

**FILED**  
**MAR 26 2013**  
**Missouri Public  
Service Commission**

Exhibit No.:  
Issue(s): Voluntary Green Program  
Witness: William J. Barbieri  
Sponsoring Party: Union Electric Company  
Type of Exhibit: Direct Testimony  
Case No.: EO-2013-0307  
Date Testimony Prepared: January 18, 2012

**MISSOURI PUBLIC SERVICE COMMISSION**

**Case No. EO-2013-0307**

**DIRECT TESTIMONY**

**OF**

**WILLIAM J. BARBIERI**

**ON**

**BEHALF OF**

**UNION ELECTRIC COMPANY  
d/b/a Ameren Missouri**

**St. Louis, Missouri  
January 18, 2012**

**NP**

Ameren Exhibit No. 1  
Date 3-19-13 Reporter KF  
File No EO-2013-0307

1 **DIRECT TESTIMONY**

2 **OF**

3 **WILLIAM J. BARBIERI**

4 **CASE NO. EO-2013-0307**

5 **Q. Please state your name and business address.**

6 A. My name is William J. Barbieri. My business address is One Ameren Plaza,  
7 1901 Chouteau Avenue, St. Louis, Missouri 63103.

8 **Q. By whom and in what capacity are you employed?**

9 A. I am employed by Union Electric Company, d/b/a Ameren Missouri (Ameren  
10 Missouri) as Director, Renewable Energy.

11 **Q. Please describe Ameren Missouri.**

12 A. Ameren Missouri is a public utility subject to the Missouri Public Service  
13 Commission's (Commission) jurisdiction, and serves approximately 1.2 million electric  
14 customers primarily in the St. Louis Metropolitan area and Eastern Missouri. Ameren  
15 Missouri also operates a natural gas utility serving approximately 126,000 customers.

16 **Q. Please describe your employment history with Ameren Missouri.**

17 A. I joined the Fossil Fuel Department of Ameren Services Company in August,  
18 1999 as Senior Business Development Executive. Ameren Services Company provides  
19 various corporate support services to the operating companies owned by Ameren  
20 Corporation, including Ameren Missouri. In 2000, I was promoted to Coal Business  
21 Development Director handling procurement and sales of third party coal along with  
22 marketing functions for coal terminal activities. In November, 2004 I was asked to  
23 coordinate the renewable energy initiative for Ameren Missouri and its affiliates, as

1 Managing Executive, Renewables. In 2007, I was promoted to Manager, Renewables. In  
2 January, 2010 Ameren Missouri created its own renewable department at which time I  
3 became an Ameren Missouri employee and my title was changed to Manager, Renewable  
4 Energy. On January 1, 2013 my title was changed to Director, Renewable Energy.

5 **Q. Please describe your duties and responsibilities as Director, Renewable**  
6 **Energy.**

7 A. My primary responsibilities are the development of the renewable energy  
8 policy, goals and procedures for Ameren Missouri, including all strategy and planning. Of  
9 primary importance is ensuring Ameren Missouri is in full compliance with the requirements  
10 of the Missouri Renewable Energy Standard (MoRES). My duties involve leading  
11 negotiations related to the acquisition of renewable energy resources in the form of power  
12 purchase agreements, Renewable Energy Credit (REC) procurement and project development  
13 resulting in renewable generation facilities owned and operated by Ameren Missouri. I am  
14 also responsible for coordinating activities of groups related to research and analysis  
15 concerning technology assessments for wind, solar, biomass, landfill gas, hydro and all other  
16 renewable resource options. This includes financial feasibility analysis. I am responsible for  
17 the preparation of all compliance plans and reports as required by the Commission. I also  
18 provide support to the regulatory and legislative departments, providing guidance and  
19 information on renewable energy issues at both the state and federal level. My department  
20 further assists in providing relevant renewable information to customer support groups within  
21 Ameren Missouri.

22 **Q. Please describe your qualifications.**

1           A.     I received a Bachelor of Science Degree in Business Administration from St.  
2     Louis University in 1977 with accounting as my area of specialization. I have been in the  
3     energy industry for approximately 33 years and I have extensive contract negotiating  
4     experience.

5           **Q.     What is the purpose of your direct testimony?**

6           A.     The purpose of my direct testimony is to provide information regarding  
7     Ameren Missouri's voluntary green program, which is marketed under the name "Pure  
8     Power."

9                               **I.     Voluntary Green Programs in General**

10          **Q.     How does a voluntary green program work?**

11          A.     Voluntary green programs allow individuals to voluntarily choose to offset all  
12     or part of their monthly electric usage (the vast majority of which consists of electricity  
13     produced by non-renewable resources) with the purchase of renewable energy or renewable  
14     energy credits (RECs). As the Environmental Protection Agency explains, "A REC  
15     represents the property rights to the environmental, social, and other non-power qualities of  
16     renewable electricity generation. A REC, and its associated attributes and benefits, can be  
17     sold separately from the underlying physical electricity associated with a renewable-based  
18     generation source."<sup>1</sup> Once a REC is generated, it is typically registered in a regional tracking  
19     system. Once a buyer of a REC claims an environmental benefit associated with the REC, a  
20     REC can no longer be sold and the REC is "retired" in the regional tracking system. This  
21     ensures no other entity can claim the environmental benefits associated with that specific  
22     REC.

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<sup>1</sup> *Renewable Energy Certificates* (July 2008) <http://www.epa.gov/greenpower/gpmarket/rec.htm>

1           **Q.     Are there other features in voluntary green programs that ensure that**  
2 **they reflect the benefits of using renewable energy?**

3           A.     Yes. Many of these programs (including Pure Power) are Green-e Energy  
4 certified by the Center for Resource Solutions, which provides additional assurance that the  
5 RECs were generated and retired appropriately. Green-e Energy is the nation's leading  
6 voluntary certification program for renewable energy. For over a decade, Green-e Energy  
7 has been certifying that renewable energy meets environmental and consumer protection  
8 standards that it developed in conjunction with leading environmental, energy and policy  
9 organizations. Green-e Energy also requires that sellers of certified renewable energy  
10 disclose clear and useful information to potential customers, allowing consumers to make  
11 informed choices. By participating in the Green-e certification process, voluntary green  
12 programs must meet the stringent standards of Green-e Energy. This includes but is not  
13 limited to, (1) abiding by a professional Code of Conduct that governs all marketing and  
14 business practices, (2) following the Customer Disclosure requirements which includes  
15 providing customers with a Product Content Label for the certified renewable energy option,  
16 which identifies the renewable resource type and the geographic location of the renewable  
17 energy generator while providing customers with clear price, terms and conditions for the  
18 renewable energy option, (3) undergoing an annual verification process audit to ensure  
19 purchases made under the program are of the right type of renewable energy to match the  
20 certified sales to customers, and (4) completing a twice-annual review of all marketing  
21 materials to ensure there are no false or misleading statements.

22           **Q.     Are there many voluntary green programs offered in the United States?**

A. There are. Information from the U.S. Department of Energy, as contained in the attached link,<sup>2</sup> indicates there are hundreds of green programs being offered by utilities, municipalities and co-operatives across the country. Based on a recent report from the Department of Energy's National Renewable Energy Lab (NREL), these voluntary programs resulted in the purchase of 35.6 million MWhs in CY 2010, and in the compliance market, those states with RPS or RES requirements, it resulted in the purchase of 55 million MWhs.<sup>3</sup>

## II. Pure Power

**Q. What is the history behind Ameren Missouri's voluntary green program and how does it function?**

A. Ameren Missouri's tariffed voluntary green program, Pure Power, was approved by the Commission effective June 24, 2007. Under the program, Ameren Missouri offers its customers the ability to purchase Green-e certified RECs in amounts equivalent to their electric usage in megawatt-hours (MWhs) in the month, or they may purchase a select number of certificates less than their actual usage. Customers who chose to participate pay \$0.015 per metered kilowatt-hour (kWh), or they may purchase a 500 kWh block for \$7.50 or a 1,000 kWh block for \$15.00.

**Q. Who administers the Pure Power program?**

A. The Pure Power program is administered by 3Degrees Group, Inc. (3Degrees) under a contract with Ameren Missouri. It is the responsibility of 3Degrees to purchase REC's from qualified renewable energy resources and to ensure that all REC's used in this program are Green-e Energy certified. 3Degrees purchases REC's from qualified renewable

<sup>2</sup> [www.epa.gov/greenpower/pubs/gplocator.htm](http://www.epa.gov/greenpower/pubs/gplocator.htm)

<sup>3</sup> Status and Trends in U.S. Compliance and Voluntary Renewable Energy Credit Markets 2010, <http://apps3.eere.energy.gov/greenpower/markets/pricing.shtml?page=1>.

1 energy generation resources. Ameren Missouri then pays 3Degrees a set proportional fee for  
2 the RECs and places the RECs in an inventory account. After customers pay Ameren  
3 Missouri for their specific level of RECs for the month, Ameren Missouri pays 3Degrees the  
4 balance of the REC fee and then retires those RECs on behalf of the customers.

5 **Q. When does the current contract with 3Degrees expire?**

6 **A.** It expires April 30, 2013.

7 **Q. What has been the level of customer participation in your Pure Power**  
8 **program?**

9 **A.** Since its inception in 2007, customers participating in the Pure Power  
10 program have purchased over 355,000 MWhs of RECs, with the RECs coming  
11 predominately from renewable resource generators located within the state of Missouri. The  
12 number of customers participating has averaged between approximately 4,800-5,500 at any  
13 given time.

14 **Q. How has the program been viewed by the industry?**

15 **A.** Very favorably, a fact of which we are very proud. During its five year  
16 existence, the Pure Power program has received two national awards; one presented by the  
17 U.S. Environmental Protection Agency and the U.S. Department of Energy (2008 New Green  
18 Power Program of the Year) and one from the Center for Resource Solutions (2009 Best  
19 Promotional Campaign).

20 **III. Ameren Missouri's New Tariffed Pure Power Program**

21 **Q. This case arose from Ameren Missouri's filing of a tariff reflecting a new**  
22 **Pure Power Program. How is the new program different from the previous Pure Power**  
23 **program?**

1           A.     In some ways, it is very similar. Ameren Missouri has again contracted with  
2     3Degrees to administer its Pure Power program. The contract is attached to my testimony as  
3     Schedule WJB-1HC. As was the case with the original program, 3Degrees is required to  
4     provide all RECs necessary to fulfill customer demand and the RECs are required to be  
5     Green-e Energy certified. As was true with the original agreement, all RECs must be  
6     associated with electricity generated within or wheeled into the state of Missouri. This  
7     restriction was put into place in order to ensure that the dollars tied to the REC purchase were  
8     directed towards renewable energy producers in or near Missouri.

9           There are some differences, the most notable of which is the price customers pay to  
10    participate in the Pure Power program. Instead of paying \$15 for a 1,000 kWh block,  
11    customers will pay \$10. It is Ameren Missouri's hope that this cost decrease will allow more  
12    customers to participate in this program. Additionally, Ameren Missouri will no longer  
13    retain a portion of the charge for its administrative costs. The amount retained during the  
14    first five years reimbursed the Company for the initial fee and other startup costs. Further,  
15    the costs to administer this program are de minimis. Accordingly, Ameren Missouri does not  
16    believe it is necessary to continue to charge the administrative fee.

17           **Q.     What are you asking the Commission to do in this case?**

18           A.     Ameren Missouri is asking the Commission to do two things in this case. We  
19    are asking the Commission to approve the contract between Ameren Missouri and 3Degrees  
20    as well as to approve the tariff which implements the new Pure Power program. The tariff is  
21    attached as Schedule WJB-2.

22           **Q.     Does this conclude your direct testimony?**

23           A.     Yes, it does.



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

In the Matter of Union Electric	)	
Company d/b/a Ameren Missouri's	)	Case No. EO-2013-0307
Voluntary Green Program/Pure Power	)	Tariff No. JE-2013-0197
Program Tariff Filing.	)	

**AFFIDAVIT OF WILLIAM J. BARBIERI**

STATE OF MISSOURI     )  
  ) ss  
CITY OF ST. LOUIS     )

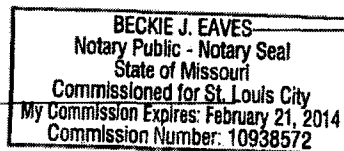
William J. Barbieri, being first duly sworn on his oath, states:


1. My name is William J. Barbieri. I am employed by Union Electric Company, d/b/a Ameren Missouri as Director, Renewable Energy.
2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Union Electric Company, d/b/a Ameren Missouri, consisting of 7 pages (and Schedules WJB-1HC through WJB-2), all of which have been prepared in written form for introduction into evidence in the above-referenced docket.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.

  
\_\_\_\_\_  
William J. Barbieri

Subscribed and sworn to before me this 14<sup>th</sup> day of January, 2013.

My commission expires: \_\_\_\_\_



  
\_\_\_\_\_  
Notary Public

**SCHEDULE WJB-1HC IS  
HIGHLY CONFIDENTIAL  
IN ITS ENTIRETY**

MO.P.S.C. SCHEDULE NO. 5OriginalSHEET NO. 217.1

CANCELLING MO.P.S.C. SCHEDULE NO. \_\_\_\_\_

SHEET NO. \_\_\_\_\_

APPLYING TO \_\_\_\_\_

MISSOURI SERVICE AREA**VOLUNTARY GREEN PROGRAM/PURE POWER PROGRAM****(Applicable To Service Provided On Or After May 1, 2013)****PURPOSE**

The purpose of this Voluntary Green Program/Pure Power Program (Program) tariff is to provide customers with an option to support renewable energy technologies and education through the purchase of renewable energy credits. One renewable energy certificate (REC) represents the positive environmental attributes associated with 1,000 kWh of electricity generated by renewable energy sources such as: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources deemed to be Green-e Certified by the Center for Resource Solution's Green-e Standard. Customers participating under this Program will not directly receive any renewable energy commodity or product as a result of their participation. Rather, when a customer signs up for the Program, Company shall purchase and retire Green-e Certified RECs.

**AVAILABILITY**

This tariff is available to customers served under, and may be used in conjunction with, the Company's Electric Service Classifications 1(M) Residential Service Rate, 2(M) Small General Service Rate, 3(M) Large General Service Rate, 4(M) Small Primary Service Rate, 11(M) Large Primary Service Rate, 12(M) Large Transmission Service Rate, 5(M) and 6(M) Street and Outdoor Area Lighting Rates, or 7(M) Municipal Street Lighting Rate.

**APPLICABILITY**

The applicability of this tariff is limited to customers receiving service under the above referenced Service Classifications and who voluntarily agree to participate in this Program pursuant to the provisions herein.

**MONTHLY CHARGES****A. Service Classification No 1(M):**

- a) 1.00 cents per metered kWh or,
- b) \$5.00 per 500 kWh block(1) or,
- c) \$10.00 per 1,000 kWh block(1)

**B. Service Classification No 2(M):**

- a) 1.00 cents per metered kWh or,
- b) \$10.00 per 1,000 kWh block(1)

**C. Service Classification Nos. 3(M), 4(M), 5(M), 6(M), 7(M), 11(M), and 12(M):**

\$10.00 per 1,000 kWh block(1)

- (1) Minimum of one half (1/2) block for Residential Service customers and one (1) block for all other customers, regardless of usage. Actual number of blocks will be subject to agreement between Company and customer and not necessarily tied to monthly kWh usage.

DATE OF ISSUE October 19, 2012DATE EFFECTIVE May 1, 2013ISSUED BY Warner L. Baxter  
NAME OF OFFICERPresident & CEO  
TITLESt. Louis, Missouri  
ADDRESS

MO.P.S.C. SCHEDULE NO. 5Original SHEET NO. 217.2

CANCELLING MO.P.S.C. SCHEDULE NO. \_\_\_\_\_

SHEET NO. \_\_\_\_\_

APPLYING TO

MISSOURI SERVICE AREA

**VOLUNTARY GREEN PROGRAM - VGP (cont'd.)****(Applicable To Service Provided On Or After May 1, 2013)****COMPANY OBLIGATIONS**

The Company will purchase RECs from its contractual partner, 3 Degrees Inc, its successor, or assignee, in sufficient quantities to match the units billed under this tariff. Title to the RECs will rest with the Company and the Company will in turn retire such RECs on behalf of the customers participating in the Program and not for any other purpose. Additionally, the Company's Program will be Green-e Certified® by the nonprofit Center for Resource Solutions.

**TERMS AND CONDITIONS**

Charges for participation under this tariff shall be added to customer billings from Company for electric service. Customers will be able to withdraw or cancel participation in this Program at any time by notifying the Company. In addition, under no circumstances will the Company's late pay charge or disconnection of service provisions as they relate to charges under this tariff be applied or implemented.

Services offered under this Program shall end on April 30, 2016.

**TAX ADJUSTMENT**

Any license, franchise, gross receipts, occupation or similar charge or tax levied by any taxing authority on the amounts billed hereunder will be added to bills rendered to customers under the jurisdiction of the taxing authority.

DATE OF ISSUE October 19, 2012 DATE EFFECTIVE May 1, 2013ISSUED BY Warner L. Baxter President & CEO St. Louis, Missouri  
NAME OF OFFICER TITLE ADDRESS