

John R. Ashcroft

Secretary of State
Administrative Rules Division

RULE TRANSMITTAL

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FEB 27 2019

SECRETARY OF STATE
ADMINISTRATIVE RULES

Rule Number 4 CSR 240-20.100

Use a "SEPARATE" rule transmittal sheet for EACH individual rulemaking.

Name of person to call with questions about this rule:

Content Morris Woodruff Phone 573-751-2849 FAX 573-526-6010

Email address morris.woodruff@psc.mo.gov

Data Entry Christine Koenigsfeld Phone 573-751-4256 FAX 573-526-6010

Email address Christine.Koenigsfeld@psc.mo.gov

Interagency mailing address Public Service Commission, 9th Floor Gov. Office Bldg, JC, Mo

TYPE OF RULEMAKING ACTION TO BE TAKEN

☐ Emergency Rulemaking ☐ Rule ☐ Amendment ☐ Rescission ☐ Termination

Effective Date for the Emergency _____

☒ Proposed Rulemaking ☐ Rule ☒ Amendment ☐ Rescission

☐ Rule Action Notice ☐ In Addition ☐ Rule Under Consideration

☐ Request for Non-Substantive Change

☐ Statement of Actual Cost

☐ Order of Rulemaking ☐ Withdrawal ☐ Adopt ☐ Amendment ☐ Rescission

Effective Date for the Order _____

☐ Statutory 30 days OR Specific date _____

Does the Order of Rulemaking contain changes to the rule text? ☐ NO

☐ YES—LIST THE SECTIONS WITH CHANGES, including any deleted rule text:

Small Business Regulatory
Fairness Board (DED) Stamp

SMALL BUSINESS
REGULATORY FAIRNESS BOARD

FEB 27 2019

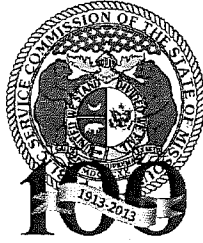
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JOINT COMMITTEE ON

FEB 27 2019

ADMINISTRATIVE RULES



Commissioners

RYAN A. SILVEY
Chairman

WILLIAM P. KENNEY

DANIEL Y. HALL

SCOTT T. RUPP

MAIDA J. COLEMAN

Missouri Public Service Commission

POST OFFICE BOX 360
JEFFERSON CITY, MISSOURI 65102
573-751-3234
573-751-1847 (Fax Number)
<http://psc.mo.gov>

SHELLEY BRUEGGEMANN
General Counsel

MORRIS WOODRUFF
Secretary

LOYD WILSON
Director of Administration

NATELLE DIETRICH
Staff Director

February 27, 2019

John Ashcroft
Secretary of State
Administrative Rules Division
600 West Main Street
Jefferson City, Missouri 65101

Re: 4 CSR 240-20.100 Electric Utility Renewable Energy Standard Requirements

Dear Secretary Ashcroft,

CERTIFICATION OF ADMINISTRATIVE RULE

I do hereby certify that the attached is an accurate and complete copy of the proposed amendment lawfully submitted by the Missouri Public Service Commission.

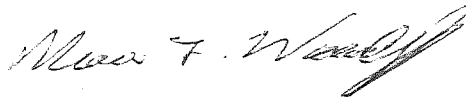
The Public Service Commission further certifies it has conducted an analysis of whether or not there has been a taking of real property pursuant to section 536.017, RSMo, that the proposed amendment does not constitute a taking of real property under relevant state and federal law.

The Public Service Commission has determined and hereby also certifies that if the proposed amendment does affect small business pursuant to sections 536.300 to 536.310, RSMo, a small business impact statement has been filed as required by those sections. If no small business impact statement has been filed the proposed amendment either does not affect small business or the small business requirements do not apply pursuant to section 536.300.4, RSMo.

Statutory Authority: section 393.1030, *RSMo Supp. 2013*, and sections 386.040 and 386.250, *RSMo 2000*

If there are any questions regarding the content of this proposed amendment, please contact:

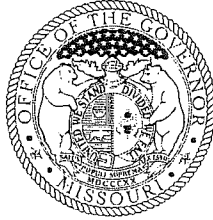
Morris Woodruff, Chief Regulatory Law Judge
Missouri Public Service Commission
200 Madison Street
P.O. Box 360
Jefferson City, MO 65102
(573) 751-2849
Morris.Woodruff@psc.mo.gov

A handwritten signature in black ink, appearing to read "Morris L. Woodruff", with a stylized flourish at the end.

Morris L. Woodruff
Chief Regulatory Law Judge

Enclosures

STATE CAPITOL
201 W. CAPITOL AVENUE, ROOM 216
JEFFERSON CITY, MISSOURI 65101



(573) 751-3222
WWW.GOVERNOR.MO.GOV

Michael L. Parson

GOVERNOR
STATE OF MISSOURI

February 19, 2019

Mr. Ryan Silvey
Public Service Commission
200 Madison Street
PO Box 360
Jefferson City, MO 65102

RE: *Proposed Rulemaking*

Dear Ryan:

This office has received your proposed amendment 4 CSR 240-20.100 Electric Utility Renewable Energy Standard Requirements.

Executive Order 17-03 requires this office's approval before state agencies release proposed regulations for notice and comment, amend existing regulations, rescind regulations, or adopt new regulations. After our review of this rulemaking, we approve the rule's submission to the Joint Committee on Administrative Rules and the Secretary of State.

Sincerely,


A handwritten signature in black ink, appearing to read "Jessie Eiler".

Jessie Eiler
Deputy Counsel

**AFFIDAVIT
PUBLIC COST**

STATE OF MISSOURI)
)
COUNTY OF COLE)

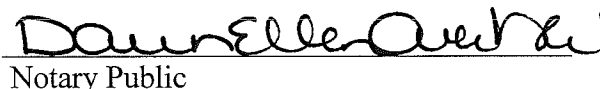
I, Rob Dixon, Director of the Department of Economic Development, first being duly sworn, on my oath, state that it is my opinion that the cost of proposed amendment to rule, 4 CSR 240-20.100, is less than five hundred dollars in the aggregate to this agency, any other agency of state government or any political subdivision thereof.


Rob Dixon
Director
Department of Economic Development

Subscribed and sworn to before me this 21st day of February, 2019, I am commissioned as a notary public within the County of Moniteau, State of Missouri, and my commission expires on 12-13-19.



DAWN ELLEN OVERBEY
My Commission Expires
December 13, 2019
Moniteau County
Commission #15456865


Notary Public

COPY

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SECRETARY OF STATE
ADMINISTRATIVE RULES

Title 4 – DEPARTMENT OF
ECONOMIC DEVELOPMENT
Division 240 – Public Service Commission
Chapter 20 – Electric Utilities

RULE AMENDMENT

4 CSR 240-20.100 Electric Utility Renewable Energy Standard Requirements

PURPOSE: This amendment incorporates provisions of SB 564, passed by the 99th General Assembly and signed by the governor on June 1, 2018, and establishes a requirement for solar rebates to be targeted to certain areas of need.

(4) Solar Rebate. Pursuant to section 393.1030 and section 393.1670, RSMo, and this rule, electric utilities shall include in their tariffs a provision regarding retail account holder rebates for solar electric systems. These rebates shall be available to Missouri electric utility retail account holders who install new or expanded solar electric systems comprised of photovoltaic cells or photovoltaic panels. **As used in this section, customer means retail account holder.**

(A) The retail account holder must be an active account on the electric utility's system and in good payment standing.

(B) The solar electric system must be permanently installed on the account holder's premises. As installed, the solar electric system shall be situated in a location where a minimum of eighty-five percent (85%) of the solar resource is available to the system as verified by the customer or the customer's installer at the time of installation.

(C) The installed solar electric system must remain in place on the account holder's (customer-generator's) premises for ten (10) years unless determined otherwise by the commission.

(D) Solar electric systems installed by retail account holders must consist of equipment that is commercially available and factory new when installed on the original account holder's premises, and the principal system components (i.e., photovoltaic modules and inverters) shall be covered by a functional warranty from the manufacturer for a minimum period of ten (10) years, unless determined otherwise by the commission, with the exception of solar battery components. Rebuilt, used, or refurbished equipment is not eligible to receive the rebate.

1. Solar rebates made available prior to January 1, 2019, [For any applicable retail account, rebates] shall be limited to twenty-five (25) kW for any applicable retail account. Retail accounts which have been awarded rebates for an aggregate of less than twenty-five (25) kW shall qualify to apply for rebates for system expansions up to an aggregate of twenty-five (25) kW. Systems greater than twenty-five (25) kW but less than one hundred (100) kW in size shall be eligible for a solar rebate up to the twenty-five (25) kW limit of this section.

2. Solar rebates for systems that become operational after January 1, 2019 shall be available for new or expanded solar electric systems up to twenty-five (25) kW for residential customers and one hundred and fifty (150) kW for non-residential customers. Residential net-metered solar electric systems greater than twenty-five (25) kW but less than one hundred (100) kW in size shall be eligible for a solar rebate up to the twenty-five (25) kW limit of this section. Customers shall be eligible for rebates on new or expanded systems for the increment of new or expanded capacity and not for capacity on which rebates offered under any other provision of law have previously been paid, up to the system kilowatt limits outlined in this section.

JOINT COMMITTEE ON

FEB 27 2019

ADMINISTRATIVE RULES

(E) *[The s]* Solar electric systems **which are less than 100 kW in size** shall meet all requirements of 4 CSR 240-20.065, Net Metering.

(F) The electric utility may physically audit customer-generator owned solar electric systems for which it has paid a solar rebate pursuant to this section, at any reasonable time, with prior notice of at least three (3) business days provided to the retail account holder.

(G) For the purpose of determining the amount of solar rebate, the solar electric system wattage rating shall be established as the direct current wattage rating provided by the original manufacturer with respect to standard test conditions.

(H) Standard Offer Contracts.

1. The electric utility may, at its discretion, offer a standard contract for the purchase of S-RECs created by the customer-generator's installed solar electric system.

2. If the electric utility chooses to offer a standard offer contract, the electric utility shall file tariff sheets detailing the provision of the contract no later than November 1 each year for the following compliance year. Workpapers documenting the purchase prices shall be submitted with the tariff filing.

(I) No customer-generator is required by this rule to sell any or all S-RECs to the electric utility; however, a condition of receiving a solar rebate from an electric utility, is that all right, title, and interest in and to the RECs associated with the new or expanded solar electric system that qualifies the customer-generator for the solar rebate is transferred to the electric utility paying the rebate for a period of ten (10) years from the date the electric utility confirms the customer-generator's solar electric system is operational.

(J) Electric utilities that have acquired S-RECs under a one- (1-) time lump sum payment in accordance with subsection (H) of this section or as a result of the solar rebate S-RECs transferred through the solar rebate may continue to account for purchased S-RECs even if the owner of the solar electric system ceases to operate the system or the system is decertified as a renewable energy resource. S-RECs originated under this subsection shall only be utilized by the original purchasing utility for compliance with this rule. S-RECs originated under this subsection shall not be sold or traded.

(K) Electric utilities that have purchased S-RECs under a one- (1-) time lump sum payment or otherwise have acquired right, title, and interest in and to S-RECs associated with solar rebates annually shall estimate, using PVWatts, or actually measure the S-RECs generated from the customer-generator's operational solar electric system.

(L) The electric utility shall provide the solar rebate payment to qualified customer-generators within thirty (30) days of confirming the customer-generator's solar electric system is operational. Consistent with 4 CSR 240-20.065(9), customer-generators have up to twelve (12) months from when they receive notice of approval of their Interconnection Application/Agreement for Net Metering Systems with Capacity of One Hundred Kilowatts (100 kW) or less for the utility to confirm the customer-generator's solar electric system is operational.

1. The solar rebates per installed watt *[up to a maximum of twenty-five kilowatts (25 kW) per retail account]* are—

A. \$2.00 per watt for systems operational on or before June 30, 2014;

B. \$1.50 per watt for systems operational between July 1, 2014 and June 30, 2015 (inclusive);

C. \$1.00 per watt for systems operational between July 1, 2015 and June 30, 2016 (inclusive);

D. \$0.50 per watt for systems operational between July 1, 2016 and June 30, 2019 (inclusive);

E. \$0.25 per watt for systems operational between July 1, 2019 and *[June 30, 2020]*

December 31, 2023. (inclusive)*[/; and/]*

[F. \$0.00 per watt for systems operational after June 30, 2020.]

[G]F. An electric utility may offer solar rebates after *[July 1, 2020]* **December 31, 2023** through a commission-approved tariff.

(M) Any future payment of valid solar rebate applications, queued for payment prior to August 28, 2018, shall not count toward the annual or aggregate limits prescribed in Section 393.1670(1) RSMo.

(N) For electric utilities with less than two hundred thousand (200,000) Missouri retail customers:

1. Solar rebate payments made prior to January 1, 2019 shall be limited to 25 kW for both residential and non-residential customers.

2. In the event the limit has been reached, the electric utility shall continue to process and pay solar rebates until the electric utility meets or exceeds the retail rate impact limits of section (5) of this rule. However, these solar rebates shall be limited to 25 kW for both residential and non-residential customers.

([M]O) An electric utility may, through its tariff, require applications for solar rebates to be submitted up to one hundred eighty-two (182) days prior to the June 30 operational dates. The electric utility will pay the pre-June 30 rebate amount as defined in this subsection to customer-generators who comply with the submission and system operational requirements on or before June 30 of the following year. Customer-generators that fail to meet the submission or system operational requirements on or before the June 30 date will receive the post-June 30 rebate amount if the electric utility confirms their solar electric systems are operational within one (1) year of their application. If a customer has satisfied all of the System Completion Requirements by June 30 of indicated years, but the electric utility is not able to complete all of the electric utility's steps needed to establish an Operational Date on or before June 30, the rebate rate will be determined as though the Operational Date was June 30. If it is subsequently determined that the customer or the System did not satisfy all Completion Requirements required of the customer on or before June 30, the rebate rate will be determined based on the Operational Date.

([N]P) Unless the commission orders otherwise, if the electric utility meets or exceeds the retail rate impact limits of section (5) of this rule, the solar rebates shall be paid *[on a first-come, first-served basis,]* as determined by the solar system operational date. Any solar rebate applications that are not honored in a particular calendar year due to the requirements of this subsection shall be *[the first-come, first-served applications]* considered in the following calendar year.

([O]Q) An electric utility shall maintain on its website, current information related to—

1. The electric utility's solar rebate application and review processes, including standards for determining application eligibility;

2. The solar rebate amount associated with pending applications that have been submitted, but not yet reviewed;

3. The current level of solar rebate payments; and

4. The rebate amount associated with applications that are approved, but where the solar electric system is not yet operational.

*AUTHORITY: section 393.1030, RSMo Supp. 2013, and sections 386.040 and 386.250, RSMo 2000. * Original rule filed Jan. 8, 2010, effective Sept. 30, 2010. Amended: Filed March 25, 2015, effective Nov. 30, 2015.*

**Original authority: 386.040, RSMo 1939; 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996; and 393.1030, RSMo 2007, amended 2008, 2010, 2013.*

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to the proposed amendments with the Missouri Public Service Commission, Morris L. Woodruff, Secretary of the Commission, 200 Madison Street. P.O. Box 360, Jefferson City MO 65102-0360. To be considered, comments must be received at the commission's offices on or before May 1, 2019, and should include a reference to Commission Case No. EX-2019-0050. Comments may also be submitted via a filing using the commission's electronic filing and information system at <http://www.psc.mo.gov/efis.asp>. A public hearing is scheduled for May 7, 2019 at 10:00 a.m., in Room 310 of the Governor Office Building, 200 Madison St., Jefferson City, Missouri. Interested persons may appear at this hearing to submit additional comments and/or testimony in support of or in opposition to this proposed amendment, and may be asked to respond to commission questions. Any persons with special needs, as addressed by the Americans with Disabilities Act, should contact the Missouri Public Service Commission at least ten (10) days prior to the hearing at one (1) of the following numbers: Consumer Services Hotline 1-800-392-4211 or TDD Hotline 1-800-829-7541.

Small Business Regulator Fairness Board

Small Business Impact Statement

Date: February 5, 2019

Rule Number: 4 CSR 240-20.100

Name of Agency Preparing Statement: Missouri Public Service Commission

Name of Person Preparing Statement: Jamie Myers

Phone Number: 573-526-6036 Email: jamie.myers@psc.mo.gov

Name of Person Approving Statement: Natelle Dietrich

Please describe the methods your agency considered or used to reduce the impact on small businesses *(examples: consolidation, simplification, differing compliance, differing reporting requirements, less stringent deadlines, performance rather than design standards, exemption, or any other mitigating technique).*

The Commission received informal comments and held a workshop to solicit input on the draft proposed rule concept.

Please explain how your agency has involved small businesses in the development of the proposed rule.

The Commission held a workshop on July 20, 2018. Commission workshops are open to all interested stakeholders. The Missouri Solar Energy Industry Association attended and would represent small solar installers.

Please list the probable monetary costs and benefits to your agency and any other agencies affected. Please include the estimated total amount your agency expects to collect from additionally imposed fees and how the moneys will be used.

None

Please describe small businesses that will be required to comply with the proposed rule and how they may be adversely affected.

Solar installers, small businesses or landlords that may want to take advantage of the solar rebates. They may be adversely affected if solar rebates are not

available; however, availability of rebates is a function of the statute (Section 393.1670).

Please list direct and indirect costs (in dollars amounts) associated with compliance.

N/A

Please list types of business that will be directly affected by, bear the cost of, or directly benefit from the proposed rule.

The four investor-owned utility companies in the state will be directly affected by the rule, but the costs are recovered in rates. Small businesses will pay for the solar rebates through their electric utility rates, but this is a function of the statute, not the rule. Small businesses that receive solar rebates will benefit from the rule.

Does the proposed rule include provisions that are more stringent than those mandated by comparable or related federal, state, or county standards?

Yes___ No___ N/A

If yes, please explain the reason for imposing a more stringent standard.

For further guidance in the completion of this statement, please see §536.300, RSMo.