

In the Matter of the Consideration of )  
Proposed Amendments to the )  
Missouri Public Service Commission's ) Case No. EW-2019-\_\_\_\_\_  
Rules Regarding Solar Rebates )  
(4 CSR 240-20.100(4))

**COMES NOW** the Staff of the Missouri Public Service Commission (“Commission”), by and through undersigned counsel, for its *Motion To Open Rulemaking Workshop*, respectfully states as follows:

2. Section 393.1670 of SB 564 mandates Missouri's investor owned utilities provide solar rebates, and dictates the per watt rebate amount. It also provides a calendar year spend amount and a total aggregate spend amount for years 2019 to 2023 that a utility, according to its retail customer count, will not be obligated to exceed. Finally, SB 564 outlines recovery provisions for these costs.

3. A draft concept, aimed at ensuring equitable access to solar rebates, is attached. The purpose of the proposed draft concept is to initiate discussions related to implementing Section 393.1670 of SB 564. Staff respectfully requests stakeholder

<sup>1</sup> In this instance, Staff invokes the Commission's authorities under 386.040, 386.250, 393.140 (5) and (11), and 386.310, RSMo.

comments regarding the policy concept of targeting a certain percentage of solar rebates to applicants in low income communities, in high poverty level areas, multifamily dwellings, areas with over-utilized circuits or high congestion areas, customers whose household income is at a certain percentage of the federal poverty level or areas where additional distributed generation would benefit the electric utility's system.

4. The full text of proposed draft concept, appended hereto as Attachment A, includes Commission Rules 4 CSR 240-20.100 (4).

5. Staff respectfully asks this motion, and the actions in this docket, be "fast tracked" due to effective date of August 28, 2018 of SB 564. Therefore, Staff requests that stakeholder comments be filed by July 16, 2018. Furthermore, Staff respectfully requests a workshop be scheduled on July 20, 2018 beginning at 9:30 am in Room 450 of the Governor's Office Building, to discuss the proposed draft concepts and to collaborate on other items necessary to implement Section 393.1670.

6. For the purpose of including stakeholders, Staff respectfully requests the Commission serve its Order Establishing a Working Docket on all counsel of record for electric corporations regulated by the Commission, the Office of the Public Counsel, Renew Missouri, the Natural Resources Defense Council, the Sierra Club, Midwest Energy Consumers Group, Missouri Industrial Energy Consumers Group, Consumers Council of Missouri, the Missouri Division of Energy, and the Missouri Solar Energy Industries Association.

**WHEREFORE**, the Staff respectfully requests that the Commission open a working docket to address draft rulemaking concepts related to solar rebates. Further, Staff respectfully requests that the Commission order interested stakeholders to

respond to the proposed draft concepts no later than July 16, 2018. Finally, Staff respectfully requests that the Commission order a workshop to be held July 20, 2018 starting at 9:30 am in GOB Room 450.

Respectfully submitted,

**/s/ Nicole Mers**

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# DRAFT CONCEPT FOR DISCUSSION PURPOSES

## Rules of

### Department of Economic Development

#### Division 240 – Public Service Commission

#### Chapter 20 – Electric Utilities

#### Emergency Rule

#### 4 CSR 240-20.100 Electric Utility Renewable Energy Standard Requirements

*PURPOSE: This amendment incorporates provisions of SB 564, passed by the 99<sup>th</sup> General Assembly and signed by the governor on June 1, 2018, and establishes a requirement for solar rebates to be targeted to certain areas of need.*

(4) Solar Rebate. Pursuant to section 393.1030 and section 393.1670, RSMo, and this rule, electric utilities shall include in their tariffs a provision regarding retail account holder rebates for solar electric systems. These rebates shall be available to Missouri electric utility retail account holders who install new or expanded solar electric systems comprised of photovoltaic cells or photovoltaic panels. **As used in this section, customer means retail account holder.**

(A) The retail account holder must be an active account on the electric utility's system and in good payment standing.

(B) The solar electric system must be permanently installed on the account holder's premises. As installed, the solar electric system shall be situated in a location where a minimum of eighty-five percent (85%) of the solar resource is available to the system as verified by the customer or the customer's installer at the time of installation.

(C) The installed solar electric system must remain in place on the account holder's (customer-generator's) premises for ten (10) years unless determined otherwise by the commission.

(D) Solar electric systems installed by retail account holders must consist of equipment that is commercially available and factory new when installed on the original account holder's premises, and the principal system components (i.e., photovoltaic modules and inverters) shall be covered by a functional warranty from the manufacturer for a minimum period of ten (10) years, unless determined otherwise by the commission, with the exception of solar battery components. Rebuilt, used, or refurbished equipment is not eligible to receive the rebate.

**1. Solar rebates made available prior to January 1, 2019, [For any applicable retail account, rebates] shall be limited to twenty-five (25) kW for any applicable retail account.** Retail accounts which have been awarded rebates for an aggregate of less than twenty-five (25) kW shall qualify to apply for rebates for system expansions up to an aggregate of twenty-five (25) kW. Systems greater than twenty-five (25) kW but less than one hundred (100) kW in size shall be eligible for a solar rebate up to the twenty-five (25) kW limit of this section.

**2. Solar rebates made available after January 1, 2019 shall be available for new or expanded solar electric systems up to twenty-five (25) kW for residential customers and one hundred and fifty (150) kW for non-residential customers. Residential net-metered solar electric systems greater than twenty-five (25) kW but less than one hundred (100) kW in size shall be eligible for a solar rebate up to the twenty-five (25) kW limit of this section. Customers shall be eligible for rebates on new or expanded systems for the increment of new or extended capacity and not for capacity on which rebates offered under any other provision of law have previously been paid, up to the system kilowatt limits outlined in this section.**

(E) The solar electric system shall meet all requirements of 4 CSR 240-20.065, Net Metering.

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(F) The electric utility may physically audit customer-generator owned solar electric systems for which it has paid a solar rebate pursuant to this section, at any reasonable time, with prior notice of at least three (3) business days provided to the retail account holder.

(G) For the purpose of determining the amount of solar rebate, the solar electric system wattage rating shall be established as the direct current wattage rating provided by the original manufacturer with respect to standard test conditions.

(H) Standard Offer Contracts.

1. The electric utility may, at its discretion, offer a standard contract for the purchase of S-RECs created by the customer-generator's installed solar electric system.

2. If the electric utility chooses to offer a standard offer contract, the electric utility shall file tariff sheets detailing the provision of the contract no later than November 1 each year for the following compliance year. Workpapers documenting the purchase prices shall be submitted with the tariff filing.

(I) No customer-generator is required by this rule to sell any or all S-RECs to the electric utility; however, a condition of receiving a solar rebate from an electric utility is that all right, title, and interest in and to the RECs associated with the new or expanded solar electric system that qualifies the customer-generator for the solar rebate is transferred to the electric utility paying the rebate for a period of ten (10) years from the date the electric utility confirms the customer-generator's solar electric system is operational.

(J) Electric utilities that have acquired S-RECs under a one- (1-) time lump sum payment in accordance with subsection (H) of this section or as a result of the solar rebate S-RECs transferred through the solar rebate may continue to account for purchased S-RECs even if the owner of the solar electric system ceases to operate the system or the system is decertified as a renewable energy resource. S-RECs originated under this subsection shall only be utilized by the original purchasing utility for compliance with this rule. S-RECs originated under this subsection shall not be sold or traded.

(K) Electric utilities that have purchased S-RECs under a one- (1-) time lump sum payment or otherwise have acquired right, title, and interest in and to S-RECs associated with solar rebates annually shall estimate, using PVWatts, or actually measure the S-RECs generated from the customer-generator's operational solar electric system.

(L) The electric utility shall provide the solar rebate payment to qualified customer-generators within thirty (30) days of confirming the customer-generator's solar electric system is operational. Consistent with 4 CSR 240-20.065(9), customer-generators have up to twelve (12) months from when they receive notice of approval of their Interconnection Application/Agreement for Net Metering Systems with Capacity of One Hundred Kilowatts (100 kW) or less for the utility to confirm the customer-generator's solar electric system is operational.

1. The solar rebates per installed watt [*up to a maximum of twenty-five kilowatts (25 kW) per retail account*] are—

A. \$2.00 per watt for systems operational on or before June 30, 2014;

B. \$1.50 per watt for systems operational between July 1, 2014 and June 30, 2015 (inclusive);

C. \$1.00 per watt for systems operational between July 1, 2015 and June 30, 2016 (inclusive);

D. \$0.50 per watt for systems operational between July 1, 2016 and June 30, 2019 (inclusive);

E. \$0.25 per watt for systems operational between July 1, 2019 and [*June 30, 2020*] **December 31, 2023.** (inclusive)[; and]

[*F. \$0.00 per watt for systems operational after June 30, 2020.*]

G. An electric utility may offer solar rebates after [*July 1, 2020*] **December 31, 2023** through a commission-approved tariff.

**(M) Any future payment of valid solar rebate applications, queued prior to August 28, 2018, shall not count toward the annual limit or aggregate limit.**

**(N) For electric utilities with less than two hundred thousand (200,000) Missouri retail customers:**

**1. Solar rebate payments made prior to January 1, 2019 shall be limited to 25 kW for both residential and non-residential customers.**

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2. In the event the annual limit has been reached, the electric utility shall continue to process and pay solar rebates until the electric utility meets or exceeds the retail rate impact limits of section (5) of this rule. However, these solar rebates shall be limited to 25 kW for both residential and non-residential customers.

(Q) At least X percent (X%) and up to Y percent (Y%) of the annual rebates shall be targeted solar rebates as defined in subsection (4)(R).

(R) An electric utility shall, through its tariff, define specific areas or criteria, for targeted solar rebates to be offered to:

1. Low income communities;
2. High poverty level areas;
3. Multifamily dwellings;
4. Areas with over-utilized circuits or high congestion areas; or
5. Areas where additional distributed generation would benefit the electric utility's system.

**OR**

1. Customers whose household income is Z percent (Z%) of the federal poverty level;
2. Multifamily dwellings;
3. Areas with over-utilized circuits or high congestion areas; or
4. Areas where additional distributed generation would benefit the electric utility's system.

(S) The electric utility shall provide the basis, including all supporting documentation, for its determination of targeted areas with the filing of its proposed tariff, including identification of areas with over-utilized circuits, areas of high congestion and areas where additional distributed generation would benefit the electric utility's system.

([M]T) An electric utility may, through its tariff, require applications for solar rebates to be submitted up to one hundred eighty-two (182) days prior to the June 30 operational dates. The electric utility will pay the pre-June 30 rebate amount as defined in this subsection to customer-generators who comply with the submission and system operational requirements on or before June 30 of the following year. Customer-generators that fail to meet the submission or system operational requirements on or before the June 30 date will receive the post-June 30 rebate amount if the electric utility confirms their solar electric systems are operational within one (1) year of their application. If a customer has satisfied all of the System Completion Requirements by June 30 of indicated years, but the electric utility is not able to complete all of the electric utility's steps needed to establish an Operational Date on or before June 30, the rebate rate will be determined as though the Operational Date was June 30. If it is subsequently determined that the customer or the System did not satisfy all Completion Requirements required of the customer on or before June 30, the rebate rate will be determined based on the Operational Date.

([N]U) Unless the commission orders otherwise, if the electric utility meets or exceeds the **annual limits specified in section (4), the targeted solar rebate requirements in section (4) or the** retail rate impact limits of section (5) of this rule, the solar rebates shall be paid *[on a first-come, first-served basis,]* as determined by the solar system operational date. Any solar rebate applications that are not honored in a particular calendar year due to the requirements of this subsection shall be *[the first-come, first-served applications]* considered in the following calendar year.

([O]V) An electric utility shall maintain on its website, current information related to—

1. The electric utility's solar rebate application and review processes, including standards for determining application eligibility;

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2. The solar rebate amount associated with pending applications that have been submitted, but not yet reviewed;
3. The current level of solar rebate payments; and
4. The rebate amount associated with applications that are approved, but where the solar electric system is not yet operational.

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