

**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 a)
Variance Regarding its Renewable)
Energy Standard Compliance)
File No. EE-2024-0376

STAFF’S RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”) and for its Recommendation states:

On August 26, 2024,¹ Union Electric Company d/b/a Ameren Missouri filed a request for a variance under 20 CSR 4240-20.100(11) from a portion of the Renewable Energy Standard (RES) Rule 20 CSR 4240-20.100(3)(J). That rule requires Ameren Missouri to retire 90% of the Renewable Energy Credits (RECs) needed to comply with the RES requirements during the 2024 compliance year and to retire no more than 10% of those required RECs from January 1 to April 15, 2025. On October 9, the Commission issued its Order setting Time for Intervention and Responses, and Directing a Staff Recommendation. The Commission ordered Staff to file a recommendation no later than November 8. Staff has reviewed the request for variance. The Memorandum attached hereto as Exhibit A describes fully and in detail Staff’s investigation, findings, conclusions and recommendation.

Ameren Missouri requests a variance from the 10% limitation on 2025 calendar year REC retirements for compliance year 2024. Commission regulation 20 CSR 4240-20.100 (3)(J) requires Ameren Missouri to retire 90% of the RECs needed to comply with

¹ Unless otherwise indicated, all date references are to 2024.

the RES requirement during the compliance year (here, 2024), and retire no more than 10% of the required RECs in the year following the compliance year (here 2025). As explained fully and in detail, the 10% limitation forces Ameren Missouri to incur RES compliance costs for 2024 that can be avoided with a variance, so Ameren Missouri here seeks that variance.

Commission Rule 20 CSR 4240-20.100(3)(J), states:

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 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.

As fully explained in Staff's Memorandum, Ameren Missouri's REC bank has been depleted to the point that Ameren now relies upon RECs generated during the compliance year to meet RES requirements. The problem which Ameren Missouri faces is that for purposes of the case before the Commission, the needed RECs cannot be generated until October, November and December of 2024 and those RECs cannot be retired in those three months because they cannot be retired until they have been verified and transferred into Company inventory, which likely will not occur until January, February and March 2025, respectively. Thus, although generated in 2024, they will not be available until 2025 for 2024 compliance purposes. If the amount involved exceeds 10%

of the RECs needed for 2024 compliance, Commission Rule 20 CSR 4240-20.100(3)(J), is violated:

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.

Commission Rule 20 CSR 4240-20.100 (11) states:

Variations. 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.

With respect to good cause: As detailed in Staff's Memorandum, Staff has concluded that good cause exists to grant the variance. Summarized: If the requested variance is not granted, Ameren anticipates it will have to purchase RECs to build up its REC bank to meet the 90% requirement for the 2024 compliance year. As detailed in Staff's Memorandum, this will cost Ameren Missouri and its customers. Except solely for rule compliance, these costs are unnecessary. Compliance can be achieved and unnecessary RES compliance costs to Ameren Missouri and its customers be avoided with a waiver. Accordingly, there is good cause to grant the waiver.

With respect to the variance rule requirement that there be an opportunity for hearing: The Commission's October 9 order set October 21 as a deadline for intervention applications and November 9 for any objections or responses to the variance request. No intervention application has been filed. Subject to further consideration of any objections or responses to the variance request that may yet be duly filed, Staff recommends that the Commission grant the requested variance from the Commission Rule 20 CSR 4240-20.100(3)(J) ten percent prohibition for the 2024 compliance year.

WHEREFORE, Staff prays that the Commission will accept this pleading as compliant with the Commission's Orders.

Respectively Submitted,

/s/ Paul T. Graham

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record as reflected on the certified service list maintained by the Commission in its Electronic Filing Information System this 7th day of November, 2024.

/s/ Paul T. Graham