

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EE-2024-0037, Request for Variance and Waiver of 60-Day Requirement

FROM: Amanda Coffey, Engineering Analysis, Industry Analysis Division

/s/ Amanda Coffey 10/16/2023
Engineering Analysis Dept. / Date

SUBJECT: Staff Report and Conclusion on Ameren Missouri's Request for Variance and Waiver of 60-Day Requirement

DATE: October 16, 2023

SUMMARY

Staff has reviewed Ameren Missouri's Request for Variance and Waiver of 60-Day Requirement, filed August 16, 2023. Based on its review, Staff recommends the Commission grant a variance from 20 CSR 4240-20.100(3)(J) for the 2023 compliance year, and a waiver of the 60-day notice requirement in 20 CSR 4240-4.017(1).

OVERVIEW

On August 16, 2023, Ameren Missouri filed its request under 20 CSR 4240-20.100(11)¹ for a variance from a portion of the Missouri Public Service Commission's ("Commission") Renewable Energy Standard (RES) rules, specifically a portion codified at 20 CSR 4240-20.100(3)(J), which states in part,

For compliance purposes, electric utilities shall retire RECs in sufficient quantities to meet the RES portfolio requirements of this rule. The RECs shall be retired during the calendar year for which compliance is sought. Electric utilities may retire RECs from January 1 through April 15 of the following year, following the calendar year for which compliance is being sought and designate those retired RECs as counting towards the requirements of that previous calendar year. Any RECs retired in this manner shall be specifically annotated in the registry designated in

¹ "Upon written application, and after notice and an opportunity for hearing, the commission may grant a variance from any provision of this rule for good cause shown."

accordance with subsection (F) of this section and the annual compliance report filed in accordance with section (7) of this rule. RECs retired from January 1 through April 15 of the following year, to be counted towards compliance for the previous calendar year in accordance with this subsection **shall not exceed ten percent (10%)** of the total RECs necessary to be retired for compliance for that calendar year.

Ameren Missouri has also requested a waiver of the 60-day notice requirement in 20 CSR 4240-4.017(1)².

Ameren Missouri requests the Commission find there exists good cause to grant the Company a variance from the requirement that 90% of renewable energy credits (REC) retired for the compliance year 2023 must be retired in 2023 (“90% requirement”). Ameren Missouri also requests the ability to retire more than 10% of RECs for future compliance years by April 15th of the following year. Ameren Missouri stated the following reasons for its request:

- Ameren Missouri no longer has a large REC bank and does not expect to have a large REC bank in the future.
- In order to know the total number of RECs to be retired, Ameren Missouri must know what its sales were for the compliance year. Sales information comes from MISO and there is an approximate 60-day lag in obtaining MISO settlement data (“MISO S55 data”). Consequently, Ameren Missouri will not know its total sales in 2023 until approximately the end of February of 2024.
- At this time, Ameren Missouri anticipates the need to retire October, November and December 2023 generated RECs to comply with the 2023 compliance year. To do this, the Company uses the North American Renewables Registry (“NAR”), for REC

² “Any person that intends to file a case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case. Such notice shall detail the type of case and issues likely to be before the commission and shall include a summary of all communication regarding substantive issues likely to be in the case between the filing party and the office of the commission that occurred in the ninety (90) days prior to filing the notice. The filing of such notice shall initiate a new noticed case and be assigned an appropriate case designation and number. If the expected case filing is subsequently made, it shall be filed in the noticed case. If the expected case filing is not made within one hundred eighty (180) days, the noticed case shall close.”

tracking and retirement. However, the RECs are not transferred to the Company account in NAR until the month following receipt of the MISO S55 data. If the Company needs to retire RECs generated in October, November, or December 2023, it will not be able to until the RECs have been created and transferred into Company inventory, which is not possible until January, February, and March 2024 respectively.

- To mitigate the risk of failing to comply with the 90% requirement, the Company would likely need to err on the side of caution and purchase additional RECs at least 60-90 days prior to the end of the compliance year based on the anticipated need. This could result in additional and perhaps ultimately unnecessary costs being incurred for RES compliance. Ameren anticipates the cost for compliance to be \$2.6 million if this variance is not approved.

DISCUSSION

A Renewable Energy Credit (REC), means a tradable certificate, that is either certified by an entity approved as an acceptable authority by the Commission or as validated through the Commission's approved REC tracking system or a generator's attestation. Each REC represents that one (1) megawatt-hour of electricity has been generated from renewable energy resources. Electric utilities must generate or purchase RECs and S-RECs associated with electricity from renewable energy resources in sufficient quantity to meet the RES portfolio requirements for that reporting year. The RES portfolio requirements are based on total retail electric sales of the utility. Once a REC has been used for compliance, the REC is then retired. RECs expire 3 years from the date the renewable energy was generated. As mentioned above, Ameren Missouri uses NAR for REC tracking and retirement. RECs are issued in NAR within 14 days after generation data has been received and validated by the NAR administrator.³

³ [NAR-Operating-Procedures-November-2018.pdf \(apx.com\)](#).

Staff has confirmed the amount of banked RECs that Ameren Missouri has registered in NAR. Ameren Missouri anticipates that it will need to retire ** [REDACTED] ** for the 2023 compliance year.⁴ Based on Ameren Missouri’s forecasted 2023 requirement, Ameren Missouri would need to retire approximately ** [REDACTED] ** RECs before the end of 2023 to meet the 90% requirement per 20 CSR 4240-20.100(3)(J). Staff will note that the 60-90 day lag does not appear to occur for ** [REDACTED] **. ** Ameren Missouri does not currently have enough banked RECs to meet the 90% requirement as shown in the table below:

	Estimated REC Requirement for 2023	90% Requirement	Already Retired for 2023 ⁵	Currently Active ⁶	RECs Still Needed for Compliance
RECs	** [REDACTED] **	** [REDACTED] **	** [REDACTED] **	** [REDACTED] **	** [REDACTED] **
S-RECs	** [REDACTED] **	** [REDACTED] **	** [REDACTED] **	** [REDACTED] **	** [REDACTED] **
Total	** [REDACTED] **	** [REDACTED] **	** [REDACTED] **	** [REDACTED] **	** [REDACTED] **

Ameren does not currently have enough RECs banked to comply with 20 CSR 4240-20.100(3)(J). Ameren anticipates generating another ** [REDACTED] ** in October, November, and December that it can retire for RES compliance⁷, which should be enough to comply with RES requirements for 2023. Staff recommends the Commission grant a variance from 20 CSR 4240-20.100(3)(J) for the 2023 compliance year, and a waiver of the 60-day notice requirement in 20 CSR 4240-4.017(1).

⁴ DR 1, MPSC 0001 – 08112023_AmerenMO_RES Compliance Position_Variance CONF spreadsheet.

⁵ NAR [Certificate Lookup Report 10/11/2023, About NAR - APX.](#)

⁶ NAR [Certificate Lookup Report 10/11/2023, About NAR - APX.](#)

⁷ DR 1, MPSC 0001 – 08112023_AmerenMO_RES Compliance Position_Variance CONF spreadsheet.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Union Electric Company)
d/b/a Ameren Missouri's Request for) Case No. EE-2024-0037
Variance Regarding Its Renewable Energy)
Standard Compliance)

AFFIDAVIT OF AMANDA COFFER

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW Amanda Coffe, and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to her best knowledge and belief, under penalty of perjury.

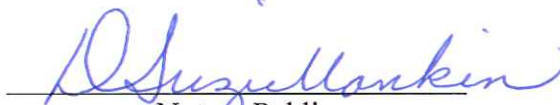
Further the Affiant sayeth not.


AMANDA COFFER

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 16th day of October 2023.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070


Notary Public