STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at the Commission's office in Jefferson City on the 23rd day of October, 2024.

In the Matter of the Application of Union)	
Electric Company d/b/a Ameren Missouri)	
for Permission and Approval and a		File No. EA-2024-0212
Certificate of Public Convenience and)	
Necessity)	

ORDER APPROVING STIPULATION AND AGREEMENT AND GRANTING CERTIFICATE OF CONVENIENCE AND NECESSITY

Issue Date: October 23, 2024 Effective Date: November 1, 2024

On May 24, 2024, Union Electric Company d/b/a Ameren Missouri filed an application requesting a certificate of convenience and necessity (CCN) pursuant to Section 393.170.1, RSMo,¹ authorizing it to construct, install, own, operate, maintain, and otherwise control and manage an approximately 7.0 MW solar generating facility in New Florence, Montgomery County, Missouri ("New Florence Solar Facility") to serve as a program resource for its Community Solar Program (CSP).²

On May 29, 2024, the Commission directed notice, established an intervention deadline, and directed the Staff of the Commission (Staff) to file a recommendation about

¹ Unless otherwise stated, all statutory citations are to the Revised Statutes of Missouri, as codified in the year 2016.

² In File No. EA-2016-0207, the Commission approved Ameren Missouri's Community Solar Pilot Program and granted a CCN for the first solar generation facility program resource – the Lambert Airport Renewable Energy Center. In File No. ET-2020-0022, the Commission approved expansion of the program. In File No. EA-2020-0371, the Commission granted a CCN for the second solar generation facility program resource – the Montgomery County Community Solar Center.

the CCN request. The Commission granted intervention to the Consumers Council of Missouri (Consumers Council) and Renew Missouri Advocates d/b/a Renew Missouri.

Staff filed a recommendation on July 30, 2024, that the Commission grant the CCN subject to the following conditions:

- 1. Ameren Missouri is to include tariff language such that in the event that the solar generating asset and associated facilities (the Project) is subscribed to at least the 50% level but less than 100%, the cost to the customer shall be the same as if the Project was fully subscribed, leaving Ameren Missouri's shareholders to pay for any deficit;
- Ameren Missouri shall develop conservative "not-to-exceed" rates that are expected to recover the entire revenue requirement associated from the facility, from participants, in each year of the program term;
- Ameren shall provide the conservative "not-to-exceed rate" to the waitlist customers, and any prospective customers, requesting feedback on the impact of the status of their expected subscription status;
- 4. Ameren Missouri shall provide the Commission, and Staff, documentation of the calculation of the conservative "not-to-exceed" rate and the subsequent total waitlist subscription level based upon customer feedback on subscription status;
- Ameren Missouri shall demonstrate that the expected subscription level exceeds the 70%, equivalent to 4.9 MW of the expected generation capacity of the solar resource;

- Ameren Missouri shall use the in-service criteria contained in Staff's Memorandum³ to determine whether the facility, once constructed, is fully operational and used for service; and
- 7. Ameren Missouri shall agree that any costs associated to the CSP be well recorded and isolated from the non-subscribers in future rate cases.

On October 9, 2024, Ameren Missouri, Staff, the Consumers Council, and Renew Missouri filed a Stipulation and Agreement (Agreement). The Agreement states that the Office of the Public Counsel has authorized the signatories to indicate that it does not object to the Agreement. Commission rules allow non-signatory parties seven days to object to a non-unanimous stipulation and agreement. If no party timely objects, the Commission may treat the agreement as unanimous. More than seven days have elapsed since the agreement was filed and no party objected. Thus, the Commission will treat the agreement as unanimous. The Agreement is attached to this order and is incorporated by reference. The Agreement addresses Staff's proposed conditions as set forth in the Agreement and the ordered paragraphs below.

Under the terms of the Agreement, the signatories agree that the Commission should grant Ameren Missouri the requested CCN, subject to conditions set out in the Agreement.

Ameren Missouri is an "electrical corporation" and a "public utility" as defined in Subsections 386.020(15) and (43), RSMo. According to Subsections 393.170.1 and .2,

³ Staff's Recommendation (filed July 30, 2024), Memorandum, pages 10-11.

⁴ The stipulation and agreement filed is titled, "Unanimous Stipulation and Agreement." On October 17, 2024, Ameren Missouri filed a *Notice of Errata*, clarifying that the title was erroneous and should have read "Non-Unanimous Stipulation and Agreement."

⁵ 20 CSR 4240-2.115(2)(B).

⁶ 20 CSR 4240-2.115(2)(C).

RSMo (Supp. 2023), an electrical corporation may not construct electrical plant, with the exception of an energy generation unit of one megawatt or less, without first obtaining the permission and approval of this Commission. In granting a certificate, the Commission may give permission and approval when it has determined after due hearing⁷ that the construction is "necessary or convenient for the public service." The Commission may also impose such conditions as it deems reasonable and necessary upon its grant of permission and approval.⁹

The Commission articulated criteria (known as the Tartan criteria)¹⁰ to be used when evaluating applications for utility certificates of convenience and necessity in *In Re Intercon Gas, Inc.*¹¹ The *Intercon* case combined the standards used in several similar certificate cases, and set forth the following criteria: (1) there must be a need for the service; (2) the applicant must be qualified to provide the proposed service; (3) the applicant must have the financial ability to provide the service; (4) the applicant's proposal must be economically feasible; and (5) the service must promote the public interest.

After reviewing the Agreement and the application, the Commission finds that the Agreement is a reasonable resolution of the issues contained therein and will approve it. The Agreement and application support a finding that the Tartan criteria have been satisfied, and no party opposes the Commission granting a CCN, subject to the conditions

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⁷ The requirement for a hearing is met when the opportunity for hearing is provided and no proper party requests the opportunity to present evidence. No party requested a hearing in this matter; thus, no hearing is necessary. *State ex rel. Deffenderfer Enterprises, Inc. v. Public Service Comm'n of the State of Missouri*, 776 S.W.2d 494 (Mo. App. W.D. 1989).

⁸ Section 393.170.3, RSMo.

⁹ Section 393.170.3, RSMo.

¹⁰ See Report and Order, *In re Application of Tartan Energy Company, L.C., d/b/a Southern Missouri Gas Company, for a Certificate of Convenience and Necessity*, Case No. GA-94-127, 3 Mo. P.S.C. 3d 173 (September 16, 1994).

¹¹ 30 Mo P.S.C. (N.S.) 554, 561 (1991).

set forth in the Agreement. Thus, the Commission will grant the CCN subject to those reasonable and necessary conditions.

Given the lack of opposition to the granting of the CCN and in order to allow Ameren Missouri to meet procurement and construction commencement deadlines, the Commission finds it reasonable to make this order effective in less than 30 days.

THE COMMISSION ORDERS THAT:

- 1. The Agreement filed on October 9, 2024, is approved, and the signatories shall comply with its terms. A copy of the Agreement is attached to this order and incorporated by reference.
- 2. Ameren Missouri is granted a certificate of convenience and necessity to construct, install, own, operate, maintain, and otherwise control and manage the New Florence Solar Facility and associated facilities, subject to the following conditions set forth in the Agreement:
 - A. The cost associated with any unsubscribed portion of CSP resources will not be included in the revenue requirement used to establish base rates if subscriptions cover at least 50 percent of CSP resources. The cost to the subscribers shall be the same as if the CSP resources was fully subscribed. If subscriptions cover less than 50 percent of CSP resources, then the cost associated with the unsubscribed portion below 50 percent of CSP resources will be included in the revenue requirement used to establish base rates.
 - B. Ameren Missouri shall use the indicative rate that was provided in the Ameren Missouri's workpaper "New Florence Solar Center Subscriber

Model -HC.xmsl," which is included as Highly Confidential Attachment A to the Agreement, for purposes of continuing to communicate with customers about the Program. The current CSP Tariff will be modified to increase the program term from 25 years to 30 years, in alignment of the current depreciable life of the solar generating asset. The actual rate under which subscribers will take service will be submitted by Ameren Missouri in a tariff filing prior to the Project going into service using the same workpaper referenced earlier in this paragraph updated with final or near final capital costs associated with the Project.

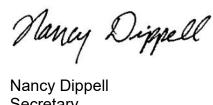
- C. Customers who applied to the CSP were provided the indicative rate as described in the first option in the paragraph above as part of the application process. Once the CSP tariff is approved, customers who applied to the program will be notified of the filed rate. A customer who has applied to the program may still opt-out of the program prior to the first billing cycle.
- D. Prior to filing any CCN application for a resource to be included in the CSP that would bring the total capacity in the program to a total nameplate rating of 50 MW or higher, Ameren Missouri will conduct and provide to Staff a study of any accounting techniques that can be identified, such as but not limited to use of regulatory deferrals and/or amortizations, that would reduce the magnitude of any transient revenue requirement impacts that may arise from the use of a levelized cost of the resource for pricing the subscriptions to the CSP. Ameren Missouri will not defer the cost incurred for any such study for future recovery.

- E. Ameren Missouri shall use the in-service criteria contained in Staff's *Memorandum*¹² to determine whether the facility, once constructed, is fully operational and used for service.
- F. Ameren Missouri shall track all revenues, investments, and expenses directly related to the resource and any future community solar resources and record them into separate accounts or subaccounts, to the extent practical, separately by facility starting with the in-service date for the facility. Ameren Missouri shall prepare, in support of future general rate cases, an analysis using reasonable allocation methods for those categories of expenses where it is not practical to specifically track the transactions in the general ledger.
- G. Ameren Missouri shall meet with Consumers Council of Missouri, along with any other interested party, to discuss the potential creation of a future community solar pilot project, to be located in an urban or rural area within Missouri that is designated as disadvantaged, and that would leverage federal funding to provide savings on the electric bills of subscribing customers within that community solar pilot project area.
- 3. Nothing in this order shall be considered a finding by the Commission of the reasonableness of the expenditures herein involved, nor of the value for ratemaking purposes of the properties herein involved, nor as an acquiescence in the value placed on the properties.

¹² Staff's Recommendation (filed July 30, 2024), Memorandum, pages 10-11.

- 4. The Commission reserves the right to consider the ratemaking treatment to be afforded the expenditures and properties herein involved, and the resulting cost of capital, in any later proceeding.
 - 5. This order shall become effective on November 1, 2024.

BY THE COMMISSION



Secretary

Hahn, Ch., Coleman, Holsman Kolkmeyer, and Mitchell CC., concur.

Seyer, Regulatory Law Judge

EA-2024-0212

Attachment A
is Highly
Confidential in
its Entirety

Confidential Designation **20 CSR 4240-2.135** (2)

(A) F	≀ny po	erson may submit to the commission, without first
òbta	ining	a protective order, information designated as
conf	identi	al if that information is—
	1.	Customer-specific information;
	2.	Employee-sensitive personnel information;
	3.	Marketing analysis or other market-specific information
relat	ing to	services offered in competition with others;
X	4.	Marketing analysis or other market-specific information
relat	ing to	goods or services purchased or acquired for use by a
com	pany	in providing services to customers;
	5.	Reports, work papers, or other documentation related
	•	oduced by internal or external auditors, consultants, or
	•	except that total amounts billed by each external
		onsultant, or attorney for services related to general rate
proc	eedin	gs shall always be public;
X	6.	Strategies employed, to be employed, or under
cons	sidera	tion in contract negotiations;
X	7.	Relating to the security of a company's facilities; or
	8.	Concerning trade secrets, as defined in section
	417.	453, RSMo.

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 23rd day of October 2024.

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Nancy Dippell Secretary

MISSOURI PUBLIC SERVICE COMMISSION October 23, 2024

File/Case No. EA-2024-0212

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

Sincerely,

Nancy Dippell Secretary

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