

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 12th day  
of May, 2010.

In the Matter of the Application of Union Electric	)	
Company d/b/a AmerenUE for Permission and	)	
Approval and a Certificate of Public Convenience	)	
and Necessity Authorizing it to Acquire, Construct,	)	<b><u>File No. EA-2010-0216</u></b>
Install, Own, Operate, Maintain and Otherwise	)	
Control and Manage Electric Production and	)	
Related Facilities in or near the Village of Champ	)	
and the City of Maryland Heights, Missouri	)	

**ORDER GRANTING CERTIFICATE OF CONVENIENCE AND NECESSITY**

Issue Date: May 12, 2010

Effective Date: May 22, 2010

On January 19, 2010, Union Electric Company d/b/a AmerenUE filed an application with the Missouri Public Service Commission seeking authority to acquire, construct, install, own, operate, maintain and otherwise control and manage electric production in facilities located in the Village of Champ, Missouri with a related substation in the City of Maryland Heights. The Commission issued notice of the application and set an intervention deadline. There were no requests to intervene and no party has requested a hearing.

**The Application**

Ameren explains that the facilities will be fueled with renewable energy from a landfill owned by Fred Weber, Inc. The facility will consist of three gas-fired combustion turbine generator units, each with a nameplate capacity of approximately 5 megawatts. In this regard, Ameren points out that the preferred resources plan in its most recently filed

Integrated Resources Plan (IRP), as well as the contingency plans in that IRP, call for up to 30 megawatts of landfill gas-fired generation as early as 2010.

With regard to the time frame of this project, Ameren informs the Commission that when entering into a Landfill Gas Agreement with Weber, the parties to that agreement contemplated that Ameren would have all required authorizations for the project, including a certificate from this Commission, no later than May 31, 2010.

### **Staff's Recommendation**

After Ameren provided Staff with all of the information required by Commission rules, Staff filed its recommendation on May 4, 2010. Staff states that it has reviewed the application, plans, specification and cost estimates and has had discussions with Ameren.

In determining whether a site for a power plant is reasonable, Staff has developed a 10-step process.<sup>1</sup> However, because the process stemmed from a case concerning a natural gas-fired simple cycle electric power plant, rather than one powered by a landfill, many of the steps were inapplicable. From those that were applicable, Staff considered the following general concepts: locating the facility near the fuel source; determining the best way to tie into the utility's distribution/transmission system; gaining the support of the landowner; and, gaining support of the local community.

Staff also states that "given the need for renewable energy credits due to Proposition C,<sup>2</sup> the limited number of sites on which a landfill gas generating facility can be located and the need to purchase this specific fuel from a specific landowner, the emphasis on this site evaluation has been on the viability of this specific site." Staff points out that Ameren has evaluated and addressed the connection of the facility to its

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<sup>1</sup> Case No. EA-2006-0309.

<sup>2</sup> See Renewable Energy Technology, Sections 393.1020 through 393.1050, RSMo.

transmission/distribution system in its plan and specifications. Ameren has also addressed the concerns of the local community and landowners. Further, Staff asserts that since this project is a relatively small generation project for a utility the size of Ameren, the company's plan to finance the plant by using its general funds appears reasonable. Staff finally emphasizes that the prudence of the cost of this project should be determined at the time the project is included in a rate base like other capital projects. Staff recommends approval of the application.

### **Discussion**

Commission rule 4 CSR 240-3.105(1)(B) requires Ameren to file the plans and specification for the complete construction project and estimated costs, plans for financing, a statement that approval of a governmental body is not needed or documents showing such approval, and facts showing that the grant of the requested authority is required by the public convenience and necessity.

Ameren has submitted its plans to Staff and, although the company questions whether it must obtain approval from Maryland Heights, it nonetheless submitted documentation of such approval. With regard to the necessity of the project, Proposition C requires projects as such.

Based on Ameren's application and Staff's unopposed verified recommendation, the Commission finds that granting this application is necessary or convenient for the public service and will grant the requested relief.

### **THE COMMISSION ORDERS THAT:**

1. Union Electric Company d/b/a AmerenUE is granted a certificate of convenience and necessity to acquire, construct, install, own, operate, maintain and

otherwise control and manage electric production related facilities in or near the village of Champ and the City of Maryland Heights, Missouri.

2. Nothing in this order shall bind the Commission on any ratemaking issue in any future rate proceedings.

3. This order shall become effective on May 22, 2010.

4. This case shall be closed on May 23, 2010.

**BY THE COMMISSION**

A handwritten signature in black ink, appearing to read 'S. Reed', is written over a faint, circular embossed seal.

Steven C. Reed  
Secretary

( S E A L )

Clayton, Chm., Davis, Jarrett,  
Gunn, and Kenney, CC., concur.

Jones, Senior Regulatory Law Judge