BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Ameren Missouri's Submission of Its 2014 RES Compliance Report and 2015-2017 RES Compliance Plan	))))	**File No. E0-2015-0267**

REPLY COMMENTS OF UNITED FOR MISSOURI, INC.

COMES NOW, United for Missouri, Inc. ("UFM"), and, pursuant to 4 CSR 240-2.080(13), makes the following reply comments:

1. On April 15, 2015, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri") filed its Annual Renewable Energy Standard Compliance Report ("Compliance Report") for calendar year 2014.

2. On May 29, 2015, the Staff of the Missouri Public Service Commission ("Staff") filed Staff Report on Company's 2014 RES Compliance Report ("Staff Report") and other parties, including Renew Missouri ("Renew"), filed comments on the Compliance Report.

3. The *Comments of Renew Missouri* request the Commission find Ameren Missouri in non-compliance with the Missouri Renewable Energy Standard ("RES")[1] by virtue of its "use of RECs from a hydroelectric facility larger than 10 MW and RECs unassociated with electricity sold to Missouri."[2] It proposes to disallow 1,525,621 RECs generated by the Keokuk Hydro-Electric Generation Station because they are associated with a power plant larger than 10 MW, which, they contend, is in excess of the nameplate rating limit specified in section 393.1025(5) of the RES. It proposes to disallow 14,350 SRECs because they are not "associated with power sold to Missouri customers." The total proposed disallowance would constitute a rejection of a substantial portion of Ameren Missouri's compliance with the RES statute for 2014. Renew's

[1] MO. REV. STAT. §393.1020, et seq. (2014).
[2] *Comments of Renew Missouri*, Conclusion.

recommendation is based on an odd and tortured construction of the RES that the Commission has rejected in the past and should continue to reject.

4. In seeking to reject the 1,525,621 RECs from the Keokuk Hydro-Electric Generation Station, Renew attempts to redefine "nameplate rating" from a term of art applied to a piece of equipment and aggregate such nameplate ratings to a new concept of a plant nameplate rating based on some aggregated data found in Ameren Missouri's FERC Form No. 1. The Commission should not be confused by this ingenuity.

5. 4 CSR 340-8.010(2), interpreting the RES, and interpreting it correctly, designates "Eligible Renewable Energy Resources" as, "Hydropower, not including pumped storage, that does not require a new diversion or impoundment of water and that **each generator has a nameplate rating** of ten megawatts (10 MW) or less." [emphasis added] The Department of Economic Development has it right when it recognizes the engineering reference "nameplate rating" is made to a generator and not a power plant in the aggregate. In this file, the Division of Energy has confirmed that it has certified all renewable energy generation facilities referred to in Ameren's Compliance Report, including the Keokuk Energy Park. This is an adequate declaration for Ameren Missouri's compliance with the law on this point.

6. In seeking to disallow 14,350 SRECs purchased from 3rd party brokers, Renew takes certain phrases in the RES wildly out of context and contorts them into a new criteria for compliance with the RES: "associated with power sold to Missouri customers."[3] There is

[3] The following two examples are from Renew's Comments:

> Furthermore, the statute clarifies that the electricity retired for compliance must "constitute… [a] portion of each electric utility's sales…" Because Ameren has made no showing that the 14,350 SRECs are associated with power sold to Missouri customers or constitute any portion of the utility's actual sales, retirement of these SRECs is in direct contravention of the RES statute.

nothing in the RES that portends an "association" between a REC and a particular transaction or service. Such a concept is silly, nonsensical and physically impossible. Renew's comments do not have a logical meaning.

7. What is it for RECs to be "associated with power sold to Missouri customers?" As the Commission is well aware, the flow of electricity is dictated by the laws of physics on an integrated transmission grid. It is not similar to the flow of a fluid in a pipe, moving from a point A to a point B. Electrons cannot be marked or tagged and identified with a particular transaction. The electricity generated by a wind generator in Kansas will almost certainly not

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This first statement above is almost incomprehensible, it has been so stripped from the context and contorted to achieve a result. What is it to retire electricity for compliance? And what is it that that retirement must constitute [a] portion of each electric utility's sales . . . ?"

> While the original so-called "geographic sourcing" paragraphs of the Commission's rule at 4 CSR 240-20.100 were disallowed by the action of the Joint Committee on Administrative Rules (JCAR), the RES statute is still clear and unambiguous in its letter and intent: RECs retired for compliance must be associated with "power sold to Missouri consumers" and must "constitute… [a] portion of each electric utilities' sales…"

In reality, the RES states as follows in context:

> 1. The commission shall, in consultation with the department, prescribe by rule a portfolio requirement for all electric utilities to generate or purchase electricity generated from renewable energy resources. Such portfolio requirement shall provide that electricity from renewable energy resources shall constitute the following **portions of each electric utility's sales**:
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> (1) No less than two percent for calendar years 2011 through 2013;
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> (2) No less than five percent for calendar years 2014 through 2017;
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> (3) No less than ten percent for calendar years 2018 through 2020; and
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> (4) No less than fifteen percent in each calendar year beginning in 2021. At least two percent of each portfolio requirement shall be derived from solar energy. The portfolio requirements shall apply to all power sold to Missouri consumers whether such power is self-generated or purchased from another source in or outside of this state. A utility may comply with the standard in whole or in part by purchasing RECs. Each kilowatt-hour of eligible energy generated in Missouri shall count as 1.25 kilowatt-hours for purposes of compliance. [emphasis added]

find its way to Missouri but to the load that constitutes the path of least resistance between the generator and load. As the Commission has previously observed, "The RES statute does not require that a REC represent renewable energy delivered to Missouri customers." *Order Denying Motion for Summary Determination of Renew Missouri and Granting Motions to Dismiss of Ameren Missouri and Empire*, File No. EC-2013-0377, et al. (November 26, 2013), p. 4. It is enough that the utility, responding to the RES law, redispatches its generation and transactions in order to rely more heavily on renewable energy resources, in an amount that satisfies the dictates of the RES.

8. It is clear from the RES that RECs need not be associated with a particular transaction or service. The RES explicitly states that, "A utility may comply with the standard in whole or in part by purchasing RECs." Inasmuch as a REC is defined as "a tradeable certificate," a certificate that can be exchanged between parties, a REC must be able to be disassociated from a particular transaction or party.

9. Renew's *Comments* are similarly faulty when they argue that Ameren Missouri has not acted in good faith to comply with the Non-Unanimous Stipulation and Agreement in File No. ET-2014-0085. Even a cursory review of the Non-Unanimous Stipulation and Agreement shows that the commitment cited to was a commitment in adjusting downward the revenue requirement when calculating the retail rate impact. Again, Renew has taken the language out of context and tried to make it apply to the retirement of SRECs.

Conclusion

The state of Missouri has a policy to encourage utilities to use a certain amount of renewable resources. Ameren Missouri has complied with the statute.[4] Renew's new found requirement would simply increase costs to Ameren Missouri and ultimately its customers with no benefit or advancement in state policy. To its credit, Renew Missouri recognizes that the Commission has dealt with these issues in the past and has dismissed them for what they are, a misunderstanding of the statute. At least Renew recognizes it is tilting at windmills. The Commission should leave Renew as it is, tilting at windmills.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Application to Intervene was sent to all parties of record in File No. EO-2015-0267 via electronic transmission this 3rd day of June, 2015.

/s/ David C. Linton

[4] UFM recognizes that Staff has identified some minor discrepancies in Ameren Missouri's calculations in its Staff Report which can be easily corrected to bring Ameren Missouri into compliance.