

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

In the Matter of Ameren Missouri's)	<u>Case No. ET-2014-0085</u>
Application for Authorization to Suspend)	Tariff No. YE-2014-0235
Payment of Solar Rebates.)	

**STAFF'S RESPONSE TO ORDER DIRECTING STAFF TO
RESPOND TO AMEREN MISSOURI'S APPLICATION FOR REHEARING**

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission") and, for its recommendation the Commission, in part, grant the application for rehearing of Union Electric Company d/b/a Ameren Missouri, but also order it to modify its tariff, states:

1. On and effective December 31, 2014, the Commission ordered Staff to file its response to Ameren Missouri's application for rehearing by January 3, 2014.
2. In response to Ameren Missouri's request for a variance from Rule 4 CSR 240-20.100(4)(K) to allow it

to create a reservation system that "reserves" the rebate eligibility for customers, based upon the date of receipt of a completed application that is ultimately approved by Ameren Missouri, provided the customer installs the system consistent with the design that was submitted and approved and also satisfies the expiration timeframes required by 4 CSR 240-20.100 and 4 CSR 240-20.065. If a customer does not satisfy those timeframes, then that customer's rebate commitment will expire and will be removed from the queue and the next person in the queue (who has not previously received a rebate commitment) will be notified. Ameren Missouri would still pay the solar rebate within thirty days after the solar system becomes operational for those customers with a rebate commitment. To the extent that customers complete the installation of their solar systems even though they did not receive a rebate commitment and are in the queue, their payments will be within 30 days of receiving their rebate commitments. A rebate commitment to a customer guarantees the availability of a rebate. However, the amount of the rebate payment depends upon when the system becomes operational.

and Ameren Missouri's explanation that "there may be an instance using the reservation system approach where a solar rebate is not paid to a customer within thirty (30) days of verification that the solar electric system is fully operational as required by [Rule 4 CSR 240-20.100(4)(K)]," the Staff recommended it grant, and the Commission granted, Ameren Missouri the following variance:

Ameren Missouri is granted a variance from the requirements of Commission Rule 4 CSR 240-20.100(4)(K) to allow the company to pay a rebate more than thirty days after a system becomes operational when applications (subsequently approved) have fully reserved the available rebates under the retail rate impact cap, but removal of an ineligible application make reserved dollars available for the next eligible application in the queue.

3. In its application for rehearing of the Commission's order that grants it a variance from the requirements of Rule 4 CSR 240-20.100(4)(K), Ameren Missouri requests expansion of the variance "sufficient to permit it to implement [its proposed] queue system for paying solar rebates." In its application is describes the following three circumstances it asserts warrants expansion of its variance:

A. First, subsection (4)(K) requires the Company to make a rebate offer within 30 days of the date of receipt of the solar rebate application. In the situation where Ameren Missouri has already received enough applications to reserve the entire \$91.9 million rebate pool, then the Company will not make a rebate offer to new applicants. However, as previous applicants drop out of the queue, the Company will make rebate offers to the next applicants in line. Accordingly, the Company needs a variance of this 30 day requirement.

B. Second, subsection (4)(K) states that applications expire six months after the customer's acceptance of the rebate offer unless they file a report demonstrating "substantial project progress." However since, in certain circumstances, the Company may not send out a rebate offer within 30 days (as explained above), the six month time period should begin with the qualification date – which is the date a complete application is submitted to Ameren Missouri.

C. Third, subsection (4)(K) states that an application expires if the solar system is not operational within one year from the rebate offer. Similar to the request above, this date should be based upon the qualification date rather than the rebate offer date, since the rebate offer may be delayed if the application was received after the entire \$91.9 million rebate pool has been reserved.

4. As exceptions to requirements that have been created after the rulemaking process, relief from those requirements should be as narrowly tailored as possible to give the needed relief. Staff agrees it makes sense for Ameren Missouri to not send rebate offers to applicants when fulfilling the offers would cause it to exceed the \$91.9 million rebate pool limit; therefore, the relief Ameren Missouri requests for the first circumstance (A) it describes is appropriate.

5. Since, in the rule, expiration of rebate applications is triggered off of the date of the rebate offer or the date the customer accepts the rebate offer, if Ameren Missouri delays when it makes the rebate offer, as it says it will, then it does not need the relief it requests for the second (B) and third (C) circumstances.

6. Should Ameren Missouri encounter other, presently unanticipated, circumstances in the future where additional relief from Rule 4 CSR 240-20.100(4)(K) for its reservation queue system is warranted, it may seek that additional relief then.

7. Ameren Missouri's application for rehearing has caused Brightergy, LLC to contact Staff regarding language in Mo.P.S.C. Schedule No. 6, 1st Revised Sheet No. 88.3 the Staff recommended the Commission approve and the Commission approved in this case by its order titled, *Order Approving Tariff and Granting Variance*, issued December 12, 2013. That language follows:

Company's Rebate Commitment to a customer will expire if:

1. The System has not attained an Operational Date within six (6) months of the Qualification Date and the Company has not granted a six (6) month extension of the Rebate Commitment based upon the customer's submission of a report of substantial progress requesting the extension which includes proof of purchase of the major System components, demonstration of partial System construction and building permit (if required), or
2. The System has not attained an Operational Date within twelve (12) months of the Qualification Date, or
3. The System is not constructed in accordance with the design submitted by the customer and approved by Company, thereby causing the Net Metering Application to become invalid.

8. Upon reviewing the foregoing tariff language in light of Ameren Missouri's request for rehearing, it is Staff's view that instead of how it presently reads, it should be modified as follows:

Company's Rebate Commitment to a customer will expire if:

1. The System has not attained an Operational Date within six (6) months of the ~~Qualification Date~~ **customer's receipt of the rebate offer** and the Company has not granted a six (6) month extension of the Rebate Commitment based upon the customer's submission of a report of substantial progress requesting the extension which includes proof of purchase of the major System components, demonstration of partial System construction and building permit (if required), or
2. The System has not attained an Operational Date within twelve (12) months of the ~~Qualification Date~~ **customer's receipt of the rebate offer**, or
3. The System is not constructed in accordance with the design submitted by the customer and approved by Company, thereby causing the Net Metering Application to become invalid.

9. Staff's view that "Qualification Date" should instead be "customer's receipt of the rebate offer" is based on its belief that, as Rule 4 CSR 240-20.100(4)(K) provides, the appropriate triggering event is when Ameren Missouri makes a rebate offer, not the "Qualification Date" which Ameren Missouri defines in Tariff Sheet No. 88.3 as follows:

“The Qualification Date will be the date Company receives a Net Metering Application and Solar Rebate Application that satisfy the Application Requirements and are subsequently approved by Company for construction.”

10. Based on its realization of the import of the above-quoted language in Tariff Sheet No. 88.3, Staff recommends the Commission not only deny Ameren Missouri’s request for relief from Rule 4 CSR 240-20.100(4)(K) for the second and third circumstances it describes, Staff recommends that the Commission order Ameren Missouri to modify Tariff Sheet No. 88.3 to implement the revisions described in paragraph 8 above.

WHEREFORE, Staff recommends the Commission, in part, grant Ameren Missouri’s application for rehearing and expand the variance the Commission granted only to allow Ameren Missouri to send a rebate offer in response to a rebate application (i) within thirty (30) days of the application when the rebate offer would not cause the \$91.9 million rebate pool limit to be exceeded, or (ii) within thirty (30) days of funds becoming available such that the rebate offer would not cause the \$91.9 million rebate pool limit to be exceeded, whichever occurs first. Staff further recommends the Commission order Ameren Missouri to modify Mo.P.S.C. Schedule No. 6, 1st Revised Sheet No. 88.3 to replace the words “Qualification Date” with the words “customer’s receipt of the rebate offer” in the two locations identified in paragraph 8 above.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 3rd day of January, 2014.

/s/ Nathan Williams