

**MEMORANDUM**

TO: Missouri Public Service Commission Case File  
Case No. EO-2016-0286, Renewable Energy Standard Compliance Plan 2015 and 2016 -  
2018 for Union Electric Company d/b/a Ameren Missouri

FROM: Claire M. Eubanks, PE, Energy Unit – Engineering Analysis

/s/ Dan Beck / 5/27/16                      /s/ Bob Berlin / 5/27/16  
Utility Operations / Date                      Staff Counsel’s Office / Date

SUBJECT: Staff Report on Ameren Missouri’s Renewable Energy Standard Compliance Plan 2016-  
2018

DATE: May 27, 2016

**CONCLUSION**

The Staff has reviewed Union Electric Company d/b/a Ameren Missouri’s (“Ameren Missouri” or “Company”) *Renewable Energy Standard Compliance Plan 2016-2018* (“Plan”). Based on Staff’s review, the Company has met the minimum requirements for the plan.

**OVERVIEW**

On April 15, 2016, the Company filed its *Plan* for calendar years 2016 through 2018, in accordance with Rule 4 CSR 240-20.100(8), Electric Utility Renewable Energy Standard Requirements, Annual RES Compliance Report and RES Compliance Plan. This rule states, in part, “Each electric utility shall file an annual RES compliance plan with the commission. The plan shall be filed no later than April 15 of each year.” Subparagraphs 4 CSR 240-20.100(8)(B)1. A. through G. provide the minimum requirements for the plan. Subsection 4 CSR 240-20.100(8)(D) requires that Staff examine the plan and file a report within forty-five (45) days of the filing.

**DISCUSSION**

Staff reviewed the Company’s Compliance Plan in accordance with the established requirements to verify the Plan contains the information required by rule. The results of this review are detailed below, with appropriate rule subparagraphs A. through G. identified and quoted.

**A. “A specific description of the electric utility’s planned action to comply with the RES;”**

The Company explained its completed and planned actions for compliance with the RES for 2016 through 2018. For non-solar compliance, the Company will utilize renewable energy certificates (“RECs”) from the Keokuk hydroelectric generating station, the Maryland Heights Renewable Energy Center (“MHREC”) which utilizes landfill gas, and a purchased power agreement (“PPA”) from the Pioneer Prairie II Wind Farm (“Pioneer Prairie II”).

For solar compliance, the Company will utilize solar renewable energy credits (“S-RECs”) from net-metered customers, the solar generation facility installed at the Company headquarters, and its utility-scale solar facility O’Fallon Renewable Energy Center (“OREC”).

The MHREC, the net-metered systems, and Company-owned solar generation will qualify for the Missouri in-state one and twenty-five hundredths (1.25) credit.<sup>1</sup>

Please note the pending CCN cases (EA-2016-0207 and EA-2016-0208) regarding two solar pilot programs were not included in the plan because they were in the process of being developed. Additionally, these projects are not needed for compliance during the plan period.<sup>2</sup>

**B. “A list of executed contracts to purchase RECs (whether or not bundled with energy), including type of renewable energy resource, expected amount of energy to be delivered, and contract duration and terms;”**

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<sup>1</sup> 393.1030.1., RSMo; Rule 4 CSR 240-20.100(3)(G)

<sup>2</sup> Response to Staff Data Request 5

The Company provided the following information regarding its executed contracts:

	Type	Expected Energy Delivered	Contract duration and terms <sup>3</sup>
<b>Pioneer Prairie</b>	Wind	** _____ **	15 years
<b>Customer Standard Offer Contracts</b>	Solar	** _____ **	10 years

The Company discusses its executed contracts on page 10 and Table 1 on page 18 of the *Plan* includes a list of executed contracts, the type of renewable energy, the expected energy to be delivered and contract duration and terms. The Company has a 15-year PPA for energy and RECs from Pioneer Prairie II, beginning in 2009. The Company has Standard Offer Contracts (“SOCs”) with a portion of its net-metered customers. Please note there is a typographical error on page 10 of the *Plan*; The Company executed 628 SOCs prior to passage of HB 142.<sup>4</sup> Additionally, S-RECs are acquired from customers as a condition of receiving a rebate due to the passage of HB 142. \*\* \_\_\_\_\_

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**C. “The projected total retail electric sales for each year;”**

The Company provided values for its projected retail electric sales. The values appear to be reasonable estimates.

<sup>3</sup> The Company has previously provided the executed contracts for Pioneer Prairie in Staff Data requests.

<sup>4</sup> Response to Staff Data Request 9 in EO-2015-0267

- D. “Any differences, as a result of RES compliance, from the utility’s preferred resource plan as described in the most recent electric utility resource plan filed with the commission in accordance with 4 CSR 240-22, Electric Utility Resource Planning;”**

The Company submitted its most recent triennial compliance filing on October 1, 2014 and annual update in April 2016. The *Plan* is similar to the October 1, 2014 preferred resource plan in regard to renewable resource additions as a result of RES compliance. \*\* \_\_\_\_\_

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\_\_\_\_\_ \*\* The preferred resource plan includes additional renewable resources beyond the additions for RES compliance as limited by the RRI calculation. Staff has not yet completed its review of the Company’s 2016 annual update (EO-2016-0273).

- E. “A detailed analysis providing information necessary to verify that the RES compliance plan is the least cost, prudent methodology to achieve compliance with the RES;”**

The Company provided the actual and projected costs of capital projects and O&M expenses related to RES compliance in Table 3, located on page 21 of the *Plan*. Staff reserves the right to comment on whether the *Plan* is the least cost, prudent method to comply with the RES when rate recovery is requested.

- F. “A calculation of the RES retail rate impact limit calculated in accordance with section (5) of this rule. The calculation should be accompanied by workpapers including all the relevant inputs used to calculate the retail rate impact limits for the planning interval which is included in the RES compliance plan. The electric utility may designate all or part of those calculations as highly confidential, proprietary, or public as appropriate under the commission’s rules;”**

The Company provided a description of the Retail Rate Impact calculation on page 15 of the *Plan* and provided Staff the associated work papers in response to Staff Data Request 1. The

results model the unconstrained renewable additions and constrained renewable additions to remain under the RES retail rate impact limit.

**G. “Verification that the utility has met the requirements for not causing undue adverse air, water, or land use impacts pursuant to subsection 393.1030.4. RSMo, and the regulations of the division.”**

The Company states that the generating facilities utilized to meet the RES requirements have been certified by the Missouri Department of Natural Resources.<sup>5</sup> The existing renewable resources Ameren intends to utilize over the planning period have been certified by the Division of Energy.

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<sup>5</sup> Rule 10 CSR 140-8.010(4) – now the Missouri Department of Economic Development – Division of Energy.

