

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 27<sup>th</sup> day of  
February, 2019.

In the Matter of the Amendment of the       )  
Commission's Rule Regarding Solar Rebates   )  
4 CSR 240-20.100(4)                               )

**File No. EX-2019-0050**

**FINDING OF NECESSITY AND ORDER DIRECTING THAT PROPOSED  
RULE AMENDMENT BE FILED FOR PUBLICATION**

Issue Date: February 27, 2019

Effective Date: February 27, 2019

The Commission has undertaken this rulemaking to amend its rules regarding the payment of solar rebates by Missouri investor-owned electric utilities. The proposed amendment updates the existing rule's solar rebate requirements in light of statutory changes resulting from passage of SB 564 (Section 393.1670) during the 2018 general session. It provides direction on any outstanding rebates from solar rebate applications queued before August 28, 2018 (the effective date of SB 564 provisions). The Commission finds that the amendment is appropriate and necessary to protect the public interest and to carry out the purposes of the statute that granted the Commission authority to regulate in this area.

The Commission has discussed this amendment with interested stakeholders and will seek further comments during the rulemaking process.

**THE COMMISSION ORDERS THAT:**

1. The Secretary of the Commission shall file the amendment with the Secretary of State for publication in the Missouri Register.
2. This order shall be effective when issued.



**BY THE COMMISSION**

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff  
Secretary

Silvey, Chm., Kenney, Hall, Rupp, and  
Coleman, CC., concur.

Woodruff, Chief Regulatory Law Judge

**Rules of**  
**Department of Economic Development**  
**Division 240 – Public Service Commission**  
**Chapter 20 – Electric Utilities**  
**Rule Amendment**

**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. [For any applicable retail account, rebates] Solar rebates made available prior to January 1, 2019,** 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 for systems that become operational 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 expanded 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 s]* Solar electric systems **which are less than 100 kW in size** shall meet all requirements of 4 CSR 240-20.065, Net Metering.

(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 for payment prior to August 28, 2018, shall not count toward the annual or aggregate limits prescribed in Section 393.1670(1) RSMo.**

**(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.**

2. In the event the 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.

(O) An electric utility shall, through its tariff, select a percentage of solar rebates offered under section 393.1670 to be targeted as defined in subsection (4)(P). The selected percentage shall be in whole increments, and any unused rebates shall roll-over for use in subsequent years as specified in the tariff.

(P) An electric utility shall, through its tariff, define specific areas or criteria -

1. For targeted solar rebates to be offered to –
  - A. Low income households;
  - B. High poverty level areas; or
  - C. Multifamily dwellings; and
2. For targeted solar rebates to be offered to –
  - A. Areas with over-utilized circuits or high congestion areas; or
  - B. Areas where additional distributed generation would benefit the electric utility's system.

(Q) The electric utility shall provide justification for its definition of specific areas or criteria for targeted solar rebates with the filing of its proposed tariff or any proposed changes to that tariff. Tariff filings shall include supporting documentation for the identification of areas with over-utilized circuits, areas of high congestion and areas where additional distributed generation would benefit the electric utility's system.

(R) The electric utility may offer targeted solar rebates to any combination of the areas listed in section (4)(P) so long as it offers targeted solar rebates to at least one category in each of paragraph (P)1 and (P)2. Targeted solar rebates will not delay the general offering of solar rebates.

(M/S) 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/T) Unless the commission orders otherwise, if the electric utility meets or exceeds the **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/U) 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;
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.

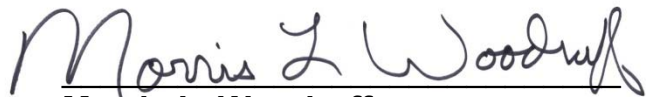
**STATE OF MISSOURI**

**OFFICE OF THE PUBLIC SERVICE COMMISSION**

**I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.**

**WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 27<sup>th</sup> day of February 2019.**



  
**Morris L. Woodruff**  
**Secretary**

**MISSOURI PUBLIC SERVICE COMMISSION**

**February 27, 2019**

**File/Case No. EX-2019-0050**

**Missouri Public Service  
Commission**

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***Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).***

***Sincerely,***



**Morris L. Woodruff  
Secretary**

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Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.