

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. ET-2014-0350
File No. JE-2014-0494
Ameren Missouri's Application for Authorization to Suspend Payment of Solar
Rebates

FROM: Daniel I. Beck, Engineering Analysis
Thomas M. Imhoff, Rates and Tariffs

Daniel I. Beck 06/23/14
Engineering Analysis/Date

/s/ Whitney Hampton 06/23/14
Staff Counsel's Office/Date

SUBJECT: Staff Recommendation the Commission approve Ameren Missouri's File No. JE-2014-0494 tariff sheet and order Ameren Missouri to file notice in this case, with supporting documentation, when it has reached the \$91.9 million rebate payment limit specified in the Non-Unanimous Stipulation in File No. ET-2014-0085

DATE: June 23, 2014

SUMMARY

On May 23, 2014, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") filed its Application for Authorization to Suspend Payment of Solar Rebates and a single associated tariff sheet.

Ameren Missouri states "because Ameren Missouri's RES expenditures are approaching the 1% Maximum Average Retail Rate Increase set forth in the Renewable Energy Standard statute, Ameren Missouri respectfully requests that the Commission authorize it to suspend solar rebate payments by confirming Ameren Missouri's calculation of the 1% Maximum Average Retail Rate Increase and approve a tariff change that allows the Company to cease paying rebates after it has paid out the entire \$91.9 million."

The Company requests this order to be effective no later than July 22, 2014, in order to comply with Section 393.1030.2(1) RSMo. and 4 CSR 240-20.100(5).

Staff understands that the solar rebate applications received by Ameren Missouri from its customers on or before December 18, 2013, have reached the aggregate \$91.9 million level approved by the Commission in the Non-Unanimous Stipulation and Agreement in Case No. ET-2014-0085.

Staff Recommends the Commission approve Ameren Missouri's tariff sheet in File No. JE-2014-0494 and order Ameren Missouri to file notice in this case, with supporting documentation,

when it has reached the \$91.9 million rebate payment limit specified in the Non-Unanimous Stipulation and Agreement in File No. ET-2014-0085. In addition, the Commission should grant Ameren Missouri's request to confirm Ameren Missouri's calculation of the 1% Maximum Average Retail Rate Increase

HISTORY

On August 28, 2013, HB 142 modified Missouri State Statutes regarding the Renewable Energy Standard. The revisions included the following language:

...the electric utility shall be entitled to cease paying rebates to the extent necessary to avoid exceeding the maximum average retail rate increase if the electrical corporation files with the commission to suspend its rebate tariff for the remainder of that calendar year at least sixty days prior to the change taking effect. ... The commission shall rule on the suspension filing within sixty days of the date it is filed. If the commission determines the maximum average retail rate increase will be reached, the commission shall approve the tariff suspension. §393.1030.3 RSMo.

This statute assumed a process where a customer installing a photovoltaic solar system would not know if a solar rebate would be available until after that system was operational (since the tariff could be suspended). To help provide some assurance to the customer that a rebate would be available, the 60-day notice requirement was enacted. However, because a normal installation takes longer than 60 days, the customer still faced the risk that the rebate would not be available when the system became operational.

Ameren Missouri filed its 60-day notice in Case No. ET-2014-0085 on October 11, 2013, and parties raised concerns about the effect that suspension would have on the solar industry. The parties in that case reached a Non-Unanimous Stipulation and Agreement ("Stipulation") in Case No. ET-2014-0085 that took several steps to address the problem of customers proceeding with the installation of a photovoltaic solar system based on the uncertain belief that a solar rebate was available. The Stipulation modified the application process to provide customers with assurance that rebate dollars would be available when the application was approved. In addition, the Stipulation included language in paragraph 7.c. that stated:

The Signatories also agree to cooperate in the development of all aspects of an orderly process to cease or conclude the solar rebate payments to solar customers, including updating Ameren Missouri's website for applied for applications, the level of solar rebate payments, and approved applications for Ameren Missouri.

With these modifications, the importance of the 60-day notice requirement was greatly reduced. However, paragraph 7.a. of the Stipulation includes the following language:

If and when the solar rebate payments are anticipated to reach the specified level, Ameren Missouri will file with the Commission an application under the 60-day process as outlined in §393.1030.3 RSMo. to cease payments beyond the specified

level in the year which the specified level is reached and all future calendar years. The Signatories agree that they will not object to an application that is designed to cease payments beyond the specified level.

Staff, the parties to Case No. ET-2014-0085, and members of the general public have been aware of the \$91.9 million level for Ameren Missouri. Staff contends that the 60-day notice referenced above in the Stipulation was intended to provide closure for the distribution of the \$91.9 million in solar rebates. The signatories to the Stipulation specifically contemplated the use of Ameren Missouri's website to convey timely information to applicants about the status of solar rebate applications and aggregate payments. Staff maintains that this website remains the appropriate forum to communicate this information to the general public.

CURRENT FILING

Staff has reviewed the Application, including the tariff sheet. In addition, Staff has reviewed the highly confidential document that Ameren Missouri refers to as Schedule 1HC which is a spreadsheet titled "schedule 1hc 2014 irp res compliance filing model v7 hc locked.xlsx". Staff has reviewed this document and is of the belief that it conforms to the terms of the Stipulation. This document contains a reasonable estimate that shows the 1% rate cap will be exceeded in the "unconstrained" model over a ten year period when all compliance costs, including solar rebate payments, investments in other solar facilities, and investments in other non-solar renewable resources, are taken into account. Staff agrees with Ameren Missouri's conclusion that the Commission should confirm Ameren Missouri's calculation of the 1% Maximum Average Retail Rate Increase.

RECOMMENDATION

After reviewing Ameren Missouri's filing, Staff recommends the Commission approve Ameren Missouri's tariff sheet in File No. JE-2014-0494 and order Ameren Missouri to file notice in this case, with supporting documentation when it has reached the \$91.9 million rebate payment limit specified in the Non-Unanimous Stipulation and Agreement in File No. ET-2014-0085. In addition, the Commission should grant Ameren Missouri's request to confirm the Company's calculation of the 1% Maximum Average Retail Rate Increase.

The Commission's Energy Engineering Analysis and Energy Tariffs/Rate Design Staff ("Staff") has reviewed the tariff sheet Ameren Missouri filed on May 23, 2014, and is of the opinion that the sheet should be approved. Therefore, Staff recommends the following tariff sheet filed on May 23, 2014, be approved with an effective date of July 22, 2014:

MO. P.S.C. Schedule No. 6

The Staff has verified that Ameren Missouri has filed its annual report and is not delinquent on any assessment. Staff would note that there are several Ameren Missouri cases that are related to renewable energy and solar rebates that are currently pending before the Commission:

EO-2014-0291	Ameren Missouri's Renewable Energy Standard (RES) Compliance Report for 2013 and RES Compliance Plan for 2014- 2016
EC-2014-0342	Complaint regarding the denial of solar rebates to two customers
EA-2014-0136	Ameren Missouri's request for a CCN at its O'Fallon Solar Facility (which has been approved by the Commission and additional permit documentation has recently been filed)

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Ameren Missouri's)
Application for Authorization to Suspend)
Payment of Solar Rebates)

File No. ET-2014-0350

AFFIDAVIT OF THOMAS M. IMHOFF

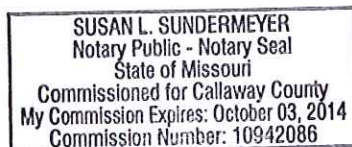
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Thomas M. Imhoff, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.



Thomas M. Imhoff

Subscribed and sworn to before me this 23rd day of June, 2014.





Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

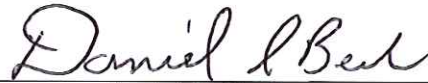
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File No. ET-2014-0350

AFFIDAVIT OF DANIEL I. BECK

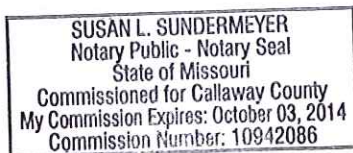
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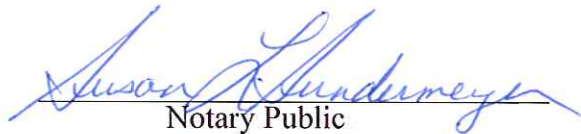
Daniel I. Beck, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.



Daniel I. Beck

Subscribed and sworn to before me this 23rd day of June, 2014.




Notary Public