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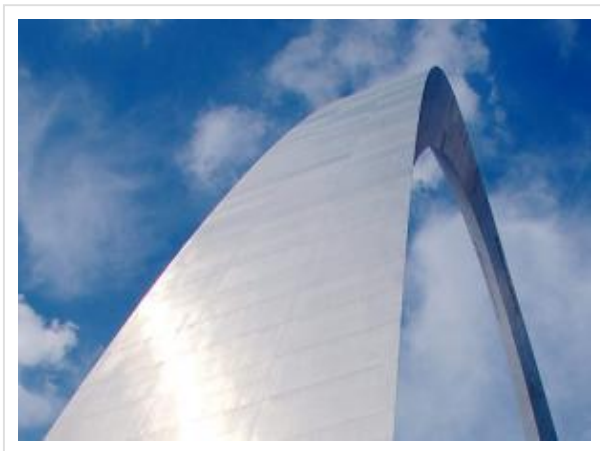
Ameren Missouri Grid Modernization

Smart Energy Plan

Michael Moehn, Ryan Silvey et al.

[Fortnightly Magazine - July 2019 \(/node/32761\)](#)

This spring, Ameren Missouri introduced a plan of more than five billion dollars and for more than two thousand grid infrastructure projects, to be completed in the next five years, under SB 564 passed by the Missouri General Assembly in the 2018 regular session. Plus a billion dollars for wind energy next year.



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Missouri State Senator Ed Emery sponsored SB 564 and *PUF* asked him for his perspectives below. Ameren Missouri's President Michael Moehn directed the Smart Energy Plan filing and you can find his perspectives below as well. The filing was submitted to the Missouri Public Service Commission and Chair Ryan Silvey also spoke with *PUF* about this as did TJ Berry, another key legislator in the passage of SB 564, and Dan Mehan, the CEO of the state's Chamber of Commerce. Read on to get a full picture of this landmark change to Missouri's public utility law and the massive grid upgrade that is in the works as a result.

Michael Moehn, President, Ameren Missouri

PUF's Steve Mitnick: What is your role?

Michael Moehn: I have the privilege of being the president of Ameren Missouri. It's an awesome responsibility, getting to oversee the overall operations in the state of Missouri. We're making sure that we're delivering safe, secure, affordable and cleaner energy to 1.2 million customers' homes, or about three million people in Missouri.

This is something that as an industry we're humble about and we understand the importance of what we do. We power the quality of life.



Ameren Missouri president Michael Moehn, far left, in the community with senior leaders inspecting storm restoration efforts following a tornado in Jefferson City, Missouri.

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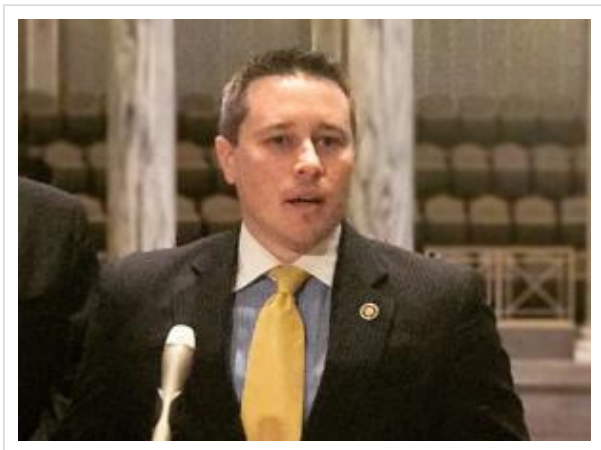
PUF: How did grid modernization come about, and how did you and stakeholders bring it to the legislature?

Michael Moehn: This is something we have been working on for years. We knew we needed to modernize energy policies in the state, especially because customers' expectations are changing and getting higher all the time. We wanted to make sure that we're building that secure energy grid, to meet future customer

expectations.

We worked for a number of years to modernize a few of the policies in Missouri that would allow us to invest additional capital, to make sure we were meeting those increasing customer expectations.

That's what led to Senate Bill 564. It took a long time to get there, a lot of conversations, and a lot of give and take with stakeholders, but the hard work by all stakeholders was worth it. That resulted in the passing of Senate Bill 564 in the spring of 2018.



Ryan Silvey: The intent of the legislation was to encourage capital investment in modernizing the grid and doing it in a way that creates a streamlined process for utilities to begin recovery in between their normal rate cases.

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Now we are in position to make hundreds of millions of dollars of additional investments for our customers each year, while also staying relentless in terms of disciplined cost management. As a consumer protection, SB 564 included first-ever rate caps, which were unprecedented here in Missouri and elsewhere in the United States.

Now the team is working hard to deliver on all the value the plan is bringing to our residential and business customers, while also limiting the impact on rates. It's a challenging balance, but the team is one hundred percent committed to delivering on major investments in the system to benefit customers while keeping our rates very affordable and below these rate caps.

PUF: Why did it happen in that timeframe?

Michael Moehn: We were successful because we focused on the value this created for customers. A number of stakeholders were helpful, including the Missouri Chamber. Business customers, for example, understand how our infrastructure investments can help them.

From a traditional standpoint, the old definition of reliability focused on reducing outages - but that doesn't cut it anymore. Customers are almost looking for this concept of perfect power. There's been so much digitization and modernization on their side of the grid that even a voltage fluctuation is a fault to them.

These customers want to be competitive in today's environment. They absolutely need a product that is



Ed Emery: We put language in the bill that said that the full amount of the tax savings that came to our electric companies as a result of the new tax reform would go to the customers.

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going to be able to deliver for them. They saw the value of modernized energy policy, so they got behind it, and they understood that we were also trying to put some parameters on ourselves from a consumer protection standpoint through first-ever rap caps in the state of Missouri.

Ultimately, once we packaged all these things up, stakeholders became very comfortable with the investment plan.

PUF: What does it involve Ameren doing differently and additionally to the status quo?



Dan Mehan: You could have called this an economic development bill as well as an energy bill.

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Michael Moehn: Passage of this legislation enabled what we're calling the Smart Energy Plan. We did a filing with the Missouri Public Service Commission in February outlining 5.3 billion dollars in spend on the Smart Energy Plan over the next five years that included approximately two thousand different projects.

Plus, we have announced another one-billion-dollar investment for new wind generation that will come on line in 2020. There's still a lot blocking and tackling going on in terms of these two thousand projects.

The Smart Energy Plan has various elements, but at the core it's about modernizing and upgrading the existing grid. It's traditional in terms of going in and replacing aging infrastructure but also putting a lot of automation on the system. It's a lot of smart sensors, switches, and self-healing types of technology.

Our Smart Energy Plan was designed to take a manual grid and try to automate it, so we can cut down the frequency and duration of outages. It's using a lot of storm-hardening aspects to prevent outages from the get-go. There are a lot of pole replacements, upgrades to substations, and redundancy built into the system. We're working to deliver on those reliability expectations that customers have today.



TJ Berry: You have to give me a bill that is twenty pages or less.

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PUF: How's it affecting the culture and what people are doing in different departments at Ameren Missouri?

Michael Moehn: People are super excited about this overall program. There are more than two thousand different projects that are coupled within this Smart Energy Plan and that 5.3 billion dollars.

Everybody from the call center to the generating plant has some involvement. It's not just focused on the grid, although there is a lot of investment there. We're also modernizing some of our energy centers where we generate energy.

We continue to transition to cleaner energy. We're upgrading to a lot of different renewable resources, including building solar and battery storage projects. We have a number of Missouri-based wind projects that are also included in some of those investments.

You have to plan this carefully. You have to design, have good project management, and execute with cost discipline. It is a team effort and folks are excited about building out that grid of the future for customers.

PUF: When will industrial, commercial, and residential customers start to see the benefits?

Michael Moehn: The customers are seeing it as we speak. We opted into this plan in September of 2018. They got to work quickly in terms of designing and coming up with the various projects, those two thousand projects I referred to earlier.

We're executing those today. We have a number of projects going on in downtown Jefferson City. We're taking a number of manual switch gears and making them automated. Integrating a self-healing system in the downtown network is important for our customers there.

We've got a number of projects in North St. Louis County, where we're taking four substations and redesigning them into one smart substation. It's giving us the opportunity to step back and say, if we had to do this again today - the first grid was developed a hundred years ago - how would we design it most efficiently? It's giving us a chance to do that, and those are some of the efficiencies and projects that our customers are starting to see.

We're also being very thoughtful about where it occurs, making sure that all customers benefit.

We're focused on where we do this project and making sure that we can tie it back to customer benefits. What problem is it solving? It's focused on reliability issues. Where are customers having problems? It's making sure that we're investing and giving them a better level of service.

PUF: I talked with legislative and business leaders and they kept bringing up how important this was as far as the economic impact on the state.

Michael Moehn: It is that - these investments are game changers for our state economy. Utilities in general are big drivers of economic development. This plan has the ability to supercharge that in different ways. Obviously from a workforce standpoint, we're putting thousands of people to work, both internal as well as external contractors.

There were important economic development incentives embedded in Senate Bill 564. These are incentives for customers who are expanding of a certain size and a certain load factor. Assuming they meet that, it's a forty percent discount for a five-year period.

It's a great economic development tool to allow customers that are energy intensive to take advantage of that and expand in Missouri. This is a very fixed-cost business. The more flow on our sales we can put through, we lower the per-unit cost for everybody, so all customers are benefiting from that economic development incentive designed to attract new businesses to the state or for existing businesses to expand.

PUF: Look into the future, say five years, where is the Missouri grid going?

Michael Moehn: We will be doing more community choice solar projects so customers can sign up and subscribe to solar projects they would like to see built.

In terms of how we're going to measure our overall success, you're going to have more satisfied customers. You're going to have better reliability.

When you have outages, they're going to be shorter in duration, because of what we're doing from an automation standpoint. You're going to have customers more engaged from a convenience and a choice perspective.

We still continue with a very robust energy efficiency program, and begin rolling out our AMI, Automated Meter Infrastructure, system to all customers, along with proposing some new time-of-use rates.

We're doing things with electric vehicle charging. The charging corridor along Interstate 70 will be in place over the next couple of years, and that will cut down some of the range anxiety. We'll see a further build-up and momentum of electric vehicles.

The Missouri Public Service Commission has a tremendous amount of oversight of this program. They'll have the ability to review our projects and still have the same prudence standards. We will need to continue to receive their feedback and guidance to make sure the Smart Energy Plan is meeting their expectations as well.

PUF: What's been the most rewarding for you? How do you feel about this, and your own impact?

Michael Moehn: When I step back and look at this, the most satisfying to me is seeing the overall excitement around this plan. I've enjoyed seeing the team come together and the ability to imagine and build the grid of the future.

We have tremendous coworkers who are incredibly eager to get started on the work and engage in the Smart Energy Plan. They understand the importance of what we do every day. Our mission resonates with our coworkers every day, in powering the quality of life for our customers. Seeing them execute these projects gives me tremendous satisfaction.

Ryan Silvey, Chair, Missouri Public Service Commission

PUF: What's the Commission's role in implementation of the grid modernization plan?

Chair Silvey: First, under the legislation, the company is required to file a five-year capital investment plan with the Commission. Then every year they're required to file an update to that plan.

That includes specific capital investment for the first year and then projected capital investment for the remaining four years. Every year they will file, and we'll review it.

Then we get more active on the backside. When they come in for their rate case, we will be reviewing the expenditures for prudence, making sure that what they did was prudent and beneficial to the ratepayers.

We also check that it is in compliance with chapter 393, which Senate Bill 564 addresses. We'll make sure for example; they don't spend any more than six percent on smart meters or that they spend at least twenty-five percent on grid modernization and during that time they haven't gone beyond the rate caps that were set forth in the legislation.

PUF: So, there is a formula to this?

Chair Silvey: Yes. To a degree, in order for them to take advantage of Plant-in-Service Accounting, there are certain things that they have to meet and certain rate caps that they have to stay below. Then there are investment benchmarks that they have to meet. We'll make sure that they're doing those and that they're doing them in a way that makes sense for the ratepayers.

PUF: They also have to meet certain timelines, right?

Chair Silvey: Yes, they do. That also applies to the generation projects that Senate Bill 564 allows for non-fossil generation to be included in this grid modernization. They'll still have to come in and get Certificates of Necessity from the Commission in order to construct those. That will be going on in the middle of the implementation of this plan as well.

PUF: What kind of projects are you looking for them to bring before you?

Chair Silvey: The legislation contemplated some utility owned solar for generation. It's about a billion dollars in wind generation. For the construction of those facilities, if they're under one megawatt, they won't need a certificate. If it's over that they will, and presumably some of these bigger wind projects and utility on solar projects will be over that and will have to come in for a certificate.

PUF: They still have to come in for a rate case for each one of these?

Chair Silvey: They'll come in for their normal rate cases. They won't have to come in for a full-blown rate case on each construction project. The ones for generation will require certificates if they're over the one megawatt, but the others, for instance the implementation of smart meters or the hardened distribution system with increased poles or things like that, won't need certificates.

They'll just do that and then they'll come in and that's where the Commission will look and make sure that what they were doing for those capital expenditures was prudent.

PUF: So, this is a streamlined process that the Commission will be going through?

Chair Silvey: Yes. The intent of the legislation was to encourage capital investment in modernizing the grid and doing it in a way that creates a streamlined process for utilities to begin recovery in between their normal rate cases, if that makes sense.

We'll do the prudence review, but they'll be able to start taking advantage of depreciation and getting a return on some of these investments through the accounting process, the Plant-in-Service Accounting. That's basically the encouragement for the company to go ahead and make these capital expenditures in between rate cases.

As long as they stay within the guidelines, we're just exercising an oversight role at that point, as it pertains to the legislation. Then they can also come in and amend their five-year plan.

They do their five-year plan every year. But if something comes up and they want to change that five-year plan then they can come in and file an amendment. They're given a good amount of flexibility in this process by the legislature.

PUF: The crux of the grid modernization is to provide customers with a more modern and resilient grid. Am I correct in understanding that?

Chair Silvey: Yes. That's the plan. As technology increases, they're looking at particular things along the lines of the bi-directional grid, being able to have the infrastructure in place for more distributed energy resources.

Right now, a lot of the infrastructure in the state is not prepared to handle where the technology is heading. This legislation is trying to address that by giving flexibility to the companies to go ahead and make those investments. As long as they stay within the guidelines, they know that the Commission will allow them to recoup it.

PUF: That's exciting for an Ameren territory in Missouri, to set their systems up and put technology in place.

Chair Silvey: Yes. We're hopeful that these things come to fruition. Grid modernization is something that the companies and the legislature have talked about and the consumers have wanted. It's been going on for years.

Back when I was in the legislature, we were discussing grid modernization and trying to figure out the best way to move forward. So, we're excited that they've come out with a plan. Hopefully the consumers will see the benefit in the future of a more resilient grid that's more responsive and has the right protections in place to make sure that their rates don't spiral out of control.

PUF: With some of the technology going underground, it might help with storm restoration.

Chair Silvey: Yes. Some of the things they're proposing are exciting, for that prospect in particular. It's hard to talk too much specifically about it because they have filed notice for their first rate case and I can't say much. But with what they're proposing to harden the grid, hopefully we'll see that result.

PUF: What might this grid modernization bring for Missouri in the long run?

Chair Silvey: The way that the legislation was crafted, it will essentially expire in 2023 with the Commission having the option to extend for another five-year period to 2028. We're entering this process hopeful that we see the results that are being promised.

In the event that we do see those results, it would be possible that you would see the Commission extend it for another five years. If that continues to be successful, I would expect the legislature to come back and assess where we are in the grid modernization effort and see if they need to give us further tools.

It certainly could prove to be a test case that other states around the country will want to look at. As we approach that 2023 deadline, if its progressing as we hope, it might end up being a model that other states are able to look at and see if it works for them. m

Ed Emery, Missouri State Senator

PUF: What part of the State of Missouri do you represent and what's it like?

Ed Emery: I represent Senate District 31, which is Cass County, Bates County, Vernon County, Barton County, and Henry County.

It's good and solid, a lot of rural, and a lot of agriculture. Cass County, my northernmost county, is a suburb of Kansas City, so it has about fifty-one percent of the total population that I represent.

PUF: Which committees are you on in the legislature?

Ed Emery: I serve on the Commerce Committee. I chair the Government Reform Committee, and I also serve on education, and judiciary.

PUF: You became involved in the grid modernization plan. Tell us about it.

Ed Emery: We've worked on trying to modernize our regulatory environment for more than a decade. I chaired the Utilities Committee in the Missouri House for four years while I was in the House. I've been either on the Commerce Committee, chairing the Commerce Committee or acting as Vice-Chair of the Commerce Committee since I've been in the Senate.

I've worked on these issues for years and have felt that our regulatory environment was substandard. So, we've done a lot of things differently, and have made a lot of attempts in different programs.

The year before we passed SB 564, we worked on a performance-based rate making, a PBR program, that would have been a better long-term reform, but we were not able to pass that. So, we backed off to the plant-in-service accounting approach, or PISA, and were able to move that out of the Senate and into the House.

PUF: There's a lot of good things about PBR.

Ed Emery: Right. It's a great structure, but we weren't able to convince enough legislators to work through that the year before, so we changed the approach, and came out with something less significant that may have less impact.

PUF: What was the idea behind SB 564?

Ed Emery: One of the aspects that gave it almost an immediate impact was the tax treatment revisions relative to President Trump's tax reform. We put language in the bill that said that the full amount of the tax savings that came to our electric companies as a result of the new tax reform would go to the customers.

They would immediately start receiving that, unless they were in a rate case. Then the rate case would determine how that would be returned, but that the full amount that the companies received as a result of that tax cut was to go back to the customers, the ratepayers.

That was one of the pieces where the timing really helped us, to be able to pull that in and to make sure that this has an almost immediate impact on bills. A lot of it was just trying to address the delays in recovering funds and the losses that are incurred because of those delays, and that's where the plant-in-service accounting that was the underlying bill, the most fundamental part, came in.

There were a lot of pieces that were negotiated into or out of the bill. We have an economic development piece that allows companies to either start up or expand significantly their electricity consumption and get a special rate on that portion.

However, it doesn't allow that special rate to get into any of the fixed costs, so it would have no impact on current ratepayers, in terms of increasing their rates. That means any socialized part of special rates would not hit the other ratepayers. That was a significant part on encouraging companies to either grow or move into Missouri.

There were a number of other provisions too. We had to negotiate in some extension of remaining solar credits in order to get this out of the Senate. I wasn't a big fan of that, but there was enough support in the senate that I was sure that I couldn't move the bill out of the Senate without help.

PUF: How did you go about it?

Ed Emery: We were negotiating for quite a while, through the night and next day. We were able to arrive at some of the compromises including hard caps on prices and a price freeze for a period of time. It was a two-year freeze from the last rate case.

The purpose was to freeze rates at that level, and then beyond that, there was going to be a cap on how quickly any increases in price could occur. We eliminated all the trackers that might have compromised the price caps by allowing increased rates outside the caps.

PUF: What's most rewarding for you as representative of your district, but also for the state?

Ed Emery: The most satisfying aspect is that we helped modernize some of the regulatory problems that companies face. That'll be a real positive for continuing to attract investment into Missouri and modernizing the grid.

We had some grid areas that were way past their expected lives and needed to be modernized, and it was difficult to get the investment dollars. I'm encouraged that they're actively pursuing that now and seem to be making progress.

Probably the most satisfying of all was the support that I received from fellow Senators who worked either on the legislation or worked to help maintain the negotiating time through the night, the almost twenty-four-hour negotiation. They were all willing to stay around and be available for votes and quorum calls. I had a great deal of help and support from both my caucus and the democratic caucus.

PUF: It sounds as if Missouri is a great place to do business and for people to live.

Ed Emery: Yes. The electric companies will be submitting plans and reports on their progress as well as look backs to the Public Service Commission, and that's going to keep the utilities on their toes and make sure this works.

In five years, the program has to be reauthorized, so they'll have to come back in and justify to the PSC that they have made progress, but there's more work to be done. That should be an encouragement to companies that are considering expanding or moving in, just to know there's going to be that much oversight of the industry, but that the industry is also going to be investing in modernization.

Dan Mehan, CEO, Missouri Chamber of Commerce

PUF's Steve Mitnick: Dan, what is your role?

Dan Mehan: I am the President and CEO of the Missouri Chamber of Commerce and Industry. We're a volunteer membership organization of about three thousand employers statewide representing almost half a million working Missourians.

Our job is to lobby the Missouri General Assembly and give the business viewpoint on everything related to doing business and the business climate in Missouri.

PUF: Tell me how you and your organization got involved in the Smart Energy Plan?

Dan Mehan: The bottom line with energy for business is that employers need stability, predictability, and dependability in their energy source, so we've been striving to do that. With regard to any energy, whether it's electricity, water, solar, you name it, you have to take care of your asset.

After years of trying to get it right, last year the Missouri General Assembly passed a grid modernization plan that has over two thousand grid upgrade projects already being put into play throughout the state.

It was a long time coming, but it's a very good bill that gave the utilities what they needed to take care of their assets, and also to help provide economic development incentives throughout the state of Missouri.

PUF: Did the bill come out somewhat like you wanted it to be?

Dan Mehan: It came out better than we expected. We ended up with a six percent rate cut that took effect last August, a base rate freeze until April 2020, and canceled rate increases.

The economic development incentives are very helpful, especially to the manufacturing sector, which we have a strong presence in, not to mention the thousands of jobs that spun off as a result. These are good paying jobs, whether that's construction or engineering. So, it was a good boost for the state of Missouri.

PUF: There were impacts in several areas for the state?

Dan Mehan: Absolutely. It's not just the large industrials, but the small and mid-sized benefited by it as well. The overall boost to the economy it gives sector-wide was definitely felt. You could have called this an economic development bill as well as an energy bill.

PUF: Paint a picture of the Missouri economy and how it relates to energy.

Dan Mehan: The Missouri economy is growing, and we have things happening in several sectors. We are going to be a top ten state for jobs in technology fields. If you think about that and the importance of energy to tech, they go hand-in-hand.

In the defense sector we have Boeing leading the way. Boeing has a contract for the new trainer for the Air Force and Navy. They also are in line to be producing many more F-15s for the Air Force.

It's not just Boeing but look at the supply base that is sprinkled in every county also for the automotive industry. You're going to hear great news about General Motors in the state of Missouri and a proposed one-billion-dollar expansion.

These things wouldn't happen if energy was a problem, and companies like Ameren are partners in creating that environment that attracts that investment and attracts those good paying jobs to Missouri.

PUF: How does the chamber fit in all this? You have so many members and so many issues.

Dan Mehan: We have a host of issues, and we go to the membership every year and solicit their input as to what we should be working on, what positions we should be taking, what we should be trying to push in the legislature and what we should be trying to avoid.

It's a diverse membership, but we have a robust agenda, including economic development, health care issues, judicial reform, taking care of the regulatory climate in the state of Missouri, you name it. Anything that impacts business, we chime in on, so as that would suggest, it's a long list of items to keep track of.

PUF: What are lessons for the other states about how you looked at this in Missouri?

Dan Mehan: Don't put your head in the sand and expect these issues to rectify themselves without acting on them.

Don't be docile, and don't be timid. Be aggressive. What we did last year in the energy sector was the right thing to do, and if anything, we shouldn't have waited so long to do it.

TJ Berry, Executive Director, Clay County Development

PUF: Give us some background on your role.

TJ Berry: I never thought that I would be in the legislature, but I've been an entrepreneur. I've started four businesses. I've always been one of those people that tries to figure out how to make a better mousetrap.

I was elected to the General Assembly in 2010 and 2011 was my first year. One of the major subjects that we were working on was a utilities bill. The utilities had come asking for money to get a nuclear site permit from the federal government, as they wanted to build a new nuclear plant in Missouri.

In my area of Kansas City, the largest employer is the Ford Motor Company. They employ over eight thousand people in Clay county. Ford was extremely concerned that the bill would cause double digit rate increases. I came about the bill from a jaded perspective politically. But to be fair, I had questions and wanted to know more about the mechanics of the bill.

I was an adversary even as a freshman. I couldn't figure out why we needed a new nuclear plant, and why we would spend ten to fourteen billion dollars for a thousand megawatts of power when you could do combined-cycle gas, and wind, for a thousand megawatts for maybe a billion and a half.

The utilities couldn't build the nuclear plant with their own balance sheet. Wall Street would not finance them, so that left only one group of individuals who could finance the plant - the people. I had a lot of questions, so the bill did not pass in 2011. I went home and spent the summer of 2011 reading multiple books on energy generation, and renewable energy.

As a consumer I want the lights to go on, energy, and the heating to be on, but I want it to be as reasonably clean and inexpensive as possible. I know those don't necessarily line up, but it's a measure to start from.

That's how I started in utilities, and I dug deep. Missouri is a term-limited state. A lot of the in-depth utility knowledge is held by industry representatives and lobbyists and the more complicated the subject, the fewer number of legislators who are experts.

I developed some expertise by reading and then I came back in 2012 and started offering some bills. One of them was dealing with biomass energy. We grow a lot of plants in Missouri.

If you do something beneficial for our agriculture, and beneficial to our utilities, it's beneficial to everybody. So, I offered a bill in 2012 on biomass energy and did a little promotion of the bill. That led to a Missouri business coming to me and asking, who authored the bill?

I said that the bill had germinated from my ideas, and they said it was like it had been written directly for them. That led to me working with that company and getting involved in their technology, which gave me more in-depth knowledge.

I continued to collect information and in 2015-16 I was made the utilities Chair in the general assembly. Prior to that I had not served on utilities.

PUF: When this modernization plan came up, how did you look at it?

TJ Berry: There had not been a minor or major, or any utility bill, passed in Missouri since 2009, when a minor bill passed. The utilities had been swinging for the fence. Trying to get all their priorities passed in one bill. As a result, when a bill dealing with utilities would come to the floor it was not unusual for it to be several hundred pages long.

The utilities had tried to do several things, not just in electricity, but also in gas and water. By the summer of 2017 I was no longer the utilities Chair. I had given up that role because I wanted to concentrate on this piece of legislation and sometimes when you're the Chair it's harder to be the presenter of a bill.

I pulled in industrial electric users and electric providers, primarily Ameren, KCP&L, Empire which is now Liberty. I also pulled in the electric the co-ops.

We met in a room along with a few others that would be interested. Then I said, okay, you have been trying to pass these bills, and it's been an unmitigated disaster for the seven years that I've been here.

I encouraged them to start again and turned to Tom Byrne who is one of the lawyers and chief authors with Ameren. I said, Tom, how many pages do you think the bill will be?

Tom said to me, well it's probably about ninety to a hundred pages. But that's not a problem, everybody in the general assembly has seen the language in the past. Ameren has an extremely good lobbyist.

We developed a friendship, and a respect for each other, and I turned to Tina Shannon the Director of Government Relations and said, Tina, how many people in the general assembly, both house and senate, actually have a good working understanding of utility policy?

She thought about it for a minute and said, five. There are two hundred people in the general assembly. So, there were five people total that knew the subject well enough to understand the language and its potential effect on the state.

I turned back to Tom and said, Tom, at a hundred pages, this won't go forward. You cannot write it that way. You have to give me a bill that is twenty pages or less.

With twenty pages, anybody can read it. They may not understand it but anybody can read it.

You can break it up into smaller bites and explain that smaller bite to someone in a way that they will understand it and believe it. So, that's what Tom did. He came back with a bill that was about seventeen pages long.

After the whole process went through the Senate and the House, the bill got to about twenty-seven pages.

We want to have some predictability for the utility rate so we can do forecasting. We have to make sure that the increases are at a reasonable rate. Because we have experienced, in Missouri over the last fifteen years, some incredible increases in rates, we were trying to make sure that utilities could do some upgrades, and we were trying to make sure businesses would have reliable power.

This bill made sure that the industrial users knew what their rate increase would be and what time period they could plan on including if the rate mechanism was continued after the first five-year period.

PUF: What do you take away from this experience in the legislation?

TJ Berry: What I take away is, if you break complicated subjects or legislation into small relatable pieces you can then communicate that. You have to facilitate complicated subjects.

You've got to build trust. I was on neither side. I was trying to get the best deal that could move forward and help the people. The utilities weren't happy with this bill because they got a bill, but they didn't get everything they wanted.

The industrials weren't happy with the bill because it did not have all the clarity they wanted. In my role, what I tried to do was make sure people trusted me. If I gave you my word, I didn't back down.

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