

**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)	
Renewable Energy Standard Compliance)	File No. EO-2024-0231
Report for 2023 and Compliance Plan for)	
2024-2026)	

AMEREN MISSOURI'S RESPONSE TO STAFF'S REPORT

COMES NOW Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri"), and for its response to the report filed by the Staff of the Missouri Public Service Commission ("Staff"), states as follows:

1. On April 15, 2024, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri") filed its 2023 Renewable Energy Standard ("RES") Compliance Report (the "*Report*") and its 2024–2026 RES Compliance Plan (the "*Plan*") as required by rule 20 CSR 4240-20.100(8).
2. On May 30, 2024, Staff filed its report as required by 20 CSR 4240-20.100(8)(D) (the "Staff Report").
3. On June 4, 2024, the Commission entered an order directing Ameren Missouri to respond to the Staff Report by June 19, 2024.

I. THE 2023 RES COMPLIANCE REPORT

4. The Staff Report suggests that Ameren Missouri correct the tables on page 9 of the *Report* to include fractional RECs showing the impact of the 1.25 multiplier for in-state resources (the Missouri Equivalent RECs).¹ In response, Ameren Missouri states that, regarding the number of RECs retired for each renewable resource, Ameren did indeed report values rounded to the nearest integer for the Missouri Equivalent RECs. Ameren Missouri has reported Missouri Equivalent RECs in this fashion for at least the last two reporting periods without any comment

¹ Staff Report at para. 5; *see also*, Staff's Memorandum re: the *Report* at p. 5.

from Staff.² Ameren Missouri disagrees that this practice constitutes a clear error. Nonetheless, Ameren will, going forward, refrain from rounding and provide the fractional REC values as shown in the tables in Staff's Memorandum regarding the *Report* at pages 5 and 6. Ameren Missouri will update Tables 2 and 3 of the *Report* in its *Amended Report* and provide Staff's requested level of precision.

5. Similarly, the Staff Report recommends that Ameren Missouri correct the 2023 RES requirements listed on page 8 of the *Report*.³ In its *Report*, Ameren Missouri listed a total REC requirement for 2023 of 4,545,321 RECs. Staff's Memorandum regarding the *Report* explains this figure is, more precisely, 4,545,320.4 RECs and suggests reporting a rounded figure of 4,545,320.5.⁴ Likewise, in its *Report*, Ameren Missouri listed a solar REC requirement of 96,906 RECs. Staff's Memorandum explains this figure is, more precisely, 90,906.4 RECs and suggests reporting a rounded figure of 98,906.5.⁵ Ameren Missouri will update these figures as requested by Staff in Ameren Missouri's *Amended Report*. Staff further suggests that Ameren Missouri should normally round the REC requirements up to the nearest integer, though Staff implicitly suggests not rounding (or rounding to the nearest 0.5) where rounding up to the nearest integer would result in Ameren Missouri's non-compliance (because the fractional difference would cause the required RECs to exceed, by a very small margin, the RECs actually acquired). Ameren Missouri will report the REC requirements in this fashion going forward.

² See Staff's Memorandum re: Ameren Missouri's 2021 Compliance Report at FN 5, File No. EO-2022-0283 (noting that Ameren Missouri reported rounded values for Missouri Equivalent RECs without further comment); *see also*, File No. EO-2023-0359 Staff's Memorandum re: Ameren Missouri's 2022 Compliance Report, File No. EO-2023-0359, at p. 4 (illustrating whole integers for MO Equivalent RECs as reported by Ameren Missouri in its 2022 Compliance Report without any comment thereon).

³ Staff Report at para. 5; *see also*, Staff's Memorandum re: the *Report* at p. 6.

⁴ *Id.*

⁵ *Id.*

6. The Staff Report suggests that Ameren Missouri correct (or provide support for) its Missouri jurisdictional revenue.⁶ In response, Ameren Missouri states that it inadvertently included Missouri natural gas sales in the \$3.2 million figure listed in the *Report* for total jurisdictional revenue from total retail electric sales to Missouri customers. The correct figure is \$3,082,618,763. Ameren Missouri will list the correct figure for total retail electric sales to Missouri customers in its *Amended Report*.

7. The Staff Report also suggests that Ameren Missouri correct figures reported for the dollar value of energy produced by the High Prairie Renewable Energy Center and the Atchison Renewable Energy Center.⁷ In response, Ameren Missouri states that Table 1 of its *Report* listed the dollar value of energy produced at each of Ameren Missouri's thirteen renewable resources. Ameren Missouri inadvertently listed the 2022 figures for only the High Prairie and Atchison renewable energy centers. The other eleven figures reported in Table 1 of the *Report* were accurate. Ameren Missouri provided the correct figures for the High Prairie and Atchison renewable energy centers in response to Data Request No. 6.⁸ Ameren Missouri will copy the corrected Table 1 in Data Request No. 6 and insert this corrected table in its *Amended Report*, which will be filed within 30 days of this Response.

II. THE 2024–2026 RES COMPLIANCE PLAN

8. Staff's Memorandum regarding the *Plan* states that Ameren Missouri's projected total retail electric load for 2024–2026, as reported in its *Plan*, appears to be inconsistent with the most recent IRP filing in File No. EO-2024-0020.⁹ Staff's Memorandum re: the *Plan*, however,

⁶ Staff Report at para. 5; *see also* Staff's Memorandum re: the *Report* at p. 3.

⁷ Staff Report at para 5.

⁸ Staff's Memorandum re: the *Report* references the corrected figures received from Ameren Missouri in response to Data Request No. 6. *See* Staff's Memorandum re: the *Report* at p. 4.

⁹ Staff's Memorandum re: the *Plan* at p. 1, 4.

does not explain how Staff arrived at this conclusion. For clarity, the *Plan* listed projected retail electric load of 30,299,723 MWh in 2024, 30,188,113 MWh in 2025, and 30,229,394 MWh in 2026. These figures are consistent with the figures reported in Chapter 1 Appendix A of Ameren Missouri's 2023 IRP¹⁰, a screenshot of which is provided below for convenience.¹¹

With DSM

Average Annual Class Energy Forecast

Annual Energy Sales Forecast by Rate Class (MWh)¹

Year	ResGen	ComSGS	ComLGS	ComSPS	ComLPS	IndSGS	IndLGS	IndSPS	IndLPS	Lighting	Economic Development	Total
2024	12,760,901	2,952,519	6,471,106	2,360,728	1,407,713	74,927	763,722	1,128,703	2,242,415	136,989	0	30,299,722
2025	12,502,889	2,917,879	6,406,912	2,346,545	1,396,654	75,171	775,865	1,132,148	2,218,760	134,971	280,320	30,188,113
2026	12,372,473	2,887,017	6,372,203	2,326,873	1,383,379	75,328	790,276	1,130,621	2,198,142	132,442	560,640	30,229,394
2027	12,259,056	2,863,717	6,361,471	2,320,497	1,371,774	75,492	808,294	1,129,088	2,178,119	129,767	840,960	30,338,234
2028	12,252,769	2,841,059	6,411,308	2,310,090	1,362,462	75,453	884,947	1,123,677	2,164,563	129,517	1,121,280	30,677,124

9. Staff's Memorandum regarding the *Plan* also states that Ameren Missouri did not provide an analysis demonstrating that the *Plan* is the least cost, prudent methodology to achieve compliance. Ameren Missouri explains on page 11 of the *Plan* and in its response to Data Request No. 3, attached as Attachment A to this Response, that its RES compliance cost is held to a minimum by relying on Ameren Missouri's own resources (instead of RECs purchased from third parties). These resources include Keokuk and the following approved solar projects that are currently under construction: Huck Finn, Split Rail, Vandalia, and Bowling Green.¹² Ameren Missouri is optimistic that, once these projects are complete, all of the RES requirements will be fulfilled by Ameren Missouri's then-existing resources without having to purchase RECs from third parties.

¹⁰ 2023 Integrated Resource Plan, File No. EO-2024-0020, Ch. 1 Appendix A, at p. 6.

¹¹ Ameren Missouri believes a rounding error is the cause of the 1 MWh discrepancy for the 2024 figure.

¹² Although Split Rail, Vandalia, and Bowling Green are not being built for RES compliance, as is the case with Huck Finn, it would be remiss to not use the RECs from Split Rail, Bowling Green, and Vandalia to avoid purchasing RECs from third parties for RES compliance, ultimately saving money for customers.

10. Next, Staff's Memorandum regarding the *Plan* mentions that Ameren Missouri did not include the revenue requirement associated with the newly approved solar projects (Vandalia, Bowling Green, and Split Rail) in its rate retail impact ("RRI") calculations.¹³ The Staff Report recommends Ameren Missouri discuss its justification for including or excluding renewable resources from its RRI calculation.¹⁴ Ameren Missouri addressed this comment in its response to Data Request No. 5, attached hereto as Attachment B. In short, Ameren Missouri is not building Vandalia, Bowling Green, or Split Rail for purposes of RES Compliance and these projects are not included in Ameren Missouri's costs recoverable through RESRAM; rather, Ameren Missouri is building these projects as part of its transition to a reliable and diverse generation portfolio. Alternatively (and without conceding that Ameren Missouri should have included Vandalia, Bowling Green, or Split Rail in its RRI calculation), including Vandalia, Bowling Green, and Split Rail in the RRI calculation still results in an RRI of less than 1% (precisely, 0.6%), as required by 20 CSR 4240-20.100(5).

11. Finally, the Staff Report suggests that Ameren Missouri consider requesting authorization from the Commission to offer net-metered customers (who did not receive a solar rebate condition on transferring renewable energy certificates ("RECs")) a Standard Offer Contract for REC purchases.¹⁵ Ameren Missouri will further evaluate the benefits and costs of these Standard Offer Contracts and will consider this recommendation.

WHEREFORE, Ameren Missouri tenders its Response to Staff's Report regarding Ameren Missouri's 2023 Compliance Report and 2024–2026 Compliance Plan.

¹³ Staff's Memorandum re: the *Plan* at p. 1, 6.

¹⁴ Staff Report at para 7.a.

¹⁵ Staff Report at para 7.b; *see also* Staff's Memorandum re: the *Plan* at p. 1, 4.

Respectfully submitted,

/s/ William D. Holthaus, Jr.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing was filed in EFIS on this 18th day of June, with notification of same being sent to all counsel of record.

/s/ William D. Holthaus, Jr.
William D. Holthaus, Jr.

Ameren Missouri's
Response to MPSC Data Request - MPSC
EO-2024-0231
RES Compliance 2024

No.: MPSC 0003

Section E. requires A detailed analysis providing information necessary to verify that the Renewable Energy Standard (“RES”) compliance plan is the least cost, prudent methodology to achieve compliance with the RES. What analysis did Ameren Missouri provide to show that the compliance plan is least cost? Please provide all workpapers and other documentation of cost analysis.

RESPONSE

Prepared By: Andrew Holderness

Title: Program Supervisor, Renewable Energy

Date: May 7, 2024

Ameren Missouri RES Compliance plan is utilizing existing resources, customer RECs and non-RES resources to meet the compliance requirements. Utilizing existing resources limits additional cost and would be the lowest cost option. The plan contemplates the need to purchase a limited number of RECs to balance the compliance obligations each year, due to variable annual retail sales or variable production of renewable asset.

The *10 Year MO RES Compliance Model 2024_33* (provided to Staff and others as a work paper) calculates the retail rate impact, as required by 4 CSR 240-20.100(5). The “Report” tab of the model sets forth the size and timing of the new renewable resources that would be needed in the next ten years to fully meet the unconstrained Renewable Energy Standard (RES) requirements along with the size and timing of those renewable resources that can be built while meeting the 1% retail rate impact limitation. The model includes the projection of generation, costs and benefits from existing resources including Keokuk, Maryland Heights REC, Ameren Missouri’s headquarters solar, Pioneer Prairie Wind, O’Fallon REC, BJC Solar, High Prairie REC, Atchison REC, and the solar investments required by SB 564. A detailed projection of the S-REC purchases from customer-owned solar projects is shown in the “Cust Solar” tab. Additionally, many assumptions needed to develop RES compliance projections, including Ameren Missouri’s projected revenue requirements (adjusted for exclusion of costs for existing renewable energy resources), market values for capacity and energy and costs for new wind and solar resources, are also included.

The “Mgmt Build” tab in the spreadsheet is where a ten-year sum of Ameren Missouri’s annual costs for compliance are summarized to provide a framework to determine the amount of renewables that can be built to meet RES compliance and yet stay within the 1% rate impact limitation. This tab summarizes annual ongoing costs, including administrative, solar rebate, REC and existing renewable generation resource costs. The tab also includes an interactive section that allows for assumed wind and solar projects in each of the ten years to determine the impact of adding additional renewable resources in the plan based on assumptions identified in the plan. This interactive section allows Ameren Missouri to input a compliance plan that shows the dollar impact to the rate impact limitation.

With this information, it is possible to develop an annual projection of the amount of wind and solar renewable energy resources that can be built to meet the planning needs of the utility and yet remain within the rate impact limits of the renewable energy standard if so needed. In addition, there is a tab labeled “Test” that provides an overall view of year-by-year targets, how they are determined and how they will be met for both the solar and non-solar REC requirements. These tabs are also repeated in the model for an unconstrained view of the amount of wind and solar generation that would be built to fully meet the RES if there were no rate cap limitations imposed. This model is used to provide a view of RES compliance and the amount of additional generation needed for both an unconstrained and constrained view of compliance.

A detail review of this model supports a plan with little to no additional cost related to RES because Ameren Missouri's RES compliance plan relies on existing assets and the approved Huck Finn project to meet compliance. The plan contemplates the need to purchase RECs to balance the compliance obligations each year, which could arise from variable annual retail sales or variable production of renewable assets. Finally, future RES compliance requirements are planned to be fulfilled with facilities being built in support of Ameren Missouri's energy transition, which would not be included in RES compliance costs. Considering that nearly all the compliance will be met with existing facilities, it is fair to say this is the least cost option at this time.

Ameren Missouri's
Response to MPSC Data Request - MPSC
EO-2024-0231
RES Compliance 2024

No.: MPSC 0005

EO-2024-0231 – Confidential.

Ameren Missouri's discussion on page 9 implies that Vandalia, Bowling Green, and Split Rail have been modeled as producing RECs beginning in 2026 and 2027. However, the RRI calculation workpaper provided (10 Year MO RES Compliance Model 2024_33_Highly Confidential) does not include the cost or REC production associated with these planned resources.

- (1) Please explain Ameren Missouri's reasoning and justification for excluding the cost of these resources from its RRI calculation.
- (2) Please explain Ameren Missouri's reasoning and justification for excluding the REC production from these resources. Data Request submitted by Claire Eubanks
Claire.eubanks@psc.mo.gov.

RESPONSE

Prepared By: Andrew Holderness

Title: Program Supervisor, Renewable Energy

Date: May 6, 2024

CONFIDENTIAL
20 CSR 4240-2.135(2)(A)4

- (1) The construction of Vandalia, Bowling Green, and Split Rail solar are part of Ameren Missouri's planned portfolio transition and not for Renewable Energy Standard compliance. However, the renewable energy credits created by these systems are expected to be used to meet Renewable Energy Standard Compliance requirements starting in 2026.
- (2) The RECs created by these facilities have been included in the 20-year plan. The renewable energy credits estimated to be created by these systems have been included in the work paper "10 Year MO RES Compliance Model 2024_33_Highly Confidential". The specific amounts for each year are calculated on row 44 and Total Over/Under Compliance After Non-RES/RSP Builds on row 47 on tab Test.