

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

In the Matter of the Application of Union )  
Electric Company d/b/a Ameren Missouri for )  
Permission and Approval and a Certificate of )  
Public Convenience and Necessity Authorizing )  
it to Offer a Pilot Subscriber Solar Program and )  
File Associated Tariff )

**Case No. EA-2016-0207**  
Tracking No. YE-2018-0110

**STAFF’S RECOMMENDATION TO REJECT TARIFF**

**COMES NOW** the Staff of the Missouri Public Service Commission (“Staff”), by and through the undersigned counsel, and for its recommendation regarding Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri”) Tariffs; that the tariff sheets should be **REJECTED**, because Staff has examined the proposed sheets and determined that they do not comply with the Non-Unanimous Stipulation and Agreement (“Stipulation”), filed September 23, 2016 and approved by the Commission on October 5, 2016. In support of this recommendation, Staff states:

1. On April 27, 2016, Ameren Missouri filed three tariff sheets with a proposed effective date of May 27, 2016. Ameren Missouri voluntarily extended the effective dates of these tariff sheets while settlement negotiations were ongoing.

2. On September 23, 2016, Ameren Missouri, the Missouri Division of Energy, Renew Missouri, Earth Island Institute, and Staff filed a Stipulation, which the Commission approved on October 5, 2016. Among its provisions, the Stipulation required Ameren Missouri to withdraw its pending tariff sheets and, at a later date, to:

file a new Subscriber Solar tariff containing the terms and conditions reflected in the exemplar tariff attached hereto as Appendix B, but which shall also include the Solar Block Charges to be paid by customers to subscribe to energy from the Pilot facility(ies), with Solar Block Charges to be determined using the Subscriber Solar Generation Block Calculator, attached hereto as Appendix C.3 The Signatories agree that they will not oppose said tariff

becoming effective 30 days after its filing or otherwise seek suspension or rejection of the tariff except on the grounds that the rate reflected in the tariff was improperly calculated.

3. On March 7, 2018, Ameren Missouri filed an expedited Application for a Certificate of Convenience and Necessity, and tariff revisions (YE-2018-0110).

4. On March 8, 2018, the Commission ordered Staff to file a recommendation on the tariff no later than March 23, 2018, and a recommendation on the application no later than April 23, 2018.

5. Attached is Staff's recommendation, which, in summary, recommends rejection as the tariff sheets do not comply with the Stipulation. The largest concerns are that the proposed tariff sheet rate is calculated on a single 1,000 kW resource, rather than the 500 kW first Pilot facility agreed to, as well as a difference in the calculation of the Total Facilities Charge rate than what was stipulated.

6. The attached recommendation only regards the tariff filing; Staff will file a separate recommendation regarding the application on April 23, 2018.

7. Staff has discussed the issues outlined in its recommendation with Ameren Missouri, and anticipates working with Ameren Missouri and the signatories to the Stipulation to resolve the issues and help facilitate the submission of appropriate tariff sheets.

**WHEREFORE**, Staff prays the Commission will reject the following tariff sheets, and granting such other and further relief as is just in the circumstances.

**MO.P.S.C. SCHEDULE NO. 6**

1st Revised Sheet No. 156 Cancelling Original Sheet No. 156  
1st Revised Sheet No. 158 Cancelling Original Sheet No. 158  
1st Revised Sheet No. 158.1 Cancelling Original Sheet No. 158.1  
Original Sheet No. 158.2  
Original Sheet No. 158.3

Respectfully submitted,

**/s/ Nicole Mers**

Nicole Mers

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Attorney for the Staff of the  
Missouri Public Service Commission

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 23<sup>rd</sup> day of March 2018, to all counsel of record.

**/s/ Nicole Mers**

# MEMORANDUM

To: Missouri Public Service Commission Official Case File, Case No. EA-2016-0207,  
Tariff File No. YE-2016-0291

From: Sarah L. K. Lange, Regulatory Economist III  
Michael Stahlman, Regulatory Economist III

/s/ Robin Kliethermes 3/23/2018  
Tariff/Rate Design Unit /Date

/s/ Nicole Mers 3/23/2018  
Staff Counsel's Office/Date

Subject: Staff Recommendation for the **Rejection** of the Tariff Sheets Filed in Ameren  
Missouri's Application for Approval of a Subscriber Solar Pilot Tariff.

Date: 03/23/2018

On March 7, 2018, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri") filed five (5) tariff sheets with a proposed effective date of April 6, 2018, intending to implement a Community [Subscriber] Solar Pilot Program ("Program").<sup>1</sup> On March 8, 2018, the Missouri Public Service Commission ("Commission") issued an *Order Setting Date for Filing Responses* requiring and the Commission Staff ("Staff") to respond to Ameren Missouri's tariff no later than March 23, 2018 and the application no later than April 23, 2018. Staff finds the tariff is inconsistent with the Non-Unanimous Stipulation and Agreement ("Stipulation") filed in this case on September 23, 2016 and approved by the Commission on October 5, 2016, and therefore recommends **rejection** of the proposed tariff sheets. Staff has discussed these issues with Ameren Missouri, and anticipates working cooperatively with Ameren Missouri and signatories to the Stipulation, as applicable, to resolve these issues in a manner that would facilitate submission of appropriate tariff sheets.

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<sup>1</sup> As discussed in this memo, the proposed Program was originally entitled "Subscriber Solar Pilot Program". In this application, Ameren Missouri renamed that program the "Community Solar Pilot Program".

## Background

On April 27, 2016, Ameren Missouri filed three (3) tariff sheets with a proposed effective date of May 27, 2016, intending to implement a Subscriber Solar Pilot Program. The purpose of the Program is to offer interested customers an opportunity to purchase electricity from solar resources within the Ameren Missouri's service territory. On April 28, 2016, the Commission issued an *Order Directing Notice and Setting Dates for Filing* requiring applications for intervention to be filed no later than May 12, 2016 and the Staff to respond to the Ameren Missouri's filing no later than May 19, 2016. A procedural conference was held on May 13, 2016, Ameren Missouri voluntarily extended the effective date of its tariff sheets by 90 days on May 17, 2016, and the Commission granted Staff's motion for relief on May 18, 2016 by delaying a recommendation on the pending tariff sheets to July 14, 2016.

On July 14, 2016, Ameren Missouri filed a second voluntary 90-day extension of its tariff sheets and a Joint Motion to Relieve Staff from Filing a Recommendation. The Commission granted the joint motion for relief on the same date, and initiated a series of orders requesting the status of negotiations.<sup>2</sup> On September 23, 2016, Ameren Missouri, the Missouri Division of Energy, Renew Missouri, Earth Island Institute, and Staff filed a Stipulation, which the Commission approved on October 5, 2016. Among its provisions, the Stipulation required Ameren Missouri to withdraw its pending tariff sheets and, at a later date, to:

file a new Subscriber Solar tariff containing the terms and conditions reflected in the exemplar tariff attached hereto as Appendix B, but which shall also include the Solar Block Charges to be paid by customers to subscribe to energy from the Pilot facility(ies), with Solar Block Charges to be determined using the Subscriber Solar Generation Block Calculator, attached hereto as Appendix C.<sup>3</sup> The Signatories agree that they will not oppose said tariff becoming effective 30 days after its filing or otherwise seek suspension or rejection of the tariff except on the grounds that the rate reflected in the tariff was improperly calculated.

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<sup>2</sup> Staff filed status reports on July 25, 2016, August 25, 2016, and September 12, 2016.

The pending tariff sheets now before the Commission, filed on March 7, 2018, purport to be the new Subscriber Solar tariff sheets.

Staff's Concerns with the Community Solar Pilot Program Tariff Sheets as Proposed

1. The rates reflected are improperly calculated.
2. The tariff sheets change the terms and conditions reflected in the tariff sheets attached to the Stipulation as Appendix B.

Staff has identified two issues with the rates calculated by Ameren Missouri. First, the Solar Generation Charge rate is calculated for building a single 1,000 kW solar resource. Paragraph 7 of the Stipulation states as follows:

Construction. Upon grant of a CCN, construction of the first Pilot facility shall not begin until at least 500 kW are subscribed. Construction of a second Pilot facility shall not occur until it is fully subscribed. If subscription levels allow, construction of both Pilot facilities may occur at the same time [fn omitted].

Calculating a rate based on a 1,000 kW resource results in a lower rate than would result from a 500 kW resource. Staff is concerned that if more than 500 kW but less than 1000 kW of the resource is initially subscribed, that the rate for the initial 500 kW solar resource will be too low and will not cover costs. This initial charge is important because paragraph 5 of the specimen tariffs attached to the approved Stipulation provides as follows:

**5. The Solar Generation Charge associated with the Solar Block will be capped for Program Term at the initially offered level, but may decrease if incremental capacity additions to or retirements from the Resources occur and result in a lower aggregate functionalized generation cost** of all Resources placed in service under this Program. The Total Facilities Charge will be subject to adjustment in each general rate case during the applicable Program Term [emphasis added].

Second, the Total Facilities Charge rate was calculated with a factor that is slightly different from the factor that was fixed in paragraph 13.A. of the Stipulation. This results in recalculated rate that is slightly different from a Total Facilities Charge rate that is calculated per the values fixed in the Stipulation.

Concerning the proposed tariff sheets, Staff has identified several differences between the proposed tariff sheets and those attached as Appendix B to the Stipulation. While many changes are minor, Ameren Missouri's proposed tariff sheets alter the purpose of the program. Per the Stipulation, the purpose of the Program was "to examine the interest of customers in an opportunity to subscribe to a designated solar resource". The purpose section now reads that the purpose is "to provide customers an opportunity to subscribe to a designated solar resource". Additionally, Ameren Missouri has renamed "Subscriber Solar Pilot Program" to "Community Solar Pilot Program". Although a relatively minor change, it is another alteration to the Stipulation.

Staff's primary reason for recommending rejection of the proposed tariff sheets is due to rate calculation issues identified above. Staff has discussed these issues with Ameren Missouri, and anticipates working cooperatively with Ameren Missouri and signatories to the Stipulation, as applicable, to resolve these issues in a manner that would facilitate submission of appropriate tariff sheets.

#### Additional Issues

The Stipulation, in paragraph 17, also requires the filing of quarterly reports until the first Pilot facility is fully constructed or Ameren Missouri determines it will not be constructed due to lack of enrollment. These reports have not been filed.

#### **Staff Recommendation**

Due to the reasons stated above, Staff recommends rejection of the following tariff sheets, as filed on March 7, 2018 with an effective date of April 6, 2018:

MO.P.S.C. SCHEDULE NO. 6

1st Revised Sheet No. 156 Cancelling Original Sheet No. 156

1st Revised Sheet No. 158 Cancelling Original Sheet No. 158

1st Revised Sheet No. 158.1 Cancelling Original Sheet No. 158.1

Original Sheet No. 158.2

Original Sheet No. 158.3

The Staff has verified that this Company has filed its annual report and is not delinquent on any assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.





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

In the Matter of the Application of Union Electric        )  
Company d/b/a Ameren Missouri for Permission and        )  
Approval of a Certificate of Public Convenience and        )  
Necessity Authorizing It to Offer a Pilot Subscriber    )  
Solar Program and File Associated Tariff

**Case No. EA-2016-0207**

**AFFIDAVIT OF MICHAEL L. STAHLMAN**

State of Missouri        )  
                                      ) ss  
County of Cole         )

**COMES NOW** Michael L. Stahlman, and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached *Staff Recommendation*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

  
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Michael L. Stahlman

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 23rd day of March, 2018.

  
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NOTARY PUBLIC

DIANNA L. VAUGHT Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: June 28, 2019 Commission Number: 15207377
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