

MEMORANDUM

TO: Missouri Public Service Commission Case File
File No. EO-2013-0462, Ameren Missouri Renewable Energy Standard Compliance
Report for Calendar Year 2012

FROM: Claire M. Eubanks, P.E., Energy Unit – Engineering Analysis

/s/ Daniel I. Beck / 05/30/13 /s/ Jennifer Hernandez / 05/30/13
Energy Unit / Date Staff Counsel's Office / Date

SUBJECT: Staff Report and Conclusion on Ameren Missouri's 2012 Renewable Energy Standard
Compliance Report

DATE: May 30, 2013

CONCLUSION

Staff has reviewed the Ameren Missouri 2012 RES Compliance Report. Based on its review, Staff has not identified any deficiencies.

OVERVIEW

On April 15, 2013, Union Electric Company d/b/a Ameren Missouri ("Company") filed its Renewable Energy Standard (RES) Compliance Report (Compliance Report) for calendar year 2012 (File No. EO-2013-0462). The Compliance Report was filed in accordance with 4 CSR 240-20.100(7), 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 the utility's compliance with the renewable energy standard and the electric utility's compliance plan as described in this section for the most recently completed calendar year." Subparagraphs 4 CSR 240-20.100(7)(A)1.A. through N. provide the minimum requirements for the Compliance Report. Subsection 4 CSR 240-20.100(7)(D) requires that Staff examine the Company's Compliance Report and file a report within forty-five (45) days of the filing.

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

DISCUSSION

Staff has reviewed the Company's Compliance Report in accordance with the established requirements to verify the Compliance Report contains the information required by rule. The results of this review are detailed below, with appropriate rule subparagraphs A. through N. 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 2012 expressed as total megawatt-hours (MWh) sold to ultimate consumers (36,745,907 MWh). The amount listed within the 2012 FERC Form 1 filed with the Commission on April 17, 2013, was 36,745,908 MWh.

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Attachment A

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 2012 expressed as annual operating revenues (dollars) from ultimate consumers. This amount (\$2,836,180,604¹) is consistent with the 2012 FERC Form 1 filed with the Commission on April 17, 2013.

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

The Company utilized two (2) company-owned renewable energy generating facilities during 2012; the Keokuk Hydroelectric Generation Station (“Keokuk”) and the Maryland Heights Renewable Energy Center (“MHREC”). 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 at these non-solar facilities was
** _____ **.

The Headquarters Solar Generation Facility and customer-generator solar facilities generated 3,948 MWhs².

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 that the Company-owned Keokuk facility generated 754,125 MWh in 2012 and the value of the energy was \$16,474,966. The value is based on the location marginal pricing through Midcontinent Independent System Operator (MISO). The Company does not assign a cost or value for the RECs produced, due to the restrictive nature of using hydroelectric RECs and the RECs created by this facility are a benefit to Missouri ratepayers since capital and operational costs for Keokuk are already part of the rate structure of the Company’s annual revenue requirement.

The Company-owned solar facility, Headquarters Solar Generation Facility, produced 104 MWh in calendar year 2012. The Headquarters Solar Generation Facility is located in Missouri, thus it qualifies for the one and twenty-five hundredths (1.25) credit multiplier allowed by statute and regulation.³ 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 Company did provide the value of S-RECs purchased from third-party brokers and Ameren Missouri Customers, which varied in value from ** _____ ** per S-REC.

The MHREC produced 37,450 MWhs during calendar year 2012. The MHREC is located in Missouri, thus it qualifies for the one and twenty-five hundredths (1.25) credit multiplier allowed by statute and regulation.⁴ The Company reported the value of RECs

¹ Page 300 of 2012 FERC form 1, Line 10 - Total Sales to Ultimate Consumers. Value does not include Provision for Rate Refunds.

² 2012 Vintage S-RECs from customer-generators (Exhibit 7 filed on May 22, 2013)

³ 393.1030.1., RSMo; 4 CSR 240-20.100(3)(G)

⁴ 393.1030.1., RSMo; 4 CSR 240-20.100(3)(G)

produced by the MHREC as ** _____ **, which is based on the heat rate of the generators and the contract purchase price of methane.

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

The Company provided information regarding the number of RECs acquired during calendar year 2012. The Company acquired ** _____ ** RECs through a PPA with Pioneer Prairie. ** _____

_____ ** The Company also acquired 3,844 S-RECs⁵ from its customers through Standard Offer Contracts. The customer-generated S-RECs qualify for the in-state credit multiplier. The Company has carried these RECs forward for future compliance with the Missouri RES. ** _____

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The Company retired RECs from Keokuk and Pioneer Prairie, and S-RECs purchased through third-party brokers. Staff verified that the Company retired 632,197 Keokuk RECs (2009 Vintage) and 88,023 Pioneer Prairie RECs (2009 Vintage) to meet the non-solar requirement of 720,220⁶. The Company also retired 14,698 S-RECs (2010-2012 Vintage), which were purchased through third-party brokers⁷. These RECs were registered and retired in the electronic tracking system⁸ utilized for compliance purposes. In accordance with statute and regulation, these RECs were produced by a qualified facility and were banked and utilized appropriately.⁹

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

See comments in Section E. of this report.

G. “The identification, by source and serial number, of any RECs that have been carried forward to a future calendar year;”

The Company provided a listing of RECs that are being 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, Pioneer Prairie, and imported S-RECs. The Company filed an update to the Compliance Report on May 22, 2013, which provides the identification, by source and serial number, for S-RECs associated with Ameren customers and the Headquarters Solar Generation Facility. ** _____

⁵ 2012 Vintage S-RECs from customer-generators less 104 S-RECs from the Headquarters Solar Generation Facility (Exhibit 7 filed on May 22, 2013).

⁶ Pursuant to 4 CSR 240-20.100(2)(C)1., the amount of RECs necessary is determined by calculating two percent (2%) of the Company’s total retail sales, less the solar requirement.

⁷ Pursuant to 4 CSR 240-20.100(2)(D)1., the amount of S-RECs necessary is determined by calculating four-hundredths percent (0.04%) of the Company’s total retail sales.

⁸ North American Renewables Registry: <http://narecs.com/>

⁹ Qualified facility per 393.1025.(5), RSMo and 4 CSR 240-20.100(1)(K); Banked RECs per 393.1030.2., RSMo and 4 CSR 240-20.100(1)(J).

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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;"

The Company did not incur any gains or losses associated with REC purchases or sales. 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) Name, address, and owner of the facility;

The Company provided the necessary information for Pioneer Prairie. The Company requested and was granted a waiver by the Commission (File No. EO-2013-0462) regarding the reporting of information in accordance with all parts of this subparagraph of the rule¹⁰ for S-RECs purchased from the Company's customers and S-RECs purchased from aggregators lawfully registered in another renewable energy registry.

(II) An affidavit from the owner of the facility certifying 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 required affidavit for Pioneer Prairie was provided by the Company as Exhibit 2 of the Compliance Report.

(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 to Pioneer Prairie 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 the paragraph;"

The required meter readings for Pioneer Prairie were provided in Exhibit 3 of the Compliance Report.

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

The Company paid 403 solar rebates during calendar year 2012.

¹⁰ 4 CSR 240-20.100(7)(A)1.I.(I) through (V)

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

One customer was denied a rebate payment by the Company because the electric accounts were not in the applicant’s name.

L. “The amount of funds 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 \$9,056,840 in solar rebates for calendar year 2012. The Company provided information regarding the Standard Offer Contract (“SOC”) tariff that was in effect for 2012. Copies of the tariff sheets were also provided.

M. “An affidavit documenting the electric utility’s compliance with the RES compliance plan as described in this section during the calendar year. This affidavit will include a description of the amount of over- or under-compliance costs that shall be adjusted in the electric utility’s next compliance plan;”

The Company filed the Affidavit referenced in the compliance report as Exhibit 6 on May 6, 2013. The Company did not describe the over-or-under compliance costs in the affidavit; however, this is related to the retail rate impact calculation which the Company filed as part of their Compliance Plan on May 28, 2013. At this time Staff has not reviewed the Retail Rate Impact calculations provided in that Report. The over/under compliance costs will be reviewed as part of the Staff Report on the Compliance Plan.

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

As described in Discussion paragraph E., the Company achieved compliance with the Missouri RES for calendar year 2012.


Notary Public