

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

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

**AMEREN MISSOURI'S PROPOSED
FINDINGS OF FACT AND CONCLUSIONS OF LAW**

COMES NOW Union Electric Company d/b/a Ameren Missouri (Ameren Missouri) and for its *Proposed Findings of Fact and Conclusions of Law*, states as follows:

FINDINGS OF FACT

1. Ameren Missouri filed its Pure Power program tariff (also called Voluntary Green program) (Pure Power) on October 19, 2012, with an effective date of May 1, 2013.
2. Pure Power is a voluntary program currently available to Ameren Missouri customers. The current Pure Power program ends on April 30, 2013.
3. The Pure Power program has averaged approximately 5,000 participants annually since its inception in 2007.¹
4. Participants may enroll or leave Pure Power at any time without penalty.²
5. Participation in Pure Power means that a Green-e certified Renewable Energy Credit (REC) is retired for each block purchased. Customers may purchase RECs in amounts equal to their electric usage in megawatt-hours (MWhs), or they may purchase a select number of RECs each month.³

¹ Exhibit Ameren Missouri 1 (Barbieri direct), p 6, l. 9-13.

² Exhibit Ameren Missouri 2 (Barbieri surrebuttal), p. 13, l. 3-5.

³ Exhibit Ameren Missouri 1, p. 5, l. 8-16.

6. A REC represents the "property rights to the environmental, social, and other non-power qualities of renewable electricity generation. A REC, and its associated attributes and benefits, can be sold separately from the underlying physical electricity associated with a renewable-based generation source."⁴

7. Green-e certification is the nationally accepted "gold standard" for green programs. Green-e Certification imposes strict policies and guidelines that must be followed.⁵

8. Green-e Energy certification provides consumer protection to utility customers by ensuring the program meets the requirements for a high-quality, voluntary renewable energy product.⁶

9. The new Pure Power tariff will charge customers \$10 per REC purchased,⁷ down from \$15 per REC.

10. 3Degrees Group, Inc. (3Degrees) administers the current Pure Power program on behalf of Ameren Missouri per the terms of the Ameren Missouri-3Degrees contract and will administer the new Pure Power program under the terms of the new Ameren Missouri-3Degrees contract.⁸

11. 3Degrees is a reputable third-party administrator of renewable energy programs.⁹

12. Under the contract at issue in this case, the cost to Ameren Missouri of each REC retired under the proposed Pure Power program is \$10.¹⁰

⁴ Exhibit Ameren Missouri 1, p. 3, citing the Environmental Protection Agency definition of REC.

⁵ Exhibit Ameren Missouri 2, p. 8, l. 11-21.

⁶ Exhibit Ameren Missouri 3 (Martin surrebuttal), p. 3, l. 11 through p. 4, l. 17.

⁷ Exhibit Ameren Missouri 1, p. 7, l. 9-11.

⁸ Exhibit Ameren Missouri 1, p. 5, l. 17 through p. 6, l. 4.

⁹ Exhibit Ameren Missouri 3, p. 9, l. 5-14.

¹⁰ Exhibit Ameren Missouri 1, Schedule WJB-1HC, p. 6 of 18.

13. Ameren Missouri's proposed tariff includes a \$10 rate for each REC retired on behalf of a participating customer.

14. The \$10 tariffed rate is the second lowest cost of voluntary green programs in the state of Missouri.¹¹

15. The \$10 tariffed rate is within the range of costs of other voluntary green programs in the United States.¹²

16. 3Degrees is obligated by the contract to obtain RECs associated with electricity generated in or wheeled into the State of Missouri.¹³

17. Currently, under the existing contract, 3Degrees is fulfilling the contract with 100% Missouri-generated RECs.¹⁴

18. The up-front administrative costs to Ameren Missouri were incurred and paid for during the initial Pure Power program (which included a \$1 charge retained by Ameren Missouri), including the up-front payment to 3Degrees, computer reprogramming to add the charge to customer bills and other non-reoccurring costs.¹⁵

19. Ameren Missouri provides Staff with a copy of all Pure Power marketing materials each year.¹⁶

20. Staff and Ameren Missouri agreed to specific language which is required to appear on all marketing material as well as on the Company's Pure Power website. The required language reads:

Participation in this program does not constitute the purchase of energy. Renewable energy credits which

¹¹ Exhibit Staff 1 (Ensrud rebuttal), p. 5, l. 14.

¹² Exhibit Ameren Missouri 3, p. 8, l. 6-8; Tr. p. 83, l. 12-19.

¹³ Exhibit Ameren Missouri 1, Exhibit A to Schedule WJB-1HC, p. 1 of 13.

¹⁴ Tr. p. 59, l. 17-20.

¹⁵ Tr. p 52, l. 13 through p. 53, l. 5.

¹⁶ Exhibit Ameren Missouri 2, p. 13, l. 10-13.

represent the environmental attributes associated with past renewable energy generation are retired on behalf of program participants. All renewable energy credits purchased under this program are Green-e certified by the independent Center for Resource Solutions.¹⁷

21. Purchases of Green-e Energy certified products, such as those available through Pure Power, can be used to meet the requirements of the U.S. Green Building Council's LEED rating system.¹⁸

CONCLUSIONS OF LAW

22. Ameren Missouri is a public utility and an electrical corporation, as those terms are defined in Sections 386.020 RSMo. As such, Ameren Missouri is subject to the Commission's jurisdiction. The Missouri Public Service Commission (Commission) has jurisdiction over this matter.

23. The Pure Power program is a voluntary program and customers may join or leave the program without penalty. The Pure Power tariff at issue contains a rate for participating customers which is reflective of the actual cost that Ameren Missouri incurs for the program. That cost is \$10 for each REC that is retired as part of the Pure Power program. Ameren Missouri does not make a profit on this program. The contract cost (and thus the tariff rate) is reasonable when compared to other voluntary green programs, both within the state of Missouri and nationally. While the Missouri Public Service Commission Staff (Staff) raised concerns about its inability to see behind the contract into the financial details of 3Degrees' business (wanting to know, for example, the salaries of 3Degrees' personnel, the cost of furniture purchased, as well as how much

¹⁷ ER-2010-0036, March 10, 2010, First Nonunanimous Stipulation and Agreement, p. 5, para 11.

Approved by Commission order dated March 24, 2010.

¹⁸ Exhibit Ameren Missouri 3, p. 4, l. 12-17.

profit 3Degrees makes off of the contract¹⁹), that level of detail is not necessary for the Commission to determine whether the tariff rate is reasonable. The Commission does not need a coal supplier to open its financial books and records in order to determine that Ameren Missouri's coal purchases are prudent. In fact, Staff does not even request this information from the companies who sell utilities coal.²⁰ Staff admits that it can determine the reasonableness of a cost by looking at the rates of comparable entities offering a similar service,²¹ which is exactly what the Commission should do in evaluating Pure Power. In comparing the cost of the Pure Power program to other similar programs, it is apparent that the cost is within the range of programs available nationally and that it is one of the lowest cost programs available in the state of Missouri. There is no need to delve into all of the costs and profits of a non-regulated, third-party entity. The costs of the Pure Power program are reasonable.

24. While Staff raised some concern about customer confusion about the Pure Power program, Ameren Missouri has taken steps to address this concern. As part of that effort, there is language designed to specifically address and avert potential participant confusion. This language was agreed to by Staff in a previous Ameren Missouri rate case and appears on all marketing materials and on Ameren Missouri's Pure Power website.²² There is no evidence that Ameren Missouri is not acting in accordance with that agreement. In addition, if the Commission approved a change, the evidence in this case indicates that Ameren Missouri could be allowed to market this program as one that provides renewable energy to participating customers. This issue has already been

¹⁹ Tr. p. 106, l. 7-18.

²⁰ Tr. p. 111, l. 2-8.

²¹ Tr. p. 110, l. 23 through p. 111, l. 1.

²² See File No. ER-2010-0036, First Nonunanimous Stipulation and Agreement, p. 5, para. 11.

addressed by the United States Department of Energy. The DOE has stated that "RECs combined with plain grid electricity are functionally equivalent to green power purchases from a local utility, no matter where the REC may be sourced."²³ To be clear, Ameren Missouri is not currently marketing Pure Power in that manner, but the fact remains that the federal government has already resolved this dispute with a determination that customers are receiving renewable energy when they participate in a REC program. Accordingly, the concern expressed by Staff is not one which provides a basis for discontinuing the Pure Power program.

25. The Pure Power program provides Ameren Missouri customers with a voluntary option for supporting renewable energy in the region. The public comments filed in this case indicate that customers, both residential and commercial, support the program, understand the program and want to see it continued. Certain Staff members may have concerns or may not personally support the Pure Power program but the record does not show a factual basis for any of those concerns. Approximately 5,000²⁴ of Ameren Missouri's customers participate in Pure Power and desire that this program continue to be offered. That option should not be taken away from those individuals.

WHEREFORE, Ameren Missouri provides its *Proposed Findings of Fact and Conclusions of Law* and asks the Commission to approve the Pure Power tariff and contract.

²³ Exhibit Ameren Missouri 4, p. 10.

²⁴ Exhibit Ameren Missouri 1, p. 6, l. 11-13.

Respectfully submitted,

UNION ELECTRIC COMPANY,
d/b/a Ameren Missouri

/s/ Wendy K. Tatro

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CERTIFICATE OF SERVICE

The undersigned certifies that true and correct copies of the foregoing have been e-mailed to the service list of record this 8th day of April, 2013.

**Missouri Public Service
Commission**

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