BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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In the Matter of Staff's Investigation of Matters Concerning the Rush Island Energy Center Belonging to Union Electric Company d/b/a Ameren Missouri.

File No. EO-2022-0215

AMEREN MISSOURI'S RESPONSE TO STAFF'S INITIAL INVESTIGATION REPORT

COMES NOW, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or the "Company"), and for its response to the above-referenced report (the "Staff Report"), states as follows:

I. INTRODUCTION

1. On February 15, 2022, the Missouri Public Service Commission ("Commission") issued an order opening this investigatory docket. The order required the Staff to undertake an investigation regarding Ameren Missouri's plans to retire its Rush Island Energy Center ("Rush Island") and required Staff to file an initial report by April 15, 2022. Staff timely filed its initial report on that date. The order also required the Company to file periodic status reports regarding its planning for the retirement of Rush Island, to be due on March 15, 2022 and on the 15th day of each month thereafter until further order of the Commission. The Company has timely filed two such reports to date.

2. The main conclusion reflected in the Staff Report is Staff's belief that the retirement of Rush Island "may cause ratepayers in the St. Louis area to lose power in certain circumstances." Staff Report, ¶ 16. This, together with Staff's conclusion that planned mitigation measures "may be inadequate and may not be in place on time" leads Staff to state that "Ameren Missouri's provision of safe and adequate service to its ratepayers is in jeopardy." *Id.*, ¶ 17. 3. Staff's concerns are consistent with Ameren Missouri's own concerns with the scope of the preliminary conclusions reflected in the MISO¹ Attachment Y-2² report. That, however, should not be read to indicate that MISO cannot or will not expand the scope of its reliability examination as it issues its findings in response to Ameren Missouri's Attachment Y³ filing. Specifically, it is Ameren Missouri's belief that MISO will conduct additional sensitivity analysis that also considers Ameren Missouri's local planning criteria which are important to ensuring local reliability. Ameren Missouri in turn believes that MISO will apply those local criteria as part of its Attachment Y findings. This would mean MISO's Attachment Y findings are likely to address the local reliability concerns that the Attachment Y-2 findings did not and thus address the concerns about a possible loss of power that arose from the more limited preliminary conclusions in MISO's Y-2 report. In any instance, Company intends to diligently work to avoid the occurrence of such reliability events.

II. MISO ATTACHMENT Y PROCESS

4. As the Staff indicates, the Company has completed the informal Attachment Y-2 process with MISO and, with input and concurrence from the United States Department of Justice ("DOJ") and the Sierra Club, who are the other litigants in the pending federal court action, has formally made an Attachment Y filing with MISO. The purpose of the Attachment Y filing is to identify reliability impacts caused by a planned generator retirement so that measures can be taken to ensure the retirement will *not* have a negative impact on reliability.

5. MISO, as part of its Attachment Y review, will evaluate the impact of Rush Island's retirement against both regional and, we believe, local planning criteria, including applicable North American Electric Reliability Corporation ("NERC") categories and Ameren's own criteria which,

¹ Midcontinent Independent System Operator, Inc.

² Attachment Y-2 is a reference to a provision in MISO's Energy Markets and Operating Reserves Tariff.

³ Attachment Y is a reference to a provision in MISO's Energy Markets and Operating Reserves Tariff.

together, will allow MISO to identify both regional and local reliability impacts from Rush Island's retirement *if* those impacts were not mitigated. This, in turn, will allow the District Court to determine whether Rush Island should continue to operate (and, if so, how it should continue to operate) as a MISO designated System Support Resource ("SSR") until the identified mitigation measures can be put into place.

6. The Company believes that MISO can and will identify the SSR operation term and parameters needed to maintain regional and local reliability until Rush Island retires, and the mitigation projects necessary to continue to maintain regional and local reliability after Rush Island retires. The Company is also confident that it can execute and properly complete the projects needed to put those mitigations into place.

III. FEDERAL DISTRICT COURT IMPACT

7. Based on the foregoing, the Company believes that the scenario where the Staff's concern about system reliability could arise would be if Rush Island's retirement occurs before the mitigation projects could be completed. Following the conclusion of MISO's technical analysis, the Company intends to present to the District Court the results of that analysis along with a submission from the Company as to mitigation measures and a proposed interim operating regime that reduces emissions while maintaining system reliability. Based upon the current schedule, the Company anticipates making such a filing in May 2022.

IV. STAFF RECOMMENDATIONS

8. Aside from the observations in its Report, Staff made four specific recommendations: (1) that the Company "update its existing tariffs, including its Emergency Energy Conservation Procedure, to cover curtailment situations other than fossil fuel shortages and Missouri Energy Efficiency Investment Act ("MEEIA") programs"; (2) that it "begin

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developing specific plans to minimize risk in the St. Louis Metro area"; (3) that it "examine its existing . . . MEEIA Demand Response ("DR") and load management programs, including, but limited to controllable thermostats"; and (4) that the Commission "direct Ameren Missouri to file a memorandum, supported by affidavits and other exhibits as necessary, showing how its decisions resulting in the present circumstance were prudent." Staff Report, ¶¶ 21-22.⁴ As addressed specifically below, the Company agrees with these recommendations.

9. Specifically, with respect to Recommendation (1), **_____

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10. For Recommendation (2), the Company believes Staff has raised a valid point and, in response, has started the process to develop "specific plans to minimize risk to the St. Louis area," for the areas that the MISO Y-2 identified as having potential reliability risks.

11. With respect to Recommendation (3), the Company agrees to "examine its existing ... MEEIA Demand Response ("DR") and load management programs, including, but not limited to controllable thermostats."

12. For each of the first three recommendations, the Company will report on the status of its work when it files its monthly status reports in this docket on the 15th day of each month.

13. Finally, with respect to Recommendation (4), the Company agrees to include an explanation of how its decisions resulting in the present circumstance were prudent **_____

⁴ The Staff Report consists of a cover pleading and another attached document in the form of a narrative report. Paragraph references in this Response are to the cover pleading.

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WHEREFORE, Ameren Missouri hereby submits this response to the Staff Report.

Respectfully submitted,

/s/ Wendy K. Tatro

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing was served on the Missouri Public Service Commission Staff and the Office of the Public Counsel via electronic mail (e-mail) or via regular mail on this 25th day of April, 2022.

<u>/s/ Wendy K. Tatro</u> Wendy K. Tatro