

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

In the Matter of the Consideration of Adoption	)	
of the PURPA §111(d)(12) Fuel Sources	)	
Standard as Required by §1251 of the Energy	)	Case No. EO-2006-0494
Policy Act of 2005.	)	

**STAFF’S STATEMENT OF POSITION**

COMES NOW the Staff (“Staff”) of the Missouri Public Service Commission (“Commission”) and for its Statement Of Position in the above-styled proceeding, respectfully states as follows:

1. On March 15, 2007, the Commission issued its Order Establishing A Procedural Schedule For On-The-Record Presentations (“Order”) in the instant case, as well as in the other four cases addressing the new standards established by the Energy Policy Act of 2005 (*i.e.*, case Nos. EO-2006-0493, EO-2006-0495, EO-2006-0496 and EO-2006-0497). The Order directed each of the parties: a) to file no later than April 6, 2007, a pleading identifying any expert witnesses (including biographical information) that the parties intend to tender during the scheduled on-the-record presentation for each of these proceedings; and 2) to file by April 13, 2007, position statements from the parties’ identified experts outlining, for each of the new federal standards, the experts’ positions on the applicability of the prior state action exemption.

2. On April 6, 2007, the Staff filed a pleading identifying Daniel I. Beck as its expert witness for the Fuel Sources Standard, which is the subject of the instant case, and including a biographical statement. Attached hereto as Appendix A is Mr. Beck’s statement of the Staff’s position on this issue, along with his supporting affidavit.

Respectfully submitted,

**/s/ Dennis L. Frey**

Dennis L. Frey  
Senior Counsel  
Missouri Bar No. 44697

Attorney for the Staff of the  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102  
573-751-8700  
573-751-9285 (Fax)  
e-mail: [denny.frey@psc.mo.gov](mailto:denny.frey@psc.mo.gov)

#### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 13<sup>th</sup> day of April 2007.

**/s/ Dennis L. Frey**

## **Applicability of the Prior State Action Exemption to the Fuel Sources Standard**

### Daniel I. Beck's statement of position on behalf of the Staff

The applicable exemption language in the Energy Policy Act of 2005 is set forth in 16 USC §2622(d), which provides:

Prior State Actions – Subsections (b) and (c) of this section shall not apply to the standard established by paragraphs (11) through (13) of section 2621(d) of this title in the case of any electric utility in a State if, before August 8, 2005-

- (1) the State has implemented for such utility the standard concerned (or a comparable standard);
- (2) the State regulatory authority for such State or relevant nonregulated electric utility has conducted a proceeding to consider implementation of the standard concerned (or a comparable standard) for such utility; or
- (3) the State legislature has voted on the implementation of such standard (or a comparable standard) for such utility.

The Electric Utility Resource Planning chapter of the Commission's rules, 4 CSR 240-22, which is commonly referred to as the Integrated Resource Planning (IRP) rules, sets out minimum standards for each electric utility's resource planning process. The IRP rules require that utilities analyze the risks associated with various uncertainties and select a strategy that provides the appropriate balance between minimization of expected utility costs and other considerations. The risk analysis and strategy selection process addresses fuel diversity and considers the benefits of renewables, especially related to future environmental regulation.

Under statutory provision (1) quoted above, the prior state action exemption applies if the State has implemented for its electric utilities the standard concerned (or a comparable standard). The examination of the least-cost generation source and the impact of fuel diversity on resource planning are a critical part of the Commission-required resource planning process. Therefore, the prior state action exemption applies in this case, and no further Commission activity is required under the federal statute.

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

In the Matter of the Consideration of )  
Adoption of the PURPA Section )  
111(d)(12) Fuel Sources Standard as )  
Required by Section 1251 of the Energy )  
Policy Act of 2005. )

Case No. EO-2006-0494

**AFFIDAVIT OF DANIEL I. BECK**

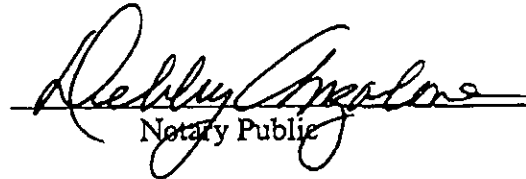
STATE OF MISSOURI     )  
                                  ) ss  
COUNTY OF COLE     )

Daniel I. Beck, of lawful age, on his oath states: that he has participated in the preparation of the attached Staff Position Statement to be presented in the above case, that the information was given by him; and that the information contained therein is true and accurate to the best of his knowledge, information and belief.



Daniel I. Beck

Subscribed and sworn to before me this 13<sup>th</sup> day of April, 2007.

  
Notary Public

My commission expires \_\_\_\_\_

