

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at the Commission's office in Jefferson City, Missouri on the 18th day of August, 2021.

In the Matter of Union Electric)
Company d/b/a Ameren Missouri's)
2020 Utility Resource Filing Pursuant)
to 20 CSR 4240 – Chapter 22) **File No. EO-2021-0021**

ORDER REGARDING 2020 INTEGRATED RESOURCE PLAN

Issue Date: August 18, 2021

Effective Date: September 17, 2021

Union Electric Company d/b/a Ameren Missouri filed its 2020 Triennial Integrated Resource Planning (IRP) filing on September 27, 2020. As required by 20 CSR 4240-22.080(7), the Commission's Staff reviewed Ameren Missouri's IRP filing and filed a report on March 31, 2021. Similarly, as permitted by 20 CSR 4240-22.080(8), the Missouri Industrial Energy Consumers (MIEC); Renew Missouri; Clean Grid Alliance; Sierra Club; Missouri NAACP; Dutchtown South Community Corporation; and New Northside Missionary Baptist Church filed comments describing what they believed to be concerns about, or deficiencies in, Ameren Missouri's IRP filing.

On June 11, 2021, Ameren Missouri and Sierra Club filed a stipulation and agreement to resolve Sierra Club's concerns about Ameren Missouri's IRP filing. That stipulation was unopposed. Subsequently, as permitted by Commission Rule 20 CSR 4240-22.080(9) Ameren Missouri, Staff, Clean Grid Alliance, Renew Missouri, NAACP, New Northside Missionary Baptist Church, Dutchtown South Community Corporation, MIEC, and Sierra Club made a Joint Filing on June 18, 2021. The Joint Filing resolved

most of the concerns and alleged deficiencies described in the March 31 comments. As to those concerns and alleged deficiencies that were not resolved – two concerns expressed by MIEC, one deficiency alleged by Staff, and one concern identified by Staff – Ameren Missouri filed a written response on June 18, 2021. Staff and MIEC have not replied to Ameren Missouri’s response, but Clean Grid Alliance replied on July 19, 2021, supporting Ameren Missouri’s refutation of the deficiency alleged by Staff.

The Commission’s IRP rules outline the procedure for the Commission’s review of Ameren Missouri’s IRP filing. There is no requirement for a hearing, and consequently, this is a non-contested case.

The circumstances by which this case may be resolved are established in 20 CSR 4240-22.080(16), which requires:

The commission will issue an order which contains its findings regarding at least one (1) of the following options:

(A) That the electric utility's filing pursuant to this rule either does or does not demonstrate compliance with the requirements of this chapter, and that the utility's resource acquisition strategy either does or does not meet the requirements stated in 20 CSR 4240-22.

(B) That the commission approves or disapproves the joint filing on the remedies to the plan deficiencies or concerns developed pursuant to section (9) of this rule;

(C) That the commission understands that full agreement on remedying deficiencies or concerns is not reached and pursuant to section (10) of this rule, the commission will issue an order which indicates on what items, if any, a hearing(s) will be held and which establishes a procedural schedule; and

(D) That the commission establishes a procedural schedule for filings and a hearing(s), if necessary, to remedy deficiencies or concerns as specified by the commission

Important concerns and deficiencies were described in the comments offered in response to Ameren Missouri’s 2020 IRP filing. Through the efforts of Ameren Missouri

and the various stakeholders, most of those concerns and deficiencies were resolved in the Joint Filing, by which Ameren Missouri has agreed to take various actions to improve its next IRP filing. However, not all deficiencies and concerns were resolved.

MIEC expressed concern that Ameren Missouri's preferred plan does not reduce the production of greenhouse gases as much as would alternative plans with only a modestly higher cost. MIEC believes a modest difference in revenue requirement is a reasonable price to pay for the more significant reduction in emissions that would result from some of the alternative plans. MIEC also indicated it would like to work with Ameren Missouri to meet the company's stated goal of including customer offerings of renewable energy to enable communities and customers to meet all or a portion of their energy needs with renewable energy resources.

MIEC's concerns are expressions of its preferences for future actions to be undertaken by Ameren Missouri. But those preferences do not require Ameren Missouri to modify its 2020 IRP filing and the Commission will not require any further response by the company to those concerns.

Staff argued that Ameren Missouri's 2020 IRP filing was deficient because it did not consider and analyze non-renewable supply-side resources on an equivalent basis as renewable supply-side resources and demand-side resources. Further, Ameren Missouri allegedly evaluated supply-side resources differently than demand-side resources by utilizing different avoided cost curves.

Ameren Missouri's response indicates the portion of Staff's alleged deficiency that is concerned with the use of avoided cost curves has been resolved as part of the June 18 Joint Filing. The other aspect of Staff's alleged deficiency is a concern that

Ameren Missouri has proposed a significant shift to renewable energy supply-side resources without considering whether the additional capacity is needed to meet current needs for capacity. Ameren Missouri denies that there is any deficiency in its analysis. It explains it has used a consistent analytical framework for consideration of all resources and alternative plans. The company argues that the transition to cleaner sources of energy are not just a question of capacity, but will also provide cost savings to customers while mitigating the risk resulting from changing climate policy.

The Commission does not believe that any further response to Staff's alleged deficiency is necessary. However, the Commission shares Staff's concern (Concern C) that adding large amounts of renewable generation that are not required to meet MISO resource adequacy requirements or Missouri statutory or rule requirements, including providing safe and adequate service, may place an undue level of risk on ratepayers based on the speculation that market revenues will exceed the overall cost of the assets. Ameren Missouri inherently benefits its shareholders by investing in renewable energy while seeking a return on those investments through future rates. However, that same investment may shift risk to ratepayers that market revenues from the investments may not exceed the cost of the investments.

As a remedy for this concern, Staff suggests that Ameren Missouri be directed to "provide detailed analysis comparing ratepayer risks and shareholder risks for additional generation resources which are not required to meet federal, state, or MISO requirements." Staff does not suggest that this additional detailed analysis need be included within a revised 2020 IRP filing, and the Commission will not make that a

requirement. Instead, Ameren Missouri shall provide the detailed analysis requested by Staff as part of its next IRP annual update.

After reviewing Ameren Missouri's 2020 IRP filing and the June 18 Joint Filing, as well as the June 11 stipulation and agreement between Ameren Missouri and Sierra Club, through which many of the concerns raised about that filing have been resolved, as well as the remaining unresolved concern and alleged deficiencies, the Commission finds that Ameren Missouri's filing complies with the requirements of Commission Rule 20 CSR 4240-22, and that Ameren Missouri's resource acquisition strategy meets the requirements of that rule. The Commission will approve the Joint Filing and the stipulation and agreement, and will require Ameren Missouri to comply with their requirements.

THE COMMISSION ORDERS THAT:

1. Pursuant to Commission Rule 20 CSR 4240-22.080(16)(A), the Commission finds that the 2020 triennial Integrated Resource Planning filing made by Ameren Missouri complies with the requirements of this chapter, and that the utility resource's acquisition strategy meets the standards stated in 20 CSR 4240-22.

2. Ameren Missouri shall comply with the resolutions described in the Joint Filing made on June 18, 2021.

3. The stipulation and agreement between Ameren Missouri and Sierra Club filed on June 11, 2021 is approved.

4. Ameren Missouri shall provide detailed analysis comparing ratepayer risks and shareholder risks for additional generation resources, which are not required to meet federal, state, or MISO requirements as part of its next IRP annual update.

5. This order shall become effective on September 17, 2021.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive, flowing style.

Morris L. Woodruff
Secretary

Silvey, Chm., Rupp, Coleman, Holsman, and
Kolkmeier CC., concur.

Woodruff, Chief Regulatory Law Judge

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

In the Matter of Ameren Missouri’s 2020)
Utility Resource Filing pursuant to 20 CSR) File No. EO-2021-0021
4240 – Chapter 22).)

**STIPULATION AND AGREEMENT
REGARDING SIERRA CLUB ISSUES**

COMES NOW Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or “the Company”) and Sierra Club (collectively “Signatories”), and present to the Missouri Public Service Commission (“Commission”) for approval of this Stipulation and Agreement (“*Stipulation and Agreement*”) reflecting an agreement between the Signatories . In support of this *Stipulation and Agreement*, the Signatories respectfully state as follows:

- 1. On September 27, 2020, Ameren Missouri made its Integrated Resource Plan ("IRP") filing.
- 2. On March 31, 2021, Sierra Club filed its Comments on Ameren Missouri's IRP ("Comments").
- 3. Since that time, the Signatories have reached a resolution addressing Sierra Club's Comments in this case on the terms outlined in the remainder of this *Stipulation and Agreement*.
- 4. Ameren Missouri agrees to model a scenario which assumes it retires two units at the Labadie Energy Center in addition to retirement of both units at the Rush Island Energy Center, with the retirement of all four units to occur by the end of 2026 (Labadie units in 2024, and Rush Island units in 2026), retires Sioux Energy Center in 2028, and replaces any energy and capacity needed with solar, wind, solar-battery hybrids, batteries, and MISO market purchases. The

scenario will use NREL ATB 2020 moderate capital costs¹ and will reflect the extension of tax credits implemented by Congress in late 2020 for renewable replacement resources (including solar-battery hybrids). The scenario will also include batteries and solar-battery hybrids at the NREL ATB 2020 moderate capital cost. Ameren Missouri will complete this analysis and file the results in this docket within 90 days of the submission of this *Stipulation and Agreement* in the docket.

5. Ameren Missouri agrees to run a new alternative plan that starts with Ameren Missouri's preferred plan (Plan V) and uses the solar and batteries inputs described above. If there is a judgment of the district court in the NSR case² within 30 days of the submission of this *Stipulation and Agreement* in this docket, this run should incorporate compliance with that judgment. Ameren Missouri will complete this analysis and file the results in this docket within 90 days of the submission of this *Stipulation and Agreement* in the docket.

6. Sierra Club recognizes that Ameren Missouri's agreement to undertake these analyses does not mean Ameren Missouri agrees that the scenarios/analyses referenced in paragraphs 4 and 5 is required by any existing order or that the assumptions and inputs underlying the analyses are reasonable. Further, Sierra Club acknowledges that the results of these additional analyses will be classified as Highly Confidential and subject to the protective order granted by the Commission's November 12, 2020, order in this case.

7. Sierra Club will not request a hearing in this case, nor will it further contest Ameren Missouri's compliance with the Commission's Chapter 22 Rules in this docket by filing

¹ National Renewables Energy Laboratory Annual Technology Baseline, 2020 edition.

² United States v. Ameren Missouri, Case No. 11-cv-00077 (E.D. Mo.), on appeal before the United States Court of Appeals for the Eighth Circuit.

any pleading or other document in this docket. Further, Sierra Club will not provide direct support to any other party in this docket through staff time or financial contribution in any further proceedings in this docket respecting any claimed deficiencies or concerns.

GENERAL PROVISIONS

8. This *Stipulation and Agreement* is being entered into solely for the purpose of settling the issues specifically set forth above, and represents a settlement on a mutually-agreeable outcome without resolution of specific issues of law or fact. This *Stipulation and Agreement* is intended to relate *only* to the specific matters referred to herein; no Signatory waives any claim or right which it may otherwise have with respect to any matter not expressly provided for herein. No Signatory will be deemed to have approved, accepted, agreed, consented, or acquiesced to any substantive or procedural principle, treatment, calculation, or other determinative issue underlying the provisions of this *Stipulation and Agreement*. Except as specifically provided herein, no Signatory shall be prejudiced or bound in any manner by the terms of this *Stipulation and Agreement* in any other proceeding, regardless of whether this *Stipulation and Agreement* is approved.

9. This *Stipulation and Agreement* has resulted from extensive negotiations among the Signatories and the terms hereof are interdependent. In the event the Commission does not approve this *Stipulation and Agreement*, or approves it with modifications or conditions to which a Signatory objects, then this *Stipulation and Agreement* shall be null and void, and no Signatory shall be bound by any of its provisions.

10. If the Commission does not approve this *Stipulation and Agreement* unconditionally and without modification, and notwithstanding its provision that it shall become void, neither this *Stipulation and Agreement*, nor any matters associated with its consideration by

the Commission, shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with Section 536.090 RSMo 2016 or Article V, Section 18 of the Missouri Constitution, and the Signatories shall retain all procedural and due process rights as fully as though this *Stipulation and Agreement* had not been presented for approval, and any suggestions or memoranda, testimony, or exhibits that have been offered or received in support of this *Stipulation and Agreement* shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any further purpose whatsoever.

11. If the Commission unconditionally accepts the specific terms of this *Stipulation and Agreement* without modification, the Signatories waive, with respect only to the issues resolved herein: their respective rights (1) to call, examine and cross-examine witnesses pursuant to Section 536.070(2), RSMo 2016; (2) their respective rights to present oral argument and/or written briefs pursuant to Section 536.080.1, RSMo 2016; (3) their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2 RSMo 2016; (4) their respective rights to seek rehearing pursuant to Section 386.500, RSMo 2016; and (5) their respective rights to judicial review pursuant to Section 386.510, RSMo Supp. 2020. These waivers apply only to a Commission order respecting this *Stipulation and Agreement* issued in this above-captioned proceeding, and do not apply to any matters raised in any prior or subsequent Commission proceeding, or any matters not explicitly addressed by this *Stipulation and Agreement*.

12. The Signatories shall also have the right to provide, at any agenda meeting at which this *Stipulation and Agreement* is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that each shall, to the extent reasonably practicable, provide the other party with advance notice of the agenda meeting for which the

response is requested. Any oral explanations shall be subject to public disclosure, except to the extent they refer to matters that are privileged or protected from disclosure pursuant to the Commission's rules on confidential information or under the protective order issued in this case.

13. This *Stipulation and Agreement* contains the entire agreement of the Signatories concerning the issues addressed herein.

14. This *Stipulation and Agreement* does not constitute a contract with the Commission and is not intended to impinge upon any Commission claim, right, or argument by virtue of the *Stipulation and Agreement's* approval. Acceptance of this *Stipulation and Agreement* by the Commission shall not be deemed as constituting an agreement on the part of the Commission to forego the use of any discovery, investigative or other power which the Commission presently has or as an acquiescence of any underlying issue. Thus, nothing in this *Stipulation and Agreement* is intended to impinge or restrict in any manner the exercise by the Commission of any statutory right, including the right to access information, or any statutory obligation.

15. The Signatories agree that this *Stipulation and Agreement*, except as specifically noted herein, resolves all issues related to these topics, and that this *Stipulation and Agreement* should be received into the record without the necessity of any witness taking the stand for examination.

WHEREFORE, the Signatories respectfully request that the Commission approve this *Stipulation and Agreement*, and grant any other and further relief as it deems just and equitable.

(Signature block on the following page)

Respectfully submitted,

/s/ **Wendy K. Tatro**

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, transmitted by e-mail or mailed, First Class, postage prepaid, this 11th day of June, 2021, to counsel for all parties on the Commission's service list in this case.

/s/Wendy K. Tatro


STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 18th day of August, 2021.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

August 18, 2021

File/Case No. EO-2021-0021

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



**Morris L. Woodruff
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.