BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Union Electric Company d/b/a	)	
Ameren Missouri's 2020 Utility Resource Filing	)	File No. EO-2021-0021
Pursuant to 20 CSR 4240 – Chapter 22	)	

COMMENTS
PUBLIC VERSION

COME NOW the Missouri State Conference of the National Association for the Advancement of Colored People ("Missouri NAACP"), Dutchtown South Community Corporation ("DSCC"), and New Northside Missionary Baptist Church, pursuant to 20 CSR 4240-22.080(8), and submit the following comments concerning Ameren Missouri's 2020 Integrated Resource Plan (the "IRP" or the "Plan").

Deficiency 1: The IRP does not adequately model "substantively different mixes of supply-side resources and demand-side resources" under 20 CSR 4240-22.060(3) because it lacks a "RAP+" portfolio.

Besides the DOPE portfolios imposed by stipulation rather than by Chapter 22, Ameren models only RAP, MAP and no DSM after Cycle 3 as demand-side options. Rule 22.020(40) defines MAP as a "maximum target" and "hypothetical upper boundary" of potential to be achieved by paying "incentives that represent a very high portion of total program costs and very short customer payback periods." Ameren goes beyond the rule by defining its MAP as paying 100% of incremental measure costs.[1] This makes it even more hypothetical than the rule defines it. The implementation budget for MAP is well over twice that for RAP.[2]

As a more realistic alternative to RAP Ameren should model at least one intermediate, RAP+ portfolio. Ameren could model the supply curve of energy efficiency, as even with 100% incentives they could likely cut out the most expensive measures and still capture the large majority of MAP at lower cost. Intermediate incentive levels could produce lower PVRRs, both compared to RAP and MAP or with non-DSM scenarios such as coal plant retirements in other alternative plans.

Deficiency 2: Ameren has not treated demand-side rates as required by 22.050(4) and (6) but only as sensitivities to the base case.

Chapter 22.050(4) instructs utilities how to develop and document potential demand-side rates. Those that pass the TRC must be included in alternative resource plans, 22.050(6). Ameren has not done this because it modeled demand-side rates only as sensitivities in its market

[1] IRP Chapter 9, p. 20.
[2] Chapter 9, p.22.

potential study (MPS).[3] The IRP acknowledges that Ameren is committed to offering time-varying rates by the Stipulation and Agreement in Case ER-2019-0335[4]; granted these offerings are to some extent dependent on AMI rollout, we see no reason why Ameren could not meet the requirements of the rule as a planning exercise that could inform future rates.

This is particularly true of electric vehicle TOU rates. It is vital to accommodate EV charging at off-peak times. One need only look at the growing number of auto makers who are committing to EVs as a major or sole product line in the future to see the need for Ameren to be prepared for this well within the planning horizon.

Deficiency 3: Ameren did not screen electric vehicle charging infrastructure as a candidate resource option as required by special contemporary issue J in EO-2020-0047 and 20 CSR 4240-22.020(55) and 22.080(4)(C).

In the Revised Order Establishing Special Contemporary Resource Planning Issues in Case No. EO-2020-0047, p. 6 ¶ 1.J, the Commission required Ameren to: "Analyze and screen electric vehicle charging infrastructure as a candidate resource option."

The IRP cites the MPS as finding "insufficient information" to evaluate V2G as a form of demand response.[5] Ameren also contends that EV charging infrastructure is not a "resource" or even currently a "load to be managed.[6]" Since Ameren is already implementing a vehicle electrification incentive program approved in Case No. ET-2018-0132, and installing EV charging stations on interstate corridors, Ameren surely has the wherewithal to model the future extent and capabilities of such an important load. The position of batteries as both generation and load should not serve as an excuse not to analyze it as either one.

Deficiency 4: Ameren has discussed a variety of plans and programs without including them as candidate resource options.

Supply-side resource options are not limited to technologies but include such non-technological characteristics as ownership models and PPAs. 20 CSR 4240-22.040(1). The IRP's omission of such considerations from alternative resource plans has effects that need to be addressed. Examples can be found in the "Innovative Renewables Deployment" section of the plan.[7]

Deficiency 4a: The Renewable Choice green tariff program and the community solar pilot program are being offered as subscription services. The costs are being borne by subscribers and not passed through to ratepayers, which has favorable impacts on rates that are not captured in resource plans under 22.060. On the other hand, their higher costs to date could in future adversely affect non-corporate customers such as low-income communities that desire

[3] Chapter 8, p. 42; Appen. B, MPS pp. 91–102.
[4] Chapter 8, p. 43.
[5] Chapter 8, p. 41.
[6] Chapter 7, p. 35.
[7] Chapter 6, pp. 11–13.

access to solar and cash-strapped municipalities such as St. Louis City which has its own greenhouse gas reduction goals.

Deficiency 4b: Responses to NAACP data requests 3–6 **CONFIDENTIAL INFORMATION REMOVED ** Ameren should model community solar as a resource option for low-income communities with workforce development options.

Deficiency 5: Ameren has over-estimated the reasonable life span of its coal-fired power plants, resulting in the company overvaluing non-renewable sources of energy and undervaluing renewable sources.

Ameren has estimated that its coal plants have a useful life of more than 68 years. This is significantly longer than the average age of retirement of coal plants in the US as determined by Ameren's own experts.[8] Use of this excessive useful life estimation has resulted in Ameren overvaluing its coal plants and undervaluing renewable energy sources. More importantly, the practice violates the requirement of 20 CSR 4240-22.040(1) to "fairly analyze and compare each of these potential supply-side resource options," and 20 CSR 4240-22.040(2)(A) that "cost rankings of each potential supply-side resource option shall be based on estimates of the installed capital costs plus fixed and variable operation and maintenance costs levelized over the useful life of the potential supply-side resource option using the utility discount rate."

The practice also violates 20 CSR 4240-22.010(2)(A), which requires that Ameren "consider and analyze demand-side resources, renewable energy, and supply-side resources on an equivalent basis." Instead, the Plan overvalues coal and natural gas power sources. Figure 9.4 demonstrates that solar and wind power are less expensive than other non-renewable forms of power.[9] Further, Ameren's own analysis shows that early retirement of coal plants will result in lower NPVRR, resulting in the lowest long-run utility cost and greater compliance with the policy objective in 22.010(2)(B).[10] Ameren must place equal weight on its renewable energy sources as required by section 22.010(2)(A), which will result in their increased reliance and acceptance in the Plan.

Further, Ameren's continued stubborn reliance on coal and non-renewable sources of power will result in their increasing difficulty accessing funding on capital markets. There is a recognized and increasingly important trend in the professional investing community to rely on ESG non-financial factors in making investing decisions.[11] The end result is that if Ameren

[8] Ameren's response to NAACP DR 01, Att NAACP 01
[9] IRP Chapter 9, p. 8
[10] Chapter 9, p. 29.
[11] Lodh, Ashish, "ESG and the Cost of Capital," *MSCI* (Feb. 25, 2020); Eccles, Robert G. and Svetlana Klimenko, "The Investor Revolution," *Harvard Business Review* (May June 2019); Pellegrini, Carlo Bellavite et al., "The Impact of ESG Scores on Cost of Equity and Firm's Profitability, *New Challenges in Corporate Governance: Theory and Practice* (Oct. 2-4, 2019).

continues the practices set out in the Plan, it will pay more for capital because of its dirty energy practices – costs which will be passed on to the ratepayers.

Deficiency 6: Ameren has failed to quantify the probable environmental costs of its non-renewable power sources, especially its coal-fired power plants, and incorporate those costs into its supply-side ranking and risk analysis.

The Plan fails to properly value the environmental costs of its operations. In particular, the Plan fails to address recent court rulings and impending changes to the nonattainment status of the St. Louis region. This violates the requirements of 22.010(2)(C)2 to consider "risks associated with new or more stringent legal mandates that may be imposed at some point within the planning horizon," as well as the requirements of 22.040(2)(B) that "the probable environmental costs of each potential supply-side resource option shall be quantified by estimating the cost to the utility to comply with additional environmental legal mandates that may be imposed at some point within the planning horizon." The U.S. Supreme Court's decision in *County of Maui v. Hawai'i Wildlife Fund* will likely have regulatory impacts on several of Ameren's coal ash storage ponds. The Plan fails to address these likely increased regulatory requirements.

The U.S. Court of Appeals for the D.C. Circuit recently invalidated the Affordable Clean Energy Rule in the *American Lung Association v. EPA* case. This ruling clears the way for the Biden administration to issue a replacement rule regulating CO_2 emissions from existing power plants, an act the incoming EPA director has indicated is likely. Regulation of CO_2 emissions will have a significant impact on Ameren's nonrenewable sources of energy. The Plan fails to address this likelihood in direct violation of the above-described rules.

Recent Justice Department-driven litigation concerning the Rush Island plant found Ameren to have violated new source review requirements. The case is currently in the remedy phase and will likely result in the imposition of much stricter requirements on the plant. The Plan fails to address this ruling in direct violation of the rules.

The St. Louis region has exceeded ozone levels for the last several monitoring periods.[12] This will result in the area being bumped from marginal to moderate nonattainment for ozone, and imposing additional regulatory requirements on Ameren's power facilities located in the area. The Plan fails to address this likely scenario in direct violation of the rules, instead suggesting that "air quality in the St. Louis area continues to improve."[13]

Deficiency 7: The Plan places too great of reliance on nonrenewable forms of power.

Ameren's IRP fails to comply with the requirement of 20 CSR 4240-22.010(2) that "the fundamental objective of the resource planning process at electric utilities shall be to provide the public with energy services that are safe, reliable, and efficient, at just and reasonable rates, in compliance with all legal mandates, and in a manner that serves the public interest and is

[12] *See* Missouri Department of Natural Resources, Ozone Monitoring Data, located at https://dnr.mo.gov/env/apcp/docs/ozonemonitordata.pdf

[13] Chapter 5, p. 3.

consistent with state energy and environmental policies.” The 2020 Plan continues to rely heavily on fossil fuels for energy generation, and in so doing, does not comply with this requirement. Energy derived from fossil fuels causes climate change, generates air and water pollution, triggers asthma attacks and respiratory disease, worsens air quality, and contributes to more frequent, destructive, costly and deadly extreme weather events. These conditions disproportionately affect minority low-income communities in Missouri and throughout the nation. Black American children are eight times as likely as white American children to die from asthma, and five times more likely to be admitted to the hospital for an asthma attack.[14] Black adults are more likely to die of lung cancer than white adults, even though they are less likely to smoke.[15] Similar trends are found in the City of St. Louis, where black residents have a shorter life-expectancy, suffer a higher incidence of cancer and are four times more likely to visit the emergency room for asthma-related conditions.[16] Ameren should incorporate more clean, renewable energy into the Missouri plan in order to adequately protect these interests.

Concern 1: Ameren should explore and document the use of heat pumps as a replacement for natural gas furnaces.

Ameren’s response to NAACP DR 11 mentions air-source heat pumps as a lower-cost replacement for inefficient electric resistance heating. This raises a much wider concern with methane, a greenhouse gas, as a fuel for heating. Beneficial electrification (the use of renewable electricity as a replacement for fossil fuels generally in transportation, heating and industry) for heating buildings with either air- or ground-source heat pumps, with resistance heating as necessary as a backup for especially cold weather, is a necessary tool for mitigating global heating. In its next market potential study and in future IRP and MEEIA filings, Ameren should explore and document the use of heat pumps as a replacement for natural gas furnaces.

Concern 2: Ameren could better serve the community and environmental justice concerns by being more forthcoming about its renewable energy pilot programs.

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[14] U.S. Department of Health and Human Services Office of Minority Health, “Asthma and African Americans.”
[15] NAACP, *Coal Blooded Action Toolkit.*
[16] Ekenga, et al., “Cancer risk for air toxics in relation to neighborhood isolation and sociodemographic characteristics: A special analysis of the St. Louis metropolitan area, USA”, *Environmental Research* 179 (2019); Cambria et al., *Segregation in St. Louis: Dismantling the Divide*, (2018); Missouri Department of Health and Senior Services, MOHIPMS Environmental Public Health Tracking Program.
[17] Ameren’s response to NAACP’s DRs 3-6.

communities and minority communities to enhance relationships, early disclosure of these pilots would further these objectives as well.

Concern 3: The Plan offers insufficient investment in renewable projects in low-income minority communities in the City of St. Louis.

The IRP also fails to comply with the requirements of 20 CSR 4240-22.010(2) by failing to include in the Plan adequate direct investment in clean, renewable energy in the low-income, minority communities that have been most impacted by Ameren's operations. These investments should take the form of new investments in energy efficiency projects, additional job training programs, and infrastructure upgrades to renewable sources of power in the low-income neighborhoods of the City of St. Louis such as North St. Louis and the Dutchtown neighborhood. **CONFIDENTIAL INFORMATION REMOVED__________________________________

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Examples of additional potential efforts that Ameren could undertake include:

- Ameren should undertake building envelope efficiency measures, making such measures meaningfully available not just to property owners but also to tenants. Property owners and tenants have distinctly different needs and abilities to take advantage of incentives. In undertaking such measures Ameren should rely on the policies and solutions set forth in the Energy Efficiency for All campaign.
- Ameren should set aside funds for people who suffer from pollution-related illnesses such as asthma and cancer as a result of Ameren's operations.
- Ameren should provide funds for tree planting, preferably through a local community forestry organization such as Forest ReLeaf of Missouri. Low-income minority neighborhoods are often 5 degrees warmer in the summer than other areas because of lack of green space and tree cover.[18] This is particularly true for many North St. Louis and Dutchtown neighborhoods.
- Ameren should provide job training services for displaced workers as it shutters Missouri coal plants, while also ensuring that people of color, who traditionally have had minimal access to good paying energy-related jobs, benefit from these job training services as well. These persons are prime candidates for training in renewable energy fields.
- As it undertakes marketing of any additional direct investment projects targeting low-income minority Missourians, Ameren should be sure to be thoughtful about its audience. Many such residents do not have access to a computer, and limited time and resources to search out and implement such projects. Ameren may need to utilize different types of marketing channels to reach the residents of these communities, such as advertisement through churches, neighborhood schools and community groups, as well as social media and printed flyers.

[18] Cusak, Daniel, "Past Racist "Redlining" Practices Increased Climate Burden on Minority Neighborhoods," *Scientific American*, Jan. 21, 2020.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct PDF version of the foregoing was filed on EFIS and sent by email on this 31st day of March, 2021, to all counsel of record.

/s/ Bruce A. Morrison
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