BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of The Empire District Electric Company's Submission of its 2015 RES Compliance Report and 2016 RES Compliance Plan	)))	File No. EO-2016-0279

MISSOURI DIVISION OF ENERGY'S RESPONSE TO THE COMMENTS OF RENEW MISSOURI

COMES NOW the Missouri Division of Energy ("DE"), by and through the undersigned counsel, and for its response to the *Comments of Renew Missouri* ("Renew MO") on the 2016 Renewable Energy Standard Compliance Plans ("RES Plans") of the above-captioned utility, states:

1. On April 15, 2016, The Empire District Electric Company ("Empire") filed its RES Plan. Renew MO filed comments on the RES Plan on May 27. On June 1, the Public Service Commission ("Commission") established time for parties to respond to comments filed by parties on the RES Plan. DE is responding to a portion of the comments of Renew MO in this filing.

2. Broadly, Renew MO raised four issues in its comments: 1) that it is not clear whether the retail rate impact ("RRI") calculation substituted fossil fuel resources for renewable resources, as required by the Commission's rule at 4 CSR 240-20.100, 2) the RRI calculation methodologies were not consistent among the various electric utilities, 3) that the current use of certain hydroelectric generation resources for RES compliance violates the intent of the RES statute, and 4) and that the current use of certain hydroelectric generation resources for RES compliance is inconsistent with how electric utilities report generation resources to the Federal Energy Regulatory Commission ("FERC") in annual FERC FORM NO. 1 filings. DE is responding to the latter three issues.

3. Renew MO states, "While Ameren and KCP&L have limited themselves to 1% of their current revenue requirement, Empire has attempted to perform the comparison spelled out in Section (5) of the Commission's rule. Given these differing approaches, the Commission should step in to clarify what exactly is required by its rule at 4 CSR 240-20.100(5)(B)." DE concurs with Renew MO that additional guidance from the Commission is warranted on the methodology and format to be used for calculating the 1% RRI. Additional guidance from the Commission will save utilities and stakeholders significant time and money by avoiding costly complaint processes and by standardizing procedures for future compliance years.

4. Renew MO also states that the RES statute does not contemplate the interpretation of eligible hydroelectric resources which is currently in use. Specifically, §393.1025(5), RSMo. defines "renewable energy resources" to include, "…hydropower (not including pumped storage) that does not require a new diversion or impoundment of water and that has a **nameplate rating** of ten megawatts or less …" (emphasis added). By contrast, the Commission's rules at 4 CSR 240-20.100(1)(N)9 define the eligibility of hydropower as follows: "Hydropower (not including pumped storage) that does not require a new diversion or impoundment of water and that has **generator nameplate ratings** of ten (10) megawatts or less …" (emphasis added). DE's renewable energy certification rules at 4 CSR 340-8.010(2)(A)8 similarly defines this eligibility as follows:

> Hydropower, not including pumped storage, that does not require a new diversion or impoundment of water and that **each generator has a nameplate rating** of ten megawatts (10 MW) or less. If an improvement to an existing hydropower facility does not require a new diversion or impoundment of water and incrementally increases the **nameplate rating of each generator,** up to ten megawatts (10 MW)

per generator, the improvement qualifies as an eligible renewable energy resource …. (Emphases added.)

5. In its comments, Renew MO indicates that the discrepancy lies in the treatment of each generator at a hydroelectric facility as an individually eligible compliance unit, rather than the facility as a whole. The current interpretation allows large hydroelectric projects (i.e., those with a cumulative facility rating greater than 10 MW) to count towards RES compliance if each generator at the facility has a rating at or below 10 MW.

6. In addition to what Renew MO states is a violation of statutory intent – to encourage greater renewable energy resource development – Renew MO indicates that Empire reports the generator nameplate rating of its Ozark Beach Hydroelectric Project ("Ozark Beach") to FERC on a total facility basis.

7. DE notes that page 406 of FERC FORM NO. 1, entitled HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants), states, "Large Plants are hydro plants of 10,000 Kw or more of installed capacity **(name plate ratings)**" (emphasis added). Line No. 5 of the same page then requires a utility to report the "Total installed cap (**Gen name plate Rating** in MW)" (emphasis added). As used in FERC FORM NO. 1, the terms "name plate rating" and "generator name plate rating" are used to refer to the total or aggregate installed capacity of a hydroelectric facility, not to the individual capacity of hydroelectric generators at a hydroelectric facility. Ozark Beach has a total installed capacity of 16 MW and therefore has a name plate rating of 16 MW for FERC reporting purposes.

8. DE acknowledges that the definitions at 4 CSR 240-20.100(1)(N)9 and 4 CSR 340-8.010(2)(A)8 are inconsistent with the definition used for FERC reporting purposes. DE also acknowledges that a definition of "name plate rating" or "generator name plate rating" not

encompassing an entire hydroelectric facility likely results in the lower penetration of renewable resources in utility portfolios.

WHEREFORE, due to this conflict in the definitions of "nameplate rating" used for FERC reporting purposes and RES reporting purposes, as well as the potential conflict with the legislative intent of the RES, DE offers that it is willing to work with the Commission to clarify the regulatory definitions of hydroelectric nameplate ratings for purposes of the RES. Additionally, DE recommends that the Commission provide additional guidance to clarify what exactly is required by its rule at 4 CSR 240-20.100(5)(B) in terms of the methodology and format to be used for calculating the 1% RRI.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been emailed to the certified service list this 13th day of June, 2016.

/s/ Alexander Antal