

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

In the Matter of the Determination of Special)
Contemporary Resource Planning Issues to be)
Addressed by Ameren Missouri in its Next) **Case No. EO-2024-0042**
Triennial Compliance Filing or Next Annual)
Update Report.)

**AMEREN MISSOURI’S RESPONSE TO PROPOSED
SPECIAL CONTEMPORARY ISSUES**

COMES NOW Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or “the Company”) and, pursuant to 20 CSR 4240-22.080(4), submits to the Missouri Public Service Commission (“the Commission”) the following Response to Proposed Special Contemporary Issues:

1. 20 CSR 4240-22.080(4) requires Missouri’s electric utility companies to consider and analyze “special contemporary issues” in their Integrated Resource Plan (“IRP”) triennial compliance filing and/or in their annual IRP update reports.
2. On September 15, 2023, proposed special contemporary issues were submitted by the Office of the Public Counsel and by the Sierra Club.
3. The language of 20 CSR 4240-22.080(4) describes the purpose of the special contemporary issues list as “...to ensure that evolving regulatory, economic, financial, environmental, energy, technical, or customer issues are adequately addressed by each utility in its electric resource planning.” In addition, the rule provides that “[e]ach special contemporary issues list will identify new and evolving issues but may also include other issues such as unresolved deficiencies or concerns from the preceding triennial compliance filing.” 20 CSR 4240-22.080(4).

4. In making its decision about what specific issues utilities must address, the Commission should consider the significance and urgency of issues and the time available in which to address them, both individually and in total. As a basic test, such issues must be “special,” they must be “contemporary,” and they must, in fact, be “issues.” This means that the issues must not only meet a threshold of significance in terms of their potential effect on resource decisions, but that the potential effect must also be imminent. The Commission should carefully consider whether inclusion of certain special contemporary issues provides added value or distracts from the analysis of such important emerging issues. The Commission should also bear in mind the specific circumstances applicable to each utility regarding what might be a "special contemporary issue" for a given utility at a given point in time. In other words, what is a special contemporary issue for one utility at a given point in time may not be a special contemporary issue for another. Each utility has its own particular generation mix, service territory, size, and other applicable factors to be considered.

5. Ameren Missouri has reviewed the proposed special contemporary issues lists proposed by the other parties and, as set forth in Attachment A, believes there is merit to a few of the issues proposed by the parties to be treated as special contemporary issues, but that the remaining suggestions fall outside of the scope contemplated by and in 20 CSR 4240-22.080(4).

6. A previous order on special contemporary issues for Ameren Missouri’s 2012 IRP Annual Update in Docket No. EO-2012-0039 included language clarifying the Commission’s standards for determining what issues should be addressed. In particular, the Commission noted that because Ameren Missouri would be filing an annual update rather than a triennial compliance filing in 2012, the Company was “only expected to address changing conditions since the last filed triennial compliance filing or annual

update filing.”¹ As Ameren Missouri just filed its triennial compliance filing, the same standard should be applied in this case.

7. Ameren Missouri asks the Commission to carefully consider which proposed issues it determines are truly special contemporary issues as contemplated by 20 CSR 4240-22.080(4). Otherwise, the IRP process is subject to hijack by special interests, which would fail to capture the stated intent of the Commission's IRP regulations.

8. Attachment A to this pleading contains Ameren Missouri's responses to all proposed Special Contemporary Issues. Within the list there are three proposed issues, as modified within the attachment, which the Company agrees it is appropriate to undertake as part of the Special Contemporary Issues process.

- a. OPC 6 - Ameren Missouri would not object to discussing the feasibility of mothballing its current dispatchable resources in its annual update.
- b. OPC 7 - Ameren Missouri does not object to including discussion of any new reliability insights as the Commission may specifically identify as a special contemporary issue.
- c. Sierra Club 2 - Ameren Missouri is already considering applying for the DOE Infrastructure Reinvestment Loan Program and is willing to discuss its views on potential benefits of this program.

9. Ameren Missouri looks forward to continuing to work with stakeholders to address the issues presented in this docket.

WHEREFORE, Union Electric Company d/b/a Ameren Missouri submits its attached comments on the proposed list of special contemporary issues and requests, pursuant to 20 CSR

¹ Order Establishing Special Contemporary Resource Planning Issues, issued October 19, 2011 (emphasizing the language of 20 CSR 4240-22.080(3)(B)).

4240-22.080(4)(C), and that the Commission issue an order reflecting only the accepted list of special contemporary issues.

Respectfully Submitted,

/s/ Wendy K. Tatro

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**ATTORNEYS FOR UNION ELECTRIC
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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, transmitted by e-mail or mailed, First Class, postage prepaid, this 29th day of September, 2023, to counsel for all parties on the Commission's service list in this case.

/s/ Wendy K. Tatro
Wendy K. Tatro

2023 Special Contemporary Issues
Ameren Missouri Comments

Issues Proposed by the Parties and the Company's Assessment

OPC Issues:

OPC Issue 1: Show impact of demand-side rates on planning.

Ameren Missouri's Assessment and Recommendation: This suggestion is routinely part of the potential study that underlies every triennial IRP, meaning the suggestion is not contemporary or special. In the IRP filed by the Company earlier this week, demand-side rates were analyzed as part of the DSM Market Potential Study (MPS), which was developed and reviewed through a collaborative process with stakeholders including the OPC. Results of the MPS were included in the Company's 2023 IRP filed on September 26, 2023.

OPC Issue 2: Model solar adoption scenarios (both customer-owned and ratepayer subscribed community solar/virtual solar) due to the \$7 Billion grants to fund residential solar programs announced by the Biden administration.

Ameren Missouri's Assessment and Recommendation: Before deciding whether to include this suggestion, it is important to understand that the share of funds for all of Missouri would be about \$125 million (based on population). Ameren Missouri's share would be about 40% of that, or about \$50 million. Any grants awarded to Ameren Missouri may reduce those costs included in the PVRR for the alternative resource plans. However, such small amounts would not change any of the IRP conclusions.

Further, in its recently filed IRP, Ameren Missouri included three levels of customer-owned solar generation in its load forecast. Also, Ameren Missouri included utility-owned solar resource additions beyond the RES Compliance requirements, some of which could be part of its community solar program.

For these reasons, Ameren Missouri does not believe potential grants could have a significant impact upon its IRP analysis and, therefore, does not believe this should be included as a special contemporary issue.

OPC Issue 3: Modeling battery storage operation and lifecycle assumptions

Ameren Missouri's Assessment and Recommendation: This issue is a regular resource planning item, as the Commission's IRP rules require the utility to consider a wide range of resource options. In the IRP filed earlier this week, Ameren Missouri included battery storage analysis as part of its IRP and included 4-hr batteries with 15-year life (replaced after 15 years) in its alternative resource plans. The battery issue is not new, would not change the Company's IRP analysis (because it has already been done) and additional analysis does not meet the requirements to be a special contemporary issue.

OPC Issue 4: Model low, medium, and high interconnection cost estimates supported by historic cost by fuel type in MISO.

Ameren Missouri's Assessment and Recommendation: Ameren Missouri believes this issue is covered as part of the resource planning rule 20 CSR 4240-22.045 and should therefore not be considered a special contemporary issue but instead, should only be addressed in triennial filings, as the rule contemplates. Modeling is not, and should not be, required to be performed as part of an annual update.

Moreover, the Commission's resource planning rule requires consideration of 'generic' costs for various resource types. Ameren Missouri works with its Transmission Planning Group to get more site-specific interconnection costs to the best of its ability and has included these costs in its total project costs in the 2023 IRP, as it has done in its previous IRPs. Additionally, Ameren Missouri anticipates that costs associated with the integration of renewables will be shared across MISO rather than being allocated to specific projects. As a result, these costs are common to all alternative plans and therefore have no impact on their relative economics.

OPC Issue 5: Issue a competitive request for proposal for PPA generation options that match the traditional planned investment over the next ten years.

Ameren Missouri's Assessment and Recommendation: This should not be an IRP special contemporary issue. The Company does not issue an RFP for purchased assets that are modeled in the IRP either. Instead, the Company uses generic assumptions, as required by the rules.

And, on a practical note, an RFP issued for informational purposes is unlikely to yield useful information, as the Company has explained in prior IRP filings.

OPC Issue 6: Analyze estimated costs for mothballing any dispatchable generation resource that is subject to a planned retirement in the 20-year planning period.

Ameren Missouri's Assessment and Recommendation: The Company does not believe that a full cost analysis is appropriate for an annual update. That said, Ameren Missouri would not object to discussing the feasibility of mothballing its current dispatchable resources in its annual update.

OPC Issue 7: Report on ability of current resource plan to meet forecasted energy needs in all hours of each year in next triennial filing, ability to provide reliability services, and analyze the risk to customers of relying on just in time fuel for electric generation.

Ameren Missouri's Assessment and Recommendation: The Company has done exactly this work (analyzing the ability to meet forecasted energy needs in all hours of each year) in its recently filed IRP. The Company included granular energy and reliability analysis in its IRP analysis. Ameren Missouri does not object to including discussion of any new reliability insights as the Commission may specifically identify as a special contemporary issue.

OPC Issue 8: Modeling low, medium and high levels of ARC participation.

Ameren Missouri's Assessment and Recommendation: Ameren Missouri has considered this issue in the DSM market potential study completed earlier this year, and has included a discussion in its 2023 IRP filing. Because such detailed analysis is conducted every three years as part of a detailed market potential study, including interactive effects with other demand-side resources, this should not be considered as a special contemporary issue for an annual update.

Sierra Club:

SC Issue 1: Work with Missouri stakeholders to implement Solar for All.

Ameren Missouri's Assessment and Recommendation: This issue is similar to OPC Issue 2 and should not be considered as a special contemporary issue for the reasons discussed above.

SC Issue 2: Consider applying for DOE Infrastructure Reinvestment Loan Program.

Ameren Missouri's Assessment and Recommendation: Ameren Missouri is already considering applying for the loans and is willing to discuss its views on potential benefits of this program.

SC Issue 3: Analyze net present value of continuing to operate each coal generating units and compare benefits to costs.

Ameren Missouri’s Assessment and Recommendation: Analysis such as this must be done in an integrated manner as part of IRP planning. The Sierra Club's request is to evaluate each generating unit on a profit/loss basis as though they are merchant generators. This is inconsistent with how such assets are treated by the Commission. A fully integrated analysis of unit retirements is one of the requirements of the Commission's resource planning rule, and the Company has analyzed various retirement dates for its coal-fired energy centers in its 2023 IRP. Therefore, there is no need to make this a special contemporary issue.

SC Issue 4: Generate, analyze and evaluate plans using a capacity expansion model.

Ameren Missouri’s Assessment and Recommendation: This is a planning *tool* suggestion, not a planning *issue*, meaning this should not be considered as a special contemporary issue. Additionally, Ameren Missouri does not have such a model, and having one would be of limited use in the Company's process as it cannot optimize for all our planning objectives (i.e., customer satisfaction, economic development, financial and regulatory risk, and portfolio diversity, in addition to cost as measured by PVRR). Therefore, it is not compatible with the process the Company's management team uses to identify and analyze options to meet its planning objectives.

SC Issue 5: Analyze and develop as candidate resource options the satisfaction of St. Louis municipal climate goals.

Ameren Missouri’s Assessment and Recommendation: This should not be considered as a special contemporary issue. "Satisfaction of municipal climate goals" is not a resource option, but rather a driver of customer interest in more renewable energy services. Further, the Company continues to look for ways to better meet the desire of its customers for cleaner and more fuel diverse sources of energy and has already addressed this in its 2023 triennial IRP filing as well as getting approval from the Commission for a subscriber renewables program (Renewable Solutions). Lastly, annual updates are not intended to analyze many different alternative resource plans like in a triennial filing.

SC Issue 6: Analyze the comparative public health impacts of each of the alternative resource plans considered by the Company.

Ameren Missouri’s Assessment and Recommendation: Just as was the case when the Commission rejected this issue in File No. EO-2022-0054, this should not be considered as a special contemporary issue. Such matters are matters of policy for federal and state legislatures and the environmental agencies enabled by the legislation they adopt. It is the utility’s job to abide by environmental regulations and emission limits while meeting its obligation to serve its customers. Moreover, while utilities have expertise in regulatory compliance, they are not equipped – nor should they be – to assess “public health” issues.

If the Sierra Club wants to conduct such an assessment, or engage others to do so, it would be free to do so, but such an assessment is not a part of utility resource planning.