

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

In the Matter of Union Electric Company d/b/a            )  
Ameren Missouri's Solar Rebate Payment Tariff        )        Case No. ET-2014-0085

**POSITION STATEMENT OF  
THE MISSOURI INDUSTRIAL ENERGY CONSUMERS**

COMES NOW the Missouri Industrial Energy Consumers ("MIEC"), and, states its position on the issues as follows:

**General Statement of Position**

The MIEC's general position in this matter is that the Commission should interpret section 393.1030 and the Commission's regulations in such a way that the impact to consumers from the renewable energy standard does not exceed one percent.

**I. Position on Issues**

1.        Is accurate and reliable information available to perform the 1% retail rate impact calculation under any of the methods proposed in this case? If not, should the Commission deny Ameren Missouri's application in this case?

ANSWER: Yes.

2.        What is the proper method of calculating the 1% retail rate impact cap under Rule 4 CSR 240-20.100 (5)(B)?

ANSWER: For purposes of the following, A is the projected 10 year retail revenue requirement determined by adding to Ameren's existing generation and purchased power portfolio sufficient least cost non-renewable generating resources sufficient to meet Ameren's demand for the next 10 years. For purposes of the following, B is the projected 10 year retail

revenue requirement determined by adding to Ameren's existing generation and purchased power portfolio sufficient least cost renewable generating resources sufficient to meet the renewable energy standard plus any additional least cost non-renewable generating resources still needed to meet Ameren's demand for the next 10 years.

The projected rate impact from RES compliance is determined by subtracting A from B (the "Difference"). The Difference is the projected ten year rate impact in dollars from full RES compliance. The Difference must then be divided by A. If the resultant percentage is greater than one, Ameren must replace uneconomic renewable energy sources in B with least cost non-renewable energy resources until the Difference divided by A equals one percent. The dollar amount of the allowed rate impact is the new Difference.

3. In utilizing the method of calculating the 1% retail rate cap that the Commission determines is appropriate:

a. What generation resources are included in the non-renewable portfolio when completing the retail rate impact calculation under Rule 4 CSR 240-20.100 (5)(B)?

b. Is there any basis in the statutes, regulations or Commission's Orders for excluding some or all of the costs of any existing or anticipated renewable energy resources from the ten year RES-compliant portfolio revenue requirement calculation used to determine the cap? If so, which costs?

c. Should the Commission make a determination in this case of whether Ameren Missouri's prudently-incurred expenditures on solar rebate payments be expensed or amortized? If yes, what determination should the Commission make?

d. How does a utility implement the directive in Rule 4 CSR 240-20.100 (5)(A) that the retail rate impact "...shall exclude renewable energy resources owned or under contract prior to the effective date of this rule" when it calculates the retail rate impact limit under Rule 4 CSR 240-20.100 (5)(B)?

e. Must an electric utility's most current adopted preferred resource plan be used for determining the renewable energy resource additions to the RES-compliant portfolio when completing the retail rate impact calculation under Rule 4 CSR 240-20.100 (5)(B).

f. Should payment of solar rebates be "front-loaded" as suggested by MOSEIA?

ANSWER: a. The existing generation and purchased power resources plus sufficient least cost non-renewable generating resources sufficient to meet Ameren's demand for the next 10 years.

b. No. If the costs are to be recovered from ratepayers, they must be figured into the rate impact determination.

c. The MIEC renders no position on this issue other than to repeat its general position in this matter that the accounting that the Commission approves must accurately measure the impact of RES compliance on ratepayers and limit that impact to one percent.

d. As reflected in the Surrebuttal testimony of Maurice Brubaker, p. 3, the rate impact of preexisting renewable resources is effectively excluded by following 4 CSR 240-

20.100(5)(B) literally. The effect of such costs is effectively excluded from the rate impact difference since these costs are reflected in both A and B above.

e. Yes.

f. The MIEC takes no position on front loading so long as any costs incurred for solar rebates, when coupled with other anticipated RES compliance costs for the ten year impact period, do not cause rate impacts above one percent. If those costs, when coupled with other anticipated RES compliance costs for the ten year impact period, would exceed one percent, to the extent those costs exceed one percent they must be carried forward for consideration as RES compliance costs in subsequent 10 year impact periods so that other planned RES compliance is curtailed.

4. What method of scaling costs of the RES-compliant portfolio should be used to achieve compliance with the 1% RRI limitation under Rule 4 CSR 240-20.100 (5)(D)?

a. Does the RES statute, Section 393.1030 et seq., or the RES Rule, 4 CSR 240-20.100 create a preference for paying solar rebates or for complying with the renewable portfolio requirements?

ANSWER: MIEC takes no position on this issue so long as the one percent rate impact limitation is observed.

a. Overall, Ameren Missouri should attempt to comply with the renewable portfolio requirements so long as the one percent rate impact limitation is observed.

5. What is the one percent retail rate impact (1%) amount when calculated by the method the Commission determines in Issues 2 and 3 is the correct method?

ANSWER: The MIEC supports the calculation set forth in the testimony of Ameren Missouri witness Michels.

6. Are the sums of solar rebate payments Ameren Missouri has made and those it projects to pay by the end of 2013, greater than the one percent (1%) retail rate impact amount determined in 5 above?

ANSWER: As shown by the testimony of witness Michels, the anticipated solar rebate payments for 2013, when coupled with other anticipated future RES compliance costs, will cause the rate impact to exceed one percent. However, that excess impact can be rectified by rolling back the other anticipated future RES compliance by carrying over, to subsequent 10 year impact periods, the excess rebate costs.

7. Should the Commission authorize Ameren Missouri to stop making solar rebate payments beginning no earlier than December 10, 2013, in order to comply with Section 393.1030.2 (1) and .3 RSMo (Supp. 2013) and Rule 4 CSR 240-20.100 (5)?

ANSWER: Either the Commission should authorize the abatement of rebates or implement a carryover of excess rebate costs so that for future 10 year impact analysis other RES compliance can be curtailed accordingly.

8. If Ameren Missouri's unconstrained payments of solar rebates for 2013 would, given its planned other RES compliance expenditures for the period 2013-2022, cause a rate impact greater than 1%, must the excess solar rebate payment amounts be carried over as a RES

compliance cost for 2014 and future years, and other planned RES compliance rolled back in those future years?

ANSWER: Yes.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing document has been emailed this 6<sup>th</sup> day of October, 2013, to all parties on the Commission's service list in this case.

/s/ Edward F. Downey