

2021 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-2012-0039.¹ 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 those issues that are determined by the Commission to be special contemporary issues, it is important to define how the Company will address them. Below is a list of the issues suggested by the Staff, the OPC, Renew Missouri (Renew MO), and Sierra Club (SC), as well as the Company's recommendation for the Commission's determination as to whether each

¹ Issued October 19, 2011.

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: 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 recently-adopted 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: Discuss how the Company plans to handle future emergency events such as COVID pandemic and Winter Storm Uri. 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: Ameren Missouri does not believe this is a special contemporary issue for long-term resource planning given its short-term operational focus.

OPC Issue 1: Explore additive manufacturing (“AM” or “3D Printing”)

Ameren Missouri's Assessment and Recommendation: Just as was the case when the Commission rejected this issue in File No. EO-2020-0047 and File No. E0-2021-0069, 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.

OPC Issue 2: Explore impacts and potential mitigation of urban heat island over the greater St. Louis urban area.

Ameren Missouri's Assessment and Recommendation: Ameren Missouri has already done and continues to do some work on urban heat island issue in its MEEIA process, which is the appropriate venue for addressing the issue rather than as part of long-term

resource planning. Therefore, we do not believe this should be included as a special contemporary issue.

Renew MO Issue 1: Analyze and document the current Effective Load Carrying Capacity ratings when evaluating forecasts for utility-scale solar facilities.

Ameren Missouri’s Assessment and Recommendation: This should not be considered as a special contemporary issue. Ameren Missouri is part of Midcontinent Independent System Operator (MISO) and uses the reserve requirement and wind capacity credit as well as solar capacity credits MISO estimates and provides. Consequently, further analysis would not be useful in its resource planning.

Renew MO Issue 2: Analyze and document planning scenarios that include robust storage uptake consistent with FERC Order 841.

Ameren Missouri’s Assessment and Recommendation: This should not be considered as a special contemporary issue. Ameren Missouri included an alternative resource plan that included significant amount of battery storage in its 2020 IRP filing, and included a discussion of cost assumptions in its 2021 IRP Annual Update filing, which are higher than the costs assumed in the 2020 IRP. Annual updates are not intended to be as comprehensive as triennial IRP filings as the Commission stated in File No. EO-2012-0039:

Ameren Missouri does not need to file its next full IRP study until April 1, 2014.⁴ That means Ameren Missouri will need to address the special contemporary issues identified in this order in its 2012 annual update report, not in a full IRP study.

That distinction is important because in its annual update report, the electric utility is only expected to address “changing conditions since the last filed triennial compliance filing or annual update filing.”⁵ For that reason, the requirement to examine special contemporary issues should not be allowed to expand the limited annual update report into something more closely resembling a triennial compliance report.

(File No. EO-2012-0039, Order Establishing Special Contemporary Resource Planning Issues, p. 2)

Renew MO Issue 3: Analyze and document the reliability benefits associated with additional transmission investments identified.

Ameren Missouri’s Assessment and Recommendation: Ameren Missouri believes this issue is covered as part of the resource planning rule 20 CSR 4240-22.045 and should therefore not be considered a special contemporary issue but instead, should only be addressed in triennial filings, as the rule contemplates.

Renew MO Issue 4: Analyze and document the projected interconnection costs when evaluating additional supply side options.

Ameren Missouri’s Assessment and Recommendation: This should not be considered as a special contemporary issue because Ameren Missouri already includes interconnection costs for supply side options in its triennial IRP analyses.

Renew MO Issue 5: Analyze and document the impact on Ameren Missouri's resource planning if MISO moves towards implementing a seasonal capacity auction.

Ameren Missouri’s Assessment and Recommendation: Ameren Missouri believes that such considerations are already generally provided for in the IRP rules, but since this is an emerging issue that relates to long-term planning, Ameren Missouri does not oppose having this issue considered as a special contemporary issue.

SC Issue 1: Analyze and document options to comply with the court order regarding Rush Island including a) retiring vs retrofitting, b) issuing an all-source request for proposals to replace Rush Island capacity and energy, c) cost of any transmission grid upgrades needed that could result from the retirement of Rush Island.

Ameren Missouri’s Assessment and Recommendation: It is not appropriate to commit to specific options or actions at this time, pending further proceedings in the ongoing litigation involving Rush Island, but Ameren Missouri does not oppose providing a general update regarding this issue.

SC Issue 2: Analyze the comparative public health impacts of each of the alternative resource plans considered by the Company.

Ameren Missouri’s Assessment and Recommendation: This should not be considered as a special contemporary issue. Such matters are matters of policy for federal and state legislatures and the environmental agencies enabled 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. Moreover, while utilities have expertise in regulatory compliance, they are not equipped – nor should they be – to assess “public health” issues. If SC wants to conduct such an assessment, or engage others to do so, it would be free to do so, but such an assessment is not a part of utility resource planning.

SC Issue 3: Analyze and document whether inclusion of all-source procurement into Ameren's IRP process could benefit customers by allowing the Company to efficiently contract with advantageous offers received.

Ameren Missouri’s Assessment and Recommendation: Just as was the case when the Commission rejected this issue in File No. EO-2020-0047, this should not be considered as a special contemporary issue as this is an implementation/procurement issue.

SC Issue 4: Analyze and document how securitization could be used for the planned and potential retirements of Sioux, Rush Island, and Labadie.

Ameren Missouri's Assessment and Recommendation: Ameren Missouri is providing a discussion and analysis of securitization in its 2021 IRP Annual Update and does not think it is appropriate at this time to do the analysis for all energy centers. As an alternative, Ameren Missouri could share updates regarding its plans as appropriate.

SC Issue 5: In order to address the cost of environmental compliance at Labadie and the ongoing value of these units to customers, analyze and document a) the net present value of operating each unit compared to replacement of such unit, b) costs of installing flue gas desulfurization or dry sorbent injection technology to comply with Regional Haze Rule, and c) costs of installing cooling towers to control thermal pollution

Ameren Missouri's Assessment and Recommendation: This should not be considered as a special contemporary issue because Ameren Missouri evaluates all units in an integrated analysis, which includes compliance with environmental regulations. In its 2020 IRP and the 2021 IRP Annual Update, Ameren Missouri has already provided an assessment of environmental controls that may be needed at its Labadie Energy Center, and has provided extensive analysis including early retirement of its units in the 2020 IRP filing. There have been no significant changes in regulation affecting the long-term cost of continued operation of Labadie since the Company filed its IRP, and Sierra Club has not provided any reason or explanation why further analysis is needed for inclusion of these mitigation technologies.

SC Issue 6: Analyze and document criteria by which units are assigned "must run" status in the MISO energy market.

Ameren Missouri's Assessment and Recommendation: This should not be considered as a special contemporary issue as Ameren Missouri included this analysis in great detail in its recently filed 2020 triennial IRP.

SC Issue 7: Analyze and develop as candidate resource options the satisfaction of municipal and corporate renewable energy goals, including through Ameren's green tariff programs. Ameren should develop some candidate ARPs that would achieve 100% clean energy by 2030 and 2035.

Ameren Missouri's Assessment and Recommendation: This should not be considered as a special contemporary issue. "Satisfaction of municipal and corporate renewable energy goals" is not a resource option, but rather a driver of customer interest in more renewable energy services. Further, the Company continues to look for ways to better meet the desire of its customers for cleaner and more fuel diverse sources of energy and has already addressed this in its 2020 triennial IRP and 2021 IRP Annual Update as well as filing a notice with the Commission for a new subscriber renewables program. As mentioned above in the response to Renew Missouri Issue 2, annual updates are not intended to analyze many different alternative resource plans like in a triennial filing. Ameren Missouri is

following developments and has discussed federal energy policy in its 2021 IRP Annual Update.

SC Issue 8: Analyze and evaluate plans using a capacity expansion model.

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 our process as it cannot optimize for all our planning objectives. Therefore, it is not compatible with the process the Company's management team uses to identify and analyze options to meet its planning objectives.