

MEMORANDUM

TO: Missouri Public Service Commission
Official Case File, Case No. EO-2024-0231
Ameren Missouri's Filing of the Renewable Energy Standard Compliance Plan for 2024-2026

FROM: Claire M. Eubanks, PE, Engineer Manager

/s/ Claire M. Eubanks, PE / 05-30-2024
Engineering Analysis / Date

SUBJECT: Staff Report on Ameren Missouri's Renewable Energy Standard Compliance Plan 2024-2026

DATE: May 30, 2024

SUMMARY

The Staff has reviewed Union Electric Company, d/b/a Ameren Missouri's ("Ameren Missouri" or "Company") *Renewable Energy Standard Compliance Plan 2024-2026* ("Plan"). Based on Staff's review, the Company has met the minimum requirements for the *Plan*; however, Staff has identified concerns with the *Plan*.

Ameren Missouri's load projections for the retail rate impact ("RRI") calculations do not appear to correspond to the most recent Integrated Resource Plan ("IRP"), which may be impacting its assumed Renewable Energy Standard ("RES") compliance position. ** [REDACTED]

[REDACTED] ** Staff recommends Ameren Missouri address its projected retail electric load in its next RRI calculation, or next renewable Certificate of Convenience and Necessity ("CCN") application, by describing and documenting its load assumptions used in its RRI calculation. Staff recommends Ameren Missouri discuss its justification for including or excluding renewable resources from its RRI calculation in all future RRI calculations.

Additionally, Ameren Missouri's *Plan* continues to rely on spot renewable energy certificate ("REC") purchases, even though Ameren Missouri no longer receives RECs under a previously offered Standard Offer Contract. Staff recommends Ameren Missouri consider requesting authorization from the Commission to offer net-metered customers (who did not receive a solar rebate condition on transferring RECs) a Standard Offer Contract (SOC) for REC purchases.

OVERVIEW

On April 15, 2024, the Company filed its *Plan* for calendar years 2024 through 2026, 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.

DISCUSSION

Staff reviewed the Company’s *Plan* 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 comply with the RES;”

Ameren Missouri generally described its planned actions to comply with the RES for the 2024-2026 timeframe. Ameren Missouri intends to use RECs from all owned resources, but still anticipates a shortfall during the planning period. The Company expects to make REC purchases in the 2024-2026 timeframe as needed. The Company considered the cost of REC purchases in its RRI calculation. The company has not yet been able to register customer generators in the North American Renewable Registry (“NAR”) from 2023 interconnections.¹

The Company explains in the *Plan* that it will continue to utilize RECs from Company owned facilities:

¹ Prior to NAR registration, Ameren must receive certification from Missouri Department of Natural Resources - Division of Energy.

- Keokuk Hydroelectric Generating Station (“Keokuk”),
- Maryland Heights Renewable Energy Center (“Maryland Heights REC”),
- O’Fallon Renewable Energy Center (“O’Fallon REC”),
- BJC Solar facility (“BJC Solar Facility”),
- Ameren Missouri headquarters office building (“AMO Headquarters Solar”),
- High Prairie Renewable Energy Center (“High Prairie REC”),
- Atchison County Renewable Energy Center (“Atchison REC”),
- South St. Louis Renewable Energy Center (“South St. Louis REC”),
- Cape Girardeau Renewable Energy Center (“Cape Girardeau REC”),
- House Springs Renewable Energy Center (“House Springs REC”),
- Fee Fee Renewable Energy Center (“Fee Fee REC”),
- North Metro Renewable Energy Center (“North Metro REC”), and
- Delmar Renewable Energy Center (“Delmar REC”).

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.²

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:

² Section 393.1030.1., RSMo; Rule 20 CSR 4240-20.100(3)(G).

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	2024	148,839	
				2025	127,460	
				2026	125,999	
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.						

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 under two solar rebate program tariffs.³ Ameren Missouri reports that it is no longer accounting for RECs from customers who previously executed a lump sum SOC with the Company. Staff will point out that given Ameren Missouri's expectation that spot purchases of RECs may be needed over the 3-year planning period, it could request authorization from the Commission to offer a new SOC to purchase RECs from its customers.

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

The Company provided values for its projected retail electric sales on page 9 of its *Plan*. Ameren Missouri's projected total retail electric load 2024-2026 does not appear to correspond to the most recent IRP filing in EO-2024-0020. Further, 2024-2025 projected retail electric load provided in the current *Plan* is lower than 2023-2025 RES Plan. Ameren Missouri discussed the difference in retail electric load under different demand-side assumptions and the impact it has on RES compliance planning in its 2023 IRP but did not carry that discussion to its *Plan* filed in this

³ 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.

case.⁴ Staff recommends Ameren Missouri address its projected retail electric load in its next RRI calculation, or next renewable CCN, by clearly indicating the source of its assumptions.

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;”

The Company filed its preferred plan in its 2023 IRP filing (EO-2024-0020). The Plan is consistent with the most recent preferred plan in the IRP. The addition of 350 MW of solar capacity is scheduled in the IRP between 2024 and 2026. Ameren has received approval for this solar capacity through the Huck Finn and Boomtown solar projects.⁵

Ameren Missouri also has recently received approval of its Vandalia (50 MW_{ac}), Bowling Green (50 MW_{ac}), and Split Rail (300 MW_{ac}) solar projects in EA-2023-0286 with estimated completion dates outside this planning period.⁶

E. “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 the *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 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.

⁴ Chapter 9 Integrated Resource Plan and Risk Analysis, Corrected 2023 Ameren Missouri IRP, page 7.

⁵ Boomtown is 150 MW (subscriber program RECs are not eligible for RES compliance) and Huck Finn is 200 MW.

⁶ Staff has recommended that the Cass County condition precedent has been met. However, this project will be utilized for the Renewable Solutions Program thus Cass County RECs will be retired on behalf of program participants and may not also be utilized for RES compliance (20 CSR 4240-20.100 (3)(B)).

- F. “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 11-12 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]

[REDACTED] ** As previously mentioned, Ameren Missouri’s load projections for the RRI calculations do not appear to correspond to the most recent IRP.

Additionally, Staff recommends Ameren Missouri consider requesting authorization from the Commission to offer net-metered customers (who did not receive a solar rebate condition on transferring RECs) a SOC for REC purchases.

- G. “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.⁷ 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. However, customer-generators interconnected in 2023 are not yet reflected in NAR.

⁷ 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 its)	Case No. EO-2024-0231
Renewable Energy Standard Compliance)	
Plan for 2024-2026)	
)	

AFFIDAVIT OF CLAIRE M. EUBANKS, PE

STATE OF MISSOURI)	
)	ss.
COUNTY OF COLE)	

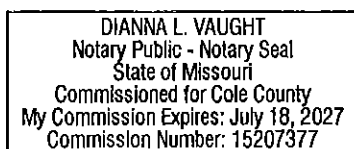
COMES NOW CLAIRE M. EUBANKS, PE and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Report on Ameren Missouri's Renewal Energy Standard Compliance Plan 2024-2026*; and that the same is true and correct according to her best knowledge and belief.

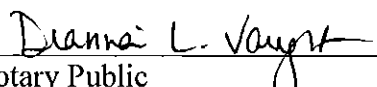
Further the Affiant sayeth not.


CLAIRE M. EUBANKS, 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 30th day of May 2024.




Notary Public