

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

In the Matter of the Proposed Amendments to)
4 CSR 240-20.060, Filing Requirements for) File No. EW-2018-0078
Electric Utility Cogeneration)

RENEW MISSOURI’S COMMENTS

COMES NOW, Renew Missouri Advocates (“Renew Missouri”) and in response to the Commission Staff’s request for information, states:

Introduction

1. In its request, Staff asked for “information from interested stakeholders on the costs, if any, of implementing Staff’s proposed amendments to Commission Rules 4 CSR 240-20.060 and 20.065[.]” Renew Missouri appreciates the opportunity and offers these comments on the cost of complying with the substance of the proposed rule as well as the potential future compliance costs related to determining avoided cost rates. The benefits of a rule that implements and encourages development of Qualifying Facilities (“QFs”) in Missouri far exceed the administrative costs of complying with a new rule.

Administrative Compliance

2. Renew Missouri does not expect many costs to result from the Commission’s resulting rule in this case, short of some administrative costs associated with compliance. With any regulation there will be some level of administrative cost for utilities who are required to comply. Substantively, administrative costs that can be estimated now are limited to the filing requirements in section (11). That section modifies an existing requirement for bi-annual filings and outlines how the utility should address estimating certain avoided cost and capacity scenarios.

Doing this analysis may require utility staff to make adjustments to how they complied in the past but should not materially impact the ability or cost to comply.

3. Several of the Staff’s proposed provisions will require future utility filings and Commission actions. Given that outcome, a utility might have to hire an additional rate analyst to support the future biennial filings and expend additional resources in subsequent Commission proceedings. This cost, if any, is likely have a de minimis impact on ratepayers.

Long-Term Costs of Compliance

4. As mentioned above, in Staff’s draft rule, many of the provisions that may have an impact on utility cost savings, ratepayer impacts, or payments to QF developers will be determined by the Commission in future cases. For example, in section (4)(A) of Staff’s proposed rule requires each electric utility to put into effect Commission-approved standard rates for purchase from qualifying facilities. Since this proposed rule does not set avoided cost rates or require one specific methodology, any cost-based arguments about future potential QF development will be highly speculative.

5. Furthermore, whether the Staff’s proposed rule will successfully result in increasing the number of QFs in Missouri is itself somewhat uncertain. Renew Missouri put forward a proposed rule that would have had a larger standard offer contract size as well as clear requirements regarding contract length and Legally Enforceable Obligations (“LEO”).¹ Staff’s current draft has a smaller standard offer contract requirement and defers decisions on contract length and LEOs to future cases. There is no doubt the Staff’s proposal is an improvement on the current cogeneration regulations, but it is also much more modest than Renew Missouri’s proposal

¹ Case No. EX-2019-0378, Doc. No. 1.

and lacks the scope and certainty that QF developers noted would help encourage investment in Missouri.²

6. Modifying the Commissions cogeneration rule will help support PURPA's policy goal to promote the development of small power production and reduce reliance on traditional fossil fuels. Renew Missouri has pointed out that North Carolina's PURPA regulations encouraged billions of dollars of investment and creating thousands of jobs. A revised rule can facilitate that kind of private economic investment and growth in Missouri while allowing the utilities here to provide their customers with renewable power purchased for the avoided cost rate.

WHEREFORE, Renew Missouri submits these *Comments* and requests that they be made part of the record for the Commission's decision in this case.

Respectfully,

/s/ Tim Opitz

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 8th day of August 2019:

/s/ Tim Opitz

² See Sun20 Partners' Response to Renew Missouri's Rulemaking Petition and Staff Recommendation, Solexus Development's Response to Staff Recommendation, and the Recommendation of Midwest Cogeneration Association in Support of Renew Missouri's Petition in Case No. EX-2019-0378.