

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the Matter of a Determination of Special )  
Contemporary Resource Planning Issues to be )  
Addressed by Ameren Missouri in its Next ) File No. EO-2022-0054  
Triennial Compliance Filing or Next Annual )  
Update Report )

**SIERRA CLUB’S LIST OF SUGGESTED SPECIAL CONTEMPORARY ISSUES**

Pursuant to 20 CSR 4240-22.080(4), Sierra Club hereby recommends the following as special contemporary issues for consideration, analysis, and documentation by Ameren Missouri (the “Company”):

1. On August 20, 2021, the 8th Circuit Court of Appeals affirmed the district court’s judgment regarding Clean Air Act violations at the Company’s Rush Island coal-fired power plant in all respects except as to injunctive relief entered against the Company’s Labadie plant. Accordingly, Ameren must bring Rush Island into compliance with the law by obtaining a permit and significantly reducing its sulfur dioxide pollution from Rush Island. Sierra Club requests that the Commission order Ameren to analyze and document all feasible options to comply with the latest court order including, but not limited to:
  - a. whether ratepayers and shareholders are better off if Ameren retires rather than retrofits Rush Island, particularly if Ameren utilizes securitization for the remaining unrecovered Rush Island capital balance;
  - b. issuing an all-source request for proposals to obtain robust market data for capacity and energy to replace Rush Island;

- c. 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 Rush Island.
  2. Analyze the comparative public health impacts of each of the alternative resource plans considered by the Company.
    - a. At a minimum, Ameren should quantify the public health impacts of each generating unit by evaluating the cost that each generating unit’s emissions have on public health, including consideration of, but not limited to, sulfur dioxide, nitrogen oxides, particulate matter, and mercury, using publicly available resources and data (such as EPA’s BenMAP-CE, EPA’s EJSCREEN, and Missouri Department of Natural Resources Air Quality Reports). Ameren has previously stated that public health impacts are “not a part of utility resource planning.”<sup>1</sup> However, compliance with Missouri IRP Rules requires consideration of pollutants, including air emissions,<sup>2</sup> and the “fundamental objective” of the IRP process is “to provide the public with energy services that are safe . . . and in a manner that serves the public interest.”<sup>3</sup> Thus, Ameren should document the quantified health impacts of each portfolio in its IRP as public health is an aspect of the general public interest.
  3. Analyze and document whether inclusion of all-source procurement (e.g., an all-source request for proposals or request for information) into Ameren’s IRP process could have

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<sup>1</sup> Ameren Missouri’s Comments on the Proposed List of Special Contemporary Issues, Attachment A at 5-6, File No. EO-2021-0069 (Oct. 15, 2020).

<sup>2</sup> 20 CSR 4240-22.060(4)(B)(7).

<sup>3</sup> 20 CSR 4240-22.010(2).

benefits for customers by providing robust market data on available supply- and demand-side resources and by allowing the Company to efficiently contract with advantageous offers received.

4. Given the recent passage of House Bill 734, analyze and quantify how securitization can be used to support cost-effective accelerated retirement of coal generation assets while also channeling the savings into cost-effective investments such as demand-side management, wind and solar generation, and storage. At a minimum, the Company should quantify how securitization could be used for the planned and potential retirements of Sioux, Rush Island, and Labadie.
5. In order to address the cost of environmental compliance at Labadie and the ongoing value of these units to customers, the Company should analyze and evaluate:
  - a. the net present value of operating each Labadie unit compared to the replacement of such unit.
  - b. analyze and document the costs of installing flue gas desulfurization or dry sorbent injection technology on its Labadie coal-fired power units in order to comply with the Environmental Protection Agency's Regional Haze Rule.
  - c. analyze and document the costs of installing cooling towers at Labadie in order to control thermal pollution.
6. Analyze and document the criteria by which generating units are assigned "must run" status in the MISO energy market.
7. Analyze and develop as candidate resource options the satisfaction of municipal and corporate renewable energy goals, including through Ameren's green tariff program(s).

- a. Only two plans in Ameren’s 2020 IRP (Plan V and Plan W), included renewable subscription in addition to renewable expansion,<sup>4</sup> however, Ameren explained that the original subscription plan, Renewable Choice, was never implemented.<sup>5</sup> By early 2021, Ameren was supposed to file a new subscription plan in a separate case but has neglected to do so, and any description or documentation of this new renewable subscription plan is absent from Ameren’s preferred ARP. We cannot disentangle it from Renewables Expansion generally, and renewable subscription, being funded differently from other resource options, merits being assessed as a candidate resource option in itself.<sup>6</sup> Accordingly, Ameren should develop some candidate ARPs that would achieve 100% clean energy by 2030 and 2035.
8. Generate, analyze, and evaluate plans using a capacity expansion model that prioritizes economic optimization.
  - a. Ameren’s 2020 IRP included an assessment of hard-coded plans with pre-determined retirement dates and renewable energy buildouts, instead of optimizing each plan based on future outlook using capacity expansion modeling. The Commission has previously ordered Ameren to compare the continued operation of its coal units—accounting for all future costs—to their replacement.<sup>7</sup>

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<sup>4</sup> Ameren 2020 IRP, Chapter 10, p. 5.

<sup>5</sup> Ameren 2020 IRP, Chapter 6, p. 12.

<sup>6</sup> 20 CSR 4240-222.040(1).

<sup>7</sup> Revised Order Establishing Special Contemporary Resource Planning Issues, File No. EO-2020-0047, at Issue O (issued Dec. 3, 2019), (“Analyze and document on a unit-by-unit basis the net present value revenue requirement of the relative economics of continuing to operate each Ameren Missouri coal-fired generating unit versus retiring and replacing each such unit in light of all of the environmental, capital, fuel, and O&M expenses needed to keep each such unit operating as compared to the cost of other demand-side and supply side resources.”).

Although Ameren's 2020 IRP, on a superficial level, followed the Commission's order, the Company's modeling failed to rigorously examine the economic retirement of existing units. The Company should incrementally test a series of retirement years moving forward from 2022 or 2023, rather than only testing a few selected, fixed dates for retirement. If only conducting the latter, it would be unclear whether the year chosen was optimal for electric customers because the decision set was too limited. The same is true for renewable energy buildouts: If the Company did not prescribe when renewable energy resources (e.g., solar and wind) will be added to its portfolio, then the model would be able to freely choose renewable energy additions on an economic basis.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct PDF version of the foregoing was filed on EFIS and sent by email on this 15th day of September, 2021, to all counsel of record.

/s/ Sarah Rubenstein  
Sarah Rubenstein