

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

In the Matter of a Proposed Amendment)	
to 4 CSR 240-20.065, the Commission's)	<u>Case No. EX-2012-0193</u>
Net Metering Rule.)	

STAFF COMMENTS

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and files these attached *Staff Comments* respecting the Missouri Public Service Commission's (Commission) proposed Rule 4 CSR 240-20.065 Net Metering. Presently, Ms. Lena M. Mantle and Mr. David Elliott will appear at the rulemaking hearing scheduled by the Commission for April 3, 2012, and be available to answer questions from the Commissioners and the Regulatory Law Judge and to offer responsive comments/testimony to the comments filed today, April 2, 2012, attached hereto as Attachment 1.

Staff developed proposed amendments to the rule and provided them to the affected electric utilities, Office of Public Counsel, Department of Natural Resources and Renew Missouri. Only Ameren Missouri initially provided comments in response. Staff revised the proposed amendments based on Ameren Missouri's comment, then circulated the revised proposed amendments to all of the electric utilities and had discussions with each of them to obtain their input. The revised language was once again sent to the stakeholders for comments. No stakeholder timely responded with additional changes. The proposed amendments now reflect the input from all concerned stakeholders and electric utilities.

WHEREFORE, Staff submits these Comments regarding the Commission's proposed amendments to Rule 4 CSR 240-020.065 Net Metering.

Respectfully submitted,

/s/ Meghan E. McClowry

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 2nd day of April, 2012.

/s/ Meghan E. McClowry

EX-2012-0193

Staff Comments Regarding Proposed Amendments to
4 CSR 240-20.065 Net Metering

	Proposal	Comment
(1)(A)	Change the definition of avoided cost to be consistent with the definition of avoided cost in 4 CSR 240-3.155(4) Filing Requirements for Electric Utility Cogeneration Tariff Flings	<p>In the Final Order of Rulemaking for the Net Metering Rule, the Commission stated on page 3 that “those customers who generate electricity in excess of their total usage in a given month should be compensated at the cogeneration rate.” This proposed change of the definition of avoided cost in the net metering rule makes it consistent with the avoided cost in the cogeneration rule.</p> <p>The cogeneration rate takes into account both capacity and energy, i.e., fuel, avoided costs.</p> <p>As of January 2011, all of the electric utilities net metering rates are the same as the cogeneration rates.</p> <p>Upon further review, 4 CSR 240-20.060 Cogeneration contains more of a description of avoided cost than 4 CSR 240-3.155 Filing Requirements for Electric Utility Cogeneration Tariff Flings. Staff proposes that the definition of avoided cost include a reference to both 4 CSR 240-20.060 and 4 CSR 240-3.155.</p> <p>Proposed Change: Avoided fuel cost means <i>avoided costs described in 4 CSR 240-20.060 as used to calculate the electric utility’s cogeneration rate as required by filed in compliance with 4 CSR 240-3.155(4), the information used to calculate this rate is provided to the commission biennially and maintained for public inspection.</i></p>

	Proposal	Comment
(1)(G)	Add definition of REC	The proposed rule explicitly states that the REC's created by the customer-generator are owned by the customer generator in section (3). This definition is necessary to define what a REC is.
(1)(I)	Add definition of Staff	Provides clarity
(3)	Added section stating who owns RECs	4 CSR 240-20.100(3)(C) and Section 393.1030.2 RSMo Supp 2009 state that RECs from net-metered sources are owned by the customer-generator. The current net metering rule is silent on the ownership of RECs. Adding this section makes the net metering rule consistent with 4 CSR 240-20.100(3)(C) and Section 393.1030.2 RSMo Supp. 2009.
(7)(C)	States what rate is use to credit positive net electrical energy on the customer-generator's bill	Currently the rule just states that the rate should be at least equal to the avoided fuel cost. The change specifically states that the cogeneration rate should be used.
(8)	Added section regarding net metering rates	<p>Requires net metering rates to be filed on the schedule as the cogeneration rates and requires that the rate be placed in the net metering section of the electric utility's tariff.</p> <p>Currently, some of the electric utilities simply refer to the cogeneration rate portion of the tariff sheets not by tariff sheet number but by tariff section which can be confusing. Putting the rate in the net metering section will reduce confusion and simplify the process for a potential customer-generator that is considering adding generation.</p>
(9)(A)1.	Added to allow electric utilities to provide customers the ability to apply for net metering electronically	<p>This provision requires the electronic application to be substantially the same as the interconnection agreement included in the rule.. The proposed rule language requires the electric utility to provide the electronic agreement to Staff for review prior to it being placed on the electric utility's web site. This is intended to make sure the electronic agreement meets the requirement of a simple interconnection request in Section 386.890.9 RSMo Supp 2011. It also requires the electric utility to notify Staff of any subsequent changes to the electronic agreement.</p> <p>The proposed addition does not state who at on the Staff the electric utility is required to provide notification to. Therefore Staff is proposing a change</p>

	Proposal	Comment
		<p>to this section.</p> <p>Proposed Change: 1. If the electric utility so chooses, it may allow customers to apply electronically through the electric utility's website.</p> <p>A. The interconnection agreement on the electric utility's website shall substantially be the same as the interconnection agreement included herein;</p> <p>B. The electronic agreement shall be <i>submitted to the manager of the Energy Unit of the staff</i> for reviewed by staff prior to being placed on the electric utility's website;</p> <p>C. The electric utility shall notify <i>the manager of the Energy Unit of the staff</i> of any revisions to the electronic agreement on its website within 10 working days of when the electronic agreement is revised.</p>
(9)(B)	Added to allow electric utilities that are not required to provide solar rebates to not include the solar rebate information on their net metering application	The Empire District Electric Company is currently not required to provide solar rebates. Allowing it the ability to not include the solar rebate portion of the interconnection agreement would prevent potential confusion of its customers.
Authority	Add section 386.890.9 RSMo Supp. 2011	This section was in effect when the rule was written. However, it was left out of the <i>Authority</i> section of the rule.
Interconnection Application/Agreement		
Pg. 1	Removed requirement for utility address to be repeated	Simplifies interconnection agreement
Section A	Name provided is name on account	Reduce confusion for utility
Section A	Add the meter number if account has more than one meter	Reduce confusion for utility
Section B	Allows Power Rating to be reported as AC or DC	RES rule requires solar rebate be paid on direct current (DC) rating. This change would allow for a DC rating on the interconnection agreement.
Section B	Removes "Solar/Thermal" system type and adds "Solar Thermal" as type	This change would provide consistency with industry terminology.
Section B	Removes "Service/Street Address"	This information is already provided in Section A.
Section B	Removes question regarding attachment of diagrams	Statement at the end of the section states that the diagrams much for an application to be valid

	Proposal	Comment
Section B	Requests description of the location of the disconnect switch	This was requested to be added by the electric utilities
Section B	Requests distance of disconnect switch from meter	This was requested to be added by the electric utilities
Section B	Requests total capacity of customer-generation system	This was requested to be added by the electric utilities
Section C	Splits out the Company name and person installing system and requires a phone number	This will reduce confusion and provides contact information to the utility regarding who is installing the system. This was requested to be added by the electric utilities
Section C	Adds the disconnect switch be an AC switch	This was requested to be added by the electric utilities
Section D 4)	Section added to state RECs belong to the customer generator	This is consistent with the proposed changes to the rule and provides information to the customer generator
Section D 5)	Specifies that the net energy be billed according to net metering schedule	The net metering tariff schedules lay out the provisions for billing customer generators that are also described in Section D 5) (a)-(d)
Section D 5)(C)	Specifies the net metering schedule that provides rate for customer credits	This is consistent with the proposed changes to the rule and provides information to the customer generator
Section D	Requires signature to be the account holder	This was requested to be added by the electric utilities
Section F	Requires signature of customer-generator	This was requested to be added by the electric utilities
Section G	Solar Application section	This was requested to be added by the electric utilities. Reduces duplicative paperwork for utility and customer
Section I	Add “Agreement” to title of section	This is consistent with the rest of the document