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Witness:

William J. Barbieri Sponsoring Party: Union Electric Compar Type of Exhibit: Surrebuttal Testimony Union Electric Company Case No.: EO-2013-0307

Date Testimony Prepared: February 22, 2013

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

1		SURREBUTTAL TESTIMONY						
2	\mathbf{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.	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 Strategy, Policy and Generation.							
11	Q.	Are you the same William J. Barbieri who filed direct testimony in this						
12	case?							
13	A.	Yes, I am.						
14	Q.	What is the purpose of your surrebuttal testimony?						
15	A .	The purpose of this surrebuttal testimony is to respond to Missouri Public						
16	Service Commission Staff ("Staff") witness Mr. Michael Ensrud and the specific issues he							
17	raised about the Pure Power program.							
18	Q.	What is Mr. Ensrud's primary concern about the Pure Power program?						
19	A.	Mr. Ensrud first points to the fact that the Missouri Public Service						
20	Commission ("Commission") sets cost-based rates for the services it regulates. He then							
21	argues that it is necessary for Staff to in effect audit 3Degrees' financial and accounting data							
22	in order to support the "costs" of the Pure Power program. He then testifies that Ameren							
23	Missouri has not provided that information and he claims that he cannot make a							
24	recommendation about the Pure Power program without that information.							

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Q. Is Mr. Ensrud's concern valid?

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

Q. Are there other examples that illustrate your point?

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

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

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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.
- 7 It would appear Staff believes that 3Degrees should spend a higher percentage of the current
- 8 \$15.00 price on REC procurement itself. As I explained in my direct testimony, under the
- 9 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
- 11 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
- 14 near the lowest cost of all comparable programs in the country.

Q. Please explain.

- 16 A. The most recent published information regarding voluntary green program
- 17 costs is from a technical report issued by the United States Department of Energy's National
- 18 Renewable Energy Lab ("NREL"). 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
- 20 median price was \$0.015/kWh. It should be noted that the current Pure Power program is at
- 21 the median price level, and that the new program would be one-half cent per kWh below the
- 22 median price.

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

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

The fact that the Pure Power Program is priced based on the volume of RECs that are

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

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

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

² Ensrud surrebuttal testimony, p. 5.

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- 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.

Q. How should the Commission address Mr. Ensrud's first recommendation

regarding the tariff modifications as proposed?

- 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
- the following language (which is the only difference between the old and new purposes
- 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
- previously expressed concerns about customer confusion. The recommendation regarding
- 15 the purpose language directly contradicts what they have been insisting on regarding
- messaging and information about the program. We believe that the added language in the
- purpose statement accurately reflects all aspects of participation in the Pure Power program
- and should stand as written.

Q. How should the Commission address Mr. Ensrud's second

recommendation regarding the tariff modifications as proposed?

- A. Staff states that administrative costs should be limited to 40% of the amount
- 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

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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

program's inception through December 31, 2012, Ameren Missouri collected \$358,564 from

the \$1.00 administration fee. The dollars associated with that fee have therefore offset

- 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.
- 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.

- Q. Mr. Ensrud recommended that 3Degrees' information be made publicly 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
- 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. 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.

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- 1 Missouri has asked 3Degrees to provide in the past was a general breakdown, which did not
- 2 contain proprietary information.
 - Q. What protections are provided to customers that voluntarily participate under the existing and follow-on Pure Power program that could address Mr. Ensrud's concerns?
 - When Ameren Missouri first researched voluntary green programs because of A. customer inquiries and requests for such a program, it wanted to establish safeguards so that customers were assured to receive the benefits under the program as stated. In researching similar programs, it became apparent that the best way to ensure that customers would have peace of mind was to have an independent outside party audit the program. That is why the Pure Power program is and will continue to be Green-e Energy certified. Green-e Energy is the nationally accepted "gold standard" for green programs throughout the country. Green-e Energy has established strict policies and guidelines associated with green programs. Not all green programs seek or qualify for Green-e Energy certification. Those that do (like Ameren Missouri's Pure Power Program) are subjected to annual audits of all associated materials. Customers that participate in Green-e Energy certified programs have the peace of mind knowing that an independent third party is reviewing all aspects of the program and that the program is meeting the strictest standards. The surrebuttal testimony of Jennifer Martin, the Executive Director for the Center for Resource Solutions (which operates the Green-e Energy certification program), provides more details about Green-e Energy and the protections provided by this certification.
 - Q. How do you respond to Mr. Ensrud's assertion that the RECs provided by 3Degrees under the Pure Power program are priced inconsistently when compared 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				

- 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."

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In using the correct dollar amount of \$175,000 annually and applying the correct definition

- 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

	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.

Florida as Oklahoma and Kansas.

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 would be used to build solar in the state. The program was designed such that for every 16 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

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.
- Regardless, unless Ameren Missouri is the one administering the Pure Power
- program, I am told by my legal counsel that the Commission does not have the authority to
- 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
- businesses.

- 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
- 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
- by the Staff, 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.

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- 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.
 - Q. Has the Staff expressed any other areas of potential customer confusion with the Ameren Missouri Pure Power program website pages?
 - A. Yes. Mr. Ensrud's comments on Schedule MJE-3 pages 3, 5, 7 and 9, all express concern that there is no reference to any pricing component supporting administration and program promotion costs. It does not seem logical to assume that customers do not understand that the price to participate in this program includes some amount for administrative and promotion costs. This is a cost included in the price of anything consumers purchase. Surely the staff doesn't think that customers assume that the RECs magically become available without cost. Further, as I have stated several times already, the \$15 was (and \$10 will be) the cost of purchasing the REC from 3Degrees. What it costs 3Degrees is irrelevant. The relevant inquiry is whether the cost Ameren Missouri and ultimately its customers must pay 3Degrees as the supplier is reasonable given the market.
 - Q. Mr. Ensrud asserts on Schedule MJE-3 (Page 3 of 10) that a statement appearing on one page of the Ameren Missouri Pure Power website is not true; specifically that Ameren Missouri does not purchases Renewable Energy Credits

(RECs) equal to the customer's participation level. How do you respond to that

2 assertion?

- A. This statement is completely false. A REC comes into existence when one MWh of energy is actually produced by a renewable generator. When a customer signs up for Pure Power, they have several options in purchasing various volumes of RECs. They may purchase a full REC or a half-REC. They may even purchase an amount of RECs that is equivalent to their monthly usage, such that if a customer participates at the full level and consumes 2500 kWhs, for example, the program physically purchases 2.5 RECs to cover their participation level. Once the customer pays Ameren Missouri for those RECs, Ameren Missouri in turn retires those RECs such that they cannot be used again. Part of the annual Green-e Energy audit is to confirm customer levels of participation and that Ameren Missouri has indeed purchased and retired the appropriate number of RECs. Mr. Ensrud's assertion is therefore not accurate.
- Q. What is Ameren Missouri's intent on continuing the Pure Power program beyond April 30, 2013?
 - A. The Pure Power program came into existence because Ameren Missouri customers were contacting Ameren Missouri representatives and senior executives about the Company offering a green program. After careful research and contacting various utilities across the country about such programs, Ameren Missouri determined that the most efficient and cost effective way to offer such a program to its customers was to rely on the expertise of those in the industry with specific knowledge. A competitive request for proposal ("RFP") was issued and 3Degrees won the contract award. From the outset, it was never a condition of the program that it generate a profit margin for Ameren Missouri. However, it was developed such that only those customers who voluntarily decided to participate in the

- program would bear the cost of the program. Ameren Missouri and 3Degrees have gone to 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
- program with no high pressure tactics to coerce participation. It is simply another service
- that Ameren Missouri provides to its customers. We believe that the Pure Power program
- has been critically instrumental in advancing the cause of renewable development in the state
- of Missouri by raising awareness for all Missourians and we believe its usefulness in that
- 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 Voluntary Green Program/Pure Power Program Tariff Filing.) Case No. EO-2013-0307) Tariff No. JE-2013-0197)					
AFFIDAVIT OF WIL	LIAM J. BARBIERI					
STATE OF MISSOURI)						
) ss CITY OF ST. LOUIS)	9					
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 E	nergy.					
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 o	of which have been prepared in written form for					
introduction into evidence in the above-reference	d docket.					
3. I hereby swear and affirm that my	answers contained in the attached testimony to					
the questions therein propounded are true and cor	William J. Barbui					
Subscribed and sworn to before me this da	y of <u>February</u> , 2013. <u> </u>					
	LYNN M. 6MITH Notary Public - Notary Seal STATE OF MISSOURI Commission for St. Louis City My Commission Expires Sept. 28, 2014 Commission #10402618					