

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

In the Matter of the Union Electric Company)	
d/b/a Ameren Missouri's Voluntary Green)	Case No. EO-2013-0307a
Program/Pure Power Program Tariff Filing)	Tariff No. JE-2013-0197

**Amicus Curiae Brief of Renew Missouri in Opposition to Ameren Missouri's Voluntary
Green Program/Pure Power Program Tariff Filing**

COMES NOW Renew Missouri, through its attorney, and pursuant to Rule 4 CSR 240-2.075(11) and the Commission's Order on March 6, 2013, files this brief, *amicus curiae*, in opposition to the tariff sheets filed by Ameren Missouri in the captioned proceeding.

INTRODUCTION

Renew Missouri is a nonprofit statewide clean energy policy group based in Columbia, Missouri whose mission is to transform Missouri into a leading state in renewable energy and energy efficiency by 2016.¹ Renew Missouri has been involved with the drafting and passage of nearly every policy affecting renewable energy in the State of Missouri since 2006, including the "Net-Metering and Easy Connection Act" (2007), the "Property Assessment Clean Energy Act" (2010), and the Missouri's Renewable Energy Standard (RES) which was approved by ballot initiative in 2008. In 2007, Renew Missouri's Director PJ Wilson was involved in negotiations with Ameren Missouri and 3Degrees when Ameren Missouri made its original application for the PSC's approval of its Voluntary Green Pricing program ("Pure Power" program).

Renew Missouri files this brief to recommend rejection of the filed tariff sheets in the above-styled case, or if the tariff sheets are accepted, to offer an alternative green pricing program model. In this case, Ameren Missouri has proposed tariff sheets that would reauthorize its Pure Power program. William Barbieri offered direct testimony on behalf of Ameren

¹ Renew Missouri is a project of Earth Island Institute, a 501(c)(3) nonprofit.

recommending approval of the tariffs. Michael Ensrud offered rebuttal testimony on behalf of Staff recommending rejection of the tariffs, or in the alternative recommending that the tariffs be altered to require that a minimum amount of tariff revenues be spent on actual REC procurement. On March 19, the PSC held an Evidentiary Hearing in which both Staff and Ameren Missouri presented witnesses and attempted to support their respective positions concerning Pure Power's reauthorization. Renew Missouri agrees with the majority of Staff's arguments put forth by Michael Ensrud in Direct Testimony and by Sarah Kliethermes during the Evidentiary Hearing. However, the purpose of Renew Missouri's brief is to offer the unique perspective of renewable energy advocates and to question the merits of the Pure Power program as a mechanism for supporting the development of renewable energy.

ARGUMENT

A. The Pure Power program has not led to more renewable energy in Missouri, and it is unknown how much of program revenues go toward the purchase of RECs.

The principal flaw with Ameren Missouri's Pure Power program is that it has nothing to do with changing the type of power delivered to program participants or generated by Ameren Missouri. Rather than focusing on how much Pure Power program revenue is spent on RECs, this case should concern itself with where the power associated with such RECs comes from and whether the program is actually resulting in the creation of *new* renewable energy.

The true measurable value of a functioning green pricing program comes from the actual addition of new renewable energy which would not have existed but for the existence of the program (i.e. new wind turbines and solar panels installed which would have not otherwise existed). As a result of the Pure Power program, several things have happened: A) program

participants have less money, B) 3Degrees has become more wealthy, C) Ameren Missouri has increased revenues and improved its public image, and D) a tiny fraction of Renewable Energy Credits (RECs) have been purchased on the “voluntary compliance market” from already-existing renewable energy projects. However, no one can demonstrate that any new renewable energy generation has been installed in Missouri – or anywhere, for that matter – as a result of Ameren Missouri’s Pure Power program.

The nature of purchasing RECs from a voluntary compliance market is that little to no new generation is actually constructed. Rather, RECs are simply purchased as cheaply as possible from already-existing sources. In the case of Ameren Missouri’s Pure Power program, 50% of the purchased RECs must come from Missouri or Illinois. However, regardless of where the energy associated with the RECs is produced, the purchasing of these RECs does not cause new renewable generation to come online anywhere, much less in Missouri. As Ameren’s witness agreed in Case No. ER-2007-0002, the Pure Power voluntary green pricing program model is based on the purchase and retirement of RECs and not on the actual delivery of a renewable energy commodity to the customer or to Ameren Missouri’s generation portfolio. Ameren Missouri’s witness in this case, William Barbieri, has previously admitted in Case No. ER-2008-0318 that not a single program participant receives renewable energy as a consequence of their participation in the Pure Power program. Evidentiary Hearing Transcript 3/19/2013, lines 11-14.

It is difficult to see the wisdom in allowing Ameren Missouri to use what is essentially free money to subsidize owners of already-existing renewable sources rather than simply investing that money in new generation. Under the current tariff, Ameren Missouri takes money from program participants – money given with certain expectations (see section B below) – and

transfers it to owners of pre-existing renewable sources without providing anything in return to participants. Participants do not see a change in where their energy comes from, no less coal is burned in Missouri, Missourians experience the same negative health effects of traditional fossil fuel generation, and Missouri experiences no new jobs or economic benefits as a result of the Pure Power program.

Notwithstanding the above observations and recommendations, Renew Missouri recognizes the fact that the Commission has indicated in previous rate cases that it considers the retirement of RECs as furthering the development of renewable technologies. However, the tariff is still absent of language clarifying what percentage of the revenue generated through the Pure Power program is to be directed towards the purchase of RECs. Michael Ensrud's Direct Testimony in this case recommends requiring a minimum of 60% of program revenues to be spent on the actual purchase of RECs. While this brief does not offer comment on what would be the ideal percentage of program revenues required to be spent on REC-purchasing, Renew Missouri does consider the lack of such a minimum requirement to be a major concern that reveals the triviality of the program.

From 2005-2007, Renew Missouri's Director, PJ Wilson, served as Vice President for the nonprofit Heartland Renewable Energy Association (HRES), which is the Missouri and Kansas chapter of the American Solar Energy Society (ASES). In his capacity as Vice President of HRES, Mr. Wilson represented the Association in 2006 and 2007 in negotiations with 3Degrees. 3Degrees sought the endorsement of HRES and other environmental groups in support of its original application for PSC approval of the Pure Power program. In consideration for HRES' support for the five year pilot project of the Pure Power program, 3Degrees committed to spend at least two-thirds (66%) of the revenue generated by the Pure Power program on REC

purchases. However, language to this effect was not included in Ameren Missouri's final tariff. 3Degrees later retracted its pledge, stating it would be "impossible" for it to make such a commitment. Mr. Wilson shared his concern that, if the Pure Power program resulted only in REC purchases for pennies on the dollar, and if the vast majority of funds simply went to marketing the program itself and to 3Degrees' profits, then the program would be viewed as a sham and wouldn't continue past its initial five year term. This in fact has proven to be the case. Although the current program model prevents parties from knowing what percentage of program revenues are spent on the purchase of RECs, it is almost certain that Ameren Missouri and 3Degrees have failed to spend at least two-thirds or a similar significant amount of program revenue on REC purchases.

To restate, the Pure Power program has nothing whatsoever to do with creating new renewable energy in Missouri or anywhere else. There seems to be little rationale behind allowing Ameren Missouri to spend participants' money to benefit itself and few others while not providing any meaningful benefit to the program participants. Additionally, Ameren Missouri's Pure Power program has failed to dedicate a meaningful percentage of program revenue to the purchase of RECs. For these reasons, Renew Missouri respectfully urges the Commission to reject the filed tariff sheets in this case.

B. Ameren Missouri's marketing and educational efforts in relation to the Pure Power program result in misinformed and mislead participants.

Ameren Missouri's attorney Wendy Tatro stated in the March 19 hearing: "there are thousands of Ameren Missouri customers that... participate in the [Pure Power] program. Those customers want to support renewable energy in Missouri, and this simply provides them with an option to do so." Evidentiary Hearing Transcript 03/19/2013, lines 21-24. While it is very likely

true that Ameren Missouri customers participate in the Pure Power program out of a desire to support renewable energy in Missouri, it is certainly false to claim that the program does anything to cause more renewable energy to be generated in Missouri. However, Ameren Missouri's messaging and marketing materials for its Pure Power program make just such a claim. This disparity between what participants are led to believe and what Pure Power actually accomplishes is a major program flaw that the Commission should carefully consider in its decision whether to reauthorize the program.

The concern over the tendency of Pure Power program materials to mislead customers has been brought up repeatedly over the last five years. Instances of disingenuous marketing and less-than complete disclosure have been well documented, and this brief will not attempt to retread over those areas. Both Michael Ensrud's Direct Testimony and Sarah Kliethermes' arguments at the Evidentiary Hearing outlined the ways in which program participants were misled regarding the Pure Power program. In addition, nearly every Pure Power program participant that Renew Missouri's staff has encountered has demonstrated an incorrect understanding about the way in which the program actually functions. Using carefully crafted messaging, the Pure Power marketing materials give potential and actual program participants the clear impression that their power will somehow be "greener" if they elect to pay more on their power bill each month. Many participants actually believe that 100% of the power they consume comes from renewable sources because of their participation in the Pure Power program.

Renew Missouri believes it is safe to assume that program participation would be drastically lower if the majority of participants were aware that their money is not used to invest in new generation and that only a fraction of their money goes to buying renewable credits from

owners of already-existing sources. The Commission should not allow a program with such misleading tendencies to continue, especially when the program benefits a utility and offers participants nothing of substance in return. For this reason, Renew Missouri recommends that the Commission reject the filed tariff sheets in this case.

In the event that the Commission decides not to detariff the Pure Power program, Renew Missouri offers a specific recommendation that may alleviate some of the issues concerning participant misunderstanding. Before any approval of program continuance, the Commission should require the administration of a third-party poll of Pure Power program participants to verify the percentage of participants that have an accurate understanding of what it is they're money is actually going towards. Questions for such survey should be approved by the Commission, and the administering third-party should be a professional polling company. Such a poll would have a very minimal cost and could be administered very quickly, with Ameren Missouri's cooperation. If it is determined that a significant amount of program participants have a false idea of what it is they're paying for, and some a version of Pure Power is allowed to continue, the Commission should require ongoing polling at regular intervals to ensure a critical mass of program participants have an accurate understanding of what happens with the money they're voluntarily committing to pay on their electric bill each month.

C. The Pure Power program should be replaced with an alternative green pricing program model similar to Columbia's Solar One program.

Although Renew Missouri recommends that Ameren Missouri's Pure Power program be detariffed in this case, Renew Missouri does support the notion of a voluntary green pricing program. In order for a voluntary green pricing program to have any meaningful beneficial effect for participants, 100% of program revenues should be dedicated to the marketing,

financing, and construction of *new* renewable energy projects. Such projects should be required to be located in or near Missouri, and ideally within the Ameren Missouri footprint. There are plenty of models out there to choose from nationally, but one such model already exists in here Missouri.

The City of Columbia has had a functioning and successful green pricing program since 2008. Columbia Water & Light's "Solar One" voluntary green pricing program dedicates virtually all program revenues to construction of new solar installations in the municipal utility's footprint.² Customers can elect to contribute various set amounts on their monthly bill, the revenue of which goes directly to covering the cost of solar installations located on city-owned property or commercial businesses in Columbia. Currently, customers may choose to purchase up to nine "blocks" of solar energy, at \$3.35 per block for the month. Each block represents 100 kilowatt hours (kWh) of solar energy actually produced within the participants' own local area.

The advantages of a program such as Columbia Water & Light's "Solar One" program are many. First, program participants have assurance that their power is actually coming from more renewable sources because of their contributions. But in addition, participants have the knowledge of exactly how much power their contribution is responsible for producing. Such a program helps to cause the construction and installation of renewable generation that otherwise would not have been built. With such a program, there are far less concerns (if any) with transparency or the ratio of administrative expenses to REC purchases. In addition, the utility is able to invest in new generation that it owns and operates as a part of its portfolio, experiencing all of the ancillary benefits of bringing renewable energy onto the grid. The result is a program that uses the well-intentioned contributions of its customers in a much more efficient,

² Detailed information on the "Solar One" program can be found at:
<http://www.gocolumbiamo.com/WaterandLight/Electric/SolarOne.php>

transparent, and honest manner while actually causing new renewable energy to be built. This is in contrast to Ameren Missouri's Pure Power program, which requires nothing of the utility except to sit back and collect administrative expenses while contracting with a third party to acquire RECs that have nothing to do with the actual generating sources of the participants' power.

CONCLUSION

In summary, Renew Missouri recommends that the Commission reject the filed tariff sheets in this case and refrain from reauthorizing Ameren Missouri's Voluntary Green Pricing/Pure Power program. In the alternative, Renew Missouri urges the Commission to strongly consider the merits of a voluntary green pricing program that results in the creation of new local renewable generation and that more closely adheres to the expectations of program participants.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been submitted via the Public Service Commission's Electronic Filing and Information System (EFIS) and transmitted by electronic mail to all counsel of record this 8th day of April, 2013.

/s/ Andrew J. Linhares

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