

MEMORANDUM

TO: Missouri Public Service Commission Case File
Case No. EO-2014-0291, Ameren Missouri Renewable Energy Standard Compliance
Plan for Calendar Years 2014, 2015, and 2016

FROM: Daniel I. Beck, PE, Engineering Analysis

/s/ Daniel I. Beck / 6/30/14 /s/ Jennifer Hernandez / 6/30/14
Engineering Analysis / Date Staff Counsel's Office / Date

SUBJECT: Staff Report and Conclusion of Compliance on Ameren Missouri's 2014 Renewable
Energy Standard Compliance Plan

DATE: June 30, 2014

CONCLUSION

The Staff has reviewed Union Electric Company d/b/a Ameren Missouri's ("Ameren Missouri" or "Company") filed *Renewable Energy Standard Compliance Plan 2014-2016* ("Plan"). Based on its review, the Company has met the minimum requirements for the plan under 4 CSR 240-20.100(7)(B)1.A. through G..

OVERVIEW

On April 15, 2014, the Company filed its *Plan* for calendar years 2014 through 2016. The *Plan* was filed in accordance with Rule 4 CSR 240-20.100(7), Electric Utility Renewable Energy Standard Requirements, Annual RES Compliance Report and RES Compliance Plan. This rule states, in part, "Each electric utility shall file an annual RES compliance plan with the commission. The plan shall be filed no later than April 15 of each year." Subparagraphs 4 CSR 240-20.100(7)(B)1.A. through G. provide the minimum requirements for the plan. . Subsection 4 CSR 240-20.100(7)(D) requires that Staff examine the plan and file a report within forty-five (45) days of the filing. Subsequently, Staff asked for and was granted an extension of 30 days to file its report in this case until June 30, 2014. This is the fourth compliance plan filing for the Missouri electric utilities required by the Missouri RES, Sections 393.1020 through 393.1030, RSMo.

DISCUSSION

Staff has reviewed the Company's Compliance Plan in accordance with the established requirements to verify the Plan contains the information required by rule. The results of this review are detailed below, with appropriate rule subparagraphs A. through G. identified and quoted.

A. "A specific description of the electric utility's planned actions to comply with the RES;"

The Company explained in detail its completed and planned actions for compliance with the RES for 2014 through 2016. For non-solar compliance, the Company will utilize renewable energy certificates ("RECs") from the Keokuk hydroelectric generating station, the Maryland Heights Renewable Energy Center ("MHREC"), and a purchased power agreement ("PPA") from the Pioneer Prairie II Wind Farm ("Pioneer Prairie II"). For solar compliance, the Company will utilize solar renewable energy credits ("S-RECs") purchased from brokers and net-metered customers as well as S-RECs from the solar generation facility installed at the Company headquarters. In addition, Ameren Missouri began receiving S-RECs from customers receiving solar rebates on or after August 28, 2013, and expects to receive S-RECs from the O'Fallon Renewable Energy Center ("O'Fallon") in calendar year 2015. The MHREC and the net-metered and Company-owned solar generation will qualify for the Missouri in-state one and twenty-five hundredths (1.25) credit.¹

Ameren Missouri also continues to evaluate a second solar facility of approximately 10 MW that could be built as early as 2016.

B. "A list of executed contracts to purchase RECs (whether or not bundled with energy), including type of renewable energy resource, expected amount of energy to be delivered, and contract duration and terms;"

¹ 393.1030.1., RSMo; Rule 4 CSR 240-20.100(3)(G).

The Company has a 15-year PPA for energy and RECs from Pioneer Prairie II (beginning in 2009). The Company has Standard Offer Contracts (“SOCs”) with a portion of its net-metered customers and has been receiving S-RECs from customers receiving solar rebates since August 28, 2013. The Company has executed purchase agreements with third parties to purchase S-RECs.

C. “The projected total retail electric sales for each year;”

The Company has provided values for its projected retail electric sales. The values appear to be reasonable estimates.

D. “Any differences, as a result of RES compliance, from the utility’s preferred resource plan as described in the most recent electric utility resource plan filed with the commission in accordance with 4 CSR 240-22, Electric Utility Resource Planning;”

The Company submitted its most recent triennial compliance filing in February 2011 and its most recent annual update report on March 15, 2013. The *Plan* is consistent with the information regarding renewable resources in its February 2011 preferred resource plan and its annual update for 2013. Ameren Missouri will be filing a new triennial compliance report in October 2014.

E. “A detailed analysis providing information necessary to verify that the RES compliance plan is the least cost, prudent methodology to achieve compliance with the RES;”

The Company provided information regarding its utilization of existing resources to comply with the non-solar portion of the RES for 2014 through 2016. The costs associated with these resources are already included in revenue requirements. For compliance with the solar portion of the RES, the Company provided information regarding purchase of S-RECs from 3rd parties, purchase of S-RECs from net-metered customers, the 100 kW solar generating facility at its building headquarters, the S-RECs received from customers that received a solar rebate after August 28, 2013 and planned O’Fallon project. The S-RECs purchased from

third parties are in line with the market price for S-RECs. The Company committed to constructing a utility-scale solar generation project, O'Fallon, during calendar year 2013. At this time, Staff cannot verify that a utility-scale solar generation facility would be the least cost, prudent methodology to achieve compliance with the RES. Staff expects these to be an issue that is addressed in Ameren Missouri's next rate case, Case No. ER-2014-0258.

- F. "A detailed explanation of the calculation of the RES retail rate impact limit calculated in accordance with section (5) of this rule. This explanation should include the pertinent information for the planning interval which is included in the RES compliance plan:"**

The Company provided a detailed explanation of the calculation of the RES retail rate impact, which includes a spreadsheet that was provided to the Staff as workpapers for the Company's filing.

- G. "Verification that the utility has met the requirements for not causing undue adverse air, water, or land use impacts pursuant to subsection 393.1030.4. RSMo, and the regulations of the Department of Natural Resources."**

The Company states that the generating facilities utilized to meet the RES requirements have been certified by the Missouri Department of Natural Resources.²

² Rule 10 CSR 140-8.010(4).

