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Tariff

Witness: William J. Barbieri

Sponsoring Party: Union Electric Company

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Case No.: ER-2007-0002

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MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. ER-2007-0002

SURREBUTTAL TESTIMONY

OF

WILLIAM J. BARBIERI

ON

BEHALF OF

UNION ELECTRIC COMPANY

d/b/a AmerenUE

St. Louis, Missouri
February, 2007

AmerenUE Exhibit No. 43
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1 **SURREBUTTAL TESTIMONY**

2 **OF**

3 **WILLIAM J. BARBIERI**

4 **CASE NO. ER-2007-0002**

5 **Q. Please state your name and business address.**

6 A. My name is William J. Barbieri. My business address is One Ameren Plaza,
7 1901 Chouteau Avenue, St. Louis, Missouri 63166-6149.

8 **Q. By whom are you employed and in what capacity?**

9 A. I am Managing Executive, Renewables for Ameren Energy Fuels and Services
10 Company, (AFS) which provides various corporate, administrative and support functions for
11 Ameren Corporation and its affiliates. I am providing Surrebuttal Testimony in this docket
12 on behalf of Union Electric Company d/b/a AmerenUE (Company or AmerenUE).

13 **Q. Please describe your educational background and employment**
14 **experience.**

15 A. I joined the Fossil Fuel Department of Ameren Corporation in August, 1999
16 as Senior Business Development Executive, after 20 years with Peabody Coal Company. I
17 was promoted to Coal Business Development Director in 2000 handling procurement and
18 sale of third party coal along with marketing functions for coal terminal activities. In
19 November, 2004, I was asked to coordinate the renewable energy initiative for Ameren
20 Corporation and the Ameren affiliates as Managing Executive, Renewables. I received a
21 Bachelor of Science Degree in Business Administration from St. Louis University in
22 1977 with accounting as my area of specialization.

1 **Q. What are your responsibilities in your current position?**

2 A. I am responsible, along with the staff in my department, for investigating,
3 developing and implementing the renewable energy initiatives for Ameren Corporation and
4 its affiliates.

5 **Q. What are some of the specific functions related to your responsibilities?**

6 A. The group that I work with has conducted and is continuing to conduct
7 research related to specific renewable generation technologies including wind, solar,
8 biomass, landfill gas, methane digesters and hydroelectric sources of power. We have held
9 numerous meetings with appropriate individuals from other utilities and renewable energy
10 developers and generators in order to assess the technical and financial feasibility of such
11 generation resources for use in the AmerenUE generation system.

12 **Q. What is the scope of your Surrebuttal Testimony?**

13 A. I will be responding to the Rebuttal Testimony of Missouri Public Service
14 Commission Staff witness Lena Mantle, related to AmerenUE's Voluntary Green Program
15 (VGP) Tariff. This tariff would provide customers the option to purchase Renewable Energy
16 Certificates (RECs).

17 **I. AMERENUE'S COMMITMENT TO RENEWABLE RESOURCES**

18 **Q. Ms. Mantle commented that Staff does not agree that AmerenUE's VGP**
19 **tariff "...is where AmerenUE should be expending its efforts as a means of including**
20 **renewables in its portfolio of resources." (Mantle, Feb. 5, 2007 Rebuttal Testimony,**
21 **p. 1.) Why has AmerenUE chosen this method?**

22 A. AmerenUE began this initiative due to customer inquiries and requests for
23 renewable resources to be included in the generation mix of AmerenUE. Extensive analysis

1 and national market research indicated that programs like AmerenUE's VGP can be
2 developed quickly and effectively to meet the immediate needs and desires of customers.
3 These programs are supported through the purchase and retirement of RECs from renewable
4 generation resources and do not require permits, negotiations for transmission rights nor
5 power purchase agreements. Consequently, it is a program that can be offered to customers
6 almost immediately upon Commission approval of the tariff.

7 **Q. Ms. Mantle seems to imply that this is the entire extent of AmerenUE's**
8 **activities in developing renewable resources. Is that a true statement?**

9 A. No. Ms. Mantle's Rebuttal Testimony is premised on the notion that if
10 AmerenUE offers RECs, it will not develop other renewable resource options, such as
11 installing wind generation. However, REC programs do not inherently prohibit the
12 development of specific renewable resources by the Company. In fact, the VGP program is
13 only one of many programs and activities that have been and are being conducted by AFS on
14 behalf of AmerenUE. The Renewables Department of AFS has been actively pursuing a
15 wide range of programs intended to provide customers of AmerenUE with choice as well as
16 ultimately providing for the integration of renewable resources into the AmerenUE
17 generation portfolio.

18 **Q. Ms. Mantle further commented that Staff believes AmerenUE should**
19 **show more tangible support of renewables such as the development of a wind farm or**
20 **biomass generation plant. Do these voluntary programs, such as the proposed VGP,**
21 **historically result in actual development of renewable power?**

22 A. Data published by the National Renewable Energy Laboratory (NREL) in
23 conjunction with the U.S. Department of Energy, indicates that voluntary programs such as

1 the proposed AmerenUE VGP are directly responsible for having added over 2,000 MWs of
2 newly installed renewable generation throughout the U.S.

3 **Q. What if any activities have AmerenUE undertaken to develop renewable**
4 **power as part of its resource portfolio beyond the development of the VGP?**

5 A. The Renewables Department of AFS, on behalf of AmerenUE, has been
6 actively developing and pursuing opportunities that will incorporate renewable resources into
7 AmerenUE's generation mix. On January 31, 2007, a Request for Proposal (RFP) for a
8 minimum of 100 MW of wind generation was issued on behalf of AmerenUE. This RFP was
9 sent to 30 developers and will include both build to transfer proposals as well as power
10 purchase agreements for wind energy. Responses are due back by February 28, 2007. The
11 intention is to bring this new generation on line by late 2009 or early 2010. Additionally,
12 public outreach and middle-high school education programs about renewable power are in
13 the developmental stages. A solar energy program related to rebates for residential and small
14 commercial businesses that encourage the installation of solar systems for electric and/or hot
15 water heating is also being developed with funding estimates currently being analyzed. A
16 formal study is currently underway to determine the feasibility to utilize methane digester
17 systems at hog farms in the region. Research is also being conducted to estimate and
18 quantify the impact of turbine upgrades at existing hydroelectric facilities operated by
19 AmerenUE. In addition, AFS is an active participant in several industry organizations
20 dedicated to furthering the advancement of renewable resources.

21 **Q. Ms. Mantle mentioned that in the Integrated Resource Plan filing of**
22 **December, 2005, AmerenUE only analyzed a minimal amount of wind resources and**
23 **then restricted the generation of the wind resources to its service territory in Missouri.**

1 **(Mantle, Feb. 5, 2007 Rebuttal Testimony, p. 2.) Why did AmerenUE restrict its**
2 **analysis and is it feasible to integrate wind from outside its service territory?**

3 A. At the time of the original filing, information on wind resources within the
4 State of Missouri indicated there were very limited areas within the state that possessed
5 enough sustainable wind capacity to make development of a wind farm in the AmerenUE
6 service territory economically feasible. In addition, the vast majority of these areas do not
7 possess the required transmission capacity in order to provide for deliverability of the
8 physical energy to the AmerenUE system. Preliminary investigations on wheeling this energy
9 from beyond the AmerenUE borders showed that little if any transmission would be
10 available. NREL and the United States Department of Energy, in conjunction with the
11 American Wind Energy Association (AWEA), have refined additional studies and developers
12 are currently analyzing those results. AmerenUE believes that responses to its current RFP
13 will include information necessary to more accurately assess the wind regime in the region.
14 Developers from outside the AmerenUE system have also been encouraged to respond to the
15 current RFP. One specific area of information required by the RFP relates to transmission
16 interconnection. The Company believes this information will substantiate whether the
17 physical energy generated by wind farms beyond the AmerenUE system can truly be
18 delivered to the customers in AmerenUE's service territory.

19 **Q. Ms. Mantle commented that Staff was aware of a St. Louis metro area**
20 **landfill that had numerous communications with AmerenUE attempting to build a**
21 **relationship that could result in the construction of a power plant that would use the**

1 **landfill gas as its fuel source. (Mantel, Feb. 5, 2007 Rebuttal Testimony, p.p. 2-3.)**

2 **What is the status of this opportunity?**

3 A. We believe the landfill referenced by Ms. Mantle is the Fred Weber facility.
4 The Renewables group of AFS has held several meetings with personnel from the Fred
5 Weber Company to address how we could work together in developing landfill gas that the
6 landfill was producing. Those discussions also involved the potential to utilize the
7 anticipated capacity increase expected to come into production in several years. However,
8 the Company was advised that the Fred Weber Company decided not to pursue the gas usage
9 for electrical generation with AmerenUE and instead opted to utilize the landfill gas in their
10 adjacent asphalt facility.

11 **II. CUSTOMER CONFUSION**

12 **Q. Some parties have suggested that customers may suffer confusion when**
13 **purchasing RECs, believing that they are purchasing renewable energy. How will**
14 **AmerenUE ensure that customers are fully aware of the difference?**

15 A. Customers who voluntarily participate in AmerenUE's VGP will be provided
16 with an information package that contains extensive information explaining RECs and it will
17 clearly state that the program does not involve the delivery of renewable energy to those
18 customers. The Center for Resource Solutions will provide independent oversight for the
19 AmerenUE VGP, and the program will be certified through its Green-e program. The Center
20 is a national nonprofit organization that promotes the development of renewable resources.
21 The Green-e program is the leading verification and certification program in the U.S. The
22 information contents of the AmerenUE VGP will adhere to the strict standards set forth by
23 Green-e. This is to ensure quality and provide customers with the assurance that all aspects

1 of the program are independently certified to be accurate, meeting all industry standards.
2 Furthermore, the AmerenUE VGP will allow customers to drop their participation in the
3 program at any time and for any reason, so that if a customer does misunderstand, they are
4 not locked into the program if they desire to cancel at a later date. This is not the case with
5 most other utility programs that require a one-year contractual commitment. AmerenUE has
6 designed this program in a manner to ensure customer satisfaction with their participation in
7 the program.

8 **Q. Ms. Mantle commented that customers can purchase RECs without**
9 **working through a utility program. Furthermore, she noted that AmerenUE might**
10 **suggest that Ameren Corporation offer this program through an unregulated**
11 **subsidiary. (Mantle, Feb. 5, 2007 Rebuttal Testimony, pp. 3-4.) Why should this**
12 **program be offered by the regulated utility, AmerenUE?**

13 A. Independent market studies have suggested that customers expect these types
14 of programs to be offered by the utility that provides them with electric service. These same
15 studies indicate that there is better participation and support for RECs when coupled with a
16 customer's bill, corresponding to the customer's electric usage. Because AmerenUE is
17 extremely protective regarding customer information and because of Commission
18 regulations, AmerenUE does not share customer specific information with its non-regulated
19 subsidiaries. There is concern that such action could potentially require AmerenUE to share
20 the customer data with other companies. As a consequence, it appeared best for AmerenUE
21 to offer the program for its customers.

1 **Q. What type of support do you anticipate for the VGP?**

2 A. AmerenUE has received letters of support from the following organizations:
3 Center for Resource Solutions, American Wind Energy Association (AWEA), U.S. Green
4 Building Council, Washington University-St. Louis, Wind Capital Group, Energy Matters
5 and a letter of conditional support from the Heartland Renewable Energy Society. Copies of
6 these letters have been attached to the Rebuttal Testimony of AmerenUE witness Robert
7 Mill. AmerenUE has also received over a dozen letters (individually or grouped) from
8 customers who support the VGP.

9 **Q. Do you have anything further?**

10 A. Yes, additionally, I would note that we have agreed to make certain changes
11 to the VGP tariff at the request of the Missouri Department of Natural Resources (DNR).
12 We believe that, given the agreement to make these changes, DNR will support the VGP
13 tariff as well.

14 **Q. Does this conclude your Surrebuttal Testimony?**

15 A. Yes, it does.

