

Meetings with Missouri Public Service Commission (MoPSC) Commissioners and The Office of Public Counsel

November 24, 2010

Location: 9th floor Agenda Room, PSC Building

Attendance at 8:30 – 11:00 Meeting – Commissioners Davis and Jarrett, Advisor Janet Wheeler, OPC Lewis Mills, Ameren Missouri Warren Wood and Gaye Suggett, AMEC Brent Stewart, MPUA Ewell Lawson and MoGas David Brown

Attendance at 11:30 – 12:30 Meeting – Commissioners Gunn and Kenney by phone, Advisors Richard Moore, Joshua Harden, Cherlyn Voss, OPC Lewis Mills, Ameren Missouri Warren Wood and Gaye Suggett, AMEC Brent Stewart, MPUA Ewell Lawson and Citizen Bill Steinmeyer

Discussion Points

Maintaining the Option for a New Nuclear unit in Missouri

- Two years ago AmerenUE filed a COLA with the NRC – Why?
 - Anticipated future needs of AmerenUE’s customers & other potential partners for clean, reliable baseload resource
 - Diversify AmerenUE’s generation portfolio from environmental perspective
 - Take advantage of federal loan guarantees and tax credits – could have reduced cost of project by billions of dollars
- Contingent on passage of legislation to enable low-cost financing approach similar to other states – legislation did not pass.
 - COLA was placed on hold with NRC
- Missouri’s electric service providers have been exploring options to meet future electricity needs in light of:
 - Aging fleet of baseload power sources
 - Impact of current and proposed EPA regulations
 - Desire to diversify our portfolio of generation resources
 - Need to access to clean, low-cost, reliable baseload options in the future
- Missouri’s electric service providers agree that pursuit of an Early Site Permit (ESP) from the NRC is in the best interest of all Missourians.
 - Significant environmental regulation unknowns will drive important generation resource decisions in a few years – an ESP will position us to take advantage of nuclear option if it is the best option for all Missourians.
- What is an ESP?

- Enables companies to obtain approval from the NRC for a site before deciding to build a plant or choose a particular technology.
 - Site Safety Analysis
 - Environmental Report
 - Emergency Planning Information
- Resolves site suitability questions prior to commitment of major funds to build a project.
- An ESP is an asset and can be banked for up to 20 years with possible renewal for another 20 years.
- Can encompass a wide range of reactor technology options.

- Key Advantages of an ESP?
 - Resolves site suitability questions for Callaway site
 - Better positions Missouri for federal tax incentives and loan guarantees in the future
 - Allows for ‘lessons learned’ from projects moving ahead in other regions
 - Allows for reassessment of a range of nuclear power technologies as they further develop
 - Permits additional time to develop energy efficiency programs and renewable energy resources
 - Additional time to see what environmental rules and financing approaches develop
 - Allows for competitive bidding of nuclear technologies in the future
 - Allows more time for dialog and collaboration
 - ESP first, COLA second → preferred NRC approach

- Customer protections include...
 - Short simple legislation that only allows for recovery of a site permit
 - Can only recover cost of the site permit if the NRC grants the permit
 - Dollars spent to obtain the site permit will be subject to MoPSC prudence review

- What the ESP initiative is...
 - An initiative of all the electric service providers in Missouri
 - A measured approach to preserve the option to build a nuclear power plant if it is determined to be the best option for Missourians

- What the ESP initiative is not...
 - A broad-based repeal of the anti-CWIP statute
 - A “reboot” of the legislation two years ago

- Other Possible 2011 Session Legislation briefly discussed:
 - FERC authority legislation
 - Water/DNR Fees legislation
 - OPC Funding
 - Underground Damage Legislation

- Commissioner Davis expressed concerns about the cost overruns at SPP.
 - He also expressed concerns regarding estimates for the MVP projects at MISO.
 - Stated at some point in time discussion should be held whether it is still prudent for Ameren Missouri to be a MISO member.

- Renewable Energy Standard workshops were briefly discussed.
 - An additional workshop was scheduled for December 13, with the December 7 workshop being a smaller group setting.