

MEMORANDUM

TO: Missouri Public Service Commission Case File
Case No. EO-2015-0267, Ameren Missouri Renewable Energy Standard Compliance
Report for Calendar Year 2014

FROM: Claire M. Eubanks, P.E., Energy Unit – Engineering Analysis

/s/ Natelle Dietrich / May 29, 2015 /s/ Bob Berlin / May 29, 2015
Director-Tariff, Safety, Economic Staff Counsel’s Office / Date
And Engineering Analysis / Date

SUBJECT: Staff Report and Conclusion on Ameren Missouri’s 2014 Renewable Energy Standard
Compliance Report

DATE: May 29, 2015

CONCLUSION

The Staff has reviewed the Union Electric Company d/b/a Ameren Missouri (Ameren or
Company) 2014 RES Compliance Report. At this time, Ameren has not achieved compliance with the
solar RES requirements for calendar year 2014. ** _____

¹ See: 4 CSR 240-20.100(3)(J).

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OVERVIEW

On April 15, 2015, Ameren filed its Renewable Energy Standard (RES) Compliance Report (Compliance Report) for calendar year 2014 (Case No. EO-2015-0267), in accordance with 4 CSR 240-20.100(7), Electric Utility Renewable Energy Standard Requirements, Annual RES Compliance Report and RES Compliance Plan. This rule states, in part, “Each electric utility shall file an RES compliance report no later than April 15 to report on the status of the utility’s compliance with the renewable energy standard and the electric utility’s compliance plan as described in this section for the most recently completed calendar year.” Subparagraphs 4 CSR 240-20.100(7)(A)1.A. through N. provide the minimum requirements for the Compliance Report. Subsection 4 CSR 240-20.100(7)(D) requires that Staff examine the Company’s Compliance Report and file a report within forty-five (45) days of the filing.

Staff utilized the North American Renewables Registry (NAR) to independently verify the retirement of the RECs and S-RECs by the Company.

DISCUSSION

Staff reviewed the Company’s Compliance Report in accordance with the established requirements to verify the Compliance Report contains the information required. The results of this review are detailed below, with appropriate rule subparagraphs A. through N. identified and quoted.

A. “Total retail electric sales for the utility, as defined by this rule:”

The Company provided the total retail electric sales for 2014 expressed as total megawatt-hours (MWh) sold to Ameren consumers (37,022,539 MWh). The amount listed within the 2014 FERC Form 1 submitted in EFIS on April 15, 2015, was 37,022,540 MWh².

² Page 301 of 2014 FERC form 1, Line 10

B. “Total jurisdictional revenue from the total retail electric sales to Missouri customers as measured at the customers’ meters;”

The Company provided the total retail electric sales for 2014 expressed as annual operating revenues (dollars) from Ameren consumers. This amount (\$3,112,533,428³) is consistent with the 2014 FERC Form 1 filed with the Commission on April 17, 2015.

C. “Total retail electric sales supplied by renewable energy resources, as defined by section 393.1025(5), RSMo, including the sources of the energy;”

The Company utilized three (3) company-owned renewable energy generating facilities during 2014: the Keokuk Hydroelectric Generation Station (“Keokuk”); the Maryland Heights Renewable Energy Center (“MHREC”); and the O’Fallon Renewable Energy Center (“OREC”). The Company also acquired energy through a purchased power agreement (“PPA”) with Pioneer Prairie II Wind Farm (“Pioneer Prairie”). The total amount of energy generated at the non-solar facilities in 2014 was ** _____ **. OREC generated 720 MWhs in 2014. The Headquarters Solar Generation Facility and customer-generator solar facilities generated ** _____ ** in 2014.

As allowed by 4 CSR 240-20.100(3)(K), the Company performs its own REC aggregation of S-RECs generated by the Headquarters Solar Generation Facility and customer-generator solar facilities. First the small generators are aggregated together and registered into NAR as one asset. The Company groups the units such that their aggregated nameplate capacity is less than 1 MW. For systems larger than 10 kW the tracking system collects project and unit level information for each generating unit and verifies that the aggregated nameplate capacity is less than 1 MW. For systems less than 10 kW in size the Company is not required by the NAR administrator to provide project level detail for each unique project, provided it is approved by the Division of Energy and that the Company

³ Page 300 of 2014 FERC form 1, Line 10 - Total Sales to Ultimate Consumers. Value does not include Provision for Rate Refunds.

maintains all records and estimates and makes them available upon request. Once the assets are aggregated and registered in NAR, the Company self-reports the generation. That data must pass the NAR feasibility test and if no other resolution is needed, NAR creates a certificate. For systems that are larger than 10 kW, the Company supports its self-reported generation with metered data. For systems less than 10 kW, the Company supports its self-reported generation with estimates utilizing PVWatts.

** _____

_____ ** Staff continues to work with Ameren on these issues.

D. “The number of RECs and S-RECs created by electrical energy produced by renewable energy resources owned by the electric utility. For the electrical energy produced by these utility-owned renewable energy resources, the value of the energy created. For the RECs and S-RECs, a calculated REC or S-REC value for each source and each category of REC;”

The Company reported that the Company-owned Keokuk facility generated 869,832 MWhs in 2014 and the value of the energy was \$32,016,477. The value is based on the locational marginal pricing (LMP) through Midcontinent Independent System Operator

(MISO). The Company does not assign a cost or value for the RECs produced, due to the restrictive nature of using hydroelectric RECs, and the RECs created by this facility are a benefit to Missouri ratepayers since capital and operational costs for Keokuk are already part of the rate structure of the Company's annual revenue requirement.

The Company-owned solar facility, Headquarters Solar Generation Facility, produced 91 MWh in calendar year 2014. The Headquarters Solar Generation Facility is located in Missouri, thus it qualifies for the one and twenty-five hundredths (1.25) credit multiplier allowed by statute and regulation.⁴ The full output of this facility is consumed on site at the Company's headquarters building, therefore no values for the energy or S-RECs have been assigned. The Company did provide the value of S-RECs purchased from third-party brokers and Ameren Missouri Customers, which varied in value from ** _____ ** per S-REC.

The MHREC produced 58,974 MWhs during calendar year 2014. The MHREC is located in Missouri, thus it qualifies for the one and twenty-five hundredths (1.25) credit multiplier allowed by statute and regulation.⁵ The Company reported the value of RECs produced by the MHREC as ** _____ **, which is based on the heat rate of the generators and the contract purchase price of methane.

Ameren Missouri's utility-scale solar facility, OREC, became operational in 2014 and Division of Energy certified it as a resource in April 2015. OREC produced 720 MWhs⁶ during calendar year 2014. The value of energy was not reported. Staff requested the value of energy in Data Request 12 and Ameren's response to Staff Data Request 12 is due June 2. Staff will review the response and provide an update to this memorandum if necessary.

E. "The number of RECs acquired, sold, transferred, or retired by the utility during the calendar year;"

⁴ 393.1030.1., RSMo; 4 CSR 240-20.100(3)(G)

⁵ 393.1030.1., RSMo; 4 CSR 240-20.100(3)(G)

⁶ Page 10 and Page 16 of the Compliance report lists the incorrect number of RECs produced by OREC in 2014 per response to Staff Data Request 3.

The Company provided information regarding the number of RECs acquired and retired during the calendar year. The Company did not report any RECs sales or transfers in 2014.

Non-Solar Renewable Energy Credits:

The Company acquired ** _____ ** 2014 vintage RECs through a PPA with Pioneer Prairie.

Staff verified that the Company retired 1,525,621 Keokuk RECs (2011-2012 Vintage) and 288,483 Pioneer Prairie RECs (2011 Vintage) to meet the non-solar requirement of 1,814,104 RECs⁷. These RECs were registered and retired in the electronic tracking system⁸ utilized for compliance purposes. In accordance with statute and regulation, a qualified facility produced these RECs and they were banked and utilized appropriately.⁹

Solar Renewable Energy Credits:

The Company acquired ** _____ ** from its customers through Standard Offer Contracts and as a condition of receiving a solar rebate. The customer-generated S-RECs qualify for the in-state credit multiplier. ** _____

_____ **

The solar requirement for 2014 is 37,023 S-RECs¹⁰. The Company retired 14,350 S-RECs which were purchased through third-party brokers. The Company retired 18,139 customer-generator S-RECs (2011-2014 Vintage); ** _____

⁷ Pursuant to 4 CSR 240-20.100(2)(C)1., the amount of RECs necessary is determined by calculating five percent (5%) of the Company's total retail sales, less the solar requirement.

⁸ North American Renewables Registry: <http://narecs.com/>

⁹ Qualified facility per 393.1025.(5), RSMo and 4 CSR 240-20.100(1)(K); Banked RECs per 393.1030.2., RSMo and 4 CSR 240-20.100(1)(J).

¹⁰ Pursuant to 4 CSR 240-20.100(2)(D)1., the amount of S-RECs necessary is determined by calculating one-tenth percent (0.1%) of the Company's total retail sales.

_____ ** At this time, the Company has not achieved compliance with the solar RES requirements for calendar year 2014.

F. “The source of all RECs acquired during the calendar year;”

See comments in Section E. of this report.

G. “The identification, by source and serial number, of any RECs that have been carried forward to a future calendar year;”

The Company provided a listing of RECs carried forward for future year(s) as Exhibit 1 of the Compliance Report. Exhibit 1 includes the serial numbers for RECs generated by Keokuk, MHREC, Pioneer Prairie, OREC, and imported S-RECs. The Company provided information on S-RECs being carried forward from Ameren customers and the Headquarters Solar Generation Facility, but not a specific list by source and serial number. Additionally, the S-RECs noted on Page 10 as carried forward are not accurate. The Company indicated in response to Staff Data Request 3 that 720 S-RECs generated by OREC are being carried forward. ** _____

_____ **

H. “An explanation of how any gains or losses from sale or purchase of RECs for the calendar year have been accounted for in any rate adjustment mechanism that was in effect for the utility;”

The Company did not incur any gains or losses associated with REC purchases or sales. No RECs were sold and all RECs purchased will be utilized for future compliance purposes.

I. “For acquisition of electrical energy and/or RECs from a renewable energy resource that is not owned by the electric utility, the following information for each resource that has a rated capacity of ten (10) kW or greater:

(I) Name, address, and owner of the facility;”

The Company provided the necessary information for Pioneer Prairie. The Company requested and was granted a waiver by the Commission (Case No. EO-2012-0150) regarding the reporting of information in accordance with all parts of this subparagraph of the rule¹¹ for S-RECs purchased from the Company's customers and S-RECs purchased from aggregators lawfully registered in another renewable energy registry.

“(II) An affidavit from the owner of the facility certifying that the energy was derived from an eligible renewable energy technology and that the renewable attributes of the energy have not been used to meet the requirements of any other local or state mandate;”

The required affidavit for Pioneer Prairie was provided by the Company as Exhibit 2 of the Compliance Report.

“(III) The renewable energy technology utilized at the facility;”

The affidavit for Pioneer Prairie includes the technology type used.

“(IV) The dates and amounts of all payments from the electric utility to the owner of the facility;”

The dates and amounts for the payments to Pioneer Prairie were provided in Exhibit 3 of the Compliance Report.

J. “(V) All meter readings used for the calculation of the payments referenced in part (IV) of the paragraph;”

The required meter readings for Pioneer Prairie were provided in Exhibit 3 of the Compliance Report.

K. “The total number of customers that applied and received a solar rebate in accordance with section (4) of this rule;”

The Company paid 1,965 solar rebates during calendar year 2014.

¹¹ 4 CSR 240-20.100(7)(A)1.I.(I) through (V)

L. “The total number of customers that were denied a solar rebate and the reason(s) for denial;”

The company stated that no customers were denied a solar rebate. Please note that some customers who applied for a solar rebate may not have been offered one due to the spending limit stipulated in Case No. ET-2014-0085.

M. “The amount of funds expended by the electric utility for solar rebates, including the price and terms of future S-REC contracts associated with the facilities that qualified for the solar rebates;”

The Company paid \$60,481,500 in solar rebates for calendar year 2014.

The Company provided information regarding the Standard Offer Contract tariff that was in effect prior to House Bill 142 and included the funds paid to customers in 2014 for past Standard Offer Contracts.

N. “An affidavit documenting the electric utility’s compliance with the RES compliance plan as described in this section during the calendar year. This affidavit will include a description of the amount of over- or under-compliance costs that shall be adjusted in the electric utility’s next compliance plan;”

The Company filed the Affidavit referenced in the compliance report as Exhibit 6. The Company did not describe the over- or under-compliance costs in the affidavit; however, this is related to the retail rate impact calculation which the Company filed as part of its Compliance Plan. The over-/under-compliance costs will be reviewed as part of the Staff Report on the Compliance Plan.

O. “If compliance was not achieved, an explanation why the electric utility failed to meet the RES.”

As described in Discussion paragraph C., the Company did not achieve compliance with the Missouri RES for calendar year 2014.

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

In the Matter of Ameren Missouri's)
Submission of Its 2015-2017 RES)
Compliance Plan and Its 2014)
Compliance Report)
File No. EO-2015-0267

AFFIDAVIT OF CLAIRE M. EUBANKS

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

COMES NOW Claire M. Eubanks and on her oath declares that she is of sound mind and lawful age; that she contributed to the attached Staff Report in memorandum form; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.



Claire M. Eubanks

Subscribed and sworn to before me this 29th day of May, 2015.

SUSAN L. SUNDERMEYER
Notary Public - Notary Seal
State of Missouri
Commissioned for Callaway County
My Commission Expires: October 28, 2018
Commission Number: 14942086



Notary Public