April 5, 2010

Mr. Steven Reed
Secretary of the Commission
Missouri Public Service Commission
200 Madison Street, Suite 100
Jefferson City, MO 65102-0360

Re: File No. EW 2009-0324

Dear Mr. Reed:

enXco is pleased to have an opportunity to present these comments to the Commission for consideration in determining the proposed rules for the Missouri Renewable Energy Standard.

enXco/EDF EN has 3,500 MW of renewable energy projects, with 36.00 MWDC of installed solar PV capacity worldwide (over 4.00 MWDC installed in the US & 23.00 MWDC in Canada) and an additional 19.00 MWDC contracted or under construction in North America.

enXco believes Missouri is poised to become a leader in renewable energy and realize the significant economic benefits that are associated with this position.

Missouri Solar Development Potential

The solar development potential of Missouri is significant and viable in the near term. The 25% in-state bonus for projects developed within Missouri allows the price for solar energy to be competitive with that of other states that are typically considered strong for solar, such as New Mexico and Texas. Missouri's average solar resource is comparable to Florida, a state typically considered strong for solar development.[1]

enXco has expended significant resources to develop utility-scale solar PV projects within Missouri for AmerenUE, Empire District Electric Company, and Kansas City Power & Light (KCP&L) service territories that are able to meet both 2011 and 2014 requirements. This extensive development includes interconnection, constraints, landowner meetings, county stakeholder discussions, financial modeling, and site planning. We have presented these economic and thorough proposals to Ameren and KCP&L and are waiting on responses.

Developing PV sites within Missouri would immediately solidify the state as a PV installation leader. After these 2011 additions, the state would rank in the top 10 for PV installation in the US.[2] enXco can easily achieve commercial operation within one year of executing off-taker agreements with the utilities.

[1] Source: www.nrel.com
[2] Sherwood, Larry (2009). US Solar Market Trends 2008. Interstate Renewable Energy Council.

Local Economic Benefits

enXco estimates that 50 construction jobs and 1 permanent job are created for each 5 MWAC solar facility. As a result, meeting the 12.5 MWAC 2011 solar requirement (assuming the in-state bonus) will result in 125 jobs during construction and 3 permanent jobs in addition to related manufacturing and engineering jobs.

Additional benefits include increasing the tax base with significant benefits to local schools and payments to landowners. Lease holders typically receive $375 to $475 per acre per year during the operational period of the project. For instance, a 7.5 MWAC facility on 75 acres would yield $28,000 to $36,000 in annual income for the landowner.

If Missouri is committed to local solar development, Missouri will attract manufacturers and developers to establish local plants and offices.

Additional Advantages of Building In-State Solar Projects

The advantages of building solar generation in lieu of a long-distance or electrically disconnected S-REC purchase are numerous.

A new solar PV facility located in Missouri would:

- Provide a long-term solution to the Missouri RES solar requirement
- Provide long-term price certainty for a local supply of solar energy dedicated to meeting RES requirements
- Result in a physical asset that provides energy and capacity in addition to environmental benefits and reduces the total cost compared to S-REC only products
- Create a Missouri-delivered product and eliminate any regulatory compliance uncertainty associated with a non-MISO, non-SPP, or S-REC only product.
- Provide long-term investment/economic development in the state
- It will also provide local load-serving generation and associated distributed generation benefits.

Geographic Sourcing

Proposition C does not contemplate an exemption for solar from the geographic sourcing requirement. By an overwhelming majority, the electorate voted to support the development of solar within Missouri by requiring the electricity associated with the solar portion be delivered to Missouri customers.[3]

In addition, even if utilities were permitted to buy S-RECs and related solar electricity that is not deliverable to Missouri customers, with which we adamantly disagree, based on current environmental credit market investigation, we are skeptical that S-RECs could be purchased in enough quantity to meet the solar requirements. Further, any S-RECs available in active S-REC markets are more expensive than projects developed in Missouri. S-REC markets that are currently active trade S-RECs from $225.00 per S-REC in Delaware to $665.00 per S-REC in New Jersey.[4] enXco can offer S-RECs at one-third of the Delaware price when you consider the economic benefit of the electricity and the in-state bonus.[5]

Empire Exemption (Section 393.1050)

The law firm of Stinson, Morrison, & Hecker prepared a compelling memorandum on behalf of enXco in regards to our position that Section 393.1050 is an invalid statute, an act outside the power of the legislative branch. Accordingly, it should be considered void and should play no role in the application of Proposition C. The legal opinion is hereby attached .

We appreciate the opportunity to comment on the proposed rules and look forward developing PV projects in Missouri.

Sincerely,

Barbara O'Neill
Director
Central Region
enXco Development Corporation

[3] Official Election Returns, State of Missouri General Election - 2008 General Election.
[4] Source: www.screctrade.com
[5] Based on estimate per SREC price including the benefits of receiving electricity in addition to the SRECs and the 25% bonus. The electricity economic benefit is estimated at $35.00 per MWh.