



Comments on the Renewable Energy Standard (RES)

The Missouri Solar Energy Industries Association (MOSEIA) is comprised of twenty-two businesses around the state who are directly involved in the solar industry. Most are small to medium-sized businesses, and all are locally owned.

The current draft rules require only a few additional changes to ensure that the RES actually results in orderly growth of solar in Missouri. These important changes are summarized below, and detailed throughout the rest of this document.

MOSEIA'S RECOMMENDATIONS FOR PROPOSED RULES OF RES

	CONCEPT	SECTION	DETAIL
	<u>Important to Change</u>		
1	Market Segmentation		Solar economics is very different on a small, medium, and large scale. Adjusting incentives to appropriately incentivize all three sizes of solar markets is crucial for the orderly growth of solar in Missouri.
2	Establishing a predictable value for SRECs		The rules are silent on how a value for SRECs should be determined. Without guidance from the PSC, the small and medium-scale solar markets will suffer from SREC prices that are unpredictable.
3	Retail Rate Impact	5	The Renewable Energy Standard statute is silent on the time period for the 1% rate impact. It's crucial that the utilities be able to average this rate impact over a long time period – we suggest averaging over 20 years.
4	Geographic Sourcing	2(A)	With a 1.25 multiplier and a 2% carve-out, it's clear that the RES intends for solar to come from Missouri. Solar should come from within or very close to the borders of Missouri.
5	Standard Offer Contract (SOC)	4(H)	Needs to be modified to ensure up-front payments actually occur up-front, term of contract is 10 years, and option is given to customer to take SREC payments up-front or over time.
6	Customer-Generator Definition	1(D)	Currently could be interpreted as preventing any third-party ownership or lease agreements; this would also prevent PPA's (power-purchase agreements).
7	Empire Exemption	9	Exemption for Empire Electric Co is not grounded. Legally, Prop C passed more recently in time and requires ALL investor-owned utilities to participate in all elements of Prop C.
8	Estimating production for small systems	4(H)	Draft language (unintentionally, we believe) could be interpreted as requiring metering for small systems when estimation is actually intended
9	Definition of "Full Operation"	4(K)	Language could be misinterpreted; clarifying with "substantial production" is called for.
10	Minimum 500W Requirement	4 (para 1)	Remove minimum system size. Current technology makes installations of systems under 500W viable.
11	Grandfather systems for Standard Offer Contract	4(H)	Systems interconnected after December 31 st 2009 and before these rules are implemented shall be offered a Standard-Offer Contract for electricity produced from the time the system came online, at the same price as is offered upon enactment of these rules.

<u>Important to Keep As-Is:</u>			
1	Rebate applies to new or expanded systems, up to 25kW	4(D)	Important to keep this language as-is so it's clear that if a rebate-eligible customer installs a 5kW system and later wants to expand, the rebate still applies, up to 25kW.
2	AC/DC	4 (para 1)	The RES calls explicitly for a rebate based on installed capacity - "installed watts", not on generation. Solar panel capacity is measured in DC watts.
3	Requirement for use of new equipment with manufacturer warranties	4(D)	New equipment is assumed in incentive valuation, and allowing used equipment to qualify for utility incentives could encourage shoddy business practices and gaming of the system