

MEMORANDUM

TO: Missouri Public Service Commission
Official Case File, Case No. EO-2019-0320
Ameren Missouri's 2018 Renewable Energy Standard Compliance Report

FROM: Cedric E. Cunigan, 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 and Conclusion on Ameren Missouri's 2018 Renewable Energy Standard Compliance Report

DATE: May 30, 2019

SUMMARY

Staff has reviewed the Union Electric Company, d/b/a Ameren Missouri ("Company" or "Ameren Missouri") 2018 RES Compliance Report. Staff utilized the North American Renewables Registry ("NAR") to independently verify the retirement of the renewable energy credits ("RECs") by the Company. Ameren Missouri has retired sufficient RECs to satisfy the 2018 RES requirements.

OVERVIEW

On April 15, 2019, Ameren Missouri filed its Renewable Energy Standard ("RES") Compliance Report (Compliance Report) for calendar year 2018 (Case No. EO-2019-0320), in accordance with 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 RES compliance report no later than April 15 to report on the status of both its compliance with the RES and its compliance plan as described in this section for the most recently completed calendar year." On April 25, 2019 Ameren Missouri filed a second report to correct typographical errors and a Motion to Accept Corrections to Union Electric Company d/b/a Ameren Missouri's Renewable Energy Standard Compliance Report 2018. The Commission issued an Order Accepting the corrections on May 9, 2019. Subparagraphs 4 CSR 240-20.100(8)(A)1. A. through P. provide the minimum requirements for

the Compliance Report. Subsection 4 CSR 240-20.100(8)(D) requires that Staff examine the Company's Compliance Report and file a report within forty-five (45) days of the filing.

Staff utilized the North American Renewables Registry ("NAR") to independently verify the retirement of the RECs and S-RECs by the Company.

DISCUSSION

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

A. "Total retail electric sales for the utility, as defined by this rule:"

The Company provided the total retail electric sales for 2018 expressed as total megawatt-hours ("MWh") sold to Ameren Missouri consumers consistent with the amount listed within the 2018 FERC Form 1 submitted in EFIS on April 15, 2019, of 33,699,583 MWh.¹

B. "Total jurisdictional revenue from the total retail electric sales to Missouri customers as measured at the customers' meters;"

The Company provided the total retail electric sales for 2018 expressed as annual operating revenues (dollars) from Ameren Missouri consumers as \$3,445,455,487 in the RES report. However, the Company reported revenues of \$3,001,630,980 from sales to ultimate customers and \$3,287,299,094 total electric operating revenues in the 2018 Annual Report.² The \$3,445,455,487 figure can be reached after subtracting -\$158,156,393 of gross receipts tax removal.³

¹ Page 301 of 2018 FERC Form 1, Line 10.

² Page 300 of 2018 FERC Form 1, Lines 10 and 27.

³ Page 300 of 2018 FERC Form 1, Line 9.

C. “Total retail electric sales supplied by renewable energy resources, as defined by section 393.1025(5), RSMo, including the source of the energy;”

The Company utilized four (4) company-owned renewable energy generating facilities during 2018: the Keokuk Hydroelectric Generating Station (“Keokuk”), the Maryland Heights Renewable Energy Center (“MHREC”); the O’Fallon Renewable Energy Center (“OREC”), and the Ameren Missouri headquarters office building (“HOB”). The Company also acquired energy through a power purchase agreement (“PPA”) with Pioneer Prairie II Wind Farm (“Pioneer Prairie”). The total amount of energy generated in 2018 for the above listed renewable energy facilities was **

_____ **.

D. “The number of RECs and S-RECs created by electrical energy produced by renewable energy resources owned by the electric utility. For the electrical energy produced by these utility-owned renewable energy resources, the value of the energy created. For the RECs and S-RECs, a calculated REC or S-REC value for each source and each category of REC;”

The Company reported the following information on pages 7 and 8 of its Compliance Report:

Facility	Number of RECs	Compliance Equivalency for In-State ⁴	Value of Energy	Value of RECs (\$/REC)
Keokuk	910,589	n/a	\$26,691,959	Not assigned
HOB	91	114	Not assigned ⁵	Not assigned
MHREC	34,495	43,119	** _____ **	Not assigned
OREC	6,148	7,685	\$177,185	Not assigned

⁴ Renewable resources located in Missouri, qualifies for the one and twenty-five hundredths (1.25) credit multiplier allowed by statute and regulation; 393.1030.1., RSMo; 4 CSR 240-20.100(3)(G).

⁵ The full output of this facility is consumed on site at the Company’s headquarters building, therefore no values for the energy or S-RECs have been assigned.

The generation output, and therefore RECs associated with Keokuk for 2018, is higher than is typical due to upgrades and unusually favorable river flows. Ameren Missouri has made various upgrades to 13 of the 15 units at Keokuk since 2011; some upgrades have increased the nameplate ratings of the individual generators to 8.8 MWs.

The Company reported the value of generation produced by the MHREC in 2018 as
 ** _____ **.

The Company does not assign a value to RECs created by renewable generation assets that have been fully placed into rate base. Ameren Missouri treats the RECs as a government incentive. Staff believes there is a value to the RECs and S-RECs created by the Company’s owned generation though that value is not transparent.

E. “The number of RECs acquired, sold, transferred, or retired by the utility during the calendar year;”

The Company provided the following information regarding the number of RECs acquired and retired during the calendar year:

	Number of RECs (Compliance Equivalency)	Number of S-RECs (Compliance Equivalency)
Acquired	** _____ ** ⁶ (N/A)	57,372 (71,715)
Retired	1,532,295 (1,548,265)	25,278 (31,597)

The Company did not report any RECs sales or transfers in 2018.

⁶ **

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Non-Solar Renewable Energy Credits Retired for Compliance:

Staff verified that the Company retired 2,204,452 Keokuk RECs (2016-2018 Vintage), 873,263 Pioneer Prairie RECs (2016-2018 Vintage), 132,282 MHREC RECs⁷ (2016-2018 Vintage), and 47,594 Ameren Missouri S-RECs⁸ (2016 Vintage) to meet the non-solar requirement of 3,302,559 RECs.⁹ These RECs were registered and retired in the electronic tracking system¹⁰ utilized for compliance purposes. In accordance with statute and regulation, a certified renewable energy resource produced these RECs and they were banked and utilized appropriately.¹¹

Solar Renewable Energy Credits Retired for Compliance:

Staff verified that the Company retired 53,919 customer-generator S-RECs¹² (2015 and 2016 Vintage) to meet the solar requirement of 67,399 S-RECs.

F. “The source of all RECs acquired during the calendar year;”

The Company acquired RECs from Pioneer Prairie and its customer-generators during 2018.

⁷ 132,282 RECs with a compliance equivalency of 165,353 RECs.

⁸ 47,594 S-RECs with a compliance equivalency of 54,493 S-RECs

⁹ Pursuant to 4 CSR 240-20.100(1)(R)2., the amount of RECs necessary is determined by calculating ten percent (10%) of the Company’s total retail sales, less the solar requirement.

¹⁰ North American Renewables Registry: <http://narecs.com/>.

¹¹ Renewable Energy Resource per Section 393.1025.(5), RSMo and 4 CSR 240-20.100(1)(N); Banked RECs per Section 393.1030.2., RSMo and 4 CSR 240-20.100(1)(M).

¹² 53,919 S-RECs with a compliance equivalency of 31,598 S-RECs.

- G. “The identification, by source and serial number, or some other identifier sufficient to establish the vintage and source of the REC, of any RECs that have been carried forward to a future calendar year;”**

The Company provided a listing of RECs carried forward for future year(s) as Exhibit 1 of the Compliance Report. Exhibit 1 includes the serial numbers for RECs generated by Keokuk, MHREC, OREC, ** _____ **, and aggregated S-RECs.¹³

- H. “An explanation of how any gains or losses from sale or purchase of RECs for the calendar year have been accounted for in any rate adjustment mechanism that was in effect for the utility;”**

No RECs were sold and all RECs purchased will be utilized for future compliance purposes.

- I. “For acquisition of electrical energy and/or RECs from a renewable energy resource that is not owned by the electric utility, the following information for each resource that has a rated capacity of ten (10) kW or greater:”**

“(I) Facility name, location (city, state), and owner;”

The Company provided the necessary information for Pioneer Prairie.

“(II) That the energy was derived from an eligible renewable energy technology and that the renewable attributes of the energy have not been used to meet the requirements of any other local or state mandate;”

The Company provided an affidavit for Pioneer Prairie as Exhibit 2 of the Compliance Report which indicates it was derived from an eligible technology and that the renewable attributes have not been used for other purposes.

¹³ Aggregated S-RECs include customer generated S-RECs and the GOB.

“(III) The renewable energy technology utilized at the facility;”

The affidavit for Pioneer Prairie includes the technology type used.

“(IV) The dates and amounts of all payments from the electric utility to the owner of the facility;”

The dates and amounts for the payments were provided in Exhibit 3 of the Compliance Report.

“(V) All meter readings used for the calculation of the payments referenced in part (IV) of this paragraph;”

The meter readings were provided in Exhibit 3 of the Compliance Report.

J. “For acquisition of electrical energy and/or RECs from a customer-generator:”

“(I) Location (zip code);”

“(II) Name of aggregated subaccount in which RECs are being tracked in;”

“(III) Interconnection date”

“(IV) Annual estimated or measured generation; and”

“(V) The start and end date of any estimated or measured RECs being acquired;”

The Company provided the required information in its 2018 RES Compliance Report, Exhibit 6.

K. “The total number of customers that applied and received a solar rebate in accordance with section (4) of this rule;”

The Company paid twelve (12) solar rebates during calendar year 2018.

L. “The total number of customers that were denied a solar rebate and the reason(s) for denial;”

The Company stated that no customers were denied a solar rebate.

- M. “The amount expended by the electric utility for solar rebates, including the price and terms of future S-REC contracts associated with the facilities that qualified for the solar rebates;”**

The Company paid \$123,310 in solar rebates for calendar year 2018.

The Company included the Solar Rebate and Solar Rebate RSMO 393.1030 Tariffs in Exhibit 4 of the Compliance Report and the Solar Renewable Energy Credit Purchase Tariff in Exhibit 5.

- N. “An affidavit documenting the electric utility’s compliance with the RES compliance plan as described in this section during the calendar year;”**

The Company filed the Affidavit referenced in the Compliance Report as Exhibit 7.

- O. “If compliance was not achieved, an explanation why the electric utility failed to meet the RES.”**

Ameren Missouri has achieved compliance with the 2018 RES requirements.

- P. “A calculation of its actual calendar year retail rate impact.”**

The Company provided a calculation of its actual calendar year retail rate impact¹⁴ in its 2018 RES Compliance Report. The 2018 actual calendar year retail rate impact was reported as 0.34%.

¹⁴ Total RES Compliance Cost divided by the Adjusted Revenue Requirement.

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 - 2018 RES Compliance Report*, in memorandum form; and that the same is true and correct according to his best knowledge and belief.

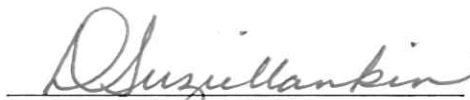
Further the Affiant sayeth not.


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


Notary Public