

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

In the Matter of a Determination of Special)
Contemporary Resource Planning Issues to)
be Addressed by Empire District Electrical) **File No. EO-2012-0040**
Company in its Next Triennial Compliance)
Filing or Next Annual Update Report.)

MDNR Comments Regarding Suggested Issues

COMES NOW Missouri Department of Natural Resources (MDNR) and provides the following comments on special contemporary issues filed by other parties on September 15, 2011, pursuant to 4 CSR 240-22.080(4)

1. Renewable Energy Standard: The utilities ongoing planning effort should include planning for more aggressive federal or state RES standards. MDNR supports Staff's General Issue #2 regarding aggressive renewable energy standards with no rate cap (e.g. at least double the current standard for Missouri). The Commission may also wish to consider directing the companies to analyze this aggressive renewable energy standard assuming that eligibility of RECs has geographic requirements such as requiring that the energy be deliverable to Missouri customers. This planning will inform the Commission and stakeholders of the cost and feasibility of taking further steps in renewable energy utilization.

MDNR also supports NRDC Issues #1 & 2 for Ameren and suggests that they should be addressed to all utilities. Addressing this proposed issue will help to insure that the data prepared by the companies is current.

2. Energy Efficiency: MDNR supports Staff's General Issue #3 regarding aggressive energy efficiency resource standards with no rate cap. The Commission should identify the range of aggressive energy efficiency savings requirements that the companies will analyze when responding to this contemporary issue. This range should at a minimum, be consistent with the targets in the MEEIA rule. An analysis of energy efficiency targets would be incomplete without addressing cost recovery. Therefore, MDNR supports NRDC's Issue #2 & 10 for Ameren and suggests that they should be addressed to all utilities. These issues are related to MDNR's General Issue #2, which requests "Aggressive Demand Side Management (DSM) Portfolios without Constraints."

3. Environmental Regulations: MDNR supports Staff's General Issue #5 regarding aggressive environmental regulations. Specifically, the utilities should analyze the impact of regulations including a baseline of regulations already proposed by EPA plus additional or more aggressive regulations that EPA might propose over a 5 year time horizon. This should include: a) the air regulations identified by NRDC in its Issue #5 (coal combustion residuals regulation), b) the pending review of the PM2.5 NAAQS and implementation of 2008 ozone NAAQS, (c) Solid Waste Incinerator Rule (CISWI),

finalized by EPA March 21, 2011, 76 Fed. Reg. 15704, and (d) Boiler MACT (for Major sources), finalized by EPA March 21, 2011, 76 Fed. Reg.15608.

4. Coal-fired .Plant Retirement: MDNR generally supports the purpose of NRDC's issues #4-9 which we take to be directing the utility to comprehensively analyze future costs and requirements related to maintaining or retiring its existing coal-fired units. These issues complement MDNR's General Issue #1 related to coal-fired plant retirement and Issue #9 is a logical extension of NRDC Issues #4-8 which provide a framework for assessing the impact of coal plant retirements and retrofits. MDNR specifically supports NRDC Issue #4 and concurs with OPC in supporting NRDC Issues 5, 7 and 8. MDNR recommends that these should be addressed to all utilities, not only Ameren.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been served electronically on all counsel of record this 30th day of September, 2011.

/s/ Sarah Mangelsdorf

Sarah B. Mangelsdorf