

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of a General Review of
The Commission's Rules

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Case No. AW-2017-0336

COMMENTS OF NATURAL RESOURCES DEFENSE COUNCIL

Ashok Gupta, Senior Energy Economist, for the Natural Resources Defense Council (NRDC) offers the following comments to improve Missouri PSC regulations (with regards to resource planning, energy efficiency, customer access to renewables, distribution planning, and rate cases) for the purpose of lowering consumer bills and rates, promoting greater economic development and job growth, and creating a healthier environment for all.

See Attachment 1: EIA electricity data for Missouri regarding revenues, consumption, rates, and emissions from 2010 to 2015.

See Attachment 2: Recent report ranking Missouri among the bottom nine of all states in regulatory environment -- Regulatory Research Associates (offering of S&P Global Market Intelligence); STATE REGULATORY EVALUATIONS, Regulatory Climate for Energy Utilities; May 11, 2017

1. Chapter 22, Resource Planning and Energy Efficiency – utilize the Integrated Resource Planning process to diversify utility supply portfolios to help reduce overall costs for all customers (via retirement of uneconomic generation assets, refinancing of such assets through securitization, and replacement with less expensive resources) and pursue all cost-effective energy efficiency (including utilization of benchmarking data and financing strategies like Property Assessed Clean Energy to enhance cost-effectiveness and increase participation rates).

See Attachment 3a: A summary description of securitization.

See Attachment 3b: A list of recent securitizations from around the country.

See Attachment 3c: A report on energy savings from benchmarking.

2. Customer access to renewables –encourage utilities through green tariffs or similar mechanisms to allow customers to have access to renewable energy (primarily wind for large customers and community solar for small customers) and achieve the state's economic development and public health goals.

See Attachment 4a: A report on access to renewables around the country.

See Attachment 4b: a list of supporters in Missouri for allowing customers access to renewables.

3. Distribution planning – The Commission and electric utilities need to manage the distribution grid in a way that reduces peaks and fills valleys in load profiles and lowers overall system costs (with a combination of energy efficiency, demand response, electric vehicles, distributed generation, storage, advanced metering, and pricing strategies such as time-of-use rates (TOU) and inclining block rates (IBR)) by requiring integrated distribution planning.

See the following links:

<http://blog.aee.net/distribution-planning-in-a-distributed-energy-future>

More Than Smart: A Framework to Make the Distribution Grid More Open, Efficient and Resilient by the Resnick Institute

Planning the Distributed Energy Future by Black & Veatch and SEPA.

4. Rate cases -- Need to streamline regulation to reduce lengthy and expensive proceedings by moving to multiyear rate plans with use of future test years, performance-based regulation, and revenue decoupling with regular annual rate adjustments to address any variance between actual and projected sales.

See the following link:

https://eta.lbl.gov/sites/default/files/publications/multiyear_rate_plan_gmlc_1.4.29_final_report071217.pdf