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MISSOURI PUBLIC SERVICE COMMISSION

Case No. EO-2013-0307

SURREBUTTAL TESTIMONY

OF

WILLIAM J. BARBIERI

ON

BEHALF OF

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

**St. Louis, Missouri
February 22, 2013**

Ameren Exhibit No. 2
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File No EO-2013-0307

SURREBUTTAL TESTIMONY

OF

WILLIAM J. BARBIERI

CASE NO. EO-2013-0307

Q. Please state your name and business address.

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

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

A. I am employed by Union Electric Company, d/b/a Ameren Missouri (Ameren Missouri) as Director, Renewable Strategy, Policy and Generation.

Q. Are you the same William J. Barbieri who filed direct testimony in this

A. Yes, I am.

Q. What is the purpose of your surrebuttal testimony?

A. The purpose of this surrebuttal testimony is to respond to Missouri Public Service Commission Staff (“Staff”) witness Mr. Michael Ensrud and the specific issues he raised about the Pure Power program.

Q. What is Mr. Ensrud's primary concern about the Pure Power program?

A. Mr. Ensrud first points to the fact that the Missouri Public Service

Commission (“Commission”) sets cost-based rates for the services it regulates. He then argues that it is necessary for Staff to in effect audit 3Degrees’ financial and accounting data in order to support the “costs” of the Pure Power program. He then testifies that Ameren Missouri has not provided that information and he claims that he cannot make a recommendation about the Pure Power program without that information.

1 **Q. Is Mr. Ensrud's concern valid?**

2 A. No, it is not. In fact, Mr. Ensrud's entire premise is incorrect. The question is
3 not how much (or little) profit a supplier of goods or services to a utility (here, 3Degrees)
4 makes off of the good or service being supplied (here, primarily Missouri-based renewable
5 energy credits ["RECs"]). To the contrary, the question is whether \$10 for a Missouri-
6 generated REC is a fair price for Ameren Missouri and ultimately for its customers who
7 choose voluntarily to participate in the program to pay. Just as the Commission does not
8 pass judgment on the underlying cost and profit profile of a supplier of coal, poles, turbines,
9 wire, etc., nor should the Commission be passing judgment on the appropriateness of
10 3Degrees' cost and profits. What the Commission should be doing, and what the
11 Commission does in any other context where the cost of a good or service is at issue, is
12 examine the cost of the good or service in the context of the market. The Commission may
13 look at whether the cost was bid or how the cost incurred compares to the prices of other
14 available providers in the market. As discussed below, when judged by the standards used
15 by the Commission when the prudence and reasonableness of other goods or services
16 acquired by a utility is at issue, it is clear that the price paid for the RECs under the contract
17 with 3Degrees is reasonable.

18 **Q. Are there other examples that illustrate your point?**

19 A. Yes. Consider the Company's new energy efficiency programs offered under
20 the Missouri Energy Efficiency Investment Act. In providing energy efficiency audits,
21 Ameren Missouri contracts with professionals who perform that service. The fee is
22 negotiated between Ameren Missouri and the service provider. Customers will pay a portion
23 of the set fee. The cost basis that is relevant for cost recovery through rates is the contract
24 price of the service, not the cost to the service provider (or the service provider's profit

margin). The only question in that context is whether the cost the Company is paid (whatever the profit the supplier may earn) is a prudently-incurred cost. That question has nothing to do with the supplier's private financial information, which in fact is really none of anyone's business but their own.

Q. What other assertions are made by Staff related to cost?

A. Staff states that the cost of the services provided by 3Degrees is unreasonable. It would appear Staff believes that 3Degrees should spend a higher percentage of the current \$15.00 price on REC procurement itself. As I explained in my direct testimony, under the new contract that price is now \$10. What Staff fails to understand is that these types of programs are market-based. When comparing the cost of the Pure Power program to the hundreds of similar programs offered by various utilities across the country, one can readily see that the Ameren Missouri Pure Power program consistently ranks as an extremely price competitive program. In fact, the \$10 cost to participate in the Pure Power program makes it near the lowest cost of all comparable programs in the country.

Q. Please explain.

A. The most recent published information regarding voluntary green program costs is from a technical report issued by the United States Department of Energy's National Renewable Energy Lab ("NREL").¹ In that report, NREL states that in 2010 (the year from which the most recent data is available), the average premium was \$0.0167/kWh and the median price was \$0.015/kWh. It should be noted that the current Pure Power program is at the median price level, and that the new program would be one-half cent per kWh below the median price.

¹ Technical Report NREL/TP-6A20-52925, October 2011.

1 Additionally, Mr. Ensrud's own rebuttal testimony contains a comparison of prices
2 between Ameren Missouri's Pure Power program and similar programs offered by other
3 utilities in Missouri.² That table demonstrates that Ameren Missouri's program, even at the
4 \$15 level that is being replaced with \$10, was the second lowest cost program in the state.

5 The fact that the Pure Power Program is priced based on the volume of RECs that are
6 purchased by the program participant is simply a means by which to establish how a
7 customer pays for participating. It is no different than when the utility purchases coal for its
8 power plants. The coal companies base their pricing on the market and as such offer prices
9 accordingly. The utility's concern is not how much of the price is related to the various
10 supplier cost components (labor, equipment, utilities, taxes, etc.). Rather, the question is
11 whether the price is competitive vis-à-vis the market.

12 **Q. Is Mr. Ensrud's recommendation to "de-tariff" the program a practical**
13 **solution?**

14 **A. It is not. De-tariffing would kill the program as it would deny Ameren**
15 **Missouri the ability to place the Pure Power participation charge directly on the customers'**
16 **current bills. This would cause several issues. The administration cost, that Staff asserts is**
17 **currently too high, would become significantly higher because de-tariffing the program**
18 **would necessitate the establishment of a separate data collection system regarding usage, a**
19 **separate billing system, and separate mailing, processing, collection, account posting and**
20 **general administration systems associated with all of the above. At my request, 3Degrees**
21 **looked at the cost of a non-tariffed program that did not utilize the utility's existing billing,**
22 **mailing, processing systems, etc., versus the program that presently exists. That analysis**
23 **indicated that program costs would be an additional \$3.50 to \$7.50 per REC if the program**

² Ensrud surrebuttal testimony, p. 5.

1 were to be de-tariffed. In addition to the added cost, there would be additional inconvenience
2 to the customers as it would require participating customers to pay a separate bill – one for
3 electric service and another one for the RECs. It seems obvious that customers do not want
4 to have to write more than one check.

5 **Q. How should the Commission address Mr. Ensrud's first recommendation**
6 **regarding the tariff modifications as proposed?**

7 A. Staff's first recommendation is to retain the original purpose language. It is
8 very interesting because during previous rate case testimony and discussions with the Staff,
9 the Staff has continually insisted on and has sought more transparency in describing all
10 aspects of the program. Ameren Missouri believes it provided more transparency by adding
11 the following language (which is the only difference between the old and new purposes
12 clauses) "...and education through the purchase of renewable energy credits." Yet, Mr.
13 Ensrud wants the language to be stricken. This makes no sense to me given all of Staff's
14 previously expressed concerns about customer confusion. The recommendation regarding
15 the purpose language directly contradicts what they have been insisting on regarding
16 messaging and information about the program. We believe that the added language in the
17 purpose statement accurately reflects all aspects of participation in the Pure Power program
18 and should stand as written.

19 **Q. How should the Commission address Mr. Ensrud's second**
20 **recommendation regarding the tariff modifications as proposed?**

21 A. Staff states that administrative costs should be limited to 40% of the amount
22 of the program fee of \$10.00 per REC. As stated earlier, the price offered for these
23 programs is based on market prices compared to similar programs and is also influenced by
24 the restrictive contract terms and conditions placed upon the supplier. In this case, 3Degrees

1 is required to lock in the price of \$10.00 for the term of the contract no matter what transpires
2 in the REC marketplace (meaning 3Degrees is taking the market risk). Furthermore,
3 3Degrees is required to purchase the RECs from renewable facilities located in Missouri or
4 such that the energy associated with the creation of the REC is delivered to Missouri. It is
5 further required that a minimum of 50% of the RECs must be from Missouri renewable
6 generators that are Green-e Energy certified. 3Degrees is accepting future unknown pricing
7 risk in order to provide consistent pricing to program participants. And again, the question is
8 whether the price being paid by Ameren Missouri and ultimately by its customers who
9 choose to participate is reasonable given the market at the time the contract is entered into.
10 The question has nothing to do with 3Degrees' costs or profits.

11 **Q. How should the Commission address Mr. Ensrud's third**
12 **recommendation regarding the tariff modifications as proposed?**

13 A. Mr. Ensrud is recommending that Ameren Missouri continue to charge all
14 program participants \$1.00 per REC purchased to ensure non-participants are held harmless.
15 His theory appears to be that there are administrative costs being borne by all customers but
16 only some customers participate.

17 Ameren Missouri did incur administrative costs under the previous contract with
18 3Degrees. Initially, Ameren Missouri paid a flat program start-up fee of \$300,000. It also
19 incurred some cost for programming changes that had to be made to its billing system. None
20 of these costs were ever included in the Company's revenue requirement. Under the initial
21 Pure Power tariff, Ameren Missouri retained \$1 of every \$15 collected (this revenue stream
22 was also not included in the calculation of the Company's revenue requirement). Since the
23 program's inception through December 31, 2012, Ameren Missouri collected \$358,564 from
24 the \$1.00 administration fee. The dollars associated with that fee have therefore offset

1 original program start-up costs as well as offsetting the software development costs in
2 providing a line item on the bill for Pure Power.

3 Moving forward, however, there is no such continuing cost with the revised Pure
4 Power Program. 3Degrees' role in administration of the program minimizes the
5 administrative requirements of Ameren Missouri such that any potential administrative costs
6 incurred by Ameren Missouri are de-minimus, a conclusion the Commission agreed with in
7 its Report and Order in Case No. ER-2008-0318.³ For these reasons, Ameren Missouri does
8 not believe it necessary to charge an additional fee for administration of the follow-on
9 program.

10 **Q. Mr. Ensrud recommended that 3Degrees' information be made publicly**
11 **available. How should the Commission address this recommendation?**

12 A. The Commission should reject this recommendation. For the past three years,
13 3Degrees has been required to purchase RECs from electricity generated or wheeled into the
14 state of Missouri. 3Degrees has gone beyond that requirement and has made a concerted
15 effort to purchase only Missouri-generated Green-e Energy certified renewable energy
16 credits.⁴ This has limited the pool of available RECs. Because the contract terms and
17 conditions that supply the RECs, including pricing, are confidential between 3Degrees and
18 the Farmer City wind farm, it is not practical from a business position to expect those two
19 contracting parties to allow such information to be made public any more than the
20 Commission would make public the terms of negotiated coal contracts. What Ameren

³ ER-2008-0318, Report and Order, p. 108.

⁴ RECs supplied to customers who participate in the Pure Power program have come exclusively from Missouri renewable energy generating projects since 2009. Out of a total of 358,564 RECs supplied to the Pure Power program by 3Degrees from program inception through December 31, 2012, only 673 RECs have been provided from outside of Missouri and those came from an Iowa wind farm.

1 Missouri has asked 3Degrees to provide in the past was a general breakdown, which did not
2 contain proprietary information.

3 **Q. What protections are provided to customers that voluntarily participate**
4 **under the existing and follow-on Pure Power program that could address Mr. Ensrud's**
5 **concerns?**

6 **A.** When Ameren Missouri first researched voluntary green programs because of
7 customer inquiries and requests for such a program, it wanted to establish safeguards so that
8 customers were assured to receive the benefits under the program as stated. In researching
9 similar programs, it became apparent that the best way to ensure that customers would have
10 peace of mind was to have an independent outside party audit the program. That is why the
11 Pure Power program is and will continue to be Green-e Energy certified. Green-e Energy is
12 the nationally accepted "gold standard" for green programs throughout the country. Green-e
13 Energy has established strict policies and guidelines associated with green programs. Not all
14 green programs seek or qualify for Green-e Energy certification. Those that do (like Ameren
15 Missouri's Pure Power Program) are subjected to annual audits of all associated materials.
16 Customers that participate in Green-e Energy certified programs have the peace of mind
17 knowing that an independent third party is reviewing all aspects of the program and that the
18 program is meeting the strictest standards. The surrebuttal testimony of Jennifer Martin, the
19 Executive Director for the Center for Resource Solutions (which operates the Green-e Energy
20 certification program), provides more details about Green-e Energy and the protections
21 provided by this certification.

22 **Q. How do you respond to Mr. Ensrud's assertion that the RECs provided**
23 **by 3Degrees under the Pure Power program are priced inconsistently when compared**
24 **to the cost of other REC services supplied by 3Degrees?**

1 A. Staff's assertion further demonstrates a fundamental lack of understanding
2 regarding the purchase of RECs for a Green-e Energy certified voluntary program versus
3 non-Green-e Energy RECs used for compliance with the Missouri Renewable Energy
4 Standard ("RES"). Staff's comparison is relevant only in that it points out the position that
5 Ameren Missouri has stated on various occasions regarding supply and demand of RECs and
6 the geographic restrictions associated with them. Staff points out that the price for non-Pure
7 Power RECs (which Ameren Missouri uses for compliance with the RES) is trending down
8 while the cost of RECs for Pure Power is increasing. This can be explained very simply.
9 The RECs for the Pure Power program have been, since 2009, obtained exclusively from
10 Missouri renewable generators. We know this because 3Degrees must supply verification of
11 the purchases in order to retain Green-e Energy certification. The RECs that Ameren
12 Missouri procures from 3Degrees for RES compliance (obtained through an arrangement that
13 is separate from the Pure Power contract) carry no such geographic location requirement or
14 restriction. This is basic economics – the law of supply and demand and the result of buying
15 nationally versus locally. The RES compliance RECs purchased from 3Degrees by Ameren
16 Missouri come from an area where there is an oversupply of RECs. Consequently, their
17 prices are lower and declining. Therefore, Staff's REC pricing comparison between Missouri
18 RECs purchased for the Pure Power Program and those purchased for RES compliance is the
19 equivalent of comparing apples to oranges.

20 **Q. How do you respond to Mr. Ensrud's assertion that 3Degrees is not**
21 **fulfilling its obligations related to spending; advertising in particular?**

22 A. Staff's assertion is completely misguided as well as misleading. For the first
23 part, in preparing their analysis, Staff failed to utilize the most current contract amendment,
24 dated September 24, 2010, that was previously provided to Staff regarding scope of services

1 and the level of required spend. This caused Staff to overstate the contractual requirement by
2 100%. Secondly, Staff references those spending requirements as only “advertising”
3 commitments when the language of the contract refers to “Marketing Commitment.” In
4 doing so, Staff ignored the definition of “Marketing Commitment,” which is much broader
5 than just “advertising.” The contract amendment reads as follows:

6 “Section 1.2.3 Marketing Commitment- 3Degrees shall commit to a minimum
7 marketing budget (Minimum Marketing Budget) equal to \$1,500,000 spread
8 ratably over the term such that no less than \$175,000 is spent in each
9 Reporting Year of the agreement for direct marketing costs (direct mail, bill
10 inserts, event marketing, etc.) marketing management costs, graphics and
11 messaging development, overhead and operational costs, and staff and
12 management costs. 3Degrees will have sole discretion over the allocation of
13 funds. Partial calendar years shall be prorated. 3Degrees shall provide
14 Ameren a report on an annual basis of approximate expenditure by major cost
15 category against the Marketing Commitment.”
16

17 In using the correct dollar amount of \$175,000 annually and applying the correct definition
18 of Components that comprise the “Marketing Commitment,” one can readily see that
19 3Degrees has more than met the minimum contractual requirements.

20 Table WJB-1

21

	2007 ⁵	2008	2009	2010	2011	Total
Required Minimum Spend	\$58,333	\$175,000	\$175,000	\$175,000	\$175,000	\$1,500,000
Total Marketing Spend	\$322,543	\$625,300	\$548,501	\$369,345	\$364,547	\$1,907,693
Over / (Under) Minimum Spend	\$264,210	\$450,300	\$373,501	\$194,345	\$189,547	\$407,693
% of Minimum Spend	553%	357%	313%	211%	208%	127%

⁵ Program launched October 1, 2007.

1 **Q. How do you respond to Mr. Ensrud's reference to the termination of the**
2 **FPL Sunshine Energy program and any claimed similarities to the Pure Power**
3 **program?**

4 A. Mr. Ensrud spends a considerable amount of time addressing the FPL
5 Sunshine Energy program in his schedules. However, the two programs are so different as to
6 make a comparison meaningless. Additionally, Mr. Ensrud's explanation does not contain
7 the entire story. Though he asserts that the reason the Florida Commission terminated the
8 Sunshine Energy program was because the administrative costs associated with the
9 participation charge were too high, Mr. Ensrud's own schedules include the Florida Public
10 Service Commission's ("Florida Commission") order, which shows that although
11 administrative cost was a contributing issue, it was not the primary reason for cancelling the
12 program. In reviewing all the data, the Florida Commission first noted in its filing to
13 terminate the Sunshine Energy program that the contractor, Green Mountain Energy, failed to
14 fulfill its contractual obligation to enroll 25,000 new customers per year. Second, the Florida
15 Commission noted that a primary purpose of the program was that funds from this program
16 would be used to build solar in the state. The program was designed such that for every
17 10,000 customers who paid an additional \$9.75 per month, Green Mountain Energy
18 committed to develop 150 kW of solar. According to the Florida Commission, this did not
19 occur, although the FPL program contractor, Green Mountain Energy, has asserted they were
20 working to accomplish that very task. Third, the Florida Commission noted that not enough
21 of the RECs provided under the program came from Florida renewable generators. The
22 program used a significant amount of RECs supplied from power pools as far away from
23 Florida as Oklahoma and Kansas.

1 It is not true to say that all members of the Florida Commission found the program to
2 be bad for customers. The opening statement of the concurring opinion issued by Florida
3 Commissioners McMurrian and Skop states, “This (customer participation) enabled the
4 program to spur awareness of and investment in renewable energy. The need for the
5 program, however, has diminished greatly due to the progressive policies advanced by the
6 Florida Legislature and Governor Christ.”

7 It should be further noted that since the inception of green energy programs in the
8 U.S. and out of approximately 850 current green energy programs, the FPL Sunshine Energy
9 program is the **only** program that has been terminated due to a Commission order.

10 Significantly, **none** of the Sunshine Energy program features that led to the program’s
11 termination by the Florida Commission are, or have ever been, part of the Pure Power
12 program. Staff’s comparison is apples to oranges. It is because of the very issues
13 surrounding the Sunshine Energy program that the Pure Power program was structured in the
14 manner the Company structured it. Because all of these events surrounding the FPL program
15 were occurring at the time Ameren Missouri was laying the foundations and structure of the
16 Pure Power program, Ameren Missouri was careful to ensure no such issues would be
17 associated with its program.

18 **Q. What customer protections are built into the Pure Power Program?**

19 **A. A primary protection embodied in the Pure Power program, partially due to**
20 the Sunshine Energy issues, is the requirement that the Pure Power program be Green-e
21 Energy certified. As Green-e Energy is the industry “gold standard” for program excellence,
22 Ameren Missouri management insisted on that safeguard. As is further attested to in the
23 surrebuttal testimony of Ameren Missouri witness Jennifer Martin, Green-e Energy provides
24 independent third party auditing of the RECs and marketing materials as well as overall

1 program compliance with the industry standards that Green-e Energy has been instrumental
2 in developing.

3 Another protection is the ease of customer participation in (and exit from) the Pure
4 Power program. Customers who choose to participate in Pure Power sign no contract. They
5 may enter and exit the program at will, with no penalties.

6 The program materials describing how the program works are also scrutinized to
7 ensure no confusion by customers. Based on discussions with Staff over the course of the
8 program, Ameren Missouri implemented marketing material standards that are even more
9 restrictive than Green-e Energy standards. 3Degrees continues to fine tune the marketing
10 materials which are scrutinized under an annual audit performed by Green-e Energy. In
11 addition, for the past few years, Ameren Missouri has started providing Staff with copies of
12 all marketing materials prior to those materials being printed, in order to allow for Staff
13 comment.

14 Because of the protections included in the Pure Power program, Pure Power received
15 the National New Green Power Program of the Year Award in 2008; presented by the U.S.
16 EPA, the U.S. Department of Energy and the Center for Resource Solutions. This award
17 demonstrates acknowledgment of program excellence by the national leaders in the
18 renewable industry.

19 **Q. Mr. Ensrud expresses concern about administrative charges in relation to**
20 **the cost of the program. How does this influence pricing for the Pure Power program?**

21 A. The rate charged under the existing program of \$15/MWh and the \$10/MWh
22 rate proposed under the follow-on program, include all administrative costs. 3Degrees is
23 once again committing to a fixed price and the risks associated with future uncertainties are
24 all being borne by 3Degrees to go along with that commitment. Here, Mr. Ensrud has

1 focused on only one of the specific component pieces in comparing the rate charged under
2 the Pure Power program to those in other states while ignoring the overall price of
3 participation. He makes specific references to California's Silicon Valley Green Program and
4 programs in North Carolina and Georgia, but fails to point out that participation cost in both
5 North Carolina and Georgia is significantly higher. The pricing premium for participation in
6 the Silicon Valley program is equal to the current Pure Power price of \$15/MWh while the
7 North Carolina program premiums are between \$25-\$40/MWh and those in Georgia are
8 between \$20-\$35/MWh.⁶ So a 25% "hard cap" in North Carolina may result in more actual
9 dollars spent on administrative costs than what is currently spent by 3Degrees.

10 Regardless, unless Ameren Missouri is the one administering the Pure Power
11 program, I am told by my legal counsel that the Commission does not have the authority to
12 set any such requirement for how 3Degrees operates its business, any more than the
13 Commission has the authority to tell other Ameren Missouri suppliers how to operate their
14 businesses.

15 **Q. Please address Mr. Ensrud's concern with customer confusion between**
16 **RECs and green energy.**

17 A. Mr. Ensrud references a particular page on the Ameren Missouri Pure Power
18 website and states that "a customer or prospective customer can only conclude that their
19 participation in the program leads to "green energy"-either the direct purchase of green
20 energy or that the money will go "to the further development of renewable energy
21 technologies." Again, he fails to acknowledge that language, **drafted with and agreed to**
22 **by the Staff,**⁷ is on all Pure Power materials distributed to current and potential customers.

⁶ EPA Green Power Programs, <http://www.epa.gov/greenpower/pubs/gplocator.htm>

⁷ First Nonunanimous Stipulation and Agreement, Case No. ER-2010-0036, p. 5.

1 One such example where this language distinctly appears is on the “How Do I Sign-Up for
2 Pure Power” page of the Company’s website. **“Participation in this program does not
3 constitute the purchase of energy. Renewable Energy Credits (RECs) which represent
4 the environmental attributes associated with past renewable energy generation are
5 retired on behalf of program participants. All RECs purchased under this program are
6 Green-e Energy certified by the independent Center for Resource Solutions.”** We
7 therefore find Mr. Ensrud’s assertion that a potential customer can only conclude that they
8 are getting “green energy” to be totally misleading.

9 **Q. Has the Staff expressed any other areas of potential customer confusion**
10 **with the Ameren Missouri Pure Power program website pages?**

11 A. Yes. Mr. Ensrud’s comments on Schedule MJE-3 pages 3, 5, 7 and 9, all
12 express concern that there is no reference to any pricing component supporting
13 administration and program promotion costs. It does not seem logical to assume that
14 customers do not understand that the price to participate in this program includes some
15 amount for administrative and promotion costs. This is a cost included in the price of
16 anything consumers purchase. Surely the staff doesn’t think that customers assume that the
17 RECs magically become available without cost. Further, as I have stated several times
18 already, the \$15 was (and \$10 will be) the cost of purchasing the REC from 3Degrees. What
19 it costs 3Degrees is irrelevant. The relevant inquiry is whether the cost Ameren Missouri and
20 ultimately its customers must pay 3Degrees as the supplier is reasonable given the market.

21 **Q. Mr. Ensrud asserts on Schedule MJE-3 (Page 3 of 10) that a statement**
22 **appearing on one page of the Ameren Missouri Pure Power website is not true;**
23 **specifically that Ameren Missouri does not purchases Renewable Energy Credits**

1 **(RECs) equal to the customer's participation level. How do you respond to that**
2 **assertion?**

3 A. This statement is completely false. A REC comes into existence when one
4 MWh of energy is actually produced by a renewable generator. When a customer signs up
5 for Pure Power, they have several options in purchasing various volumes of RECs. They
6 may purchase a full REC or a half-REC. They may even purchase an amount of RECs that is
7 equivalent to their monthly usage, such that if a customer participates at the full level and
8 consumes 2500 kWhs, for example, the program physically purchases 2.5 RECs to cover
9 their participation level. Once the customer pays Ameren Missouri for those RECs, Ameren
10 Missouri in turn retires those RECs such that they cannot be used again. Part of the annual
11 Green-e Energy audit is to confirm customer levels of participation and that Ameren
12 Missouri has indeed purchased and retired the appropriate number of RECs. Mr. Ensrud's
13 assertion is therefore not accurate.

14 **Q. What is Ameren Missouri's intent on continuing the Pure Power program**
15 **beyond April 30, 2013?**

16 A. The Pure Power program came into existence because Ameren Missouri
17 customers were contacting Ameren Missouri representatives and senior executives about the
18 Company offering a green program. After careful research and contacting various utilities
19 across the country about such programs, Ameren Missouri determined that the most efficient
20 and cost effective way to offer such a program to its customers was to rely on the expertise of
21 those in the industry with specific knowledge. A competitive request for proposal ("RFP")
22 was issued and 3Degrees won the contract award. From the outset, it was never a condition
23 of the program that it generate a profit margin for Ameren Missouri. However, it was
24 developed such that only those customers who voluntarily decided to participate in the

1 program would bear the cost of the program. Ameren Missouri and 3Degrees have gone to
2 great lengths to ensure that all participants understand how the program works and the
3 overall goals it hoped to achieve in establishing such a program. It should be noted that the
4 first utility scale wind farm in Missouri began operations in the spring of 2007, at the same
5 time the final contract negotiations regarding the Pure Power program were concluded. We
6 are not saying that the Pure Power program led to all wind development in the state,
7 however, 3Degrees has purchased RECs from every wind farm in the state since the program
8 began and has therefore provided additional financial incentives for the additional
9 development that has occurred since the program began. Pure Power is a customer service
10 program with no high pressure tactics to coerce participation. It is simply another service
11 that Ameren Missouri provides to its customers. We believe that the Pure Power program
12 has been critically instrumental in advancing the cause of renewable development in the state
13 of Missouri by raising awareness for all Missourians and we believe its usefulness in that
14 regard is worth the program's continuation.

15 **Q. Does this conclude your surrebuttal testimony?**

16 **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.

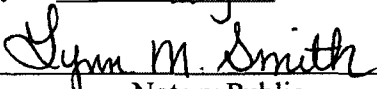
2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of Union Electric Company, d/b/a Ameren Missouri, consisting of 17 pages (and Schedules N/A through N/A if any), all of which have been prepared in written form for introduction into evidence in the above-referenced 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 22nd day of February, 2013.



Notary Public

My commission expires: 9/28/2014

