

MEMORANDUM

TO: Missouri Public Service Commission
Official Case File, Case No. EO-2020-0328
Renewable Energy Standard Compliance Plan 2020 – 2022 for
Union Electric Company, d/b/a Ameren Missouri

FROM: Cedric E. Cunigan, Engineering Analysis

/s/ Claire M. Eubanks, PE / 05-29-2020
Engineering Analysis / Date

/s/ Nicole Mers / 05-29-2020
Staff Counsel's Office / Date

SUBJECT: Staff Report on Ameren Missouri's Renewable Energy Standard
Compliance Plan 2020-2022

DATE: May 29, 2020

SUMMARY

The Staff has reviewed Union Electric Company, d/b/a Ameren Missouri's ("Ameren Missouri" or "Company") *Renewable Energy Standard Compliance Plan 2020-2022* ("Plan"). Based on Staff's review, the Company has met the minimum requirements for the *Plan*.

OVERVIEW

On April 15, 2020, the Company filed its *Plan* for calendar years 2020 through 2022, in accordance with Rule 20 CSR 4240-20.100(8), 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 annual RES compliance plan with the commission. The plan shall be filed no later than April 15 of each year." Subparagraphs 20 CSR 4240-20.100(8)(B)1. A. through G. provide the minimum requirements for the plan. Subsection 20 CSR 4240-20.100(8)(D) requires that Staff examine the plan and file a report within forty-five (45) days of the filing.

DISCUSSION

Staff reviewed the Company's *Plan* in accordance with the established requirements to verify the *Plan* contains the information required by the rule. The results of this review are detailed below, with appropriate rule subparagraphs A. through G. identified and quoted.

A. “A specific description of the electric utility’s planned action to comply with the RES;”

Ameren Missouri generally described its planned actions to comply with the RES for the 2020-2022 timeframe. Ameren Missouri was granted a Certificate of Convenience and Necessity (“CCN”) for two separate wind projects, totaling at most 700 MW and anticipated to be used for RES compliance in 2021.¹ Additionally, the Company expects to make REC purchases in the 2020-2022 timeframe. The Company considered the cost of REC purchases in its retail rate impact (“RRI”) calculation.

The Company explains in the *Plan* that it will continue to utilize renewable energy certificates (“RECs”) from the Keokuk Hydroelectric Generating Station (“Keokuk”), the Maryland Heights Renewable Energy Center (“MHREC”) which utilizes landfill gas, and a purchased power agreement (“PPA”) from the Pioneer Prairie II Wind Farm (“Pioneer Prairie”). MHREC qualifies for the Missouri in-state one and twenty-five hundredths (1.25) credit.

For solar compliance, the Company will utilize solar renewable energy credits (“S-RECs”) from net-metered customers, the solar generation facility installed at the Company headquarters, and its utility-scale solar facility O’Fallon Renewable Energy Center (“OREC”). The net-metered systems and Company-owned solar generation will qualify for the Missouri in-state one and twenty-five hundredths (1.25) credit.² The Company also has plans for at least \$14 million of utility owned solar to comply with SB 564 as well as solar plus storage facilities at several substations. The Company requested a CCN for the solar plus storage facilities in Case No. EA-2019-0371 which is pending.

¹ Case No. EA-2019-0181 and Case No. EA-2019-0202.

² 393.1030.1., RSMo; Rule 4 CSR 240-20.100(3)(G).

B. “A list of executed contracts to purchase RECs (whether or not bundled with energy), including type of renewable energy resource, expected amount of energy to be delivered, and contract duration and terms;”

The Company discusses its executed contracts on page 5, and Table 1 on page 8 of the *Plan* includes a list of executed contracts, the type of renewable energy, the expected energy to be delivered and contract duration and terms. The Company provided the following information regarding its executed contracts:

	Type	Expected Energy Delivered	Contract duration and terms ³
Pioneer Prairie	Wind	** — **	09/01/09 – 08/31/24
Customer Generators	Solar	** — **	10 years

**

⁴ ** A full list of customer generators was provided in Exhibit 6 of the 2019 Compliance Report.

C. “The projected total retail electric sales for each year;”

The Company provided values for its projected retail electric sales. The values appear to be reasonable estimates.

³ The Company has previously provided the executed contracts for Pioneer Prairie in response to Staff Data Requests.

⁴ HB 142 passed on July 3, 2013, and required that any customer receiving a solar rebate would transfer to the electric utility all right, title, and interest in and to RECs associated with new or expanded solar systems that qualified the customer for the rebate for a period of 10 years from the date the system is confirmed to be installed and operational by the utility. This change is codified in 4 CSR 240-20.065(3), which set the start of this change for all systems operational after August 28, 2013.

D. “Any differences, as a result of RES compliance, from the utility’s preferred resource plan as described in the most recent electric utility resource plan filed with the commission in accordance with 20 CSR 4240-22, Electric Utility Resource Planning;”

The Company submitted its most recent triennial compliance filing on September 25, 2017 and its most recent annual update on April 12, 2019.⁵ The *Plan* is similar to the September 25, 2017 preferred resource plan in regard to renewable resource additions as a result of RES compliance. However, as explained on pages 9 and 10 of the *Plan*, Ameren Missouri made the following corrections to the model:

- Inclusion of lighting load which was left out of the IRP
- Corrected probability weightings of low base and high loads
- Capacity value rating of wind resources updated to 16.6%
- Tax rate used to determine revenue requirements adjusted to 23.84%

E. “A detailed analysis providing information necessary to verify that the RES compliance plan is the least cost, prudent methodology to achieve compliance with the RES;”

The Company discussed items of cost related to RES compliance for the planning period on pages 10 and 11 of its *Plan*. The *Plan* includes costs related to new wind resources and also new solar resources required by Senate Bill 564.⁶ Staff wants it to be clear that when it states it has not identified any deficiencies in Ameren’s *Plan*, Staff has not made a ratemaking determination whether the *Plan* is the least cost, prudent method in complying with the RES, and suggests the Commission be clear in any Order it may issue in this case that it is not making any ratemaking determination.

⁵ EO-2019-0314.

⁶ 393.1665 RSMo.

- F. “A calculation of the RES retail rate impact limit calculated in accordance with section (5) of this rule. The calculation should be accompanied by workpapers including all the relevant inputs used to calculate the retail rate impact limits for the planning interval which is included in the RES compliance plan. The electric utility may designate all or part of those calculations as highly confidential, proprietary, or public as appropriate under the commission’s rules;”**

The Company provided a description of the RRI calculation on pages 11-12 of the *Plan* and provided the associated workpaper. The workpaper models unconstrained renewable additions to meet the requirements and constrained renewable additions to remain under the 1% RRI limitation. ** _____ **

- G. “Verification that the utility has met the requirements for not causing undue adverse air, water, or land use impacts pursuant to subsection 393.1030.4. RSMo, and the regulations of the division.”**

The Company states that the generating facilities utilized to meet the RES requirements have been certified by the Missouri Department of Economic Development, now the Missouri Department of Natural Resources, Division of Energy.⁷ Staff confirmed the existing renewable resources Ameren Missouri intends to utilize over the planning period have been certified by the Missouri Department of Natural Resources, Division of Energy.

⁷ Rule 10 CSR 140-8.010(4).

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Union Electric Company)
d/b/a Ameren Missouri's Filing of its)
Renewable Energy Standard Compliance)
Plan and Renewable Energy Compliance)
Report pursuant to 20 CSR 4240-20.100)

Case No. EO-2020-0328

AFFIDAVIT OF CEDRIC E. CUNIGAN

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

COME NOW CEDRIC E. CUNIGAN and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Report - 2020 RES Plan* in memorandum form; and that the same is true and correct according to his best knowledge and belief, under penalty of perjury.

Further the Affiants sayeth not.

/s/ Cedric E. Cunigan
Cedric E. Cunigan