Additional Comments from the MOSEIA Policy Committee

Submitted by Jason Parker, Chairman

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Rulemaking Case EX-2010-0169

Section 4(K) – Solar Rebates

CURRENT TEXT: "Applicants who are accepted for the solar rebates shall have up to twelve (12) months…to demonstrate full operation of their …system."

SITUATION: "Accepted for the solar rebate" implies that there is some subjective discretion in the approval process and a possibility that the person may not be accepted once they reach that point, regardless of the technical merits of their application.

RECOMMENDATION: Apply a clear engineering standard rather than an objective "acceptance for the rebate". Revise the phrase "Applicants who are accepted for the solar rebates…" to read "Applicants whose systems are approved for grid interconnection or system activation…".

Section 2(F) – Requirements

CURRENT TEXT: "Fractional RECs may be aggregated with other fractional RECs and utilized for compliance purposes. "

SIAUTATION: There is really no such thing as a fractional REC. A REC is only recognizable as such once it is fully generated. Therefore any reference to a fractional REC may open the door to confusion and distraction.

RECOMMENDATION: Strike this subsection entirely.

Section 4(K) - Rebates

CURRENT TEXT: "The six (6)-month report shall include proof of purchase of the majority of the solar electric system components, partial system construction, and building permit , if required by the jurisdictional authority."

SITUATION: This comma changes the meaning to say that the jurisdictional authority determines whether all items are required to be included in the 6-month report, not just the building permit.

RECOMMENDATION:" Remove the comma to produce the phrase "and building permit if required by the jurisdictional authority. "

Section 5(B) – Retail Rate Impact

CURRENT TEXT: "the projected impact on revenue requirements by renewable energy resources shall be reduced by the cost of greenhouse gas emissions reductions, assuming that such reductions are made at the then-current cost per ton of greenhouse gas emissions allowances or the cost of greenhouse gas emission reduction technology, whichever is lower."

SITUATION: Allowances are not the same as costs. Emissions could surpass allowances and result in fines, producing a much greater impact than the allowances alone would have.

RECOMMENDATION: Strike the word "allowances".

Section 5 – Retail Rate Impact

CURRENT LANGUAGE: "Any variables utilized in the modeling shall be consistent with values established in prior rate proceedings or RES compliance plans, unless specific justification is provided for deviations."

SITUATION: Simply providing justification is a fairly low standard, even when it must be "specific". The justification must be evaluated by a recognized authority.

RECOMMENDATION: Insert the phrase "and accepted by the Commission" to produce the following language:

"Any variables utilized in the modeling shall be consistent with values established in prior rate proceedings or RES compliance plans, unless specific justification is provided and accepted by the Commission for deviations."

Section 4(G) – Solar Rebate

CURRENT TEXT: "For the purpose of determining the amount of solar rebate, the solar electric system wattage rating shall be established as the direct current wattage rating provided by the original manufacturer with respect to standard test conditions"

SITUATION: This language is not being followed by all utilities, even though it conforms to the Renewable Energy Standard statute.

The DC rating should be used because it is the most easily obtained of any rating method. Module manufacturers uniformly publish this number and it is not subject to the complex variables of the rest of the system. Using any other rating will require case-by-case engineering evaluation to determine that rating.

The cost of such evaluation could be substantial and would divert funds away from achieving the purpose of Prop-C, which is to incentivize and build a solar industry in Missouri.