

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Establishment of a Working Case )  
For the Review and Consideration of Amending ) **File No. EW-2020-XXXX**  
The Commission’s Rule on Electric Utility Renewable )  
Energy Standard Requirements )

**STAFF MOTION TO ESTABLISH WORKING CASE**

**COMES NOW** the Staff of the Missouri Public Service Commission (“Staff”), by and through Staff Counsel’s Office, and moves the Commission to establish a working case for a review and consideration of amending the Commission’s Rule on Electric Utility Renewable Energy Standard Requirements, found at 20 CSR 4240-20.100.

In support of its motion Staff states as follows:

1. Staff has identified several issues related to the Renewable Energy Standard rule which are or may become problematic. Below is a list of problem issues, followed by Staff’s proposed solution<sup>1</sup>:

A. Issue: The FAC rule was modified, effective August 2019, to include clarification that revenue related to renewable energy certificates (RECs) are to be included in Fuel-related revenues, whenever not included in a Renewable Rate Adjustment Mechanism (RESRAM). The RESRAM portion of the RES rule does not have the same clarity.

Proposed solution: (i) Include language in the RES rule which clarifies that REC revenue should be returned to customers through an approved RESRAM. (ii) Add an annual reporting requirement to provide the number of RECs nearing expiration (define nearing expiration as within the next compliance year), and documentation that

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<sup>1</sup> Any revisions to the Rule would obviously need to be consistent with the provisions of §393.1030, RSMo.

the utility has evaluated the value of selling RECs, such as, a cost-benefit analysis, proof of solicited sale, or other steps undertaken.

B. Issue: The variation in utility-reported value of RECs is significant (\$0 to approximately \$58 per REC or S-REC for 2019). In the event the Commission determines a utility has not complied with the RES, Staff is required to calculate the average market value of RECs to be used in supporting the penalty amount based on RECs utilized for compliance. Due to the lack of reasonable data, it would be difficult for Staff to recommend a penalty amount. Further, more reasonable data would benefit Staff's review of REC sales and purchases in various cases (RESRAM prudence reviews, FAC prudence reviews, and general rate cases).

Proposed solution: Replace existing requirement regarding the calculation of REC value with a requirement the electric utilities report a market-based value of RECs, by vintage and fuel source. Modify the penalty language to remove the requirement that the value be based on RECs used in compliance with the rule and instead use the reported market-based value.

C. Issue: The review of the annual RES Reports and Plans can be streamlined to make it easier for the utility to comply and for Staff to review. Annual reports are required by statute, however, the separate annual RES plan is not specifically required by statute. RES planning is already required to be included in the resource planning process. The separate RES plan leads to confusion. The majority of the electric utilities are in a position to comply with the standard in year 2021, when the 15% standard is reached the majority of utilities will simply be planning to maintain compliance.

Proposed solution: Modify the RES reporting requirement to be a simple form and modify the requirement to file a RES plan to occur only when a utility is planning to utilize unbundled RECs for compliance. RES planning is already required by the resource planning requirements of Chapter 22.

D. Issue: Several utilities are in an excess position on RES compliance which leads to confusion regarding which renewable resources are considered to be “directly related” to RES compliance. Additionally, utilities are expressing greater interest in supporting customer renewable goals or their own outside of the Renewable Energy Standard.

Proposed solution: (i) Modify the RES reporting requirements to require listing of renewable resources directly related to RES compliance. (ii) Add an application process for voluntary renewable programs which would be applicable to a utility’s internal renewable goal or customer-offered renewable programs. Minimum requirements would include the designation of resources to the program, retirement of RECs, and require designating RECs as public within the tracking system.

2. Staff’s intent with this proposal to amend 20 CSR 4240-20.100 is to streamline the utilities’ reporting requirements and Staff’s compliance review while also improving the information reported and providing additional useable information to Staff.

3. Staff has not drafted an amended Rule at this time because Staff believes it would be appropriate to first receive comments from interested stakeholders in the course of a Commission-overseen working group docket prior to drafting the amended Rule. Staff has, however, set forth its areas of concern with the current Rule as well as proposed solutions above. Therefore, Staff requests that the Commission issue an order

requesting that comments be filed within 30 days after the date of the Commission's Order establishing a working case in this docket seeking comments on the issues and potential solutions identified herein by Staff, as well as any additional issues with the current Rule, along with potential solutions, identified by the commenters. After the comment due date Staff will draft an amended Rule and schedule workshop(s) with interested stakeholders as it may deem necessary.

4. Staff further requests that the Commission serve its Order Establishing Working Case on all counsel of record for electrical corporations regulated by the Commission, and also to the Office of the Public Counsel, and if possible, all intervenors in the most recent general rate cases of those electrical corporations.

**WHEREFORE**, Staff moves the Commission to open a working case and issue an Order requesting comments within 30 days after the date of said Order addressing the consideration of the amendment of the Commission's Rule on Electric Utility Renewable Energy Standard Requirements, found at 20 CSR 4240-20.100.

Respectfully submitted,

**/s/ Jeffrey A. Keevil**

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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 20<sup>th</sup> day of May, 2020.

**/s/ Jeffrey A. Keevil**