

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

In the Matter of the Consideration of)	
Proposed Amendments to the)	
Missouri Public Service Commission's)	File No. EW-2019-0002
Rules Regarding Solar Rebates)	
(4 CSR 240-20 100(4)))	

**AMEREN MISSOURI'S COMMENTS TO STAFF'S
DRAFT CONCEPT RULE**

In response to the Commission's July 5, 2018, *Order Establishing A Working Case to Consider Rulemaking Concepts Regarding Solar Rebates*, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "the Company") files the following comments to the draft concept rule submitted by the Commission Staff ("Concept Rule").

GENERAL COMMENTS

When the General Assembly enacted Senate Bill 564 during the last legislative session, it included a new statute – Section 393.1670, RSMo – pertaining to solar rebates paid to customers of Missouri's investor-owned electric utilities. The statute requires electric utilities to offer customers rebates for solar systems that become operational through December 31, 2023, allows recovery of rebate costs through customer rates or surcharges, and authorizes the Commission to adopt rules implementing the statute. But the statute requires those objectives be accomplished within prescribed parameters. For example, the statute strictly limits the time period during which utilities are authorized to pay solar rebates. The statute also limits amounts utilities can be compelled to pay for rebates, both annually and in the aggregate, based on a utility's size. And although Section 393.1670(5) also vests the Commission with authority to promulgate rules necessary to implement the statute, that authority is expressly limited provided those rules "are consistent with and do not delay the implementation of" the statute's substantive provisions.

Ameren Missouri supports Staff's effort to begin the process required to adopt rules necessary to implement Section 393.1670 and believes the Concept Rule represents a good starting point for that process. However, the Company believes some aspects of the Concept Rule could benefit from revisions to bring it more in-line with other Commission rules and other applicable laws, and to ensure the final proposed rules provide maximum flexibility to electric utilities that will be required to craft tariffs that comply with the obligations and limitations imposed by the new statute. Each of Ameren Missouri's proposed changes, which are described below, is designed to accomplish one or more of those objectives, and the Company looks forward to discussing those proposed changes with Staff and other interested parties at the workshop scheduled for July 20, 2018.

CONCEPT RULE – SPECIFIC COMMENTS

Attachment A to these comments, which is incorporated by reference, is a redline mark-up of the Concept Rule showing changes Ameren Missouri believes are helpful. The narrative comments that follow explain the Company's rationale for each of those proposed changes.

4 CSR 240-20.100(4)(D)2

- Proposed additions of the phrase “for systems that become operational” reflect language used in Section 393.1670 and clarify that in order to be eligible for rebates under that statute, a solar system must be operational during the period commencing January 1, 2019.
- The word “extended” was changed to “expanded” to correct what the Company assumes was a typographical error in Staff's Concept Rule. If that assumption is incorrect, under the Section 393.1670 rebates are available for “new or expanded [solar] systems,” so the change proposed by Ameren Missouri conforms the rule to the statute.

- The phrase “the initial sentence” was added to clarify which kilowatt limits are being referred to – i.e. 25 kW for residential installations and 150 kW for non-residential installations.
- The concluding sentence was added to reflect the solar rebate caps prescribed in Section 393.1670(1) and to clarify rebate payments authorized by the rule are subject to those caps.

4 CSR 240-20.100(4)(D)2.(E) – The word “Residential” was added to reflect the fact 4 CSR 240-20.065 applies to electrical generating systems of not more than 100 kW. Under Section 393.1670, rebates are available for non-residential solar installations of up to 150 kW, and systems that large are not subject to the Net Metering rule referenced in Staff’s Concept Rule.

4 CSR 240-20.100(4)(I) – The provisions of subsection (I) that obligated customers who received a solar rebate to transfer their right, title, and interest to associated S-RECs were adopted to provide a means for electric utilities to comply with the renewable energy portfolio standards prescribed in Section 393.1030. But for utilities that already have fully complied with the solar energy requirements of those standards, such mandated transfers are neither necessary nor desirable. Consequently, Ameren Missouri proposes to add language to this subsection that limits the mandate to customers whose rebates are related to the Renewable Energy Standard. Section 393.1670 does not require customers to transfer their right, title, and interest in S-RECs in order to receive rebates payable under the statute. Therefore, the limitation proposed by the Company is consistent with the new solar rebate statute.

4 CSR 240-20.100(4)(L) – The references to 4 CSR 240-20-065(9) and to “Interconnection Application/agreement for Net Metering Systems with Capacity of One Hundred Kilowatts (100 kW) or less” were deleted because, as noted in previous comments, the Net Metering rule does not apply to solar systems of more than 100 kW. Because non-residential systems in excess of that limitation are eligible for rebates under Section 393.1670, the limitations implicit in the deleted language are inconsistent with the statute. As revised, the Concept Draft reflects the statute’s requirement that in order to be eligible for a rebate an electric utility must confirm a customer-generator’s installation is operational within 12 months of the date the utility approves the customer-generator’s solar rebate application.

4 CSR 240-20.100(4)(L)(1) – The added language reflects the fact payments authorized by the Commission’s rule are subject to aggregate rebate caps prescribed in Section 393.1670(1).

4 CSR 240-20.100(4)(L)(1)G – Under Section 393.1670(1), an electric utility’s obligation to offer solar rebates ends December 31, 2023. Ameren Missouri proposes to add the phrase “At its option” to clarify that an electric utility has the discretion to seek to offer rebates beyond that date through an approved tariff but is not obligated to do.

4 CSR 240-20.100(4)(M) – The language Ameren Missouri proposes to add to this section is intended to clarify that future payments of solar rebates related to applications approved prior to August 28, 2018, do not count against the aggregate caps prescribed in Section 393.1670(1).

4 CSR 240-20.100(4)(Q) and (R) – The Company acknowledges that the Commission can encourage electric utilities to file tariffs that promote solar rebates or make it easier for groups that haven’t used rebate programs in the past to take advantage of rebates available under Section 393.1670.¹ Ameren Missouri has taken on this task already in preparing its soon-to-be filed solar rebate tariff, which will include one or more programs focused on increasing participation by low-income customers. However, complying with a mandated “targeting,” as proposed in the Concept Draft, is more problematic. Unfortunately, there are several logistical problems associated with the Concept Draft's level of customer group targeting.

For example, phrases such as “low-income communities” and “high poverty-level areas” are subjective and their meanings are not very clear. The information the Company has on hand is more customer-specific; for example, the Company knows if a customer has sought financial assistance from a community action agency. However, this information is based on an individual customer's needs, and not a geographic location. So it is unclear what criteria an electric utility would apply to determine if an individual customer seeking a solar rebate belonged in one of those categories. Determining an appropriate mechanism to accomplish these goals would take time that would likely delay the implementation of the solar rebates.²

Additionally, the proposed categories related to congested circuits and distributed generation are problematic because data necessary to identify those facilities may not be readily available. While some level of data exists, the amount of data necessary to implement a reasoned and sound program³ will require far more resources and examination than what the Company

¹ Additionally, it is uncertain whether the rebate-related cost recovery provisions of the statute would allow electric utilities to recover the expense necessary to develop the poverty-targeted and system-targeted data.

² Section 393.1670 does not, however, appear to state or suggest that the General Assembly intended to require electric utilities to structure solar rebate programs so rebates would be “targeted” toward certain customer groups.

³ For example, the Company would need to more intensely scrutinize the best circuits, the level of benefit provided by targeted solar, the aggregate capacity that each circuit could benefit from, etc.

currently performs. Gathering those data would take additional time – and again would likely delay implementation of the rebate programs required under Section 393.1670. Moreover, the location of areas subject to circuit congestion or that would benefit from distributed generation change from time to time; this would not be a one-time process, but would require ongoing and/or periodic reassessment of system requirements to keep pace with authorized rebates.

For both the poverty-targeted and system-targeted criteria, administering rebate programs that target such areas would be difficult for the utilities and confusing for customers trying to qualify for rebates.

4 CSR 240-20.100(4)(S) – The changes the Company proposes are intended to clarify that the additional information proposed by the Concept Draft is to be filed by an electric utility along with its proposed tariff or any proposed changes to that tariff.

4 CSR 240-20.100(4)(U) – Under law, the Commission can allow a tariff to take effect on operation of law and without issuing a formal order. The changes proposed by Ameren Missouri are designed to reflect that fact. Therefore, permissible exceptions to the governing the order in which solar rebates are paid when an electric utility meets or exceeds its aggregate rebate cap can be stated in either an order or in a tariff that is allowed to go into effect without a formal order.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify a copy of the foregoing was served via electronic mail on all counsel of record this
16th day of July 2018.

/s/ L. Russell Mitten