

## Staff's Questions for Missouri Electric Investor-Owned Utilities (IOUs)

### General Questions

- Please provide any comments or suggestions to the attached proposed amendment to 20 CSR 4240-20.060 Cogeneration and Small Power Production (Staff Version 1).
- Please identify any issues or concerns from implementation of PURPA in other states that the Commission should consider when reviewing the current draft of the rule.
- The proposed amendment, Staff Version 1, includes two tiers for establishment of Standard Rates for Purchase and Standard Contracts. For purchases from qualifying facilities (QF) with a design capacity of: (1) 100 kW or less, and (2) over 100 kW to 1,000 kW.
  - a. Should the second tier be modified to extend to 5,000 kW? Please explain your response.
- Describe your utility's existing application and review process for qualifying facility (QF) interconnections. Include in your description how the applicable interconnection costs are determined and how/if the process differs if the QF is interconnecting to distribution or transmission. Provide any available supporting documentation such as process flow-charts.

### Questions on FERC revised rule implementing the Public Utility Regulatory Policies Act of 1978

- Rates for purchase.
  - Should the Commission require that energy rates in QF contracts vary with changes in the purchasing utility's avoided costs at the time the energy is delivered? If so, provide suggested rule language.
  - Should the Commission allow QFs to retain their rights to fixed energy rates, and to allow such rates to be based on projected energy prices during the term of a QF's contract? If so, provide suggested rule language.
  - Should the Commission set "as available" rates at the locational marginal price (LMP) when the utility is located in an organized wholesale market? If so, provide suggested rule language.
  - Should the Commission set rates for energy rates or capacity rates based on competitive solicitations? If so, what transparent and non-discriminatory procedures are needed to be included in Commission rules?
- "One-mile rule." Is it sufficient to reference 292.204 Criteria for qualifying small power production facilities in the Commission's rule to incorporate FERC's changes to the "one-mile rule"?
- Termination of the obligation to Purchase. What modifications, if any, are needed to address the rebuttable presumption that small power producers located within an RTO/ISO with a net capacity of 5 MW (previously 20 MW) or less do not have nondiscriminatory access to those markets?

- Legally Enforceable Obligation (LEO). What objective and reasonable criteria should be used to determine a QF's commercial viability and financial commitment to construction for establishment of a LEO?
- Self-Certification. Are any modifications needed to the Commission rule to address FERC changes regarding QF self-certification or protests of self-certification?

Questions related to Costs and/or Benefits of the Rule

These questions are intended to gain a full understanding of the potential costs and benefits of the existing rule and proposed amendments to ratepayers, utilities, and impacted industries. Therefore, some responses may not be applicable to the Fiscal Note analysis. For purposes of calculating costs and/or benefits, Staff is using a 5-year timeframe.

For each individual cost and/or benefit please provide assumptions supporting the estimate. For example, the \$/hr rate used and the number of hours estimated.

- Costs to Utility
  - Development of Technical Standards
    - Does your utility have existing technical standards for the interconnection of cogeneration and small power producers or net-metered systems?
    - If not, provide a cost estimate for the development of interconnection standards. Separately, provide an estimate to request approval of those technical standards with the Commission.
    - If so, provide an estimate to request approval of those technical standards with the Commission.
    - Provide the cost of periodic revisions to the technical standards.
  - Development of a Standard Contract template
    - Does your utility have an existing contract used for cogeneration and small power production requests?
    - If so, please provide an example.
    - Provide a cost estimate for the development of a Standard Contract.
    - Provide a cost estimate for the filing and approval of those Standard Contracts with the Commission.
    - Provide a cost estimate for periodic revisions to the Standard Contract
  - Interconnection studies
    - Provide a 5-year historical summary of the cost to your utility of completing system interconnection studies. Separately identify the cost of interconnections studies completed on behalf of your own utility, other utilities, cogeneration and small power producers, and others. Separately identify the cost of distribution and transmission system studies.
    - Based on the past 5-years, separately provide the average cost of system upgrades identified through interconnection studies completed for your utility, other utilities, cogeneration and small power producers, and others. Separately identify the cost of distribution and transmission system upgrades identified through interconnection studies.

- Does your utility expect the standard contracts and implementing a standard rate for purchases from cogeneration and small power producers above 100 kW will result in additional interconnection requests? If so, please provide an incremental cost estimate based on projected interconnection requests over the next 5-years.
- Does your utility expect to see a difference in interconnection study costs if the standard rate for purchase is offered up to 1 MW or if it is offered up to 5 MW? If so, please provide an incremental cost estimate for each proposed tier.
- How does the utility pay for interconnection studies?
- Does the purpose of the interconnection study determine how the costs are recovered (i.e., through rates or directly from a small power producer)? Please explain.
- Energy and/or capacity payments
  - Provide a 5-year historical summary of energy and/or capacity payments related to the existing cogeneration rule and net-metering rule.
  - Does your utility expect the standard contracts and implementing a standard rate for purchases from cogeneration and small power producers above 100 kW will result in additional energy and/or capacity payments? If so, provide an estimate of the incremental cost.
  - Does your utility expect to see a difference in energy and/or capacity payments if the standard rate for purchase is offered up to 1 MW or if it is offered up to 5 MW? If so, please provide an incremental cost estimate for each proposed tier.
- Tracking of data related to interconnections
  - Provide a description of how your utility currently tracks interconnections, for example, to comply with net-metering reporting requirements or for its own distribution system planning efforts.
  - Provide an incremental cost estimate to expand that tracking as proposed in the draft rule.
- Cost and Benefits to ratepayers
  - Provide an estimate of the costs and benefits to Missouri ratepayers of the proposed rule.

Is there a cost to ratepayers, small power producers or other stakeholder not covered by these questions? If so, please describe and provide an estimate.