grid upgrades or additions needed to address transmission grid reliability, stability, or voltage support impacts that could result from the retirement of any existing Ameren coal-fired generating unit.

Ameren Missouri's Assessment and Recommendation: This should not be considered as a special contemporary issue as the Company assessed the cost of transmission upgrades associated with all of its coal-fired generators and under multiple alternative resource plans with various retirement dates in its recently filed 2020 triennial IRP.

SC Issue 10: Analyze and document the criteria by which units are assigned various operational designations (e.g., “must run”) for use in all Company economic modeling and resource planning.

Ameren Missouri's Assessment and Recommendation: This should not be considered as a special contemporary issue as Ameren Missouri included this analysis in its recently filed 2020 triennial IRP.

SC Issue 11: Analyze and document, whether Ameren is bidding generation resources into the MISO energy market at below production costs, committing resources as “must run” even when Ameren expects to incur a negative energy market margin, or otherwise is harming ratepayers through its reliance on “must run” designations.

Ameren Missouri's Assessment and Recommendation: This should not be considered as a special contemporary issue as Ameren Missouri addressed this in its just recently filed 2020 triennial IRP.

SC Issue 12: Analyze and screen electric vehicle charging infrastructure as a candidate resource option.

Ameren Missouri's Assessment and Recommendation: This should not be considered as a special contemporary issue as electric vehicle (EV) charging infrastructure is not a resource option, but rather a demand driver for EVs. The Company has included various levels of EV adoption in its load forecast and a description of its efforts for charging infrastructure in its recently filed 2020 triennial IRP.