

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 26<sup>th</sup> day of October, 2011.

In the Matter of the Application of Union Electric  
Company for Authorization to Manage Sulfur  
Dioxide Emission Allowance Inventory

)  
)  
)

**File No. EO-98-401**

**ORDER GRANTING AUTHORITY TO MANAGE NO<sub>x</sub> ALLOWANCES**

Issue Date: October 26, 2011

Effective Date: October 28, 2011

In December 1998, the Commission approved a stipulation and agreement in this case that authorized Union Electric Company, d/b/a Ameren Missouri to manage its inventory of sulfur dioxide (SO<sub>2</sub>) emissions allowances issued under the federal Clean Air Act. Subsequently, the Environmental Protection Agency (EPA) issued its Clean Air Interstate Rule (CAIR) that created similar emissions allowances for Nitrogen Oxide (NO<sub>x</sub>). Ameren Missouri has not previously sought authority to sell or trade its NO<sub>x</sub> allowances. However, Ameren Missouri finds itself with more NO<sub>x</sub> allowances than it needs to comply with CAIR and those allowances will expire at the end of this year. On October 19, 2011, Ameren Missouri filed a motion indicating its belief that it can sell some of those NO<sub>x</sub> allowances for the benefit of its customers if promptly given authority to do so.

Ameren Missouri asks that the Commission extend its existing authority to sell or trade its SO<sub>2</sub> allowances to include NO<sub>x</sub> allowances issued under CAIR. Ameren Missouri agrees that it would be required to maintain detailed records of each transaction, provide such information along with the data submitted pursuant to 4 CSR 240-3.161(5), and

provide an annual report similar to the report that it currently provides for its SO<sub>2</sub> emissions allowance transactions. Any proceeds from the sale of NOx emissions allowances will flow through Ameren Missouri's fuel adjustment clause to the benefit of the company's ratepayers. Ameren Missouri is seeking authority only to sell or trade its NOx allowances under CAIR. If it later seeks authority to sell or trade NOx allowances created under the EPA's new Cross-State Air Pollution Rule (CSAPR) it must file a new application.

Ameren Missouri represents that the other parties to this case, Staff, Public Counsel and Kansas City Power & Light Company, support its request for authority to sell or trade its unused NOx allowances. Ameren Missouri also served notice of its filing on all parties to its most recent rate case, ER-2011-0028. Since the market for these NOx allowances will disappear at the end of the year, the company asks the Commission to approve its request for authority as soon as possible and no later than October 31.

Because Ameren Missouri represents that Staff and the other parties support its motion, the Commission did not require its Staff to file a formal recommendation regarding the application. However, the Commission ordered that any party wishing to object to or otherwise respond to Ameren Missouri's motion do so no later than October 25. No such response has been filed.

Based on the facts alleged in Ameren Missouri's verified Motion to Extend Authority to the Disposition of NOx Allowances, the Commission will grant that motion.

**THE COMMISSION ORDERS THAT:**

1. Union Electric Company, d/b/a Ameren Missouri's Motion to Extend Authority to the Disposition of NOx Allowances is granted.

2. Specifically, Union Electric Company is granted authority to sell and trade nitrogen oxide (NOx) emissions allowances created under the Clean Air Interstate Rule (CAIR), subject to the record keeping and reporting requirements applicable to its management of sulfur dioxide (SO<sub>2</sub>) emissions allowances.

3. This order shall become effective on October 28, 2011.

**BY THE COMMISSION**



Steven C. Reed  
Secretary

( S E A L )

Gunn, Chm., Davis, Jarrett,  
and Kenney, CC., concur.

Woodruff, Chief Regulatory Law Judge