

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EE-2022-0074, Request for Variance and Waiver of 60-Day Requirement

FROM: Amanda Coffey, Engineering Analysis

/s/ Amanda Coffey 10/21/2021
Engineering Analysis Dept. / Date

/s/ Nicole Mers 10/21/2021
Staff Counsel's Office / Date

SUBJECT: Staff Report and Conclusion on Ameren Missouri's Request for Variance and Waiver of 60-Day Requirement

DATE: October 21, 2021

SUMMARY

Staff has reviewed Ameren Missouri's Request for Variance and Waiver of 60-Day Requirement, filed September 9, 2021. Based on its review, Staff recommends the Commission grant a variance from 20 CSR 4240-20.100(3)(J) for only the 2021 compliance year, and a waiver of the 60-day notice requirement in 20 CSR 4240-4.017(1). Staff also recommends the Commission order Ameren Missouri to implement a system to aid them in ensuring compliance with 20 CSR 4240-20.100(3)(J) for future compliance years.

OVERVIEW

On September 9, 2021, Ameren Missouri filed its request under 20 CSR 4240-20.100(11)1 for a variance from a portion of the Missouri Public Service Commission's ("Commission") Renewable Energy Standard (RES) rules, specifically a portion codified at 20 CSR 4240-20.100(3)(J), which states in part,

For compliance purposes, electric utilities shall retire RECs in sufficient quantities to meet the RES portfolio requirements of this rule. The RECs shall be retired during the calendar year for which compliance is sought. Electric utilities may retire RECs from January 1 through April 15 of the

¹ "Upon written application, and after notice and an opportunity for hearing, the commission may grant a variance from any provision of this rule for good cause shown."

following year, following the calendar year for which compliance is being sought and designate those retired RECs as counting towards the requirements of that previous calendar year. Any RECs retired in this manner shall be specifically annotated in the registry designated in accordance with subsection (F) of this section and the annual compliance report filed in accordance with section (7) of this rule. RECs retired from January 1 through April 15 of the following year, to be counted towards compliance for the previous calendar year in accordance with this subsection **shall not exceed ten percent (10%)** of the total RECs necessary to be retired for compliance for that calendar year.

Ameren Missouri has also requested a waiver of the 60-day notice requirement in 20 CSR 4240-4.017(1)².

Ameren Missouri requests the Commission find there exists good cause to grant the Company a variance from the requirement that 90% of renewable energy credits (REC) retired for the compliance year 2021 must be retired in 2021 (“90% requirement”). Ameren Missouri also requests the ability to retire more than 10% of RECs for future compliance years by April 15th of the following year. Ameren Missouri stated the following reasons for its request:

- Ameren Missouri no longer has a large REC bank and does not expect to have a large REC bank in the future.
- In order to know the total number of RECs to be retired, Ameren Missouri must know what its sales were for the compliance year. Sales information comes from MISO and there is an approximate 60-day lag in obtaining MISO settlement data (“MISO S55 data”). Consequently, Ameren Missouri will not know its total sales in 2021 until approximately the end of February of 2022.

² “Any person that intends to file a case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case. Such notice shall detail the type of case and issues likely to be before the commission and shall include a summary of all communication regarding substantive issues likely to be in the case between the filing party and the office of the commission that occurred in the ninety (90) days prior to filing the notice. The filing of such notice shall initiate a new noticed case and be assigned an appropriate case designation and number. If the expected case filing is subsequently made, it shall be filed in the noticed case. If the expected case filing is not made within one hundred eighty (180) days, the noticed case shall close.”

- At this time, Ameren Missouri anticipates the need to retire October, November and December 2021 generated RECs to comply with the 2021 compliance year. To do this, the Company uses the North American Renewables Registry (“NAR”), for REC tracking and retirement. However, the RECs are not transferred to the Company account in NAR until the month following receipt of the MISO S55 data. If the Company needs to retire RECs generated in October, November, or December 2021, it will not be able to until the RECs have been created and transferred into Company inventory, which is not possible until January, February, and March 2022 respectively.
- To mitigate the risk of failing to comply with the 90% requirement, the Company would likely need to err on the side of caution and purchase additional RECs at least 60-90 days prior to the end of the compliance year based on the anticipated need. This could result in additional and perhaps ultimately unnecessary costs being incurred for RES compliance.

DISCUSSION

A Renewable Energy Credit (REC), means a tradable certificate, that is either certified by an entity approved as an acceptable authority by the Commission or as validated through the Commission’s approved REC tracking system or a generator’s attestation. Each REC represents that one (1) megawatt-hour of electricity has been generated from renewable energy resources. Electric utilities must generate or purchase RECs and S-RECs associated with electricity from renewable energy resources in sufficient quantity to meet the RES portfolio requirements for that reporting year. The RES portfolio requirements are based on total retail electric sales of the utility. Once a REC has been used for compliance, the REC is then retired. RECs expire 3 years from the date the renewable energy was generated. As mentioned above, Ameren Missouri uses NAR for REC tracking and retirement. RECs are issued in NAR within 14 days after generation data has been received and validated by the NAR administrator.³

³ [NAR-Operating-Procedures-November-2018.pdf \(apx.com\)](#)

Staff has confirmed the amount of banked RECs that Ameren Missouri has registered in NAR. Ameren Missouri anticipates that it will need to retire ** [REDACTED] ** for the 2021 compliance year.⁴ Based on Ameren Missouri’s forecasted 2021 requirement, Ameren Missouri would need to retire approximately ** [REDACTED] ** RECs before the end of 2021 to meet the 90% requirement per 20 CSR 4240-20.100(3)(J). Staff will note that the 60-90 day lag does not appear to occur for ** [REDACTED] ** Ameren Missouri does not currently have enough banked RECs to meet the 90% requirement as shown in the table below:

	Currently Active	Estimated REC Requirement for 2021	90% Requirement
RECs	** [REDACTED] **	** [REDACTED] **	** [REDACTED] **
S-RECs	** [REDACTED] **	** [REDACTED] **	** [REDACTED] **
Total	** [REDACTED] **	** [REDACTED] **	** [REDACTED] **

Staff recommends the Commission grant a variance from 20 CSR 4240-20.100(3)(J) for only the 2021 compliance year, and a waiver of the 60-day notice requirement in 20 CSR 4240-4.017(1). Due to extenuating circumstances in regard to its High Prairie Wind Farm, which are discussed in further detail in the testimony of Claire Eubanks in Ameren Missouri’s ongoing rate case, ER-2021-0240, Ameren Missouri will be generating less renewable energy than planned making compliance with the 90% requirement more difficult for 2021. However, Ameren Missouri’s request for a variance from 20 CSR 4240-20.100(3)(J) for future years is unreasonable at this time. Each year as part of its compliance with RES rules, Ameren Missouri is required to submit its RRI calculation and its REC balance looking forward ten years. Ameren Missouri already has the information needed in order to plan ahead to achieve compliance in the future. Additionally, Ameren Missouri could develop a more granular analysis of its REC balance in the future by looking at monthly REC balances rather than annual REC balances.

⁴ Table 4 of Ameren Missouri’s 2021 Renewable Energy Standard Compliance Plan, Case No. EO-2021-0352.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Union Electric Company)
d/b/a Ameren Missouri's Request for a)
Variance Regarding its Renewable Energy)
Standard Compliance

File No. EE-2022-0074

AFFIDAVIT OF AMANDA COFFER

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW AMANDA COFFER, and on ers oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation* in memorandum form; and that the same is true and correct according to her best knowledge and belief.

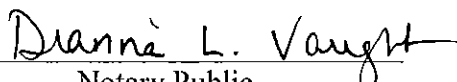
Further the Affiant sayeth not.


AMANDA COFFER

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 21st day of October, 2021.

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2023
Commission Number: 15207377


Notary Public