



payments once it has paid in the aggregate \$50 million in solar rebates incurred subsequent to August 31, 2012; (2) reject GMO's proposed tariff sheet assigned Tracking No. JE-2014-0403; and (3) order GMO to file a tariff sheet(s) that includes language that it shall cease to pay solar rebates once it has paid solar rebates in the aggregate of \$50 million incurred subsequent to August 31, 2012. Further Staff recommends the Commission also order GMO to file a notice in this case once it has paid the aggregate \$50 million limit, and file an updated tariff sheet requesting expedited treatment to reflect that solar rebates are no longer available pursuant to the *Stipulation*.

3. Of particular interest for this case, the *Stipulation* states that "GMO will not suspend payment of solar rebates in 2013 and beyond unless the solar rebate payments reach an aggregate level of \$50 million incurred subsequent to August 31, 2012." The *Stipulation* also provides "The Signatories reserve the right to raise prudence issues related to the solar rebates and RES compliance costs in future general rate cases, RESRAM cases, or other proceedings in which recovery of these costs are considered by the Commission." Further, the *Stipulation* provides "GMO... and their affiliates agree to retain all documents pertaining to solar rebate payments so the documents will be available for use in future ratemaking proceedings that address possible recovery of expenditures related to compliance with §393.1030 RSMo and 4 CSR 240-20.100."

4. GMO's proposed tariff sheet to effectuate the suspension of solar rebates contains in part "The Company will pay solar rebates for all valid applications received by the Company by November 15, 2013 at 10 AM CST, which are preapproved by the

Company and which result in the installation and operation of a Solar Electric Systems pursuant to the Company's rules and tariffs." As discussed in the attached Staff *Memorandum*, Staff understands that the value of applications GMO received by November 15, 2013 at 10 AM CST values in the aggregate more than the \$50 million stipulated to in the *Stipulation* and approved by the Commission.

5. The Commission's April 10 *Order And Notice* directed Staff to file its recommendation on this matter no later than May 9. This filing complies with the Commission's *Order*.

#### Analysis and Recommendation

6. Staff has reviewed the *Application*, testimony and proposed tariff sheet. Based on the calculations provided by GMO in its testimony, as well as GMO's recent updates to the net metering queue and solar rebate reports sent to the *Stipulation's* signatories, Staff recommends the Commission approve GMO's *Application* to suspend solar rebate payments once it has paid in the aggregate \$50 million in solar rebates incurred subsequent to August 31, 2012.

7. As noted in the *Memorandum*, the amount of solar rebates GMO has paid to any affiliate remains in question, as well as the prudence of certain payments to the installer U.S. Solar. Staff will continue to investigate these issues and, as reserved by the *Stipulation*, will raise prudence issues related to the solar rebates in future general rate cases, RESRAM cases, or other proceedings in which recovery of these costs are considered by the Commission. Should Staff's investigation of these issues find that funds remain available under the aggregate \$50 million cap, Staff will recommend the

Commission order GMO to file a new tariff sheet to offer any available amounts for payment under the terms of the *Stipulation*.

8. However, Staff recommends the Commission reject GMO's proposed tariff sheet due to the questionable language cited above in paragraph four. As discussed in the *Memorandum*, Staff understands that the amount of rebates applied for by November 15, 2013 at 10 AM CST is more than \$50 million in the aggregate. Commission approval of a tariff sheet with this language would authorize GMO to pay these additional amounts and lend support to a potential future argument that GMO prudently paid out excess funds contrary to the *Stipulation*.

9. In regard to the tariff sheet issue, Staff recommends the Commission order GMO to file a tariff sheet(s) that includes language that it shall cease to pay solar rebates once it has paid solar rebates in the aggregate of \$50 million incurred subsequent to August 31, 2012. Further Staff recommends the Commission also order GMO to file a notice in this case once it has paid the aggregate \$50 million limit, and file an updated tariff sheet requesting expedited treatment to reflect that solar rebates are no longer available pursuant to the *Stipulation*.

10. Staff has verified that GMO is current on its filing of annual reports and the remittance of assessments. For the Commission's information, there are currently several GMO cases that are related to the Renewable Energy Standard statute and rules that a Commission decision in this case may affect or be affected by: File Nos. EO-2014-0151, EO-2014-0288 and EO-2014-0290.

**WHEREFORE**, Staff recommends the Commission: (1) approve GMO's *Application* to suspend solar rebate payments once it has paid in the aggregate \$50

million in solar rebates incurred subsequent to August 31, 2012; (2) reject GMO's proposed tariff sheet assigned Tracking No. JE-2014-0403; and (3) order GMO to file a tariff sheet(s) that includes language that it shall cease to pay solar rebates once it has paid solar rebates in the aggregate of \$50 million incurred subsequent to August 31, 2012. Further Staff recommends the Commission also order GMO to file a notice in this case once it has paid the aggregate \$50 million limit, and file an updated tariff sheet requesting expedited treatment to reflect that solar rebates are no longer available pursuant to the *Stipulation*.

Respectfully submitted,

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### **CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing document has been emailed this 9<sup>th</sup> day of May 2014 to all counsel of record in this proceeding.