

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

In the Matter of the Determination of Special )  
Contemporary Resource Planning Issues to be )  
Addressed by Ameren Missouri in its Next ) File No. EO-2023-0099  
Triennial Compliance Filing or Next Annual )  
Update Report. )

**AMEREN MISSOURI'S COMMENTS ON THE PROPOSED LIST OF  
SPECIAL CONTEMPORARY ISSUES**

COMES NOW Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") and, pursuant to 20 CSR 4240-22.080(4)(B), submits to the Missouri Public Service Commission ("Commission") the following Comments on the Proposed List of Special Contemporary Issues:

1. 20 CSR 4240-22.080(4) requires Missouri's electric utility companies to consider and analyze "special contemporary issues" in their Integrated Resource Plan ("IRP") triennial compliance filings and in their annual IRP update reports. On September 9, 2022, the Commission issued its *Order Opening a File Regarding Special Contemporary Resource Planning Issues and Offering an Opportunity to File Suggestions ("Order Opening File")*. On September 15, 2022, the Staff of the Missouri Public Service Commission ("Staff"), the Office of the Public Counsel, Renew Missouri Advocates, and the Sierra Club filed proposed special contemporary issues for Ameren Missouri to address.

2. The language of 20 CSR 4240-22.080(4) provides that the purpose of the special contemporary issues list is "... to ensure that evolving regulatory, economic, financial, environmental, energy, technical, or customer issues are adequately addressed by each utility in its electric resource planning." In addition, the Rule provides that "[e]ach special contemporary issues list will identify new and evolving issues but may also include other issues such as

unresolved deficiencies or concerns from the preceding triennial compliance filing.” 20 CSR 4240.080(4).

3. Ameren Missouri has reviewed the special contemporary issues lists proposed by the other parties and, as set forth in Attachment A, believes that some of the issues proposed by the parties offer enough value to warrant inclusion in the Company’s next annual update. However, Ameren Missouri suggests some of these issues do not merit treatment as special contemporary issues, most of which fall under a few general categories. First, several of the suggested special contemporary issues are items that are not typically part of long-term resource planning and thus are not appropriate to be addressed in this docket. Second, several other suggested special contemporary issues involve concepts or issues that have already been addressed by the Company in recent IRP filings. Finally, Ameren Missouri notes that a few of the issues suggested do not offer sufficient value as compared to the time and resources necessary to undertake such work while simultaneously completing analysis required by the Commission IRP rules.

4. With this in mind, Ameren Missouri submits Attachment A with this pleading, representing its comments on the proposed list of special contemporary issues. Ameren Missouri looks forward to continuing to work with stakeholders to address the issues presented in this docket.

5. In addition to Staff’s proposed special contemporary issues, Staff has suggested that the Commission require Ameren Missouri to address Staff’s proposed special contemporary issues not in its next annual update as provided for in the Commission IRP rules, but rather in a separate update to be filed by December 15, 2021. Ameren Missouri objects to the idea of an additional update report beyond the triennial IRP and annual updates already provided for in the Commission IRP rules. The Commission has established its preferred frequency for IRP filings as part of those

rules, and Staff has not presented good cause for the Commission to deviate from that reporting frequency.

6. According to the Commission IRP rules, the Commission must issue an order no later than November 1<sup>st</sup> listing those special contemporary issues it is requiring the utility to address in its next triennial IRP filing or annual update. The Company's next triennial IRP filing is due by October 1, 2023. Ameren Missouri recommends the Commission continue to adhere to the existing process for establishing and addressing special contemporary issues as it has since the rules for IRP filing requirements were revised in 2011.

WHEREFORE, Ameren Missouri submits its attached comments on the proposed list of special contemporary issues and requests.

Respectfully Submitted,

**UNION ELECTRIC COMPANY  
D/B/A AMEREN MISSOURI**

*/s/ Wendy K. Tatro*

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**CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, transmitted by e-mail or mailed, First Class, postage prepaid, this 30<sup>th</sup> day of September, 2022, to counsel for all parties on the Commission's service list in this case.

*/s/ Wendy K. Tatro*  
Wendy K. Tatro

## **2023 IRP Special Contemporary Issues Ameren Missouri Comments**

### **Introduction and Summary**

The Missouri Public Service Commission's (Commission) Chapter 22 rules governing electric utility resource planning include consideration of special contemporary issues {20 CSR 4240-22.080(4)} as ordered by the Commission. 20 CSR 4240-22.080(4) characterizes special contemporary issues generally as, "evolving regulatory, economic, financial, environmental, energy, technical, or customer issues," that utilities must adequately address in their resource planning. The Commission has provided additional guidance on the assessment of proposed special contemporary issues in its order in File No. EO-2012-0039.<sup>1</sup> The Commission Staff (Staff) and other parties have filed proposed special contemporary issues pursuant to 20 CSR 4240-22.080(4)(A). Ameren Missouri provides these comments pursuant to 20 CSR 4240-22.080(4)(B), which allows the subject utility and other parties to file comments on the proposals of Staff and the other parties.

In making its decision about what specific issues utilities must address, the Commission must consider the significance and urgency of issues and the time available in which to address them, both individually and in total. As a basic test, such issues must be "special," they must be "contemporary," and they must, in fact, be "issues." This means that the issues must not only meet a threshold of significance in terms of their potential effect on resource decisions, but that the potential effect must also be imminent. The Commission should carefully consider whether inclusion of certain special contemporary issues provides added value or distracts from the analysis of such important emerging issues. The Commission should also bear in mind the specific circumstances applicable to each utility regarding what might be a "special contemporary issue" for a given utility at a given point in time. In other words, what is a special contemporary issue for one utility at a given point in time may not be a special contemporary issue for another. Each utility has its own particular generation mix, service territory, size, and other applicable factors to be considered.

The Company's review of the suggested special contemporary issues proposed by the parties indicates that some of the proposed issues do, in fact, merit treatment as special contemporary issues by the Commission for Ameren Missouri's 2023 triennial IRP filing. For those issues that are determined by the Commission to be special contemporary issues, it is important to describe what the Company is to address without being overly prescriptive with respect to assumptions and the manner of evaluation. Below is a list of the issues suggested by the Staff, the OPC,

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<sup>1</sup> Issued October 19, 2011.

Renew Missouri (Renew MO), and Sierra Club (SC), as well as the Company's recommendation for the Commission's determination as to whether each issue should be treated as a special contemporary issue and how the Company would plan to address those issues determined to be special contemporary issues.

### **Issues Proposed by the Parties and the Company's Assessment**

**Staff Issue A:** The Company shall provide details of its plans to utilize securitization. Details shall include but are not limited to: 1) type of items to be securitized; 2) explanation for need of securitization for each item; 3) how it plans to utilize securitization for each item; 4) estimated costs of securitized items; 5) comparison of ratepayer costs and benefits.

**Ameren Missouri's Assessment and Recommendation:** This should not be considered as a special contemporary issue since it is more appropriate to be handled elsewhere such as in a securitization filing. Indeed, the Missouri securitization statute by its terms would essentially require all five items to be included in a securitization filing. As an alternative, Ameren Missouri could share updates regarding its plans as appropriate.

**Staff Issue B:** The Company shall provide detailed analysis comparing ratepayer risks and shareholder risks for additional generation resources which are not required to meet federal, state, or RTO requirements. This is consistent with the Commission's Order Regarding 2020 Integrated Resource Plan in Case No. EO-2021-0021 for Ameren Missouri.

**Ameren Missouri's Assessment and Recommendation:** This should not be considered a special contemporary issue. Ameren Missouri has addressed this precise suggestion, first in compliance with the Commission's order regarding the Company's 2020 IRP, which was satisfied via a supplemental filing in December 2021, and second as part of its Notice of Change in Preferred Resource Plan filing made in June 2022.

**Staff Issue C:** Given the recent COVID pandemic and the Winter Storm Uri weather event, the Company shall provide details of its plan for handling future emergency events such as these. The details provided shall give a clear plan for maintaining supply-side resource generation and public welfare during emergency events.

**Ameren Missouri's Assessment and Recommendation:** This should not be considered a special contemporary issue. Ameren Missouri has addressed this precise suggestion as part of its 2022 IRP annual update filing made September 30, 2022, pursuant to the Commission's order establishing special contemporary issues for that filing.

**OPC Issue 1:** Ameren Missouri should model for a low, medium, and high participation scenario of commercial and industrial customers electing to participate in demand response activities based on the

introduction of a third-party(s) ARC within its footprint and provide an analysis on what the impact said ARC would have on Ameren Missouri's IRP.

**Ameren Missouri's Assessment and Recommendation:** As stated, this should not be considered a special contemporary issue. However, Ameren Missouri believes that it is reasonable to consider the potential effects of ARC activity on its resource planning, which the Company would seek to consider in an appropriate manner as part of its 2023 IRP preparation.

**OPC Issue 2:** In its future IRP updates and plans Ameren Missouri should account for and explicitly identify cost reductions from the Inflation Reduction Act for procuring new generation, transmission, and distribution. Analysis should also include updated assumptions around load growth and/or appliance saturation based on targeted rebates surrounding EV's and energy efficiency products.

**Ameren Missouri's Assessment and Recommendation:** As stated, this should not be considered a special contemporary issue. However, Ameren Missouri believes that it is reasonable and appropriate to consider implications of the Inflation Reduction Act on its 2023 IRP assumptions.

With respect to impacts on costs of manufacturing and procurement, it is highly unlikely that such impacts will be known during the time in which Ameren Missouri will establish its assumptions for this IRP. To the extent such impacts are realized, we expect they will be reflected in various third-party sources (e.g., assumptions used by the Energy Information Administration in its Annual Energy Outlook) on which the Company relies when establishing its planning assumptions. Similarly, the Company expects to incorporate effects of the law on as such effects become known, including in the Company's current demand-side resource market potential study.

**OPC Issue 3:** Ameren Missouri should explore applicability of this technology [3D printing] within its Distribution, Transmission and Supply Side Generation Chapters as an approved Special Contemporary Topic for its IRP modeling. Examples can include but are not limited to exploring this topic with non-profits (e.g, EEI, EPRI), federal agencies (e.g., The Department of Energy Oak Ridge National Laboratory), and private entities (e.g., General Electric).

**Ameren Missouri's Assessment and Recommendation:** Just as was the case when the Commission rejected this issue in File No. EO-2020-0047, File No. E0-2021-0069, and File No. EO-2022-0054, this should not be considered as a special contemporary issue because it is not a planning level issue for utilities. The Commission's resource planning rule requires utilities to analyze 'generic' costs of candidate *resources*; i.e., utility resources to be used to serve utility customers. In contrast, 3D printing is a potential *cost*

*management measure*, like other cost management measures, that *developers, vendors, and construction contractors* may choose to employ when implementing projects.

**Renew MO Issue 1:** Study and/or model various technologies and programs designed to reduce demand on the customer side of the meter, including but not limited to: a. Residential demand response programs, pairing increased rebates for web-enabled or “smart” thermostats with demand response program participation; b. Increased rebates for residential electric vehicle charging units paired with customer agreements to participate in a program allowing the Company’s use of electricity from a customer’s connected electric vehicle at times of high demand; c. New rebates for residential battery storage units paired with customer agreements to participate in a program allowing the Company’s use of batteries at times of high demand; d. A program offering free installation of utility-owned battery storage units in exchange for customer agreements to allow the Company use of batteries at times of high demand. Specifically, the Company should consider marketing this offering to all of its 6,000+ net-metered customers.

**Ameren Missouri’s Assessment and Recommendation:** This should not be considered as a special contemporary issue. The Commission's IRP rules at 20 CSR 4240-22.050(1)(E) states that the utility shall select the set of potential demand-side resources and describe and document its selection— “To include the effects of improved technologies expected over the planning horizon to— 1. Reduce or manage energy use; or 2. Improve the delivery of demand-side programs or demand-side rates.” The suggested special contemporary issue includes no explanation to indicate that what is being suggested represents consideration of new technologies not previously considered or new approaches to the consideration of technologies. That said, Ameren Missouri has solicited input from stakeholders for ideas regarding measures to be considered as part of its demand-side resources market potential study and will consider such suggestions for inclusion.

**Renew MO Issue 2:** Study and/or model the potential for utility-scale battery storage to meet current and future demand, including: a. Consideration of the range of potential price reductions in these technologies over the coming two decades; b. Consideration of pumped hydro, stacked blocks, liquid air, above-ground and underground compressed air, and flow battery technologies in addition to lithiumion battery technologies; c. Pairing mid-scale deployments of battery storage technologies with current and future utility-scale solar generation sites; d. Offering free installation of utility-owned battery storage systems to large commercial and industrial customers in exchange for the Company’s use of the systems at times of high peak. Consideration should include: university campuses, municipalities, sports complexes, high-rise commercial buildings or skyscrapers, hospitals and medical centers, shopping centers, and other areas of dense development.

**Ameren Missouri’s Assessment and Recommendation:** This should not be considered as a special contemporary issue. Ameren Missouri has routinely considered multiple utility-scale storage technologies in its IRP planning for more than ten years. Consideration of renewable and storage resources in an IRP is necessarily generic and



conducted at the system level. Specific pairing of storage and solar resources is considered as part of implementation. That said, Ameren Missouri has considered and will continue to consider hybrid resources such as solar and storage as part of its supply side resource analysis.

**SC Issue 1:** Update all modeling and planning scenarios to incorporate the Inflation Reduction Act, which fundamentally changes the resource planning landscape. Such updates should include, without limitation, consideration of: a. expanded and extended clean energy tax credits, b. low-income community energy credits, and c. electric transmission subsidies.

**Ameren Missouri's Assessment and Recommendation:** Ameren Missouri believes that it is important to consider the benefits contained in the Inflation Reduction Act in its resource planning and will do so whether or not this is included in the Commission's special contemporary issues order. Therefore, the Company supports the inclusion of a special contemporary issue that broadly requires consideration of the law's effects on the cost of clean energy resources and the cost of electric transmission.

**SC Issue 2:** Analyze and develop as candidate resource options the satisfaction of St. Louis municipal clean energy goals.

**Ameren Missouri's Assessment and Recommendation:** This should not be considered as a special contemporary issue. Satisfaction of municipal clean energy goals is not a resource option, but rather a driver of specific customer interest in more renewable and clean energy services. Further, the Company has filed an application for its proposed Renewable Solutions Program to meet exactly this kind of clean energy demand for municipal and large customers in File No. EA-2022-0245.

**SC Issue 3:** Analyze and document the net present value of continuing to operate each of Ameren's coal-burning units, including consideration of known and potential compliance costs. Ameren should be ordered to study whether retaining each unit in operation benefits customers in comparison with an alternative suite of resources.

**Ameren Missouri's Assessment and Recommendation:** This should not be considered a special contemporary issue. First, it runs counter to the purpose of integrated resource planning in that it suggests that coal-fired generator economics be evaluated in isolation rather than as part of integrated resource plans. Second, the Commission's IRP rules already require evaluation of options for existing resources, including retirement, refurbishment and retrofits that may extend the life of a resource. That said, the Company is aware of the continuing interest in evaluating the potential for a more rapid transition away from coal-fired generation and supports a special contemporary issue that simply states a requirement to evaluate retirement vs. continued operation of its coal-fired energy centers. It should be noted that Ameren Missouri expects to retire two of its coal-fired energy centers, Meramec and Rush Island, within the next few years. As a result, such a comparison for those energy centers is not useful or reasonable.

**SC Issue 4:** Generate, analyze, and evaluate plans using a capacity expansion model that prioritizes economic optimization.

**Ameren Missouri’s Assessment and Recommendation:** This is a planning *tool* suggestion, not a *planning issue*. This should not be considered as a special contemporary issue, because Ameren Missouri does not have such a model, and having one would be of little use (at best) in its process as it could not optimize for all its planning objectives, which include objectives other than cost minimization. Therefore, it is not compatible with the process the Company's management team uses to identify and analyze options to meet its planning objectives. In particular, the Company's resource planning process considers financial metrics that are not produced by currently available capacity expansion optimization tools. Such calculations must be done after the fact using the output of such models. As a result, such models are unable to consider these kinds of metrics as part of their optimization logic. While the Company is open to suggestions for new and better tools that can benefit its resource planning efforts, it is not open to explicit requirements to use a particular software or type of software.

**SC Issue5:** Analyze the comparative public health impacts of each of the alternative resource plans considered by the Company.

**Ameren Missouri’s Assessment and Recommendation:** Just as was the case when the Commission rejected this issue in File No. EO-2021-0069, this should not be considered as a special contemporary issue. Ameren Missouri considers public health impacts via planned compliance with environmental regulations, which account for impacts on public health. Such matters are matters of policy for federal and state legislatures and the environmental agencies authorized by the legislation they adopt. It is the utility’s job to abide by environmental regulations and emission limits while meeting its obligation to serve its customers.