

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

In the Matter of Union Electric Company d/b/a)
Ameren Missouri's Tariff Revising its Net)
Metering Tariff.)

Case No. ET-2011-0102
Tariff No. YE-2011-0217

**STAFF RECOMMENDATION TO GRANT
VARIANCE AND APPROVE TARIFF SHEETS**

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through its attorney, and submits to the Missouri Public Service Commission ("Commission") its *Staff Recommendation to Grant Variance and Approve Tariff Sheets* as follows:

1. On October 28, 2010, Union Electric Company d/b/a Ameren Missouri ("Company") filed proposed Net Metering tariff sheets with a request for a variance from a requirement in a Commission rule. The sixteen proposed tariff sheets, with one exception, are designed to implement several changes to bring the Company's Net Metering tariff provisions into compliance with the Commission's Net Metering Rule (4 CSR 240-20.065) and new Electric Utility Renewable Energy Standard Requirement Rule (RES rule) (4 CSR 240-20.100).

2. In the attached Memorandum, which is labeled Appendix A, the Staff recommends the Commission accept the Company's filing out of time, issue an Order approving, for service on and after November 27, 2010, sixteen (16) Net Metering tariff sheets, and grant Ameren Missouri a variance from the portion of the *Interconnection Application/Agreement for Net Metering Systems with Capacity of One Hundred Kilowatts (100 kW) or Less* required by the Commission's Net Metering Rule 4 CSR 240-20.065 which requires a Customer-Generator participant to provide an AC power Rating, and, instead, permit the participant to provide a

DC Power Rating for solar and wind facilities and either a DC or AC rating for other renewable sources.

2. Commission Rule 4 CSR 240-20.065(1)(A) requires that the annual average cost of fuel shall be identified in the utility's net metering tariff on file with the Commission and updated annually within thirty (30) days after the electric utility's annual report is submitted.

3. The Company's Annual Report was submitted on April 15, 2010, making May 15, 2010, the compliance end date. This filing's effective date is November 27, 2010, which makes this filing 196 days out of time. However, Staff finds that the filing brings the Company into Compliance with the Commission's Net Metering Rule 4 CSR 240-20.065 and should be accepted.

4. The Net Metering Rule provision found within the *Interconnection Application/Agreement for Net Metering Systems with Capacity of One Hundred Kilowatts (100 kW) or Less* ("Application") requires the Customer-Generator to provide the manufacturer name plate AC Power Rating. The Commission's Renewable Energy Standards rule, 4 CSR 240-20.100 requires the utilities to base the Solar Rebate of \$2 per watt on the direct current wattage rating (4 CSR 240-20.100(4)(G)) and the solar and wind industries list the "Manufacturer Name Plate" capacity in the DC measurement and not in the AC measurement. In order to eliminate confusion, the Staff supports a variance from this portion of the Net Metering Rule to allow the Company to use the DC Power Rating.

5. The Net Metering Rule 4 CSR 240-20.065(4)(B) states that absent clear and convincing evidence of fault on the part of the Company, the Company cannot be held liable for any action or cause of action relation to any damages to property or person caused by the generation unit of a Customer-Generator or the interconnection thereof. The Rule also states that

the Customer-Generator may have legal liabilities not covered under their existing insurance policy in the event of their own negligence or wrongful conduct causes personal injury, damage to property, or other actions and claims. Staff supports the inclusion of this information in the Company's tariff as it makes the tariff consistent with the Net Metering Rule.

WHEREFORE, the Staff of the Missouri Public Service Commission recommends the Commission issue an order that (1) accepts the filing out of time, (2) waives the portion of the Commission's Net Metering Rule which requires a Customer-Generator participant to provide an AC Power Rating and allow the use of the DC Power Rating for solar and wind facilities and either a DC or AC rating for other renewable sources and, (3) approves the following Net Metering Tariff sheets, as filed on October 28, 2010, to go into effect on and after November 27, 2010, the requested effective date:

P.S.C. MO. SCHEDULE No. 1

2 nd Revised Sheet No. 4	Cancelling 1 st Revised Sheet No. 4
2 nd Revised Sheet No. 5	Cancelling 1 st Revised Sheet No. 5
2 nd Revised Sheet No. 6	Cancelling 1 st Revised Sheet No. 6
2 nd Revised Sheet No. 7	Cancelling 1 st Revised Sheet No. 7
2 nd Revised Sheet No. 8	Cancelling 1 st Revised Sheet No. 8
1 st Revised Sheet No. 9	Cancelling Original Sheet No. 9
1 st Revised Sheet No. 10	Cancelling Original Sheet No. 10
2 nd Revised Sheet No. 11	Cancelling 1 st Revised Sheet No. 11
2 nd Revised Sheet No. 12	Cancelling 1 st Revised Sheet No. 12
2 nd Revised Sheet No. 13	Cancelling 1 st Revised Sheet No. 13
2 nd Revised Sheet No. 14	Cancelling 1 st Revised Sheet No. 14
2 nd Revised Sheet No. 15	Cancelling 1 st Revised Sheet No. 15
2 nd Revised Sheet No. 16	Cancelling 1 st Revised Sheet No. 16
2 nd Revised Sheet No. 17	Cancelling 1 st Revised Sheet No. 17
2 nd Revised Sheet No. 18	Cancelling 1 st Revised Sheet No. 18
Original Sheet No. 19	

Respectfully submitted,

/s/ Meghan E. McClowry

Meghan E. McClowry

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, emailed, sent by facsimile or hand-delivered to all counsel of record this 18th day of November, 2010.

/s/ Meghan E. McClowry

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. ET-2011-0102, Tariff Tracking No. YE-2011-0217
Union Electric Company d/b/a Ameren Missouri

FROM: Lena Mantle, Utility Regulatory Manager
Mack McDuffey, Rate & Tariff Examiner II

/s/ Lena Mantle 11/18/10
Energy Department / Date

/s/ Meghan McClowry 11/18/10
Staff Counsel Division / Date

SUBJECT: Staff Recommendation For **Approval** of tariff sheets filed to revise the Net Metering provisions in Ameren Missouri's Tariff Sheets

DATE: November 18, 2010

On October 28, 2010, Union Electric Company d/b/a Ameren Missouri (AmerenMo) of St. Louis, Missouri, filed with the Commission sixteen (16) tariff sheets bearing an issue date of October 28, 2010, and a proposed effective date of November 27, 2010, together with an AMENDED REQUEST FOR WAIVER OF A PORTION OF COMMISSION REGULATIONS GOVERNING NET METERING AND MOTION TO ACCEPT LATE FILING. AmerenMo filed the waiver and motion to accept late filing due to the Commission's Net Metering rule 4 CSR 240-20.065 (1) (A), which in part, states:

This annual average cost of fuel shall be identified in the net metering tariffs on file with the commission and shall be updated annually within thirty (30) days after the electric utility's annual report is submitted.

AmerenMo's annual report was submitted on April 15, 2010 making May 15, 2010 the compliance end date. This filing's effective date is November 27, 2010 which makes the filing out of time by 196 days, or 6½ months.

This tariff filing contains revisions to AmerenMo's "A. Electric Power Purchases From Qualifying Facilities" cogeneration tariff sheet nos. 4 through 7 and AmerenMo's "B. Electric Power Purchases From Qualified Net Metering Units" tariff sheet nos. 8 through 19, including the "Interconnection **Application/Agreement** For Net Metering Systems With Capacity Of 100 kW Or Less" on tariff sheet nos. 14 through 19.

The proposed **cogeneration** tariff sheet nos. 4 through 7 would change the Company reference by replacing "Union Electric Company" or "UE" with "Company" On October 1, 2010, AmerenMo publicly changed their doing business as (d/b/a) name from "AmerenUE" to "Ameren Missouri." AmerenMo's company name on all sixteen filed tariff sheets remains "Union Electric Company."

The proposed **net metering** tariff sheet nos. 8 through 19 make the following revisions:

1. Tariff Sheet Nos. 8 through 13 – changes the Company reference by replacing "AmerenUE" with "Ameren Missouri" and "Union Electric Company" or "UE" with "Company"

2. Tariff Sheet No. 9 – Section II, Billing: add c) Avoided Fuel Cost which reads:

Company's Avoided Fuel Cost as defined in 4 CSR 240-20.065 is \$0.0143 per kWh.

This sentence was added to comply with the Net Metering rule 4 CSR 240-20.065 (1) (A) which states:

(A) Avoided fuel cost means the current annual average cost of fuel for the electric utility as calculated from information contained in the most recent annual report [2009] submitted to the commission pursuant to 4 CSR 240-3.165 (Annual Report Submission Requirements for Electric Utilities). Annual average cost of fuel will be calculated from information on the Steam-Electric Generating Plant Statistics Sheets of the annual report. This annual average cost of fuel shall be identified in the net metering tariffs on file with the commission and shall be updated annually within thirty (30) days after the electric utility's annual report is submitted. (Highlighting added.)

Presently, AmerenMo does not use its annual average cost of fuel (filed \$0.0143 per kWh) to pay net metering participants. As suggested by the Commission in its Final Order of Rulemaking for the net metering rule, AmerenMo pays the net metering participants AmerenMo's cogeneration, Non-Time – Differentiated Energy Rate of \$0.0269 per kWh for summer period (June-September) and \$0.0218 per kWh for winter period (October-May), which became effective February 15, 2009. Therefore AmerenMo added the following sentence to Section II. c) Avoided Fuel Cost:

However, this rate is not applicable to net metering as the Commission has approved Company's use of rates applicable to Qualifying Facilities (Section A.II.1 herein) in lieu of the Avoided Fuel Cost.

3. Tariff Sheet No. 13 – Application/Agreement, For Customers ...: update Company's address

4. Tariff Sheet No. 14 – Application/Agreement, B. Customer-Generator's System Information:

- a. Manufacturer Name Plate Power Rating on solar and wind installations to report its power rating in "DC" (direct current). All other renewable facilities are given the choice of AC (alternating current) or DC.

The standard agreement in the net metering rule only allows for the reporting of AC power rating. The Renewable Energy Standards rule requires the \$2 per watt rebate for solar installations be based on the solar unit's DC power rating. AmerenMO is proposing that Wind generation also requires a DC power rating. AmerenMo also states in its Amended Request for Waiver of a Portion of Commission Regulations Governing Net Metering and Motion to Accept Late filing that

... in almost all net metering applications received by Ameren Missouri, the installer or customer defaults to listing the DC Manufacturer's Name Plate capacity because that is what is provided on the manufacturer's specification sheet.

This is consistent with information that Staff has regarding the net metering applications approved

by AmerenMo.

- b. Revise System Type: list from Solar, Wind, Biomass, Fuel Cell, Other to Photovoltaic, Wind, Solar/Thermal, Thermal, Fuel Cell, Hydroelectric, Other

The change would make AmerenMo's agreement consistent with the agreement in the net metering rule.

5. Tariff Sheet No. 16 – Application/Agreement, D. Additional Terms and Conditions, 2) Liability: add 2nd paragraph to comply with the Net Metering rule 4 CSR 240-20.065(4)(B), in part, which states:

Absent clear and convincing evidence of fault on the part of Company, Company cannot be held liable for any action or cause of action relating to any damages to property or person caused by the generation unit of a Customer-Generator or the interconnection thereof pursuant to section 386.890.11, RSMo Supp. 2008. A Customer-Generator may have legal liabilities not covered under their existing insurance policy in the event the Customer Generator's negligence or other wrongful conduct causes personal injury (including death), damage to property, or other actions and claims.

The change would make AmerenMo's agreement consistent with the agreement in the net metering rule.

6. Tariff Sheet No. 18 – Application/Agreement, D. Additional Terms and Conditions: add 9) Ownership of Renewable Energy Credits (REC's) to comply with the Electric Utility Renewable Energy Standard Requirements rule 4 CSR 240-20.100 (3)(C) in part, which states:

(C) RECs or S-RECs associated with customer-generated net-metered renewable energy resources shall be owned by the customer generator. All contracts between electric utilities and the owners of net-metered generation sources entered into after the effective date [September 30, 2010] of these rules shall clearly specify the entity or person who shall own the RECs or S-RECs associated with the energy generated by the net-metered generation source.

This is not included in the net metering rule agreement. This is consistent with the Renewable Energy Standards rules ("RES rules") with respect to solar Renewable Energy Credits ("S-REC"). The rule is silent with respect to Renewable Energy Credits for other renewable sources.

Staff Recommendation

The Commission's Energy Department Staff (Staff) has reviewed the proposed tariff sheets, and is of the opinion that they were filed in an untimely manner but result in AmerenMo's net metering tariffs being in compliance with the Commission's Net Metering rule 4 CSR 240-20.065. Staff agrees with the addition to the agreement of the section that states that the renewable energy credits are owned by the customer generator. Staff therefore recommends that the Commission 1) accept this filing out of time, 2) issue an order approving the Net Metering proposed tariff sheets and 3) waive the portion

of AmerenMo's Net Metering rule which requires a Customer-Generator participant to provide an AC Power Rating and allow the use of the DC Power Rating instead as filed on October 28, 2010, to become effective November 27, 2010, as requested by AmerenMo, with less than 30 day's notice for good cause shown pursuant to Section 393.140(11) RSMo 2000.

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The Staff has verified that AmerenMo is not delinquent on any assessment or the filing of its 2009 annual report. The Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing.



Notary Public