

## MEMORANDUM

**TO:** Missouri Public Service Commission  
Official Case File, Case No. EO-2019-0320  
Renewable Energy Standard Compliance Plan 2019 – 2021 for  
Union Electric Company, d/b/a Ameren Missouri

**FROM:** Cedric E. Cunigan, PE, Engineering Analysis

/s/ Daniel I. Beck, PE / 05-30-19  
Engineering Analysis / Date

/s/ Jeffrey A. Keevil / 05-30-19  
Staff Counsel's Office / Date

**SUBJECT:** Staff Report on Ameren Missouri's Renewable Energy Standard  
Compliance Plan 2019-2021

**DATE:** May 30, 2019

### SUMMARY

The Staff has reviewed Union Electric Company, d/b/a Ameren Missouri's ("Ameren Missouri" or "Company") *Renewable Energy Standard Compliance Plan 2019-2021* ("*Plan*"). Based on Staff's review, the Company has met the minimum requirements for the *Plan*.

### OVERVIEW

On April 15, 2019, the Company filed its *Plan* for calendar years 2019 through 2021, in accordance with Rule 4 CSR 240-20.100(8), Electric Utility Renewable Energy Standard Requirements, Annual RES Compliance Report and RES Compliance Plan. This rule states, in part, "Each electric utility shall file an annual RES compliance plan with the commission. The plan shall be filed no later than April 15 of each year." Subparagraphs 4 CSR 240-20.100(8)(B)1. A. through G. provide the minimum requirements for the plan. Subsection 4 CSR 240-20.100(8)(D) requires that Staff examine the plan and file a report within forty-five (45) days of the filing.

### DISCUSSION

Staff reviewed the Company's *Plan* in accordance with the established requirements to verify the *Plan* contains the information required by the rule. The results of this review are detailed below, with appropriate rule subparagraphs A. through G. identified and quoted.

**A. “A specific description of the electric utility’s planned action to comply with the RES;”**

Ameren Missouri generally described its planned actions to comply with the RES for the 2019-2021 timeframe. Ameren Missouri is finalizing several wind projects, totaling at between 530 and 857 MW and anticipated to be operational by the end of 2020. Additionally, the Company expects to make REC purchases in the 2019-2020 timeframe. The Company considered the cost of REC purchases in its retail rate impact (“RRI”) calculation.<sup>1</sup>

The Company explains in the *Plan* that it will continue to utilize renewable energy certificates (“RECs”) from the Keokuk Hydroelectric Generating Station (“Keokuk”), the Maryland Heights Renewable Energy Center (“MHREC”) which utilizes landfill gas, and a purchased power agreement (“PPA”) from the Pioneer Prairie II Wind Farm (“Pioneer Prairie”).

For solar compliance, the Company will utilize solar renewable energy credits (“S-RECs”) from net-metered customers, the solar generation facility installed at the Company headquarters, and its utility-scale solar facility O’Fallon Renewable Energy Center (“OREC”). The MHREC, the net-metered systems, and Company-owned solar generation will qualify for the Missouri in-state one and twenty-five hundredths (1.25) credit.<sup>2</sup>

**B. “A list of executed contracts to purchase RECs (whether or not bundled with energy), including type of renewable energy resource, expected amount of energy to be delivered, and contract duration and terms;”**

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<sup>1</sup> Staff previously raised a concern in Case No. EO-2017-0268 related to incorporating all RES compliance costs in the RRI calculation. The Commission ordered Ameren Missouri to file its RRI as a part of its 2017 IRP filing. The Company provided the RRI calculation as a part of its 2017 IRP filing.

<sup>2</sup> 393.1030.1., RSMo; Rule 4 CSR 240-20.100(3)(G).

The Company discusses its executed contracts on page 5, and Table 1 on page 7 of the *Plan* includes a list of executed contracts, the type of renewable energy, the expected energy to be delivered and contract duration and terms. The Company provided the following information regarding its executed contracts:

	Type	Expected Energy Delivered	Contract duration and terms <sup>3</sup>
<b>Pioneer Prairie</b>	Wind	** _____ **	09/01/09 – 08/31/24
<b>Customer Standard Offer Contracts</b>	Solar	** _____ **	10 years

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**C. “The projected total retail electric sales for each year;”**

The Company provided values for its projected retail electric sales. The values appear to be reasonable estimates. \*\* \_\_\_\_\_

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<sup>3</sup> The Company has previously provided the executed contracts for Pioneer Prairie in response to Staff Data Requests.

<sup>4</sup> HB 142 passed on July 3, 2013, and required that any customer receiving a solar rebate would transfer to the electric utility all right, title, and interest in and to RECs associated with new or expanded solar systems that qualified the customer for the rebate for a period of 10 years from the date the system is confirmed to be installed and operational by the utility. This change is codified in 4 CSR 240-20.065(3), which set the start of this change for all systems operational after August 28, 2013.

**D. “Any differences, as a result of RES compliance, from the utility’s preferred resource plan as described in the most recent electric utility resource plan filed with the commission in accordance with 4 CSR 240-22, Electric Utility Resource Planning;”**

The Company submitted its most recent triennial compliance filing on September 25, 2017. The *Plan* is similar to the September 25, 2017 preferred resource plan in regard to renewable resource additions as a result of RES compliance. However, as explained on pages 8 and 9 of the *Plan*, Ameren Missouri made the following corrections to the model:

- Inclusion of lighting load which was left out of the IRP
- Corrected probability weightings of low base and high loads
- Capacity value rating of wind resources updated to 15.7%
- Tax rate used to determine revenue requirements adjusted to 25.45%

**E. “A detailed analysis providing information necessary to verify that the RES compliance plan is the least cost, prudent methodology to achieve compliance with the RES;”**

The Company discussed items of cost related to RES compliance for the planning period on pages 9 and 10 of its *Plan*. The plan includes costs related to new wind resources and also new solar resources required by Senate Bill 564<sup>5</sup>. Staff wants it to be clear that when it states it has not identified any deficiencies in Empire’s report, Staff has not made a ratemaking determination whether the Plan is the least cost, prudent method in complying with the RES, and suggests the Commission be clear in any Order it may issue in this case that it is not making any ratemaking determination.

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<sup>5</sup> 393.1665 RSMo.

- F. “A calculation of the RES retail rate impact limit calculated in accordance with section (5) of this rule. The calculation should be accompanied by workpapers including all the relevant inputs used to calculate the retail rate impact limits for the planning interval which is included in the RES compliance plan. The electric utility may designate all or part of those calculations as highly confidential, proprietary, or public as appropriate under the commission’s rules;”**

The Company provided a description of the RRI calculation on pages 10-11 of the *Plan* and provided the associated workpaper. The workpaper models unconstrained renewable additions to meet the requirements and constrained renewable additions to remain under the 1% RRI limitation. The models include estimates for the wind resource which is the subject of Case No. EA-2019-0181. A procedural conference in Case No. EA 2019-0181 has been scheduled for May 30, 2019. Staff reserves the right to address the cost estimates in the ongoing case. \*\* \_\_\_\_\_

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- G. “Verification that the utility has met the requirements for not causing undue adverse air, water, or land use impacts pursuant to subsection 393.1030.4. RSMo, and the regulations of the division.”**

The Company states that the generating facilities utilized to meet the RES requirements have been certified by the Missouri Department of Economic Development.<sup>6</sup> The existing renewable resources Ameren Missouri intends to utilize over the planning period have been certified by the Division of Energy.

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<sup>6</sup> Rule 10 CSR 140-8.010(4).

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

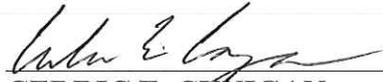
In the Matter of Union Electric Company )  
d/b/a Ameren Missouri's Filing of the ) Case No. EO-2019-0320  
Renewable Energy Standard Compliance Plan )  
for 2019-2021 )

**AFFIDAVIT OF CEDRIC E. CUNIGAN**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

**COMES NOW CEDRIC E. CUNIGAN** and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Report - 2019-2021 RES Compliance Plan*, in memorandum form; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

  
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**CEDRIC E. CUNIGAN**

**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 30th day of May 2019.

D. SUZIE MANKIN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: December 12, 2020  
Commission Number: 12412070

  
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Notary Public