

MEMORANDUM

TO: Missouri Public Service Commission
Official Case File, Case No. EO-2023-0359
Ameren Missouri's Filing of the Renewable Energy Standard
Compliance Plan for 2023-2025

FROM: Cedric E. Cunigan, PE, Engineering Analysis

/s/ Cedric E. Cunigan, PE / 06-29-2023
Engineering Analysis / Date

/s/ Eric Vandergriff / 06-29-2023
Staff Counsel's Office / Date

SUBJECT: Staff Report on Ameren Missouri's Renewable Energy Standard
Compliance Plan 2023-2025

DATE: June 29, 2023

SUMMARY

The Staff has reviewed Union Electric Company, d/b/a Ameren Missouri's ("Ameren Missouri" or "Company") *Renewable Energy Standard Compliance Plan 2023-2025* ("*Plan*"). Based on Staff's review, the Company has met the minimum requirements for the *Plan*.

OVERVIEW

On April 14, 2023, the Company filed its *Plan* for calendar years 2023 through 2025, in accordance with Rule 20 CSR 4240-20.100(8), Electric Utility Renewable Energy Standard Requirements ("RES"), Annual RES Compliance Report and RES Compliance Plan. This rule states, in part, "Each electric utility shall file an annual RES compliance plan with the commission. The plan shall be filed no later than April 15 of each year." Subparagraphs 20 CSR 4240-20.100(8)(B)1. A. through G. provide the minimum requirements for the plan. Subsection 20 CSR 4240-20.100(8)(D) requires that Staff examine the plan and file a report within forty-five (45) days of the filing. Staff requested an extension to file its report on May 30, 2023 in order to work with the Company to address deficiencies identified during Staff's initial review. The Commission granted an extension until June 29, 2023. The Company has addressed identified issues or requested variances from the Commission.

DISCUSSION

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

**A. “A specific description of the electric utility’s planned action to cor
the RES;”**

Ameren Missouri generally described its planned actions to comply with the RES for the 2023-2025 timeframe. Ameren Missouri intends to use RECs from all owned resources, but still anticipates a shortfall for the planning period. The Company expects to make REC purchases in the 2023-2025 timeframe. The Company considered the cost of REC purchases in its retail rate impact (“RRI”) calculation. The company has failed to register customer generators in NAR from 2020 through 2022, while inclusion of SRECs from these facilities would not completely eliminate the shortfall and need for purchases, Staff is concerned that Ameren Missouri has delayed utilizing these RECs for compliance. Ameren Missouri’s delay in utilizing customer-generated S-RECs will be considered in Staff’s next RESRAM prudence review.

The Company explains in the *Plan* that it will continue to utilize renewable energy certificates (“RECs”) from Company owned facilities:

- Keokuk Hydroelectric Generating Station (“Keokuk”),
- Maryland Heights Renewable Energy Center (“MHREC”),
- O’Fallon Renewable Energy Center (“OREC”),
- BJC Solar facility (“BJC”),
- Ameren Missouri headquarters office building (“HQ”),
- High Prairie Renewable Energy Center (“HPREC”),
- Atchison County Renewable Energy Center (“AREC”),

- South St. Louis Renewable Energy Center (“SSREC”), and the
- Cape Girardeau Renewable Energy Center (“CGREC”).

All of the above sources, except Keokuk, qualify for the Missouri in-state one and twenty-five hundredths (1.25) credit.

In addition, the Company will use RECs from a purchased power agreement (“PPA”) with the Pioneer Prairie II Wind Farm (“Pioneer Prairie”). For solar compliance, in addition to the solar facilities in the list above, the Company will utilize solar renewable energy credits (“S-RECs”) from net-metered customers and the Huck Finn solar project, which is anticipated to be completed in late 2024. The net-metered systems and Company-owned solar generation located in Missouri identified in the Plan will qualify for the Missouri in-state one and twenty-five hundredths (1.25) credit.¹

B. “A list of executed contracts to purchase RECs (whether or not bundled with energy), including type of renewable energy resource, expected amount of energy to be delivered, and contract duration and terms;”

Table 3 on page 11 of the *Plan* includes a list of executed contracts, the type of renewable energy, the expected energy to be delivered and contract duration and terms.

The Company provided the following information regarding its executed contracts:

Contracting Party	Resource Type	Contract Type	Contract Duration	Time Period	Expected REC's	Terms
Horizon Pioneer Prairie	Wind	Energy/REC's	09/01/09-08/31/24	2023	** [REDACTED] **	Contract will expire 8/31/2024
				2024	** [REDACTED] **	
Various Residential & Commercial Customers	Solar	S-REC only	10 year	2023	253,490	
				2024	145,204	
				2025	123,759	
Note: All S-RECs procured from customers are entitled to the additional factor of 1.25 and the figures in this table reflect the total including the 1.25 factor.						

¹ Section 393.1030.1., RSMo; Rule 4 CSR 240-20.100(3)(G).

Staff further notes that Ameren Missouri's rights to various residential and commercial customer S-RECs will expire 10-years from the individual system's interconnection date.

The expected energy delivered by customer generators is an estimate that includes net-metered customers the two solar rebate program tariffs and customers who previously executed a lump sum Standard Offer Contract ("SOC") with the Company.² A more detailed estimate is included in the RRI calculations. Ameren Missouri provided a list of customer-generator facilities was in Exhibit 6 of the 2022 Compliance Report, however, facilities that interconnected to Ameren Missouri's system from 2020 through 2022 were not included as further discussed in Staff's memorandum regarding the 2022 RES Compliance Report.

C. "The projected total retail electric sales for each year;"

The Company provided values for its projected retail electric sales. The values appear to be reasonable estimates.

D. "Any differences, as a result of RES compliance, from the utility's preferred resource plan as described in the most recent electric utility resource plan filed with the commission in accordance with 20 CSR 4240-22, Electric Utility Resource Planning;"

E. The Company submitted a change in preferred plan in June 22, 2022. The Plan is consistent with the most recent preferred plan in the IRP. The addition of 800 MW of solar capacity is scheduled in the IRP between 2023 and 2025. Ameren has received approval for some of this solar capacity through the Huck Finn and

² MO P.S.C. Schedule No. 6 Sheet 88 through 88.8 is the Solar Rebate 2019-2023 – 393.1670 rebate program and MO P.S.C. Schedule No. 6 Sheet 88.9 through 88.13 is the Solar Rebate RSMO 393.1030 rebate program. Standard offer contracts are no longer offered, but Ameren may still receive RECs from customers that participated through August 2023.

Boomtown solar projects³. Ameren Missouri also has pending applications for 550 MW of solar projects with estimated completion dates during the next several years.

F. “A detailed analysis providing information necessary to verify that the RES compliance plan is the least cost, prudent methodology to achieve compliance with the RES;”

Ameren Missouri did not provide an analysis demonstrating its plan is the least cost, prudent methodology to achieve compliance. The Company discussed items of cost related to RES compliance for the planning period on pages 11 and 12 of its *Plan*. The Company has typically relied on its preferred plan in the IRP as justification of the *Plan*. Staff has identified an area of concern that it will further investigate in its next RESRAM prudence review. Staff wants it to be clear that when it states it has not identified any deficiencies in Ameren Missouri’s *Plan*, Staff has not made a ratemaking determination whether the *Plan* is the least cost, prudent method in complying with the RES, and suggests the Commission be clear in any Order it may issue in this case that it is not making any ratemaking determination.

G. “A calculation of the RES retail rate impact limit calculated in accordance with section (5) of this rule. The calculation should be accompanied by workpapers including all the relevant inputs used to calculate the retail rate impact limits for the planning interval which is included in the RES compliance plan. The electric utility may designate all or part of those calculations as highly confidential, proprietary, or public as appropriate under the commission’s rules;”

The Company provided a description of the RRI calculation on pages 12-13 of the *Plan* and provided the associated workpaper. The workpaper models unconstrained renewable additions to meet the requirements and constrained renewable additions to remain under the 1% RRI limitation. ** [REDACTED]

³ Boomtown is 150 MW and Huck Finn is 200 MW.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] .**

H. “Verification that the utility has met the requirements for not causing undue adverse air, water, or land use impacts pursuant to subsection 393.1030.4. RSMo, and the regulations of the division.”

The Company states that the generating facilities utilized to meet the RES requirements have been certified by the Missouri Department of Economic Development, now the Missouri Department of Natural Resources, Division of Energy.⁴ Staff confirmed the existing renewable resources Ameren Missouri intends to utilize over the planning period have been certified by the Missouri Department of Natural Resources, Division of Energy.

⁴ 10 CSR 140-8.010(4) Certification of Renewable Energy Generation Facilities and Environmental Impact.

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)
Renewal Energy Standard Compliance Plan)
for 2023-2025

File No. EO-2023-0359

AFFIDAVIT OF CEDRIC E. CUNIGAN, PE

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW CEDRIC E. CUNIGAN, PE, and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to his best knowledge and belief.

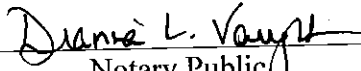
Further the Affiant sayeth not.



CEDRIC E. CUNIGAN, PE

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 29th day of June, 2023.



Notary Public

