

Staff's Questions for Non-Missouri Investor-Owned Utility Stakeholders

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 experience or perspective of the existing application and review process for qualifying facility (QF) interconnections.

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 and Benefits to Industry (Cogeneration/Small Power Producers)
 - Provide an estimate of new cogeneration and/or small power producers (in MW) expected by this rule change over the next 5 years. Would you expect to see an increase in that projection if the standard rate for purchase was offered up to 5 MW? If so, please provide.
 - Provide an estimate of the average interconnection costs (at distribution and at transmission) for new cogeneration and/or small power producers (\$/MW).
 - Provide an estimate of the economic investment and projected job-creation expected from this rule amendment over the next 5 years.
- 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.