

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Renewable Energy Standard)
Compliance Report 2013 and Renewable Energy) File No. EO-2014-0291
Standard Compliance Plan 2014-2016)

MISSOURI DIVISION OF ENERGY’S COMMENTS

The Missouri Department of Economic Development – Division of Energy (DE), pursuant to 4 CSR 240-20.100, respectfully submits the following comments in response to Renewable Energy Standard Compliance Report 2013 and Renewable Energy Standard Compliance Plan 2014-2016 of Ameren Missouri (Ameren).

Comments on 2013 RES Compliance Report

1. DE confirms that it has certified all renewable energy generation facilities referred to in Ameren’s Compliance Report, including Keokuk Energy Park, Pioneer Prairie Wind Farm 1, Maryland Heights Renewable Energy Center (MHREC), Ameren Missouri General Office Building Solar, solar RECs from Ameren’s customers, and solar RECs from out-of-state solar facilities pursuant to 10 CSR 140-8.010.
2. Pursuant to 4 CSR 240-20.100 (7)(A)1.D., “for the RECs and S-RECs, a calculated REC or S-REC value for each source and each category of REC” shall be provided. In Section (7)(A)1.D. of Ameren’s Compliance Report, no explicit statement regarding the value of RECs generated from MHREC has been found.

Comments on 2014-2016 RES Compliance Plan

1. In the second line on page 9, “MW” should be “MWh” since the number “7,800” refers to electricity generation instead of capacity.

2. Pursuant to 4 CSR 240-20.100 (7)(B)1.A., the RES compliance plan shall include “a specific description of the electric utility’s planned actions to comply with the RES”. Combined with the implementation of HB142, the solar rebate settlement in Case No. ET-2014-0085, which capped Ameren’s solar rebate payments at \$91.9 million incurred subsequent to August 31, 2012, will have significant impacts on both near-term RES compliance and long-term solar energy resources development and acquisition. In its filing, Ameren provided certain levels of data reflecting the impacts of the solar rebate settlement on RES compliance in both the compliance plan report and RRI calculation, such as the accumulated generating capacity and associated S-RECs from the solar rebate settlement. However, it did not provide a “specific description” to show those impacts on RES compliance, such as the amount of S-RECs from customers’ solar generators and through standard offer contracts and the amount of S-RECs used for compliance, to be banked and/or sold for each compliance year. Ameren responded to DE’s request for data and provided the S-RECs balance sheet including estimated generation and planned usage for compliance years, which addressed several of DE’s questions. It would be beneficial to have this kind of data/information earlier in the process. DE recommends that Ameren include this information in future RES filings so it can be accessed by all intervenors...
3. While Ameren provided an improved retail rate impact (RRI) calculation, DE’s concerns over the methodology and validity of the model remain. The updated calculation continues to present various interrelated variables/constraints statically based on a linear assumption. Since those variables/constraints interact with each other in an apparently non-linear way, an iterative dynamic optimization model would be needed to reflect

several limiting factors over the 10-year planning period. In particular, a conceptual model or a simplified flowchart explaining the data sources, scenarios and the underlying interrelationships between various variables that interact in the model is needed before the detailed analysis is further explored. In addition, Ameren has not provided information on the RRI model's validity. Even though Ameren's calculation may appear to meet all provisions required in the PSC rule, it does not indicate this model's validity both statistically and mathematically. Another model based on significantly different methodology and assumptions, while meeting the same PSC rule requirements, could possibly yield different, perhaps even opposite results in some cases. Without a sound process of validating the model, it will be difficult to justify the legitimacy of the model and why this model should be used. DE suggests that Ameren develop the appropriate method to validate the RRI model under various scenarios and share the process and results with stakeholders.

4. Also, incorporating the IRP results, which are a long-term plan with embedded uncertainties, into the RRI model which is characterized by a forward-looking approach, adds significant additional uncertainty and complexity. Similar to analyzing many alternative resource plans in the IRP, DE suggests that Ameren run the RRI calculation under different scenarios of future renewable energy resources additions and acquisitions and share that analysis with stakeholders.

Respectfully submitted,

/s/ Jeremy Knee _____

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been served electronically on all counsel of record this 30th day of June, 2014.

/s/ Jeremy Knee _____

Jeremy D. Knee