

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

In the Matter of the Application of Union Electric)
Company d/b/a Ameren Missouri for Permission and)
Approval and a Certificate of Public Convenience and) File No.: EA-2022-0244
Necessity Authorizing it to Construct a Renewable)
Generation Facility.)

APPLICATION

COMES NOW Union Electric Company d/b/a Ameren Missouri ("Company," "Ameren Missouri," or "Applicant"), pursuant to Sections 393.170 and 393.190.1, RSMo.,¹ 20 CSR 4240-2.060, and 20 CSR 4240-20.045, and hereby submits to the Missouri Public Service Commission ("Commission") its Application requesting the following:

- A Certificate of Convenience and Necessity ("CCN") under subsection 1 of Section 393.170² authorizing Ameren Missouri to construct, install, own, operate, maintain, and otherwise control and manage a 200 megawatt ("MW") solar generation facility, in Audrain and Ralls Counties, Missouri (the "Huck Finn Solar Project" or "Project") pursuant to a Build Transfer Agreement ("BTA") with EDF Renewables Development, Inc. ("EDF Renewables"), a copy of which is attached to the Direct Testimony of Ameren Missouri witness Scott Wibbenmeyer and filed concurrently with this Application;

¹ All statutory references are to the Revised Statutes of Missouri (2016), unless otherwise stated.

² The Company requests permission and authority to construct the Project via the BTA structure discussed herein, consistent with the permission and authority the Commission granted it for its prior renewable generation projects constructed using a BTA structure. The Company notes, however, that this Application could be viewed as an application to operate an existing asset under 20 CSR 4240-20.045(5) which was adopted pursuant to subsection 2 of section 393.170. Should the Commission view it as such, the Company requests that permission to operate it in lieu of, or in addition to, the permission sought under 20 CSR 4240-20.045(6) and Section 393.170.1.

- Authority to engage in the transactions by which Ameren Missouri, through various subsidiaries, proposes to construct and finance the Project, including transactions under the BTA and utilizing a tax equity partnership ("TEP"), as explained further below and in Company witnesses Wibbenmeyer's and Mitchell Lansford's Direct Testimonies;
- Authority under Section 393.190.1 to complete the mergers and asset transfers described later in this Application once the TEP no longer exists and a determination that doing so is not detrimental to the public interest;
- Authorization to record its investment in, and the costs to operate, the Project as described in Company witness Lansford's Direct Testimony;
- Approval of the arrangements between the Company and affiliates necessary to own and operate the Project upon its completion including via a TEP, including waivers of 20 CSR 4240-20.015(2) and (3) as described herein and discussed in witness Lansford's Direct Testimony;
- Issuance of a Commission order granting the relief requested in this Application by February 28, 2023, so that the Project can be timely constructed to take advantage of the full value of available federal Investment Tax Credits ("ITCs"); and
- For such other and further relief as may be appropriate.

In support of these requests, Applicant states as follows:

I. APPLICANT

1. Union Electric Company is a Missouri corporation doing business under the fictitious name of Ameren Missouri, in good standing in all respects, with its principal office and place of business located at One Ameren Plaza, 1901 Chouteau Ave., St. Louis, Missouri 63103. Applicant is engaged in providing electric and natural gas utility services in portions of Missouri

as a public utility under the jurisdiction of the Commission. Ameren Missouri has previously submitted to the Commission a certified copy of its Articles of Incorporation (File No. EA-87-105), its Fictitious Name Registration with the Missouri Secretary of State (File No. EA-2019-0181), and a Certificate of Good Standing from the Missouri Secretary of State (File No. EM-2022-0292), all of which are incorporated herein by reference in accordance with 20 CSR 4240-2.060(1)(G).

2. Filings, notices, orders and other correspondence and communications concerning this Application should be addressed to undersigned counsel and to:

Steve Wills
Ameren Missouri
1901 Chouteau Avenue
P.O. Box 66149
St. Louis, MO 63166-6149
swills@ameren.com

3. Ameren Missouri has no pending action or final unsatisfied judgment or decision against it from any state or federal agency or court that involves customer service or rates, which action, judgment, or decision has occurred within three years of the date of this Application.

4. Applicant has no overdue annual report or assessment fees.

5. A 60-day notice with respect to the authority sought hereunder was filed on March 14, 2022, and assigned the above-captioned file number.

II. REQUEST FOR CCN AND FOR SECTION 393.190.1 AUTHORITY

A. Huck Finn Solar Project Description.

6. Applicant is requesting a CCN for the Huck Finn Solar Project. The Project is a 200 MW-AC solar generation facility in Audrain and Ralls Counties, Missouri, to be connected to the transmission system under the functional control of the Midcontinent Independent System

Operator, Inc. ("MISO"), and which is to be acquired by Ameren Missouri through various subsidiaries under the BTA and related transactions and financed in part through the TEP.

7. As explained in the Direct Testimony of Ameren Missouri witness Lindsey Forsberg, the Project is being built so that Ameren Missouri can meet its compliance obligations under the Missouri Renewable Energy Standard ("RES"). Starting in 2021, Ameren Missouri must have Renewable Energy Credits ("RECs"³) representing at least 15% of its retail sales to satisfy its RES obligations. To meet that requirement, Ameren Missouri projects it will need to retire approximately ** _____ ** million RECs each year. Building on Ameren Missouri's addition of 700 MW of Missouri wind resources in 2020 and 2021, there is a need for at least one additional renewable energy resource designed to meet Ameren Missouri's RES compliance obligations over the next decade. The Huck Finn Solar Project, located in Missouri, fulfills this need and offsets the loss of RECs currently being supplied by the Pioneer Prairie wind Power Purchase Agreement ("PPA") which is set to expire in August 2024. It also helps mitigate against uncertainty in future retail load and renewable energy resource generation levels. The proposed Project is a competitive and cost-effective option to meet Ameren Missouri's RES compliance needs.

8. The Huck Finn Project will be constructed pursuant to the BTA, which is between HFREC Holding Company, LLC (a subsidiary of Ameren Missouri Renewables Holdco, LLC ("Holdco")⁴ and also referred to as the Purchaser) and EDF Renewables. Under a build-transfer-own structure, as reflected in the BTA, the facility is specifically constructed for the ultimate owner and to the ultimate owner's specifications. Consequently, while it is true that Ameren

³ A REC is "a tradeable certificate of proof that one megawatt-hour of electricity has been generated from renewable energy source." Section 393.1025(4), RSMo.

⁴ Holdco is a wholly-owned subsidiary of Ameren Missouri.

Missouri is not literally the constructor, Ameren Missouri (through its subsidiary interests and eventually directly) will ultimately own and operate the Project. Thus, Ameren Missouri seeks a CCN in accordance with Section 393.170.1 and 20 CSR 4240-20.045.⁵

9. To complete the Huck Finn Project, EDF Renewables has formed a special-purpose entity, Huck Finn Solar, LLC ("Huck Finn Solar"), which is the project company that will acquire all land rights, permits, and equipment; execute contracts with contractors for construction subject to significant input from Ameren Missouri; and take such other steps as necessary to complete the Project and render it operational in accordance with the terms of the BTA.

10. At the Project's Mechanical Completion, Holdco plans to sell an interest in HFREC (currently estimated to be between approximately 33-40%) to the tax equity partner, who is expected to provide a portion of the financing for the Project as discussed in the Direct Testimony of Company witness Lansford. As a result, HFREC will become the TEP, which will own Huck Finn Solar.

11. At the same time, and subject to the terms of the BTA, HFREC will pay 70% of the purchase price for the project company, Huck Finn Solar, to EDF Renewables, using funds provided to HFREC by Ameren Missouri (via Holdco) and the tax equity partner.

12. Huck Finn Solar will then complete the Project. At that time, the tax equity partner will provide the remainder of its investment contribution and HFREC will pay the remaining 30% of the purchase price, vesting ownership of Huck Finn Solar fully in HFREC.

⁵ This same BTA build-transfer-own type structure is very similar to the BTAs used to develop Ameren Missouri wind generation facilities approved by the Commission in 2018 and 2019. *See, e.g.,* File Nos. EA-2018-0202 (High Prairie Energy Center) and EA-2019-0181 (Atchison Energy Center f/k/a Outlaw). *See* footnote 2 above respecting the Company's request that the Commission also grant any permission required by subsection 2 of Section 393.170.

As discussed by witness Lansford in his Direct Testimony, allocations of all TEP benefits and costs to be distributed to the partners will be defined in the partnership agreement (i.e., the limited liability company agreement). The tax equity partner will receive tax credits, depreciation, and a minority of cash from the Project until its after-tax internal rate of return achieves its target yield, which is also specified in the partnership agreement. Once the tax equity partner's after-tax internal rate of return achieves its target yield, the allocations available to the tax equity partner then reduce, or "flip". From this point forward, the tax equity partner will be allocated considerably less benefits arising from partnership operations.

13. After this "flip date", Ameren Missouri, through its subsidiary Holdco, would have the option to purchase the tax equity partner's remaining interest in the partnership at fair market value. The Company expects to be able to exercise its buyout option in year 10 at a price of approximately *** _____ ***. After the Company does so, Huck Finn Solar will be merged into HFREC, and then HFREC will be merged into Holdco. Following those mergers, neither Huck Finn Solar nor HFREC will exist, and Holdco will then transfer the Project assets to Ameren Missouri, resulting in direct Ameren Missouri ownership, just as Ameren Missouri owns its other generation facilities. These mergers and the asset transfer will occur in sequence essentially at the same time.

14. At that time, the buyout amount will be recorded as plant in service, so that the entire Ameren Missouri investment in the Project assets will be reflected as plant in service on Ameren Missouri's books. Until that time, only Ameren Missouri's actual investment in the Project (currently expected to be between 60 and 67 percent of its total cost) will be reflected as

plant-in-service on Ameren Missouri's books, since the rest of the total cost will be held by the TEP until the buyout date.⁶

15. The Notice to Proceed deadline within the BTA is set at March 27, 2023, and the Project is expected to be fully operational by December 1, 2024, as further explained in witness Wibbenmeyer's Direct Testimony. Ameren Missouri anticipates that the Project, once constructed, will generate enough energy to provide approximately 583,000 compliance solar RECs ("SRECs") annually, after factoring in the 1.25 multiplier for solar produced in Missouri as provided for by the RES.

B. The Huck Finn Project is Necessary or Convenient for the Public Service ("Tartan Factors").⁷

16. The Tartan Factors are as follows:

- Need for the Huck Finn Solar Project;
- Economic Feasibility of the Huck Finn Solar Project;
- Ability of the Applicant to Finance the Huck Finn Solar Project;
- Qualifications of the Applicant to Construct the Huck Finn Solar Project; and
- Whether the Huck Finn Solar Project is in the Public Interest.

⁶ Under this financing structure, there will be two mergers and one asset transfer ultimately resulting in 100% Ameren Missouri ownership of the facility. Consequently, Ameren Missouri also seeks authority in this Application under Section 393.190.1 to accomplish the mergers and asset transfer and a finding that the same are not detrimental to the public interest. Ameren Missouri also requests that the Commission waive, to the extent necessary, the provisions of 20 CSR 4240-10.105, 10.115, and find that the information provided in this Application and the accompanying direct testimony is sufficient to warrant the permissions requested herein under Section 393.190.1

⁷ While a project is not required as a matter of law to meet the "Tartan Factors," the Commission has traditionally analyzed CCN applications using those factors. See *In Re Tartan Energy*, GA-94-127, 3 Mo.P.S.C.3d 173, 177 (1994).

An affirmative finding on the first four factors generally leads to the conclusion that the final factor, public interest, is satisfied.⁸

17. The Project is needed to allow Ameren Missouri to meet the Missouri RES requirements. As addressed in the Direct Testimonies of Company witnesses Wibbenmeyer and Forsberg, the Project will allow Ameren Missouri to meet the 15% RES requirement, under which Ameren Missouri must retire approximately ** _____ ** RECs each year. The addition of the Huck Finn Solar Project is expected to fulfill the Company's RES compliance needs over a ten-year planning horizon.

18. The Huck Finn Solar Project is also economically feasible. As outlined in greater detail in Company witness Wibbenmeyer's Direct Testimony, constructing the Huck Finn Project pursuant to the BTA allows Ameren Missouri to take advantage of the developer's expertise in developing and constructing solar projects, while ensuring that the Project is built to Ameren Missouri's specifications so that it can provide long-term service to Ameren Missouri's customers. Constructing the Project pursuant to the BTA also allows the Company to take advantage of Investment Tax Credits available for solar energy development, substantially lowering the cost of the Project for the benefit of the Company's customers. Further, under current tax law and given current market conditions for tax equity partners, the tax equity structure optimizes the customer benefits of the Project, lowering the cost to comply with the RES. Specifically, use of tax equity financing lowers the Project costs by approximately \$44 million on a net present value basis. Finally, as outlined in Company witness Lindsey Forsberg's Direct Testimony, on a net present value of revenue requirement ("NPVRR") basis, the Project

⁸ *Id.* at 189 (citing *In re: Intercon Gas, Inc.*, 30 Mo. P.S.C. at 561).

cost is reasonable and competitive based on current market conditions and other available projects.

19. Ameren Missouri has the financial ability to construct the Project through the BTA and TEP because it can access the equity and debt capital necessary to do so while maintaining strong financial metrics.

20. Ameren Missouri is qualified to construct the Project through the BTA and TEP transactions, and to operate it upon acquiring ownership thereof, given the financial, technical, and management expertise Ameren Missouri has developed over the course of its long history as a large public utility operating in the state of Missouri. More specifically, Ameren Missouri currently owns and operates several utility-scale renewable generation facilities, including over 700MW of wind generation and 13 MW of solar generation.

1. Requirements under 20 CSR 4240-20.045(3) are met.

21. The facts demonstrating that the Project is necessary or convenient for the public service are discussed above, and provided in this Application, Ameren Missouri's direct testimony, and related schedules. (Subsection (A)).

22. The asset to be operated or constructed is not outside Missouri. (Subsection (B)).

2. Requirements under 20 CSR 4240-20.045(5) are met.

23. The Huck Finn Project is an approximately 200 MW-AC solar generation facility and is described in more detail above and in the Direct Testimony of witness Wibbenmeyer. (Subsection (A)).

24. The purchase price of the Project under the BTA is approximately *** _____
_____ ***, with the final total price being subject to adjustments as set forth in the BTA.

⁹ This is the cost in the base case, addressed in witness Forsberg's direct testimony. The actual cost could vary as discussed in that testimony.

Ameren Missouri's plans for financing the operation of the Project are discussed above and in the Direct Testimony of witness Lansford. (Subsections (B), (C)).

25. Plans and specifications for the asset are provided in the BTA documentation as Exhibit A included as Schedule SW-D2 to Company witness Wibbenmeyer's testimony¹⁰. (Subsection (D)).

3. Requirements under 20 CSR 4240-20.045(6) are met.

26. The Project site is described in detail in Exhibit 1 of the Scope of Work, which is Exhibit A to the BTA included as Schedule SW-D2 to witness Wibbenmeyer's testimony. (Subsection (A)).

27. The Project is located in unincorporated Audrain and Ralls Counties, Missouri. A list of all electric, gas, telephone conduits, wires, cables, and lines of regulated and nonregulated utilities, railroad tracks, and underground facilities which the construction will cross is contained in Application Schedule A. (Subsection (B)).

28. Project plans and specifications can be found in Schedule SW-D~~2~~ to witness Wibbenmeyer's testimony. The Project is estimated to cost approximately *** _____ ***. The operational features of the asset once it is fully operational and used for service are discussed by witness Wibbenmeyer in his Direct Testimony and Schedules. (Subsection (C)).

29. The Notice to Proceed deadline within the BTA is set at March 27, 2023, and construction is scheduled to commence in approximately November 2023. The Project is expected to be fully operational by December 1, 2024. (Subsection (D)).

¹⁰ The Company plans to provide as-built drawings after the facility is complete, and asks the Commission to grant it a variance from the requirement in 20 CSR 4240-20.045(3)(C) that they be provided prior to exercise of the authority under the CCN.

30. Project components including fencing, security systems, roads, select transformers, and the control house will be treated as common plant. (Subsection (E)).

31. Ameren Missouri's plans for financing the Project are discussed above and in the Direct Testimony of witness Lansford. (Subsection F)).

32. The Project is contemplated by the Company's new Preferred Resource Plan, submitted to the Commission on June 22, 2022. (Subsection G)).

33. The Project was selected as part of a request for proposal process as discussed by witness Wibbenmeyer. Because the Company is not constructing the Project itself but is contracting to acquire through a BTA, any competitive bidding for design, engineering, procurement, construction management, and construction is the responsibility of the Project developer. (Subsection (H)).

34. The Project will be operated and maintained in the same manner and fashion as all of Ameren Missouri's existing generation is operated, including its existing renewable generation. More specifically, the Huck Finn Solar Project will be operated by Ameren Missouri, with the operation of the facility managed by the Ameren Missouri Energy Management & Trading group, similar to the Company's other large-scale renewable generators such as the Atchison County and High Prairie wind farms and O-Fallon solar facility. Ameren Missouri will coordinate all operations with the Mid-Continent Independent System Operator (MISO), of which Ameren Missouri is a member. (Subsection (I)).

35. Ameren Missouri prepares and maintains emergency action plans for each of its energy centers and will prepare emergency action plans, which will include plans for restoration of safe and adequate service after significant, unplanned/forced outages at a future date closer to the time when the solar farm is nearing commercial operations. The plans for the Huck Finn

Solar Project will include communications and response strategies related to natural disasters and other major events.¹¹ (Subsection (J)).

36. Other than a short interconnection line, the Huck Finn Project includes no transmission voltage lines or transmission substations. All easements have been obtained for the connector line, and no other landowners are directly affected by electric transmission line routes or transmission substation locations related to the Project proposed in this Application.

(Subsection (K)).

4. Other Requirements

37. Per the Third Stipulation and Agreement filed in File No. EA-2019-0021, Ameren Missouri is providing in its workpapers a transmission capital cost and capacity factor sensitivity analyses, including a "worst-case" scenario, since this Application concerns a wind or solar project interconnected at the transmission level.

WHEREFORE, Ameren Missouri respectfully requests that the Commission issue a final order:

- Granting Ameren Missouri a CCN under subsection 1 of Section 393.170 authorizing Ameren Missouri to construct, install, own, operate, maintain, and otherwise control and manage a 200 MW solar generation facility, in Audrain and Ralls Counties, Missouri pursuant to a BTA with EDF Renewables, a copy of which is attached to the Direct Testimony of Ameren Missouri witness Scott Wibbenmeyer;

¹¹ Ameren Missouri requests a variance from the provisions of 20 CSR 4240-20.045(3)(C), allowing it to submit its overview of plans for restoration of safe and adequate service after significant, unplanned/forced outages closer to the time when the Huck Finn Project will commence commercial operations.

- Authorizing Ameren Missouri to engage in the transactions by which Ameren Missouri, through various subsidiaries, proposes to construct and finance the Project, including transactions under the BTA and utilizing a TEP, as explained in this Application and in witness Wibbenmeyer's and witness Lansford's Direct Testimony;
- Granting Ameren Missouri authority and permission under Section 393.190.1 to complete the mergers and asset transfers described in this Application once the TEP no longer exists, a determination that the completion of the mergers and transfer is not detrimental to the public interest, and waivers to the extent necessary of 20 CSR 4240-20.105, 20.115;
- Granting authorization to record its investment in, and the costs to operate, the Project as described in Company witness Lansford's Direct Testimony;
- Approving the arrangements between the Company and affiliates necessary to own and operate the Project upon its completion including via a TEP, including waivers of 20 CSR 4240-20.015(2) and (3) as described herein and discussed in witness Lansford's Direct Testimony;
- Granting a variance from the requirements in 20 CR 4240-20.045(3)(C) such that Ameren Missouri may: (1) provide as-built drawings after the facility is complete; and (2) submit its overview of plans for restoration of safe and adequate service after significant, unplanned/forced outages closer to the time when the Huck Finn Project will commence commercial operations;
- Issuing a Commission order granting the relief requested in this Application by February 28, 2023, so that the Project can be timely constructed to take advantage of the full value of available federal ITCs; and

- Granting such other and further relief as may be appropriate under the circumstances.

RESPECTFULLY SUBMITTED,

/s/ Wendy K. Tatro

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**ATTORNEYS FOR UNION ELECTRIC
COMPANY d/b/a AMEREN MISSOURI**

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the public version of the foregoing Application has been e-mailed, this 7th day of July, 2022, to the Missouri Public Service Commission Staff and to the Office of the Public Counsel.

*/s/ Wendy K. Tatro*_____

Wendy K. Tatro