

In the Matter of Ameren Missouri's)
Renewable Energy Standard Compliance) **File No. EO-2013-0503**
Plan for 2013-2015)

COMES NOW Missouri Department of Natural Resources (MDNR), by and through counsel, and, pursuant to 4 CSR 240-20.100, respectfully submits the following comments in response to the 2013 Compliance Report of Ameren Missouri (Ameren or Company):

1. MDNR agrees with Public Service Commission Staff's Report filed on July 12, 2013 that the company did not follow the methodology outlined in 4 CSR 240-20.100:
 - a. Pertaining to Section (5) (D), averaging the revenue requirement of non-renewable energy does not explain the increase in compliance costs due to addition of renewable energy.
 - b. Pertaining to Sections (5) (A) and (5) (B), the company excludes existing non-renewable resources in calculating the no-limit revenue requirement. Other apparent issues with the retail rate impact calculation are that the costs for

Pioneer Prairie II PPA are included in the compliance costs and Fred Weber (also known as Ameren's Maryland Heights Renewable Energy Center) landfill gas Phase II generation capacity that is scheduled to go into operation in 2018 is included as an existing renewable resource.

These concerns are sufficient to call for a finding that Ameren's calculation of retail rate impact is deficient and should be subject to further refinement and review. MDNR has additional concerns as outlined below.

2. While the spreadsheet model provided by the company is comprehensive, it is a linear model and a static representation of all the variables involved in the RES compliance. MDNR suggests that the company provide a conceptual model or a flowchart explaining the data sources and the underlying interrelationships between various variables that interact in the model. Since the compliance plan runs three years and the resources are averaged over ten years, MDNR suggests that an iterative dynamic optimization model would provide a more precise retail rate impact calculation. Also, the results of the model are not validated; MDNR suggests that the Company adopt appropriate methodology to validate the retail rate impact results.

WHEREFORE, based on the observations and the concerns with the model and methodology, MDNR recommends the Commission order the company to address the concerns raised by MDNR and other parties, and rerun the model before the Commission accepts the retail rate impact calculation and Ameren's RES Compliance Plan.

Respectfully submitted,

CHRIS KOSTER
Attorney General

/s/ Jeremy D. Knee
Jeremy D. Knee, Bar No. 64644
Assistant Attorney General
Agriculture & Environment Division
Missouri Attorney General's Office
P.O. Box 899
Jefferson City, Missouri 65102
Phone: 573-751-8795
Fax: 573-751-8796
Email: jeremy.knee@ago.mo.gov

Attorney for Missouri Department of
Natural Resources

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been emailed this 2nd day of August, 2013, to all parties on the Commission's service list in this case.

/s/ *Jeremy D. Knee*
Jeremy D. Knee
Assistant Attorney General