

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

In the Matter of the Amendment of the	)	
Commission's Rule Regarding Solar	)	File No. EX-2019-0050
Rebates 4 CSR 240-20.100(4).	)	

**COMMENTS OF UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI**

COMES NOW Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company"), and for its Comments on the Staff draft of proposed revisions to the solar rebate rules, states as follows:

1. On August 20, 2018, a *Notice Opening File* was issued opening this case. On February 27, 2019, the Missouri Public Service Commission ("Commission") issued its *Finding of Necessity and Order Directing that Proposed Rule Amendment be Filed for Publication*. A draft of the amended rule was submitted to the Missouri Secretary of State the same day. On February 27, 2019, a copy of the Missouri Secretary of State submission was filed in this docket. On February 28, 2019, the Commission issued its *Notice of Rulemaking Hearing*, establishing a hearing regarding the proposed amendment of 4 CSR 240-20.100(4) for May 7, 2019.

2. On April 1, 2019, the draft rules were published in the Missouri Register, with a date for submission of comments to the Commission of May 1, 2019.

3. Ameren Missouri appreciates the efforts that the Commission and its Staff have taken to draft the solar rebate rule in a manner commensurate with the direction of Section 393.1670 RSMo, which became effective on August 28, 2018. The Company's comments are prefaced on the assumption that either Section 393.1670 RSMo requires that solar rebate recipients transfer the resulting solar RECs to the utility for a period of ten (10)

years, in the same manner as stated in the Missouri Renewable Energy Standard (Section 393.1030 RSMo), or that it is within the Commission's authority to impart that requirement such that the renewable energy credits ("RECs") resulting from Section 393.1670 RSMo can be used to meet Renewable Energy Standard ("RES") requirements.<sup>1</sup> In that context, Ameren Missouri recommends several additional revisions to ensure the proper execution of the new statutory solar rebate requirements.

4. First, the Company notes that the current definition of RES contained in 4 CSR 240-20.100(1)(O) limits its references to Sections 393.1025 and 393.1030, RSMo. These two statutes contain definitions (Section 393.1025) and renewable portfolio requirements coupled with solar rebates (Section 393.1030), respectively. To ensure a consistent and appropriate application of these new solar rebates and their potential cost recovery through a Renewable Energy Standard Rate Adjustment Mechanism ("RESRAM") with regard to the requirements of 4 CSR 240-20.100, this definition should be expanded to also reflect the solar rebate requirements established by Section 393.1670 RSMo. Ameren Missouri therefore recommends the following revision to 4 CSR 240-20.100(1)(O), which is not currently contemplated in the proposed rules:

(O) RES or Renewable Energy Standard means sections 393.1025, ~~and~~ 393.1030, and 393.1670, RSMo...

If the Commission did not include Section 393.1670 RSMo within the definition of RES, the rule would make no reference to Section 393.1670 constituting eligible RES compliance costs that are eligible for recovery through a RESRAM. The statute clearly states that recovery of the solar rebates can be made through a RESRAM.

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<sup>1</sup> If this premise is faulty and the solar rebate rule revisions are intended to operate independently of the RES, then the Company would make very different recommendations than those contained herein, and would question whether the proposed changes accomplished the desired goals.

5. Second, the Company notes that the current definition of "customer-generator" found in 4 CSR 240-20.100(1)(D) is broad enough to include solar rebates made to projects that do not qualify for net metering status under Section 386.890 RSMo. However, in various locations throughout the rule, "net metering" or related language appears independently or adjacent to "customer-generator." This is problematic because Section 393.1670 RSMo does not require a solar rebate applicant to receive net metering service. The customer may instead apply as a Qualifying Facility ("QF") as defined by the Federal Energy Regulatory Commission, and there are several reasons a customer may do so. In certain situations, an unusual metering arrangement will result in excessive costs to install the bidirectional meter that is required for net metering. In such cases, by applying as a QF with no sales back to the utility, the customer avoids the need for a costly meter upgrade and several customers have made this election. Of course, the customer may also choose to apply as a QF to oversize the solar system relative to what is permitted under net metering (lesser of 100 KW or capacity necessary to produce 100% of annual energy requirements). For these reasons, each reference in the rule to "net metering" or "Interconnection Application/Agreement for Net Metering Systems..." should be removed. These deletions are noted below.

- a. 4 CSR 240-20.100(2)(B)3. – The reference here to net metering should be deleted since many RECs will be from QFs. Without this deletion, RECs from QF's may not be eligible to be used for compliance with the RES at all or at a minimum will cause unequal treatment of how RECs are determined from different customers receiving a solar rebate:

RECs created by the operation of customer-generator facilities and acquired by the Missouri electric utility shall qualify for RES compliance if the customer-generator is a Missouri electric energy retail customer, regardless of the amount of energy the customer-generator provides to the associated retail electric provider ~~through net metering in accordance with 4 CSR 240-20.065, Net Metering.~~ RECs are created by the operation of the customer-generator facility, even if a significant amount or the total amount of electrical energy is consumed on-site at the location of the customer-generator.

- b. 4 CSR 240-20.100(3)(C) – The reference here to net metering should be deleted since many RECs will be from QFs. Without the deletion, the RECs produced by QFs will not be transferred to the utilities as a result of the solar rebate payment:

Customer-generators own the RECs and S-RECs associated with their ~~customer-generated net-metered~~ renewable energy resources; however, if a customer-generator receives a solar rebate, the customer-generator transfers to the electric utility all right, title, and interest in and to the RECs associated with the new or expanded solar electric system that qualifies the customer-generator for the solar rebate for a period of ten (10) years from the date the electric utility confirms the customer-generator's solar electric system is operational.

- c. 4 CSR 240-20.100(3)(C)1. and 4 CSR 240-20.100(3)(C)2. – These references to net metering should be deleted and substituted with "customer-generator." Without the change, standard offer contracts will be limited to net metered customers:

1. All standard offer contracts between electric utilities and ~~the owners of net-metered renewable resources~~ customer-generators that are entered into after the effective date of these rules shall clearly specify who owns the RECs or S-RECs associated with the energy generated by the ~~net-metered generation resource~~ customer-generators, and when the ownership will change, if it will. 2. Electric metering associated with ~~net-metered renewable resources~~ customer-generators shall meet the meter accuracy and testing requirements of 4 CSR 240-10.030, Standards of Quality.

- d. 4 CSR 240-20.100(4)(D)2. – The proposed rule contemplates all of this section will be new to reflect the new solar rebate capacity limits (with (D)1. Reflecting prior solar rebate capacity limits). The reference to "Residential net metering solar electric systems..." indicates that residential customers receiving a solar rebate must be net metered. The legislation, however, does not make that distinction. While it is unlikely that any significant number of residential customers will desire to oversize their generation relative to net metering capacity limits (and apply for a solar rebate as a QF), it is possible that one or more customers will. Eligibility for a for a residential solar rebate, up to 25 KW, should not be conditioned on net metering and Ameren Missouri's present solar rebate tariff does not include this limitation:

Solar rebates for systems that become operational after January 1, 2019 shall be available for new or expanded solar electric systems up to twenty-five (25) kW for residential customers and one hundred and fifty (150) kW for non-residential customers. ~~Residential net-metered solar electric systems greater than twenty-five (25) kW but less than one hundred (100) kW in size shall be eligible for a solar rebate up to the twenty-five (25) kW limit of this section.~~ Customers shall be eligible for rebates on new or expanded systems for the increment or new or expanded capacity and not for capacity on which rebates offered under any other provision of law have previously been paid, up to the system kilowatt limits outlined in this section.

- e. 4 CSR 240-20.100(4)(E) – The proposed rule would modify section (E) to only require net metering for customer-generators of 100 KW and below. However, as stated above, neither the new solar rebate statute nor the current Ameren Missouri solar rebate tariff contains such a provision. Forcing generation of 100 KW and below to be net metered will eliminate a desirable option to select QF

status for certain customers whose metering arrangements result in the bidirectional metering cost required for net metering to be unusually high. Ameren Missouri proposes the following alternative language for Section (4)(E) in place of the current proposal:

Solar electric systems shall be interconnected to the utility as witnessed by an agreement or the utility's application documents.

- f. 4 CSR 240-20.100(4)(L) – The Company recommends striking the net metering application/agreement portion of this provision. "Operational" is a defined term in the RES rule and does not require any reference to the net metering rule (4 CSR 240-20.065) to be complete. Furthermore, the twelve (12) month reference embedded here, from the net metering rule, has nothing to do with the length of time that a customer is eligible to receive a solar rebate; the time requirements with each are not necessarily aligned (though in some cases they may be). Accordingly, Ameren Missouri recommends that section (L), other than the specifics contained in the subsections, should be revised as follows:

The electric utility shall provide the solar rebate payment to qualified customer-generators within thirty (30) days of confirming the customer-generator's solar electric system is operational. ~~Consistent with 4 CSR 240-20.065(9), customer-generators have up to twelve (12) months from when they receive notice of approval of their Interconnection/Application/Agreement for Net Metering Systems with Capacity of One Hundred Kilowatts (100 kW) or less for the utility to confirm the customer-generator's solar electric system is operational.~~

6. With these refinements to 4 CSR 240-20.100, Ameren Missouri believes the statute will be appropriately executed.

**WHEREFORE**, for the foregoing reasons, the undersigned respectfully requests that the Commission accept these comments for consideration.

Respectfully submitted,

UNION ELECTRIC COMPANY  
d/b/a AMEREN MISSOURI

*/s/ Paula N. Johnson*

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