

Comments of New Energy Economics on Draft Proposed IRP Rule, Version 2

Rule Citation	Requested Change	Summary of Comment
<p>20 CSR 4240-21.010 - General Provisions</p>	<p>The purposes of this chapter should include:</p> <ol style="list-style-type: none"> 1. Guidelines for a model RFP and competitive procurement, identifying resource needs in technology-neutral terms, evaluating resources and portfolios capable of meeting those needs on a comparable basis, reducing customer exposure to unreasonable cost and fuel-price risk, and testing material implementation-period resource needs through competitive all-source procurement, unless the Commission finds, based on record evidence, that such procurement is not practicable or not in the public interest. 2. Guidelines for cost-risk reduction, identifying resource needs in technology-neutral terms, evaluating portfolios capable of meeting those needs at the lowest reasonable cost and lowest reasonable customer risk, and reducing customer exposure to unreasonable fuel-cost risk, market-purchase risk, capital-cost risk, large-load risk, stranded-cost risk, and other implementation-period risks. <p>In determining whether a preferred resource plan appropriately balances the factors in this rule and Section 393.1900, RSMo, the Commission shall consider whether the utility has demonstrated that the plan is the lowest reasonable cost and lowest reasonable risk portfolio capable of meeting identified resource needs.</p>	<p>Commission's proposed rule recognizes important statutory balancing factors, including resource adequacy, reliability, rate impacts, third-party generation, overall cost-effectiveness, commodity price risk, supply diversity, competitive pricing, RTO participation, and environmental compliance. NEE supports this framing. However, the general provisions should also clearly state additional purposes of the IRP process are to:</p> <ul style="list-style-type: none"> • identify resource needs in technology-neutral terms and test material resource needs through competitive procurement; and • reduce customer exposure to avoidable cost risk.
<p>20 CSR 4240-21.015 - Definitions</p>	<p>Model RFP and Competitive Procurement Guidelines: Add definitions for competitive all-source procurement, model request for proposals or model RFP, market-tested resource cost, independent evaluator, independent administrator, and conforming utility bid.</p> <ul style="list-style-type: none"> • Competitive all-source procurement means a Commission-reviewed competitive process in which resources and portfolios capable of meeting all or part of a technology-neutral resource need may compete, including utility-owned resources, affiliate resources, third-party generation, power purchase agreements, build-transfer agreements, tolling agreements, demand-side resources, energy efficiency, storage, distributed energy resources, customer-supplied resources, transmission-enabled alternatives, market purchases, bilateral contracts, and hybrid resources. • Model request for proposals or model RFP means the proposed solicitation document, bid forms, eligibility requirements, evaluation criteria, contract forms or term sheets, confidentiality procedures, transmission and interconnection assumptions, and reporting requirements that an electric utility proposes to use to procure resources or portfolios to meet an identified resource need. • Market-tested resource cost means a cost assumption derived from recent competitive solicitations, executed contracts, current bids, independent evaluator or administrator reports, RTO/ISO market data, vendor quotes, or other comparable market evidence, adjusted as necessary to reflect Missouri-specific deliverability, interconnection, tax-credit, financing, and timing conditions. • Independent evaluator means an entity independent of the electric utility, its affiliates, and bidders that monitors the solicitation, reviews bid evaluation, evaluates whether utility-owned and third-party proposals are treated comparably, and reports findings to the Commission. 	<p>Model RFP and Competitive Procurement Guidelines: Commission's proposed rule adds useful definitions, but it does not yet include several definitions needed for a workable competitive procurement process. NEE recommends adding the following definitions for competitive all-source procurement:</p> <ul style="list-style-type: none"> • model request for proposals (RFP), • market-tested resource cost, • independent evaluator, • independent administrator, and • conforming utility bid; <p>And the following definitions for cost-risk reduction:</p> <ul style="list-style-type: none"> • delivered fuel cost, • customer cost-risk exposure, • market-tested cost, • lifecycle economics, and • clean-capacity replacement portfolio.

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	<ul style="list-style-type: none"> • Independent administrator means an entity independent of the electric utility, its affiliates, and bidders that designs, issues, manages, or materially administers a solicitation, receives bids, manages bidder communications, applies or oversees evaluation criteria, and reports to the Commission. • Conforming utility bid means a utility self-build or affiliate proposal submitted in the same format, under the same schedule, and subject to the same information requirements, evaluation criteria, and risk adjustments as third-party bids. <p>Add definitions for delivered fuel cost, customer cost-risk exposure, market-tested cost, lifecycle economics, and clean-capacity replacement portfolio.</p> <ul style="list-style-type: none"> • Delivered fuel cost means the full cost of fuel delivered to a generating unit, including commodity cost, regional basis, local basis, transportation tariffs, pipeline reservation charges, firm transportation contracts, interruptible transportation assumptions, gas storage charges, balancing charges, fuel-retention charges, backup fuel costs, hedging costs and limitations, gas-electric coordination costs, coal transportation costs, coal supply costs, fuel inventory costs, and costs associated with pipeline constraints or peak-period deliverability. • Customer cost-risk exposure means the extent to which customers may bear higher costs through base rates, fuel adjustment clauses, purchased-power recovery, trackers, riders, deferred accounting, securitization, stranded-cost recovery, large-load cost shifts, or other cost-recovery mechanisms. • Market-tested cost means a cost supported by recent competitive bids, executed contracts, vendor quotes, RTO/ISO market data, independent evaluator reports, or other verifiable market evidence. • Lifecycle economics means the full forward-looking economic evaluation of a resource, including capital costs, fixed and variable operations and maintenance costs, fuel costs, transmission costs, environmental compliance costs, decommissioning costs, remediation costs, outage risk, replacement costs, market revenues or avoided purchases, and customer rate impacts. • Clean-capacity replacement portfolio means a portfolio of resources that may include solar, wind, storage, demand response, energy efficiency, distributed energy resources, DER aggregations, customer-supplied resources, transmission-enabled alternatives, market purchases, bilateral contracts, and flexible-load resources designed to meet capacity, energy, flexibility, and reliability needs while reducing fuel-price and market-price exposure. 	
20 CSR 4240-21.020 - Filing Schedule, Filing Requirements, and Pre-IRP Proceeding	<p>The pre-IRP proceeding minimum filing requirements shall include an additional section (D) establishing a procurement plan for any material resource need that may result in construction, acquisition, contracting, or cost recovery during the implementation period. The procurement plan shall include:</p> <ol style="list-style-type: none"> 1. A model request for proposals; 2. A technology-neutral statement of the resource need; 3. Proposed eligible resource types and portfolio options; 4. Proposed bid evaluation criteria and scoring methodology; 5. Proposed contract forms or term sheets; 6. Proposed confidentiality procedures; 7. Proposed treatment of utility self-build and affiliate bids; 	<p>Two additional subsections should be included or current subsections expanded to include pre-IRP minimum filing requirements for a Model RFP and Competitive Procurement process and Cost-Risk Reduction.</p> <p>To ensure the model RFP process receives a robust and viable response, the utility should make the RFP documents and process available at the beginning of the pre-IRP process to allow issues to be clarified and resolved prior to Commission Order concluding the pre-IRP process, during the Contested phase of Pre-IRP process.</p> <p>The pre-IRP process is the best place to review procurement</p>

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	<p>8. Proposed transmission and interconnection assumptions; 9. Proposed treatment of demand-side, distributed, customer-side, storage, market, bilateral, and transmission-enabled alternatives; 10. The proposed role of any independent evaluator or independent administrator; and 11. A proposed post-procurement reporting template.</p> <p>The Commission’s pre-IRP order shall identify any procurement issues that must be resolved before the electric utility issues a request for proposals or materially relies on procurement assumptions in the IRP filing, including technology-neutral need definition, eligible resource types, bid evaluation criteria, treatment of transmission and interconnection costs, treatment of customer-side and demand-side resources, and treatment of self-build or affiliate bids.</p> <p>The pre-IRP proceeding minimum filing requirements shall include an additional section (E) establishing a customer cost-risk assessment identifying the major cost risks that may affect the alternative resource plans, preferred resource plan, and implementation plan. The assessment should include, at minimum:</p> <ol style="list-style-type: none"> 1. Delivered natural gas cost risk; 2. Natural gas transportation, reservation, storage, and basis risk; 3. Gas-electric coordination and winter fuel-deliverability risk; 4. Coal fuel, coal transportation, coal supply, and coal inventory risk; 5. Coal environmental-compliance and coal life-extension cost risk; 6. Purchased-power and market-price risk; 7. Large-load materialization, delay, non-materialization, and exit risk; 8. Transmission and interconnection cost risk; 9. Tax-credit availability, delay, or loss; 10. Resource-accreditation and reliability-performance risk; 11. Capital-cost and interest-rate risk; 12. Fuel adjustment clause and other cost-recovery exposure; and 13. Customer bill impacts by rate class. <p>The Commission's pre-IRP order should identify the minimum cost-risk scenarios, sensitivities, and stress cases the utility must evaluate in the IRP filing.</p>	<p>design. If the RFP template, bid evaluation criteria, contract terms, and self-build safeguards are not reviewed until after the IRP is filed, stakeholders and the Commission may have little practical ability to correct biased or incomplete procurement assumptions. NEE recommends that the pre-IRP minimum filing requirements include a proposed procurement plan and model RFP for any material resource need that may result in construction, acquisition, contracting, or cost recovery during the implementation period.</p> <p>Once resolved, the RFP would be issued per instructions provided in and immediately following the Commission Order at the end of the pre-IRP Proceeding Process.</p> <p>However, an 18 month IRP development process is so long that the RFP bids will be stale and will hurt.</p> <p>If developers have low confidence that the bids will be awarded before their market circumstances change, developers may not bid in the first place. Utilities do not have this concern because the utility’s resource has already been approved in a plan or CCN and it can commonly recover and earn on changes in project costs that occur after the original cost estimate is provided to the regulator. Therefore, RFP results should be due in time for the bids to inform Production Cost Modeling in the Refined ARPs process, but not so far ahead of bid award that the bidder concludes submitting a bid is not worth the effort. Process could inadvertently prevent least cost resources from being included in the plan.</p> <p>Winning bids, preferably selected by an independent evaluator, consistent with the approved PRP, should file for CCN at same time as planned utility owned resources do in Step 4 of the IRP process.</p> <p>The pre-IRP process is the best point to identify the cost risks that must be tested in the IRP. If fuel-price risk, large-load risk, coal-retention risk, purchased-power risk, and capital-cost risk are not identified early, the utility's preferred plan may be based on incomplete assumptions.</p>
20 CSR 4240-21.025 - Standards and Dataset Management	<p>For each material cost-risk assumption, the utility shall provide workpapers showing the source, calculation, and basis for the assumption. This shall include assumptions for delivered fuel cost, gas transportation and pipeline reservation costs, coal transportation costs, purchased-power prices, hedging costs and limitations, fuel adjustment clause exposure, large-load cost impacts, capital costs, interest rates, tax-credit assumptions, and transmission and interconnection costs.</p> <p>The utility shall identify whether each material cost assumption is based on generic estimates, recent bids, executed contracts, vendor quotes, utility fuel contracts, RTO/ISO data,</p>	<p>Cost-risk analysis is only useful if stakeholders can review the assumptions. Commission's proposed rule improves access to data and modeling information, but the rule should require utilities to provide clear, reproducible workpapers for fuel, market, coal, large-load, and customer-exposure assumptions.</p>

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	<p>independent forecasts, independent evaluator reports, or other market-tested evidence. Where market-tested evidence is unavailable, the utility shall explain why it is unavailable and how the assumption will be validated before implementation.</p>	
<p>20 CSR 4240-21.030 - Load Forecasting</p>	<p>For each large load or group of large loads that materially affects resource need, the utility shall evaluate cost-causation, load certainty, load flexibility, load ramping, customer-supplied resources, financial security, exit risk, delayed-load risk, and nonparticipating-ratepayer impacts.</p> <p>The utility shall identify whether large-load-driven resource additions or market purchases create fuel-cost exposure, purchased-power exposure, stranded-cost risk, transmission-cost risk, or cost shifts to residential, small business, municipal, school, or other nonparticipating customers.</p>	<p>Large-load growth can materially increase customer cost risk by driving new generation, transmission upgrades, fuel purchases, and market purchases. Commission's proposed rule improves large-load tracking, but it should also require cost-causation and customer-protection analysis.</p>
<p>20 CSR 4240-21.035 - Supply-Side Resource Analysis</p>	<p>For each supply-side resource option in a model RFP and competitive procurement, the electric utility shall identify whether the cost assumptions are based on generic estimates, vendor quotes, recent bids, executed contracts, RTO/ISO market information, independent evaluator or administrator reports, or other market-tested evidence. The utility shall explain any material differences between generic cost assumptions and market-tested cost information.</p> <p>Cost-Risk Reduction in supply-side resource analysis should require the following for all fuel-based resources, and at a minimum require:</p> <p>Natural gas resources:</p> <ul style="list-style-type: none"> • For each proposed natural gas resource, the utility shall separately identify and evaluate capital cost, fixed and variable O&M cost, heat rate, expected capacity factor, fuel commodity cost, delivered gas cost, firm transportation cost, pipeline reservation cost, gas storage cost, balancing cost, backup fuel cost, hedging cost and limitations, fuel-delivery risk, gas-electric coordination risk, winter availability risk, environmental compliance risk, and customer exposure through fuel adjustment clauses or other cost-recovery mechanisms. • For any existing natural gas generation resource, the utility shall demonstrate that the resource remains reasonable and prudent after accounting for full delivered-fuel costs and after comparison with portfolios designed to reduce or avoid gas additions and avoided gas fuel consumption (and associated fuel price risk) through solar, wind, storage, demand-side resources, distributed energy resources, customer programs, transmission-enabled alternatives, market purchases, or bilateral contracts. <p>Coal resources: For each coal-fired generating unit, the utility shall evaluate lifecycle economics over the planning horizon, including delivered coal fuel costs, coal transportation costs, coal contract terms, coal inventory and working capital, fixed O&M, variable O&M, capital maintenance, environmental compliance, ash management, water compliance, outage costs, forced outage rates, equivalent availability, capacity accreditation, expected capacity factor, market revenues or avoided purchases, decommissioning costs, remediation costs, remaining book value, retirement costs, and replacement costs.</p>	<p>In the model RFP and competitive procurement, the supply-side analysis should rely on market-tested resource cost information wherever available. Generic cost assumptions may be useful for early screening, but they should not substitute for actual market evidence when major customer commitments are at stake.</p> <p>Supply-side analysis should evaluate the full cost and risk of fuel-based resources (e.g., natural gas, coal, fuel oil, hydrogen, nuclear, etc.). Generic capital and fuel assumptions are not enough. The rule should require full cost analysis for delivered fuel resources and lifecycle economics, especially for coal resources which tend to increase in cost as units age, are forced to remain in service, or both.</p>

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	<p>Coal capital spending:</p> <ul style="list-style-type: none"> The utility shall identify all planned capital expenditures, environmental compliance expenditures, major maintenance expenditures, and life-extension expenditures for each coal unit during the planning horizon. <p>For any coal-unit expenditure above a materiality threshold, the utility shall compare the expenditure against retirement and replacement alternatives before including the expenditure in the preferred resource plan or implementation plan.</p>	
20 CSR 4240-21.040 - Transmission and Distribution Analysis	<p>For any model RFP or procurement plan, the electric utility shall describe how transmission costs, interconnection costs, deliverability, congestion, firm transmission service, grid enhancing technologies, advanced conductors, surplus interconnection service, and transmission enabled alternatives will be evaluated and compared across resource bids and portfolios.</p> <p>To best ensure cost-risk reduction:</p> <ul style="list-style-type: none"> The utility shall evaluate transmission, distribution, interconnection, grid enhancing technologies, advanced conductors, surplus interconnection service, and transmission-enabled alternatives as potential cost-risk-reduction tools. The utility shall identify whether transmission or distribution alternatives could reduce fuel-price exposure, purchased power exposure, congestion costs, curtailment, generation capital spending, or the need for new fossil fuel commitments. 	<p>Transmission should not be treated only as a cost assigned to utility-selected generation. Transmission can also be a resource alternative that reduces congestion, improves deliverability, accesses lower-cost resources, or avoids unnecessary generation investment. The model RFP should explain how transmission and interconnection costs will be assigned and compared across bids.</p> <p>Further, transmission and distribution investments should not be treated only as costs assigned to other resources. Transmission, grid enhancing technologies, interconnection upgrades, and distribution investments may reduce fuel risk, reduce congestion, improve deliverability, or defer more expensive generation.</p>
20 CSR 4240-21.050 - Demand-Side Resource Analysis	<p>The model RFP and procurement plan shall identify how demand-side resources, including energy efficiency, demand response, load flexibility, dynamic rates, managed electric vehicle charging, and other customer programs, may compete individually or in portfolios to meet all or part of an identified resource need.</p> <p>The utility shall evaluate energy efficiency, demand response, load flexibility, dynamic rates, managed electric vehicle charging, and other demand-side resources as resources capable of reducing fuel-cost exposure, purchased-power exposure, large-load cost risk, and the need for new supply-side resources.</p>	<p>Demand-side resources should be allowed to compete to meet identified resource needs where they can provide comparable capacity, energy, reliability, flexibility, or cost-reduction value. They should not be treated only as separate programs outside the procurement process.</p> <p>For addressing cost risk, Demand-side resources can reduce customer cost risk by lowering peak demand, reducing fuel use, avoiding market purchases, and deferring generation, transmission, and distribution investments. They should be evaluated as resources that can reduce fuel and market exposure.</p>
20 CSR 4240-21.055 - Distributed Energy Resource Analysis and Reporting Requirements	<p>The model RFP and procurement plan shall identify how distributed energy resources and distributed energy resource aggregations may participate in competitive procurement, including any aggregation rules, measurement and verification requirements, operational requirements, and compensation or contract structures.</p> <p>The utility shall evaluate distributed energy resources and DER aggregations, including customer-sited generation, storage, managed charging, flexible load, and aggregated demand response, as potential resources for reducing fuel-price risk, market-purchase risk, distribution cost risk, and large-load cost risk.</p>	<p>Distributed energy resources and DER aggregations should be eligible to participate in all-source procurement where they can meet a portion of the utility's identified need. This includes customer-sited generation, storage, aggregation, and other distributed resources.</p> <p>Distributed energy resources can reduce cost risk when they avoid or defer fuel, generation, transmission, distribution, or market-purchase costs. DERs should be evaluated not only as a reporting category, but also as resources that can reduce customer exposure.</p>
20 CSR 4240-21.060 - Alternative Resource Plans and	Model RFP and Competitive Procurement	The preferred resource plan should be supported by both modeling and market evidence. If the utility identifies a material

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<p>Preferred Resource Plan Requirements</p>	<p>For any preferred resource plan that includes a material resource addition, retirement, acquisition, contract, or construction decision during the implementation period, the electric utility shall identify whether the resource need will be tested through competitive all-source procurement. If the utility proposes not to use competitive all-source procurement, it shall explain why such procurement is not practicable or not in the public interest.</p> <p>The preferred resource plan shall identify the market-tested cost information used to support the plan and shall explain how future procurement results will be used to validate, modify, or replace the preferred resource plan.</p> <p>Customer Cost-Risk Reduction</p> <p>Minimum cost-risk stress cases: The utility shall test each material alternative resource plan and the preferred resource plan under minimum cost-risk, fuel-risk, and market-risk cases, including:</p> <ol style="list-style-type: none"> 1. High delivered natural gas cost; 2. Low delivered natural gas cost; 3. Natural gas deliverability constraint; 4. Winter extreme-weather fuel availability; 5. High purchased-power market prices; 6. Coal fuel cost increase; 7. Coal transportation cost increase; 8. Coal environmental-compliance cost increase; 9. Coal forced-outage or low-availability case; 10. High large-load materialization; 11. Delayed or non-materialized large load; 12. Large-load exit or reduced-load case; 13. High transmission and interconnection cost; 14. Tax-credit delay, reduction, or loss; 15. High capital cost and interest-rate case; 16. Resource-accreditation reduction; and 17. Clean-capacity cost decline. <p>Clean-capacity comparison:</p> <ul style="list-style-type: none"> • For each alternative resource plan and preferred resource plan that includes new natural gas generation, continued coal operation beyond an economically optimal retirement date, coal life-extension investment, delayed coal retirement, or major coal environmental-compliance investment, the electric utility shall evaluate at least one clean-capacity replacement portfolio. • The clean-capacity replacement portfolio shall include, where reasonably available, solar, wind, battery storage of multiple durations, demand-side resources, energy efficiency, distributed energy resources, DER aggregations, customer-supplied resources, virtual power plants, transmission-enabled alternatives, market purchases, and bilateral contracts. • The comparison shall include annual revenue requirement, net present value of revenue requirement, rate impacts by customer class, fuel-price risk, delivered-fuel risk, environmental-compliance risk, resource-adequacy performance, expected unserved 	<p>implementation-period resource need, the IRP should explain whether that need will be tested through all-source procurement and how the results of procurement could confirm, modify, or replace the preferred resource plan.</p> <p>The alternative resource plan and preferred resource plan section is the most important place to require cost-risk testing. The Commission's proposed rule strengthens risk analysis, but it should identify minimum required stress cases so that fuel, market, coal, large-load, tax-credit, transmission, and reliability risks are tested consistently.</p>

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	<p>energy, transmission and interconnection costs, market-purchase exposure, and customer exposure through fuel adjustment clauses or other cost-recovery mechanisms.</p> <p>Customer exposure: For each alternative resource plan and the preferred resource plan, the utility shall quantify customer exposure under fuel adjustment clauses, purchased-power recovery, trackers, riders, deferred accounting, securitization, stranded-cost recovery, and other cost-recovery mechanisms.</p>	
<p>20 CSR 4240-21.065 - Implementation Plan Development and Reporting Requirements</p>	<p>For the model RFP and competitive procurement, the implementation plan shall identify, for each implementation period for each resource or resource quantity:</p> <ol style="list-style-type: none"> 1. The identified resource need addressed 2. The procurement method 3. The reason for selecting that procurement method 4. The planned solicitation or acquisition schedule 5. Required Commission approvals 6. The role of any independent evaluator or independent administrator 7. The treatment of utility self-build or affiliate bids 8. Customer programs or demand-side resources relied upon 9. Distributed energy resources or customer-side resources relied upon 10. Transmission and interconnection assumptions 11. Fuel-supply assumptions, where applicable 12. Implementation milestones <p>After completion of any competitive procurement used to implement or validate the preferred resource plan, the electric utility shall file a post-procurement report showing whether bid results support retaining, modifying, or replacing the approved preferred resource plan. The report shall identify changes to resource quantities, resource types, timing, ownership structures, contract structures, transmission assumptions, customer-program assumptions, cost assumptions, risk assumptions, and implementation actions.</p> <p>For customer cost-risk reduction the implementation plan shall identify, for each implementation-period resource action:</p> <ol style="list-style-type: none"> 1. The expected capital cost; 2. The expected fixed and variable O&M cost; 3. The expected delivered fuel cost; 4. Pipeline reservation, transportation, storage, and hedging costs, if applicable; 5. Coal transportation, coal supply, and environmental compliance costs, if applicable; 6. Expected purchased-power exposure; 7. Expected fuel adjustment clause or other cost-recovery exposure; 8. Expected bill impacts by rate class; 9. Large-load cost-causation and nonparticipating-ratepayer impacts, if applicable; 10. Transmission and interconnection cost risks; 11. Tax-credit assumptions and risks; 12. Key cost-risk mitigation actions; and 13. Trigger points requiring an update to the implementation plan. <p>Trigger-based updates: The utility shall file an implementation-plan update if fuel costs,</p>	<p>The Commission's proposed rule should convert the implementation plan into a practical procurement and customer protection blueprint. The plan should not simply list resources the utility intends to build or acquire. It should explain how each implementation-period resource need will be procured, whether the procurement will be all-source, how utility self-build bids will be treated, and how the Commission and stakeholders will be informed of procurement results.</p> <p>The implementation plan should identify not only what the utility plans to build or acquire, but also the customer cost risks created by those actions. Commission's proposed rule should require an implementation-period cost-risk plan and trigger-based updates when costs or risks materially change.</p>

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	<p>delivered fuel costs, transportation costs, purchased-power costs, coal-unit costs, large-load assumptions, tax-credit assumptions, transmission costs, resource-accreditation assumptions, or capital costs materially change from the assumptions used to select the preferred resource plan.</p> <p>Post-procurement reporting: After any procurement used to implement or validate the preferred resource plan, the utility shall file a report identifying whether market results support retaining, modifying, or replacing the preferred resource plan. The report shall identify changes to resource costs, resource types, timing, ownership structures, contract structures, fuel-cost assumptions, customer-program assumptions, transmission assumptions, and customer cost-risk exposure.</p>	
<p>Recommended New Section: 20 CSR 4240-21.070 - Competitive Procurement, Customer Cost-Risk Reduction, and Post-Procurement Reporting</p>	<p>In addition to the more limited documentation requirement in subsection (1)(D)1, the rule should include a new section with the following two subsections...</p> <p>20 CSR 4240-21.070 Competitive All-Source Procurement and Post-Procurement Reporting.</p> <p>This section should establish:</p> <ol style="list-style-type: none"> 1. A default all-source procurement requirement for material implementation-period resource needs; 2. Minimum model RFP and procurement-plan requirements; 3. Eligibility for utility self-build, affiliate, third-party, customer-side, demand-side, distributed, storage, hybrid, transmission-enabled, market, and bilateral alternatives; 4. Independent evaluator or independent administrator requirements; 5. Comparable treatment of utility-owned, affiliate, and third-party bids; 6. Bid documentation and confidentiality procedures; 7. Stakeholder review procedures; 8. Post-procurement reporting requirements; and 9. The relationship between procurement results, preferred resource plan modifications, and limited-inquiry eligibility. <p>For any resource need identified in an integrated resource plan that may result in construction, acquisition, contracting, or cost recovery during the implementation period, the electric utility shall conduct competitive all-source procurement unless the Commission finds, based on record evidence, that such procurement is not practicable or not in the public interest.</p> <p>If the electric utility or an affiliate submits, sponsors, or materially supports a bid or self-build proposal, the solicitation shall include an independent evaluator. The Commission may require an independent administrator when necessary to protect bidder confidence, prevent discriminatory treatment, or ensure a fair solicitation.</p> <p>The rules shall protect commercially sensitive bid information during active procurement while requiring sufficient post-procurement disclosure for the Commission, Staff, Public Counsel, stakeholders, and the public to evaluate whether the procurement was fair, competitive, and consistent with the approved procurement plan.</p>	<p>NEE recommends that the Commission consider adding a new procurement-focused section to avoid scattering procurement requirements across multiple rule sections. A new section would make the rule clearer and easier to apply.</p> <p>NEE recommends that the Commission consider adding a new section to consolidate customer cost-risk requirements. A dedicated section would make the rule clearer and easier to administer.</p>

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	<p>And the following should also be added to effectively address risk.</p> <p>20 CSR 4240-21.070 Customer Cost-Risk Reduction and Post-Procurement Reporting.</p> <p>This section should require:</p> <ol style="list-style-type: none"> 1. Delivered-fuel-cost analysis; 2. Fuel-delivery risk analysis; 3. Fuel adjustment clause and purchased-power exposure reporting; 4. Coal lifecycle economics; 5. Clean-capacity replacement portfolios for new gas and coal-retention plans; 6. Large-load cost-causation and nonparticipating-ratepayer protections; 7. Market-tested cost assumptions; 8. Minimum cost-risk stress cases; 9. Implementation-plan risk updates; and 10. Post-procurement reporting showing whether market results reduce or increase customer cost risk. <p>For each material resource need, the utility shall demonstrate that the preferred resource plan and implementation plan are designed to meet reliability needs at the lowest reasonable cost and lowest reasonable customer risk. The utility shall compare the preferred plan against alternatives that reduce exposure to fuel-price volatility, fuel-delivery constraints, purchased-power price spikes, coal retention costs, large-load cost shifts, and long-term capital investment risk.</p>	