

Attachment A

Responses of Ameren Missouri to Missouri Investor-Owned Electric Utility Questions

General Questions

Please provide any comments or suggestions to the attached proposed amendment to 20 CSR 4240-20.060 Cogeneration and Small Power Production (Staff Version 1).

In response to this question, please see Section I of the Joint Comments.

Please identify any issues or concerns from implementation of PURPA in other states that the Commission should consider when reviewing the current draft of the rule.

In response to this question, please see Section II of the Joint Comments.

The proposed amendment, Staff Version 1, includes two tiers for establishment of the Standard Rates for Purchase and Standard Contracts. For purchases from qualifying facilities (QF) with a design capacity of: (1) 100 kW or less; and (2) over 100 kW to 1,000 kW.

a. Should the second tier be modified to extend to 5,000 kW? Please explain your response.

In response to this question, please see Section II of the Joint Comments.

Describe your utility's existing application and review process for qualifying facility (QF) interconnections. Include in your description how the applicable interconnection costs are determined and how/if the process differs if the QF is interconnecting to distribution or transmission. Provide any available supporting documentation such as process flow-charts.

For smaller installations, the interconnection application process is described on the Company's website.¹ There is no application fee for smaller QF installations, and the application is the same as that linked on the website for net metering, except the billing section has been modified to reflect QFs instead of net metering installations.

¹ <https://ameren-solarrebate.programprocessing.com/programapplication/?ft=50380C534530477C9D5806D7D584BF2C>

For larger QF installations, the Company assesses the generator a \$10,000 fee to cover the cost of the interconnection study. The time spent by Company personnel is tracked and the actual costs are trued up at the end of the study. For example, if the study only costs \$5,000, then the remaining \$5,000 will be returned to the customer.

Ameren Missouri examines the requested interconnection from the perspective of how much generation the system in that area can handle. If the system cannot handle the installation requested, the customer is informed. For example, suppose a customer wants to connect a 3,000 kW facility, but the system at that location can only allow an interconnection of 2,000 kW. The customer is given the option to either pay for system upgrades or to withdraw the application. Customers typically ask to discontinue the study process.

Questions on FERC revised rule implementing the Public Utility Regulatory Policies Act of 1978

Rates for Purchase.

Should the Commission require that energy rates in QF contracts vary with changes in the purchasing utility's avoided costs at the time the energy is delivered? If so, provide suggested rule language.

In response to this question, please see Section II of the Joint Comments.

Rates for Purchase.

Should the Commission allow QFs to retain their rights to fixed energy rates, and to allow such rates to be based on projected energy prices during the term of a QF's contract? If so, provide suggested rule language.

In response to this question, please see Section II of the Joint Comments.

Rates for Purchase.

Should the Commission set "as available" rates at the locational marginal price (LMP) when the utility is located in an organized wholesale market? If so, provide suggested rule language.

In response to this question, please see Section II of the Joint Comments.

Rates for Purchase.

Should the Commission set rates for energy rates or capacity rates based on competitive solicitations? If so, what transparent and non-discriminatory procedures are needed to be included in Commission rules?

In response to this question, please see Section II of the Joint Comments.

"One-Mile Rule." Is it sufficient to reference 292.204 Criteria for qualifying small power production facilities in the Commission's rule to incorporate FERC's changes to the "one-mile rule"?

In response to this question, please see Section II of the Joint Comments.

Termination of the obligation to purchase. What modifications, if any, are needed to address the rebuttable presumption that small power producers located within an RTO/ISO with a net capacity of 5 MW (previously 20 MW) or less do not have nondiscriminatory access to those markets?

In response to this question, please see Section II of the Joint Comments.

Legally Enforceable Obligation (LEO). What objective and reasonable criteria should be used to determine a QF's commercial viability and financial commitment to construction for establishment of a LEO?

In response to this question, please see Section II of the Joint Comments.

Self-Certification. Are any modifications needed to the Commission rule to address FERC changes regarding QF self-certification or protests of self-certification?

In response to this question, please see Section II of the Joint Comments.

Questions related to Costs and/or Benefits of the Rule

Costs to Utility – Development of Technical Standards

Does your utility have existing technical standards for the interconnection of cogeneration and small power producers or net-metered systems?

If not, provide a cost estimate for the development of interconnection standards. Separately, provide an estimate to request approval of those technical standards with the Commission.

If so, provide an estimate to request approval of those technical standards with the Commission.

Provide the cost of periodic revisions to the technical standards.

Currently, Ameren Missouri employs technical standards that mirror those in place for Ameren Illinois. For this reason, it would take minimal costs to develop technical standards. Costs to obtain approval of the technical standards with the Commission would include legal costs, which are anticipated at approximately \$10,000 associated with legal costs. Periodic revisions would also likely be largely attributable to legal costs, and are estimated at approximately \$3,000.

Costs to Utility – Development of a Standard Contract template

Does your utility have an existing contract used for cogeneration and small power production requests?

If so, please provide an example.

Provide a cost estimate for the development of a Standard Contract.

Provide a cost estimate for the filing and approval of those Standard Contracts with the Commission.

Provide a cost estimate for periodic revisions to the Standard Contract.

Ameren Missouri does not currently have an existing form contract for cogeneration and small power production purchases that are over 500 kW in size. The Company anticipates it would take approximately 25 hours of an attorney's time to develop such a contract and seek approval of it with the Commission, provided the resulting proceeding is uncontested and does not result in litigation. There will also be costs associated with technical and support staff for assistance in this project. All things considered, the Company estimates a cost of approximately \$25,000 to develop, file, and seek Commission approval of such a contract.

The Company also anticipates approximately \$3,000 for periodic revisions to the standard contract. However, this does not account for any discussions between Ameren Missouri and developers that may occur if the standard agreement needs to be modified to accommodate any particular circumstances of the QF.

Costs to Utility – Interconnection Studies

Provide a 5-year historical summary of the cost to your utility of completing system interconnection studies. Separately identify the cost of interconnections studies completed on behalf of your own utility, other utilities, cogeneration and small power producers, and others. Separately identify the cost of distribution and transmission system studies.

Based on the past 5-years, separately provide the average cost of system upgrades identified through interconnection studies completed for your utility, other utilities, cogeneration and small power producers, and others. Separately identify the cost of distribution and transmission system upgrades identified through interconnection studies.

Does your utility expect the standard contracts and implementing a standard rate for purchases from cogeneration and small power producers above 100 kW will result in additional interconnection requests? If so, please provide an incremental cost estimate based on projected interconnection requests over the next 5-years. Does your utility expect to see a difference in interconnection study costs if the standard rate for purchase is offered up to 1 MW or if it is offered up to 5 MW? If so, please provide an incremental cost estimate for each proposed tier.

How does the utility pay for interconnection studies?

Does the purpose of the interconnection study determine how the costs are recovered (i.e., through rates or directly from a small power producer)? Please explain.

Ameren Missouri is unable to provide a detailed response to this question because it does not track the costs of interconnection studies and upgrades in this manner. As noted above, the Company approaches interconnection studies on a case-by-case basis by determining what the system can handle in a given location.

As for the average cost of system upgrades identified through interconnection studies, Ameren Missouri has had less than one connection to its distribution system in the past five years when it comes to systems over 500 kW in size. Accordingly, the Company has no costs that it can provide in response to this question.

Ameren Missouri does anticipate that standard contracts and a standard rate for purchases as described would result in an increase in the number of interconnection requests. However, this is very difficult to estimate without knowing how, in particular,

rates would be determined. The Company is therefore unable to answer this question or provide an estimate with any reasonable certainty.

With regard to interconnection studies for systems over 500 kW, Ameren Missouri does not pay for these studies. The cost of these studies is allocated to the generator making the request. Ameren Missouri requests the generator provide an initial \$10,000 payment, with a true-up regarding the total cost once the study is completed.

As for the purposes of the interconnection study, the Company uses these studies to determine what is needed to connect the generator to the system in a safe manner than does not adversely impact system reliability, among other factors. These studies are not completed to determine how to recover costs. Ultimately, for these larger installations, the interconnection costs are recovered from the generator requesting interconnection, including the cost of the study, to interconnect to the system, and for any upgrades that may be required.

Costs to Utility – Energy and/or capacity payments

Provide a 5-year historical summary of energy and/or capacity payments related to the existing cogeneration rule and net-metering rule.

Does your utility expect the standard contracts and implementing a standard rate for purchases from cogeneration and small power producers above 100 kW will result in additional energy and/or capacity payments? If so, provide an estimate of the incremental cost.

Does your utility expect to see a difference in energy and/or capacity payments if the standard rate for purchase is offered up to 1 MW or I it is offered up to 5 MW? IF so, please provide an incremental cost estimate for each proposed tier.

For the past 5 years, the Company has made the following payments for energy² related to the net metering rule and the existing cogeneration rule:

Year	Payments for Energy
2016	\$99,973
2017	\$93,207
2018	\$69,270
2019	\$118,233
2020	\$165,964

Ultimately, as previously stated with regard to interconnection requests, Ameren Missouri does anticipate that standard contracts and a standard rate for purchases as described would result in an increase in the number of energy and capacity payments. However, this is very difficult to estimate without knowing how, in particular, rates would be determined. The Company is therefore unable to answer this question or provide an estimate with any reasonable certainty. This is true regardless of the size of the QF.

Costs to Utility – Tracking of data related to interconnections

Provide a description of how your utility currently tracks interconnections, for example, to comply with net-metering reporting requirements or for its own distribution system planning efforts.

Provide an incremental cost estimate to expand that tracking as proposed in the draft rule.

When the Company receives an interconnection request unrelated to net metering or QFs that qualify for the standard offer contract (i.e., 500 kW and under), the generator is assigned a sequential number once both the application and the pre-payment of the study cost are received. So long Ameren Missouri's current tracking mechanisms would remain acceptable in complying with the revised rule, any incremental cost to comply should be

² Ameren Missouri has not made any related capacity payments.

minimal. If the expectation is that Ameren Missouri will need to upgrade its systems, the cost could be significant.

Costs and benefits to ratepayers

Provide an estimate of the costs and benefits to Missouri ratepayers of the proposed rule.

In response to this question, please see Section II of the Joint Comments.

Is there a cost to ratepayers, small power producers or other stakeholders not covered by these questions? If so, please describe and provide an estimate.

In response to this question, please see Section II of the Joint Comments.