

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

In the Matter of Ameren Missouri's)	
Submission of Its 2014 RES)	File No. E0-2015-0267
Compliance Report and 2015-2017)	
RES Compliance Plan)	

COMMENTS OF RENEW MISSOURI

Renew Missouri submits these comments on Union Electric Company d/b/a Ameren Missouri's ("Ameren") RES Compliance Report for 2014 ("Report"), required by 4 CSR 240-20.100(7)(A), and RES Compliance Plan for 2015-2017 ("Plan") required by 4 CSR 240-20.100(7)(B).

Note on the Commission's Power to Enforce the RES

The Missouri Public Service Commission ("Commission") has previously stated that it will not take action on comments and that the proper procedure for addressing deficiencies in an RES Compliance Report and RES Compliance Plan is through the formal complaint process. Notice Regarding Ameren Missouri's 2011 RES Compliance Report and 2012-2014 RES Compliance Plan, File No. EO-2012-0351. While acknowledging the existence of that Order, Renew Missouri brings the below deficiencies to the Commission's attention in order to give the Commission the opportunity to correct these deficiencies through an Order, pursuant to its power under the statute: "The commission, except where the department is specified, shall make whatever rules are necessary to enforce the Renewable Energy Standard..." including rules to enforce the 1% RRI calculation, assess penalties, and require the filing of annual reports. §393.1030.2, RSMo. The responsibility to prescribe rules carries with it a corresponding power to enforce them. Accordingly, Renew Missouri respectfully requests that the Commission use its

power to enforce compliance with the RES statute and rules in this case and other similar compliance cases.

Deficiencies in Ameren’s 2014 RES Compliance Report

A. Use of RECs from Hydroelectric Facility Larger than 10 MW

In the Report, Ameren states that it retired 1,525,621 RECs generated by the Keokuk Hydro-Electric Generation Station for compliance with the RES for calendar year 2014. Ameren Missouri 2014 RES Compliance Report, pg. 7. The Renewable Energy Standard (“RES”) law includes as a renewable energy resource “hydropower . . . that has a nameplate rating of 10 megawatts or less.” RSMo. § 393.1025(5), RSMo. Nameplate rating” is commonly used to refer to a hydro-electric facility’s total or aggregate rating even when neither of those adjectives is used. Ameren itself acknowledges the phrase “nameplate rating” as referring to the total capacity of the Keokuk facility in its submissions to the Federal Energy Regulatory Commission:¹

HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)	
Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings)	
Column C Plant Name:	Keokuk
Total installed cap (Gen name plate Rating in MW)	127.20

The Keokuk Hydro-Electric Generation station, although composed of 15 generators with individual ratings between 7.2 MWs to 8.8 MWs, is far above the RES statute’s 10 MW limitation in the aggregate. Accordingly, retirement of RECs from the Keokuk facility is in direct contravention of the RES statute.

This issue has been explored on several occasions, notably in File No. EC-2013-0377. Renew Missouri believes the allowance of RECs from the Keokuk facility substantially frustrates

¹ FERC Form 1, Electric Utility Annual Report for the year 2012, filed by Union 12 Electric Company.

the intent of the RES statute, and asks that the Commission use its authority under the statute to rectify this deficiency.

B. Use of Unbundled Solar RECs

In its 2014 RES Compliance Report, Ameren states that it retired 14,350 RECs from 3rd party brokers for compliance with the solar requirements of the RES. Report, pg. 10. The RES statute clearly states that the law's portfolio requirements apply to "all power sold to Missouri consumers whether such power is self-generated or purchased from another source in or outside of this state." §393.1030.1, RSMo. Furthermore, the statute clarifies that the electricity retired for compliance must "constitute... [a] portion of each electric utility's sales..." Because Ameren has made no showing that the 14,350 SRECs are associated with power sold to Missouri customers or constitute any portion of the utility's actual sales, retirement of these SRECs is in direct contravention of the RES statute.

Similar to the hydro issue raised above, this issue has been explored in previous cases, including File No. EC-2013-0377. While the original so-called "geographic sourcing" paragraphs of the Commission's rule at 4 CSR 240-20.100 were disallowed by the action of the Joint Committee on Administrative Rules (JCAR), the RES statute is still clear and unambiguous in its letter and intent: RECs retired for compliance must be associated with "power sold to Missouri consumers" and must "constitute... [a] portion of each electric utilities' sales..." Accordingly, Renew Missouri asks that the Commission use its authority to enforce the RES and rectify this deficiency.

Furthermore, Renew Missouri notes that Ameren Missouri has failed honor its commitment agreed to in File No. ET-2014-0085, in which the Company agreed to make a good faith effort to comply with the RES using only RECs associated with power sold to Missouri

customers: “Ameren Missouri agrees, where it is prudent to do so, to make a good-faith effort to utilize only RECs or SRECs associated with electricity delivered to Missouri customers when it retires RECs or SRECs.” Non-Unanimous Stipulation and Agreement in File. No. ET-2014-0085, ¶7.h, pg. 10. That Ameren has made no good faith effort to comply with this agreement is evident from its 2014 RES Compliance Report, where the Company states that it is carrying forward 41,259 SRECs purchased from its Missouri customers. Report, pg. 10. Ameren clearly possessed the ability to comply with the RES without making use of unbundled SRECs, many times over in fact. Yet the Company disregarded its agreement and retired 14,350 SRECs unassociated with electricity delivered to Missouri. This represents bad faith on the part of the Company, in contravention of the Non-Unanimous Stipulation and Agreement in File No. ET-2014-0085.

At a minimum, the Commission should issue an Order instructing the Company to refile its 2014 RES Compliance Report without utilizing unbundled SRECs.

C. Miscellaneous Deficiencies

In addition to the above, Renew Missouri identified the following deficiencies in Ameren Missouri’s 2014 RES Compliance Report:

1. Prairie Wind Farm output is marked as HC; there is no rationale given for why this number should be marked HC;
2. O’Fallon Solar lists no output at all for CY2014, yet states facility became operational Oct 2014;
3. Ameren claims zero value associated with output from solar on their headquarters, when clearly there is actual value associated with that electricity

savings which more than offsets all costs associated with onsite generation over time;

4. Incorrectly states that Ameren had no denials of solar rebates in 2014, when they denied many rebate applications. File No. EC-2014-0342 was brought specifically regarding some of these denials;
5. The Report incorrectly states that Ameren “processed and paid” 1,965 solar rebate applications, when the number of applications processed and paid are two distinctly different numbers;
6. Affidavit in section 7(a)1 M does not include a “description of the amount of over or under-compliance costs that shall be adjusted in the electric utility’s next compliance plan”, as required by rule.

Deficiencies in Ameren’s 2015-2017 RES Compliance Plan

A. Lack of 1% RRI Calculation According to 4 CSR 240-20.100(5)

Ameren’s 2015-2017 RES Compliance Plan (“Plan”) fails to include a calculation of its 1% Retail Rate Impact calculation pursuant to Section (5) of the Commission’s rule. Inclusion of the 1% RRI calculation is required as part of utilities’ annual RES compliance plans by 4 CSR 240-20.100(7)(B)1.F.

Ameren’s Plan addresses the requirements of Section (5) at pg. 16 and in the 2014 IRP RES Compliance Filing Model distributed to parties as a workpaper. However, Ameren fails to include a calculation that bears any resemblance to the language of Section (5)(B) of the Commission’s rule. Ameren does not even attempt to perform a new calculation, but instead includes an HC workpaper from its 2014 IRP that does not comply with the language of Section

(5)(B). Instead, Ameren's workpaper limits its investment in renewables to 1% of the Company's 10-year estimated revenue requirement.

Section (5)(B) requires utilities to perform a cost comparison between an RES-compliant portfolio and a hypothetical portfolio representing what they otherwise would have spent to achieve the same amount generation without investments in renewables:

(B) The RES retail rate impact shall be determined by subtracting the total retail revenue requirement incorporating an incremental non-renewable generation and purchased power portfolio from the total retail revenue requirement including an incremental RES-compliant generation and purchased power portfolio.

Furthermore, the RES statute itself requires that the 1% RRI be: "determined by estimating and comparing the electric utility's cost of compliance with least-cost renewable generation and the cost of continuing to generate or purchase electricity from entirely nonrenewable sources..." §393.1030.2(1), RSMo. Thus the RRI calculation is not a simple 1% of the utility's revenue requirement, but rather an attempt to estimate what the utility would have otherwise spent as compared to what it spent on renewables.

Ameren's failure to properly calculate the 1% RRI will have a drastic effect on the amount of renewable energy that is installed in Missouri. By artificially limiting its investment in renewables over the coming years, Ameren will fall short of reaching the portfolio targets laid out in the RES statute. The Commission should issue an Order requiring Ameren to refile its 1% RRI calculation according to the exact language of Section (5)(B) of the Commission's rule.

Conclusion

The Commission possesses clear authority under the RES statute to enforce utility compliance with the law. To that end, Renew Missouri respectfully requests that the Commission issue an Order finding Ameren Missouri in non-compliance with the RES by virtue of its use of

RECs from a hydroelectric facility larger than 10 MW and RECs unassociated with electricity sold to Missouri. In addition, Renew Missouri respectfully requests that the Commission issue an Order requiring Ameren Missouri to file its 1% RRI calculation in accordance with the requirements of Section (5)(B) of the Commission's rule.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been served electronically on all counsel of record this 29th day of May, 2015.

/s/ Andrew J. Linhares

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