This section will contain the final text of the rules proposed by agencies. The order of rulemaking is required to contain a citation to the legal authority upon which the order or rulemaking is based; reference to the date and page or pages where the notice of proposed rulemaking was published in the *Missouri Register*; an explanation of any change between the text of the rule as contained in the notice of proposed rulemaking and the text of the rule as finally adopted, together with the reason for any such change; and the full text of any section or subsection of the rule as adopted which has been changed from that contained in the notice of proposed rulemaking. The effective date of the rule shall be not less than thirty (30) days after the date of publication of the revision to the *Code of State Regulations*.

The agency is also required to make a brief summary of the general nature and extent of comments submitted in support of or opposition to the proposed rule and a concise summary of the testimony presented at the hearing, if any, held in connection with the rulemaking, together with a concise summary of the agency's findings with respect to the merits of any such testimony or comments which are opposed in whole or in part to the proposed rule. The ninety- (90-) day period during which an agency shall file its order of rulemaking for publication in the *Missouri Register* begins either: 1) after the hearing on the proposed rulemaking is held; or 2) at the end of the time for submission of comments to the agency. During this period, the agency shall file with the secretary of state the order of rulemaking, either putting the proposed rule into effect, with or without further changes, or withdrawing the proposed rule.

Title 4—DEPARTMENT OF ECONOMIC DEVELOPMENT
Division 240—Public Service Commission
Chapter 20—Electric Utilities

ORDER OF RULEMAKING

By the authority vested in the Public Service Commission under section 386.250, RSMo 2000, and section 386.890.9, RSMo Supp. 2013, the commission amends a rule as follows:

4 CSR 240-20.065 is amended.

A notice of proposed rulemaking containing the text of the proposed amendment was published in the *Missouri Register* on May 1, 2015 (40 MoReg 526–538). Those sections with changes are reprinted here. This proposed amendment becomes effective thirty (30) days after publication in the *Code of State Regulations*.

SUMMARY OF COMMENTS: The public comment period ended June 1, 2015, and the commission held a public hearing on the proposed amendment on June 11, 2015. The commission received timely written comments from Earth Island Institute, d/b/a Renew Missouri; Wind on the Wires; The Missouri Industrial Energy Consumers (MIEC); The Office of the Public Counsel; Union Electric Company, d/b/a Ameren Missouri; The Missouri Solar Energy Industries Association (MOSIEA); and the staff of the commission. In addition, the following people offered comments at the hearing: P.J. Wilson and Andrew Linhares, on behalf of Renew Missouri; Sean Brady, on behalf of Wind on the Wires; Wendy Tatro, Matt Michels, and Wade Miller, on behalf of Union Electric Company, d/b/a Ameren Missouri; Larry Dority and Brad Lutz, on behalf of Kansas City Power and Light Company (KCP&L) and KCP&L Greater Missouri Operations Company (GMO); Edward Downey, on behalf of MIEC; Tim Opitz, on behalf of Public Counsel; Wendy Shoemyer, on behalf of MOSEIA; and Colleen Dale, Natelle Dietrich, Dan Beck, Claire Eubanks, and Mark Oligschlaeger, representing the staff.

COMMENT #1: MOSEIA, Public Counsel, and Renew Missouri ask that the definition of operational found in subsection (1)(G) be changed to prevent any delay by the utility in determining that the solar system is operational from causing the customer to receive a reduced rebate. KCP&L and GMO initially supported the language in the proposed amendment. But at the hearing, Ameren Missouri proposed compromise language that was accepted by KCP&L, GMO, Renew Missouri, and staff.
RESPONSE AND EXPLANATION OF CHANGE: The commission finds that the compromise language proposed by Ameren Missouri and accepted by several commenters is appropriate. The commission will incorporate that language into the amendment.

COMMENT #2: Section (3) concerns REC ownership. Ameren Missouri asks the commission to substitute the term "electric utility" for "electric system" when the reference is intended to be to the electric utility and not the system. Staff agrees that the change should be made.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with the comment and will make that change.

COMMENT #3: Section (9) concerns interconnection applications and agreements between the electric utility and the customer seeking to install a solar generation unit. Ameren Missouri asks the commission to add a new subsection (9)(E) that would allow a utility that is no longer paying solar rebates to maintain tariffs that do not include solar rebate information. Renew Missouri opposes that comment because the question of which electric utilities must continue to pay solar rebates is subject to ongoing litigation. Staff does not support Ameren Missouri's proposal.
RESPONSE: The commission finds that Ameren Missouri's proposal to specifically allow certain electric utilities to remove information about solar rebates from their tariffs is inappropriate at this time. As Renew Missouri points out, issues surrounding the payment of solar rebates are the subject of ongoing litigation and the commission does not wish to entangle this amendment revision in those matters. The commission will not add the new subdivision proposed by Ameren Missouri.

COMMENT #4: Renew Missouri objects to a change proposed to the first page of the application/agreement. The new sentence would require the applicant to show the utility that it has obtained any permits or certificates that may be required by a local authority having jurisdiction before the interconnection can be made. Renew Missouri would let the utility approve interconnection without waiting for local authority approval to avoid concerns that local authorities may wait for utility approval while the utility waits for local approval, thus creating confusion about which entity should act first and delaying the approval of the project. KCP&L and GMO explain that they cannot set the meter to implement an interconnection until local approval is obtained. Staff opposes Renew Missouri's proposed change.
RESPONSE: Approval of local authorities is necessary before an electric utility can proceed with an interconnection and the language proposed by staff appropriately recognizes that requirement. The commission will not remove the language to which Renew Missouri objects.

COMMENT #5: Ameren Missouri suggests that a line be added to

section C of the application/agreement to contain the printed name of the installer in addition to the signature line. It proposes this addition, because signatures are often illegible. Staff supports that change.
RESPONSE AND EXPLANATION OF CHANGE: Ameren Missouri's proposed addition is appropriate and will be added to the application/agreement.

COMMENT #6: The revised application/agreement changes the words "customer charge" to "minimum bill" when describing the charges the utility may continue to collect from customers that generate more power than they use. Renew Missouri and Public Counsel object to the change, as "minimum bill" is broader than "customer charge" and they fear the utilities will try to create new charges to slap on self-generating customers. Ameren Missouri and KCP&L/GMO support the "minimum bill" language and point out that the statute already forbids the imposition of special charges on self-generating customers beyond those charges imposed on all customers. Staff indicates "minimum bill" is a more accurate descriptor then "customer charge" because the various electric utilities do not use the term "customer charge" consistently in their tariffs. (Ameren Missouri also points out that a reference to "customer charges" in subsection (7)(C), a section that the commission did not propose to amend, would also need to be changed to "minimum bill" if the term is changed in the application/agreement.)
RESPONSE AND EXPLANATION OF CHANGE: The comments indicate the terms "customer charge" and "minimum bill" are not consistently defined or applied by Missouri's electric utilities. As a result, neither is clearly more appropriately used in the amendment. The commission does not intend to change the meaning of "customer charge" as it is currently used in the application/agreement or the rule, so the term used should remain unchanged. The commission will not make the change included in the proposed amendment. The application/agreement will continue to refer to "customer charge".

COMMENT #7: Section I of the application/agreement deals with solar rebates. Ameren Missouri suggests the commission remove the phrase "the duration of its useful life" from the third paragraph, remove the phrase "for which they received a solar rebate from paragraph" from paragraph 10, and add a new phrase to that paragraph. Staff supports those changes.
RESPONSE AND EXPLANATION OF CHANGE: The changes proposed by Ameren Missouri are appropriate and will be made.

COMMENT #8: Renew Missouri suggests the commission remove the provision in the solar rebate declaration that would require the solar system to be situated in a location where at least eighty-five percent (85%) of the solar resource is available to the solar system, arguing that the requirement has no basis in the statute. Staff supports the eighty-five percent (85%) requirement.
RESPONSE: The eighty-five percent (85%) availability requirement is a reasonable provision designed to protect the value of the investment in solar energy funded by other ratepayers through payment of the solar rebates. The commission will not remove the provision challenged by Renew Missouri.

COMMENT #9: Renew Missouri would remove the paragraph that advises customers that the solar rebate program has a limited budget and that rebate payments may cease. It contends the utilities have an obligation to file with the commission for permission to cease paying solar rebates and should not be able to limit potential payments until they have obtained that permission. If the paragraph is not removed entirely, Renew Missouri proposes an alternative paragraph that would be used during the limited time after the utility has filed its sixty- (60-) day notice of having reached the rebate payment limits.
RESPONSE: The challenged paragraph appropriately provides necessary information to the prospective recipient of a solar rebate. The commission will not remove the paragraph.

4 CSR 240-20.065 Net Metering

(1) Definitions.

(G) Operational means all of the major components of the on-site system have been purchased and installed on the customer-generator's premises and the production of rated net electrical generation has been measured by the electric utility. If a customer has satisfied all of the System Completion Requirements by June 30 of indicated years, but the electric utility is not able to complete all of the company's steps needed to establish an Operational Date on or before June 30, the rebate rate will be determined as though the Operational Date was June 30. If it is subsequently determined that the customer of the system did not satisfy all Completion Requirements required of the customer on or before June 30, the rebate rate will be determined based on the Operational Date.

(3) REC Ownership. RECs associated with customer-generated net-metered renewable energy resources shall be owned by the customer-generator; however, as a condition of receiving solar rebates for systems operational after August 28, 2013, customers transfer to the electric utility all right, title, and interest in and to the RECs associated with the new or expanded solar electric system that qualified the customer for the solar rebate for a period of ten (10) years from the date the electric utility confirmed the solar electric system was installed and operational.

INTERCONNECTION APPLICATION/AGREEMENT FOR NET METERING SYSTEMS WITH CAPACITY OF ONE HUNDRED KILOWATTS (100 kW) OR LESS

[Utility Name and Mailing Address]

For Customers Applying for Interconnection:

If you are interested in applying for interconnection to [Utility Name]'s electrical system, you should first contact [Utility Name] and ask for information related to interconnection of parallel generation equipment to [Utility Name]'s system and you should understand this information before proceeding with this Application.

If you wish to apply for interconnection to [Utility Name]'s electrical system, please complete sections A, B, C, and D, and attach the plans and specifications, including, but not limited to, describing the net metering, parallel generation, and interconnection facilities (hereinafter collectively referred to as the "Customer-Generator's System") and submit them to [Utility Name] at the address above. The company will provide notice of approval or denial within thirty (30) days of receipt by [Utility Name] for Customer-Generators of ten kilowatts (10 kW) or less and within ninety (90) days of receipt by [Utility Name] for Customer-Generators of greater than ten kilowatts (10 kW). If this Application is denied, you will be provided with the reason(s) for the denial. If this Application is approved and signed by both you and [Utility Name], it shall become a binding contract and shall govern your relationship with [Utility Name].

For Customers Who Have Received Approval of Customer-Generator System Plans and Specifications:

After receiving approval of your Application, it will be necessary to construct the Customer-Generator System in compliance with the plans and specifications described in the Application, complete sections E and F of this Application, and forward this Application to [Utility Name] for review and completion of section G at the address above. Prior to the interconnection of the qualified generation unit to [Utility Name] system, the Customer-Generator will furnish [Utility Name] a certification from a qualified professional electrician or engineer that the installation meets the plans and specification described in the application. If a local Authority Having Jurisdiction (AHJ) requires permits or certifications for construction or operation of the qualified generation unit, a customer generator must show the permit number and approval certification to the [Utility Name] prior to interconnection. If the application for interconnection is approved by [Utility Name] and the Customer-Generator does not complete the interconnection within one (1) year after receipt of notice of the approval, the approval shall expire and the Customer-Generator shall be responsible for filing a new application.

Within 21 days of when the customer-generator completes submission of all required post construction documentation, including sections E&F, other supporting documentation and local AHJ inspection approval (if applicable) to the electric utility, the electric utility will make any inspection of the customer-generators interconnection equipment or system it deems necessary and notify the customer-generator:

1. That the net meter has been set and parallel operation by customer-generator is permitted; or

2. That the inspection identified no deficiencies and the net meter installation is pending; or
3. That the inspection identified no deficiencies and the timeframe anticipated for the electric utility to complete all required system or service upgrades and install the meter; or
4. Of all deficiencies identified during the inspection that need to be corrected by the customer-generator before parallel operation will be permitted; or
5. Of any other issue(s), requirement(s), or condition(s) impacting the installation of the net meter or the parallel operation of the system.

For Customers Who Are Installing Solar Systems:

Customer-Generators who are Missouri electric utility retail account holders will receive a solar rebate, if available, based on the capacity stated in the application, or the installed capacity of the Customer-Generator System if it is lower, if the following requirements are met:

a. The [Utility Name] must have confirmed the Customer-Generator's System is operational; and
b. Sections H and I of this Application must be completed.

The amount of the rebate will be based on the system capacity measured in direct current. The rebate will be based on the schedule below up to a maximum of 25,000 watts (25kW).

$2.00 per watt for systems operational on or before June 30, 2014;
$1.50 per watt for systems operational between July 1, 2014 and June 30, 2015;
$1.00 per watt for systems operational between July 1, 2015 and June 30, 2016;
$0.50 per watt for systems operational between July 1, 2016 and June 30, 2019;
$0.25 per watt for systems operational between July 1, 2019 and June 30, 2020;
$0.00 per watt for systems operational after June 30, 2020.

For Customers Who Are Assuming Ownership or Operational Control of an Existing Customer-Generator System:

If no changes are being made to the existing Customer-Generator System, complete sections A, D, and F of this Application/Agreement and forward to [Utility Name] at the address above. [Utility Name] will review the new Application/Agreement and shall approve such, within fifteen (15) days of receipt by [Utility Name] if the new Customer-Generator has satisfactorily completed Application/Agreement, and no changes are being proposed to the existing Customer-Generator System. There are no fees or charges for the Customer-Generator who is assuming ownership or operational control of an existing Customer-Generator System if no modifications are being proposed to that system.

A. Customer-Generator's Information
Name on [Utility Name] Electric Account:
_____
Service/Street Address: _____

City: _____ State: _____ Zip Code: _____

Mailing Address (if different from above):
_____
City: _____ State: _____ Zip Code: _____

E-mail address (if available):
_____

Electric Account Holder Contact Person:
_____

Daytime Phone: _____ Fax: _____
Email: _____

Emergency Contact
Phone:_____
[Utility Name] Account No. (from Utility Bill):
_____
If account has multiple meters, provide the meter number to which generation will be connected: _____

[Utility Name] Account No. (from Utility Bill): [Shall be inserted at the top of each page.]

B. Customer-Generator's System Information
Manufacturer Name Plate Power Rating: _____ kW AC or DC (circle one)
[Voltage: _____ *Volts]*
System Type: __Wind __Fuel Cell __Solar Thermal __Photovoltaic __Hydroelectric __Other (describe)
_____
_____
Inverter/Interconnection Equipment Manufacturer:
_____
Inverter/Interconnection Equipment Model No.:
_____
Outdoor Manual/Utility Accessible & Lockable Disconnect Switch Distance from Meter:
_____
Certify that the disconnect switch will be located adjacent to the Customer-Generator's electric service meter or explain where and why an alternative location of disconnect switch is being requested:
_____
_____

Existing Electrical Service Capacity: _____ Amperes Voltage: _____ Volts
Service Character: __ Single Phase __ Three Phase
Total capacity of existing Customer-Generator System (if applicable):_____kW

System Plans, Specifications, and Wiring Diagram must be attached for a valid application.

C. Installation Information/Hardware and Installation Compliance
Company Installing System: _____
Contact Person of Company Installing System: _____ Phone Number:_____
Contractor's License No. (if applicable):
_____
Approximate Installation Date:
_____
Mailing Address:
_____
City: _____ State: _____
Zip Code: _____
Daytime Phone: _____ Fax: _____
Email: _____
Person or Agency Who Will Inspect/Certify Installation:
_____
The Customer-Generator's proposed System hardware complies with all applicable National Electrical Safety Code (NESC), National Electrical Code (NEC), Institute of Electrical and Electronics Engineers (IEEE), and Underwriters Laboratories (UL) requirements for electrical equipment and their installation. As applicable to system type, these requirements include, but are not limited to, UL 1703, UL 1741 and IEEE 1547. The proposed installation complies with all applicable local electrical codes and all reasonable safety requirements of [Utility Name]. The proposed system has a lockable, visible AC disconnect device, accessible at all times to [Utility Name] personnel and switch is located adjacent to the Customer-Generator's electric service meter (except in cases where the Company has approved an alternate location). The system is only required to include one lockable, visible disconnect device, accessible to [Utility Name]. If the interconnection equipment is equipped with a visible, lockable, and accessible disconnect, no redundant device is needed to meet this requirement. The Customer-Generator's proposed system has functioning controls to prevent voltage flicker, DC injection, overvoltage, undervoltage, overfrequency, underfrequency, and overcurrent, and to provide for system synchronization to [Utility Name]'s electrical system. The proposed system does have an anti-islanding function that prevents the generator from continuing to supply power when [Utility Name]'s electric system is not energized or operating normally. If the proposed system is designed to provide uninterruptible power to critical loads, either through energy storage or back-up generation, the proposed system includes a parallel blocking scheme for this backup source that prevents any backflow of power to [Utility Name]'s electrical system when the electrical system is not energized or not operating normally.

Signed (Installer): Printed Name_____
Signature:_____
Date:_____

D. Additional Terms and Conditions

In addition to abiding by [Utility Name]'s other applicable rules and regulations, the Customer-Generator understands and agrees to the following specific terms and conditions:

1) Operation/Disconnection

If it appears to [Utility Name], at any time, in the reasonable exercise of its judgment, that operation of the Customer-Generator's System is adversely affecting safety, power quality, or reliability of [Utility Name]'s electrical system, [Utility Name] may immediately disconnect and lock-out the Customer-Generator's System from [Utility Name]'s electrical system. The Customer-Generator shall permit [Utility Name]'s employees and inspectors reasonable access to inspect, test, and examine the Customer-Generator's System.

2) Liability

Liability insurance is not required for Customer-Generators of ten kilowatts (10 kW) or less. For generators greater that ten kilowatts (10 kW), the Customer-Generator agrees to carry no less than one hundred thousand dollars ($100,000) of liability insurance that provides for coverage of all risk of liability for personal injuries (including death) and damage to property arising out of or caused by the operation of the Customer-Generator's System. Insurance may be in the form of an existing policy or an endorsement on an existing policy. Customer-Generators, including those whose systems are ten kilowatts (10 kW) or less, may have legal liabilities not covered under their existing insurance policy in the event the Customer-Generator's negligence or other wrongful conduct causes personal injury (including death), damage to property, or other actions and claims.

3) Metering and Distribution Costs

A Customer-Generator's facility shall be equipped with sufficient metering equipment that can measure the net amount of electrical energy produced or consumed by the Customer-Generator. If the Customer-Generator's existing meter equipment does not meet these requirements or if it is necessary for [Utility Name] to install additional distribution equipment to accommodate the Customer-Generator's facility, the Customer-Generator shall reimburse [Utility Name] for the costs to purchase and install the necessary additional equipment. At the request of the Customer-Generator, such costs may be initially paid for by [Utility Name], and any amount up to the total costs and a reasonable interest charge may be recovered from the Customer-Generator over the course of up to twelve (12) billing cycles. Any subsequent meter testing, maintenance, or meter equipment change necessitated by the Customer-Generator shall be paid for by the Customer-Generator.

4) Ownership of Renewable Energy Credits or Renewable Energy Certificates (RECs)

RECs created through the generation of electricity by the Customer-Owner are owned by the Customer-Generator; however, if the Customer-Generator receives a solar rebate, the Customer-Generator transfers to the [Utility Name] all right, title, and interest in and to the RECs associated with the new or expanded solar electric system that qualified the Customer-Generator for the solar rebate for a period of ten (10) years from the date the electric utility confirms the solar electric system is installed and operational.

5) Energy Pricing and Billing

The net electric energy delivered to the Customer-Generator shall be billed in accordance with the Utility's Applicable Rate Schedules [Utility's Applicable Rate Schedules]. The value of the net electric energy delivered by the Customer-Generator to [Utility Name] shall be credited in accordance with the net metering rate schedule(s) [Utility's Applicable Rate Schedules]. The Customer-Generator shall be responsible for all other bill components charged to similarly situated customers.

Net electrical energy measurement shall be calculated in the following manner:

(a) For a Customer-Generator, a retail electric supplier shall measure the net electrical energy produced or consumed during the billing period in accordance with normal metering practices for customers in the same rate class, either by employing a single, bidirectional meter that measures the amount of electrical energy produced and consumed, or by employing multiple meters that separately measure the Customer-Generator's consumption and production of electricity;

(b) If the electricity supplied by the supplier exceeds the electricity generated by the Customer-Generator during a billing period, the Customer-Generator shall be billed for the net electricity supplied by the supplier in accordance with normal practices for customers in the same rate class;

(c) If the electricity generated by the Customer-Generator exceeds the electricity supplied by the supplier during a billing period, the Customer-Generator shall be billed for the appropriate customer charges as specified by the applicable Customer-Generator rate schedule for that billing period and shall be credited an amount for the excess kilowatt-hours generated during the billing period at the net metering rate identified in [Utility Name]'s tariff filed at the Public Service Commission, with this credit applied to the following billing period; and

(d) Any credits granted by this subsection shall expire without any compensation at the earlier of either twelve (12) months after their issuance, or when the Customer-Generator disconnects service or terminates the net metering relationship with the supplier.

6) Terms and Termination Rights

This Agreement becomes effective when signed by both the Customer-Generator and [Utility Name], and shall continue in effect until terminated. After fulfillment of any applicable initial tariff or rate schedule term, the Customer-Generator may terminate this Agreement at any time by giving [Utility Name] at least thirty (30) days prior written notice. In such event, the Customer-Generator shall, no later than the date of termination of Agreement, completely disconnect the Customer-Generator's System from parallel

operation with [Utility Name]'s system. Either party may terminate this Agreement by giving the other party at least thirty (30) days prior written notice that the other party is in default of any of the terms and conditions of this Agreement, so long as the notice specifies the basis for termination, and there is an opportunity to cure the default. This Agreement may also be terminated at any time by mutual agreement of the Customer-Generator and [Utility Name]. This agreement may also be terminated, by approval of the commission, if there is a change in statute that is determined to be applicable to this contract and necessitates its termination.

7) Transfer of Ownership

If operational control of the Customer-Generator's System transfers to any other party than the Customer-Generator, a new Application/Agreement must be completed by the person or persons taking over operational control of the existing Customer-Generator System. [Utility Name] shall be notified no less than thirty (30) days before the Customer-Generator anticipates transfer of operational control of the Customer-Generator's System. The person or persons taking over operational control of Customer-Generator's System must file a new Application/Agreement, and must receive authorization from [Utility Name], before the existing Customer-Generator System can remain interconnected with [Utility Name]'s electrical system. The new Application/Agreement will only need to be completed to the extent necessary to affirm that the new person or persons having operational control of the existing Customer-Generator System completely understand the provisions of this Application/Agreement and agree to them. If no changes are being made to the Customer-Generator's System, completing sections A, D, and F of this Application/Agreement will satisfy this requirement. If no changes are being proposed to the Customer-Generator System, [Utility Name] will assess no charges or fees for this transfer. [Utility Name] will review the new Application/Agreement and shall approve such, within fifteen (15) days if the new Customer-Generator has satisfactorily completed the Application/Agreement, and no changes are being proposed to the existing Customer-Generator System. [Utility Name] will then complete section G and forward a copy of the completed Application/Agreement back to the new Customer-Generator, thereby notifying the new Customer-Generator that the new Customer-Generator is authorized to operate the existing Customer-Generator System in parallel with [Utility Name]'s electrical system. If any changes are planned to be made to the existing Customer-Generator System that in any way may degrade or significantly alter that System's output characteristics, then the Customer-Generator shall submit to [Utility Name] a new Application/Agreement for the entire Customer-Generator System and all portions of the Application/Agreement must be completed.

8) Dispute Resolution

If any disagreements between the Customer-Generator and [Utility Name] arise that cannot be resolved through normal negotiations between them, the disagreements may be brought to the Missouri Public Service Commission by either party, through an informal or formal complaint. Procedures for filing and processing these complaints are described in 4 CSR 240-2.070. The complaint procedures described in 4 CSR 240-2.070

apply only to retail electric power suppliers to the extent that they are regulated by the Missouri Public Service Commission.

9) Testing Requirement

IEEE 1547 requires periodic testing of all interconnection related protective functions. The Customer-Generator must, at least once every year, conduct a test to confirm that the Customer-Generator's net metering unit automatically ceases to energize the output (interconnection equipment output voltage goes to zero) within two (2) seconds of being disconnected from [Utility Name]'s electrical system. Disconnecting the net metering unit from [Utility Name]'s electrical system at the visible disconnect switch and measuring the time required for the unit to cease to energize the output shall satisfy this test. The Customer-Generator shall maintain a record of the results of these tests and, upon request by [Utility Name], shall provide a copy of the test results to [Utility Name]. If the Customer-Generator is unable to provide a copy of the test results upon request, [Utility Name] shall notify the Customer-Generator by mail that Customer-Generator has thirty (30) days from the date the Customer-Generator receives the request to provide to [Utility Name], the results of a test. If the Customer-Generator's equipment ever fails this test, the Customer-Generator shall immediately disconnect the Customer-Generator's System from [Utility Name]'s system. If the Customer-Generator does not provide results of a test to [Utility Name] within thirty (30) days of receiving a request from [Utility Name] or the results of the test provided to [Utility Name] show that the Customer-Generator's net metering unit is not functioning correctly, [Utility Name] may immediately disconnect the Customer-Generator's System from [Utility Name]'s system. The Customer-Generator's System shall not be reconnected to [Utility Name]'s electrical system by the Customer-Generator until the Customer-Generator's System is repaired and operating in a normal and safe manner.

I have read, understand, and accept the provisions of section D, subsections 1 through 9 of this Application/Agreement.

Signed (Customer-Generator): Printed Name_____
Signature:_____
Date: _____
Must be signature of [Utility Name] account holder (customer)

E. Electrical Inspection
If a local Authority Having Jurisdiction (AHJ) governs permitting/inspection of project:
Authority Having Jurisdiction (AHJ):

_____
Permit Number: _____

Applicable to all installations:
The Customer-Generator System referenced above satisfies all requirements noted in section C.
Inspector Name
(print):_____

Inspector Certification: Licensed Engineer in Missouri ___ Licensed Electrician in Missouri ___
License
No._____

Signed (Inspector):
_____
Date: _____

F. Customer-Generator Acknowledgement

I am aware of the Customer-Generator System installed on my premises and I have been given warranty information and/or an operational manual for that system. Also, I have been provided with a copy of [Utility Name]'s parallel generation tariff or rate schedule (as applicable) and interconnection requirements. I am familiar with the operation of the Customer-Generator System.

I agree to abide by the terms of this Application/Agreement and I agree to operate and maintain the Customer-Generator System in accordance with the manufacturer's recommended practices as well as [Utility Name]'s interconnection standards. If, at any time and for any reason, I believe that the Customer-Generator System is operating in an unusual manner that may result in any disturbances on [Utility Name]'s electrical system, I shall disconnect the Customer-Generator System and not reconnect it to [Utility Name]'s electrical system until the Customer-Generator System is operating normally after repair or inspection. Further, I agree to notify [Utility Name] no less than thirty (30) days prior to modification of the components or design of the Customer-Generator System that in any way may degrade or significantly alter that system's output characteristics. I acknowledge that any such modifications will require submission of a new Application/Agreement to [Utility Name].

I agree not to operate the Customer-Generator System in parallel with [Utility Name]'s electrical system until this Application/Agreement has been approved by [Utility Name].

System Installation Date: _____

Printed name (Customer-Generator):
_____

Signed (Customer-Generator): _____
Date:_____

G. Utility Application/Agreement Approval (*completed by* [Utility Name])

[Utility Name] does not, by approval of this Application/Agreement, assume any responsibility or liability for damage to property or physical injury to persons due to malfunction of the Customer-Generator's System or the Customer-Generator's negligence.

This Application is approved by [Utility Name] on this _____day of _____(month), _____(year).

[Utility Name] Representative Name (print):

_____

Signed [Utility Name] Representative:

_____

H. Solar Rebate (For Solar Installations only)

Solar Module Manufacturer:_____ Inverter Rating: _____kW

Solar Module Model No.:_____ Number of Modules/Panel: _____

Module rating: _____DC Watts System rating (sum of solar panels):____kW

Module Warranty: _____ years (circle on spec sheet)

Inverter Warranty: _____ years (circle on spec sheet)

Location of modules: ____Roof ___Ground Installation type: ____ Fixed ___Ballast

Solar system must be permanently installed on the applicant's premises for a valid application

Required documents to receive solar rebate to be attached OR provided before [Utility Name] authorizes the rebate payment:

Copies of detail receipts/invoices with purchase date circled
Copies of detail spec sheets on each component
Copies of proof of warranty sheet (minimum of 10 year warranty)
Photo(s) of completed system
Completed Taxpayer Information Form

I. Solar Rebate Declaration (For Solar Installations only)

I understand that the complete terms and conditions of the solar rebate program are included in [Utility Name] [solar rebate tariff name].

I understand that this program has a limited budget, and that application will be accepted on a first-come, first-served basis, while funds are available. It is possible that I may be notified I have been placed on a waiting list for the next year's rebate program if funds run out for the current year. This program may be modified or discontinued at any time without notice from [Utility Name].

I understand that the solar system must be permanently installed and remain in place on premises for a minimum of 10 years and the system shall be situated in a location where a minimum of eighty-five percent (85%) of the solar resource is available to the solar system.

I understand the equipment must be new when installed, commercially available, and carry a minimum 10 year warranty.

I understand a rebate may be available from [Utility Name] in the amount of**:**

$2.00 per watt for systems operational on or before June 30, 2014;
$1.50 per watt for systems operational between July 1, 2014 and June 30, 2015;
$1.00 per watt for systems operational between July 1, 2015 and June 30, 2016;
$0.50 per watt for systems operational between July 1, 2016 and June 30, 2019;
$0.25 per watt for systems operational between July 1, 2019 and June 30, 2020;

$0.00 per watt for systems operational after June 30, 2020.

I understand an electric utility may, through its tariff, require applications for solar rebates to be submitted up to one hundred eighty-two (182) days prior to the applicable June 30 operational date for the solar rebate.

I understand that a maximum of 25 kilowatts of new or expanded system capacity will be eligible for a rebate.

I understand the DC wattage rating provided by the original manufacturer and as noted in section H will be used to determine rebate amount.

I understand I may receive an IRS Form related to my rebate amount. (Please consult your tax advisor with any questions.)

I understand that as a condition of receiving a solar rebate, I am transferring to [Utility Name] all right, title, and interest in and to the solar renewable energy credits (SRECs) associated with the new or expanded system for a period of ten (10) years from the date [Utility Name] confirmed that the system was installed and operational, and during this period, I may not claim credit for the SRECs under any environmental program or transfer or sell the SRECs to any other party.

The undersigned warrants, certifies, and represents that the information provided in this form is true and correct to the best of my knowledge; and the installation meets all Missouri Net Metering and Solar Electric Rebate program requirements.

_____	_____
Applicant's Signature	Installer's Signature
_____	_____
Print Solar Rebate Applicant's Name	Print Installer's Name

Title 4—DEPARTMENT OF ECONOMIC DEVELOPMENT
Division 240—Public Service Commission
Chapter 20—Electric Utilities

ORDER OF RULEMAKING

By the authority vested in the Public Service Commission under section 393.1030, RSMo Supp. 2013, and sections 386.040 and 386.250, RSMo 2000, the commission amends a rule as follows:

4 CSR 240-20.100 is amended.

A notice of proposed rulemaking containing the text of the proposed amendment was published in the *Missouri Register* on May 1, 2015 (40 MoReg 538–554). Those sections with changes are reprinted here. This proposed amendment becomes effective thirty (30) days after publication in the *Code of State Regulations*.

SUMMARY OF COMMENTS: The public comment period ended June 1, 2015, and the commission held a public hearing on the proposed amendment on June 11, 2015. The commission received timely written comments from Earth Island Institute, d/b/a Renew Missouri; Wind on the Wires; The Missouri Industrial Energy Consumers (MIEC); The Office of the Public Counsel; Union Electric Company, d/b/a Ameren Missouri; The Missouri Solar Energy Industries Association (MOSIEA); and the staff of the commission. In addition, the following people offered comments at the hearing: P.J. Wilson and Andrew Linhares, on behalf of Renew Missouri; Sean Brady, on behalf of Wind on the Wires; Wendy Tatro, Matt Michels, and Wade Miller, on behalf of Union Electric Company, d/b/a Ameren Missouri; Larry Dority and Brad Lutz, on behalf of Kansas City Power and Light Company (KCP&L) and KCP&L Greater Missouri Operations Company (GMO); Edward Downey, on behalf of MIEC; Tim Opitz, on behalf of Public Counsel; Wendy Shoemyer, on behalf of MOSEIA; and Colleen Dale, Natelle Dietrich, Dan Beck, Claire Eubanks, and Mark Oligschlaeger, representing the staff.

COMMENT #1: MOSEIA and Renew Missouri ask that the definition of operational found in subsections (1)(J) and (4)(M) be changed to prevent any delay by the utility in determining that the solar system is operational from causing the customer to receive a reduced rebate. KCP&L and GMO initially supported the language in the proposed amendment. But at the hearing, Ameren Missouri proposed compromise language that was accepted by KCP&L, GMO, Renew Missouri, and staff.
RESPONSE AND EXPLANATION OF CHANGE: The compromise language proposed by Ameren Missouri at the hearing is appropriate and will be added to the definition of operational.

COMMENT #2: Renew Missouri opposes the proposed change in the definition of renewable energy resource found in subsection (1)(N) and paragraph (2)(A)1., contending that the statute makes it clear that "renewable energy resource" refers to energy, not to a type of generating unit. So, the definition should continue to refer to "electric energy produced from", rather than "when used to produce" energy. No other commenter addressed this matter.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with Renew Missouri's comment and will not change that aspect of the definition of renewable energy resource.

COMMENT #3: When the Commission originally promulgated this rule, the legislature passed a resolution that blocked the geographic sourcing provisions of subsection (2)(A) and paragraph (2)(B)2. The rule as published in the *Code* shows those numbers as "reserved". The proposed amendment would remove the "reserved" designation and renumber the surrounding subsections. Renew Missouri points out that the legislature's blocking of the geographic sourcing provisions is still subject to ongoing litigation and asks that the "reserved" designation remain in the rule. Staff replied that the "reserved" designation is unnecessary as the rules can be renumbered if any future changes to the rule result from that litigation.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with the comment and will leave the "reserved" designation in place. That will require the proposed amendment's renumbering of the subsequent sections to be reversed.

COMMENT #4: Subsection (2)(B) would expand the one percent (1%) retail compliance cap to include "renewable mandates required by law", including RES portfolio requirements. Renew Missouri and Wind on the Wires object that the statute requires that only the RES requirements established in the statute can be used to calculate the one percent (1%) cap, and would remove the other renewable mandates language from the rule.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with Renew Missouri and Wind on the Wires' comment and will modify the subsection accordingly.

COMMENT #5: Ameren Missouri would change the language of subsection (2)(C) that says solar energy shall be two percent (2%) of the renewable energy resources to be no less than two percent (2%). The proposed change would recognize that the two percent (2%) requirement is a floor, not a ceiling. Public Counsel opposes that change to the extent it would justify a utility paying more for solar than is economic. Renew Missouri and staff support Ameren Missouri's comment.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with Ameren Missouri's comment. The two percent (2%) requirement is a floor, not a ceiling in that the utility may choose to obtain more than two percent (2%) of its power needs from solar energy. Public Counsel is correct that a utility is not justified in spending more for solar power than is economic, but making the proposed change in the language of the rule does not change that fundamental limitation.

COMMENT #6: Ameren Missouri would substitute the word "acquired" for "purchased" in subsection (4)(J)'s reference to SRECs because not all of the SRECs a utility acquires are purchased. Staff supports that change.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with the comment and will substitute "acquired" for "purchased" in the subsection.

COMMENT #7: Under subsection (4)(L), Ameren Missouri and Public Counsel would make the twelve- (12-) month period for the utility to confirm that the customer-generator's solar system is operational begin to run when the customer receives notice of the approval of its application from the utility, rather than when the customer applies for the rebate. Staff supports that change.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with the comment and will make the suggested change.

COMMENT #8: Regarding subsection (4)(M), Renew Missouri proposed alternative language to clarify that utility delay in determining that a customer-generator's solar system is operational does not reduce the solar rebate amount available for the customer. Ameren Missouri proposed compromise language that was accepted by KCP&L/GMO, Renew Missouri, and staff.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with the comment and will make the suggested change.

COMMENT #9: Ameren Missouri would change the language of subsection (4)(N) to make it clear that no single program, such as the solar rebate program, will cause the utility to exceed the total retail

rate impact, rather it would be a combination of all programs. Staff supports that change.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with the comment and will make the suggested change.

COMMENT #10: Ameren Missouri would modify subsection (4)(O) to eliminate the requirement to include information about the solar rebate application and review process on the electric utility's website when the utility has suspended payment of solar rebates pursuant to a commission order. Staff supports that change, but Renew Missouri and MOSEIA support the proposed tariff provision requirement and oppose Ameren Missouri's modification.
RESPONSE: The commission agrees with Renew Missouri and MOSEIA. Even if an electric utility has suspended payment of solar rebates, it is still appropriate to include information about solar rebates on the website, including, of course, the fact that payment of such rebates has been suspended. The commission will not make the modification suggested by Ameren Missouri.

COMMENT #11: Ameren Missouri would add a new subsection (4)(P) to clarify that the rule does not affect the commission's approval of the stipulations and agreements in ET-2014-0059, ET-2014-0071, and ET-2014-0085, which are the case files regarding whether the electric utilities have reached the cap on payment of further solar rebates. Renew Missouri and MOSEIA oppose Ameren Missouri's proposal as litigation regarding the future payment of solar rebates is still ongoing.
RESPONSE: Ameren Missouri is correct that nothing in these rules affects the commission's approval of the stipulations and agreements in the listed cases. But there is no need to "clarify" the rule by listing those agreements. The commission will not add the subsection suggested by Ameren Missouri.

COMMENT #12: MOSIEA and Renew Missouri would add a provision to section (5) the Retail Rate Impact (RRI) section to require each utility to calculate and file the RRI each year as part of its annual compliance report. They do not, however, suggest specific language, nor do they indicate exactly where in the section it should be inserted. KCP&L/GMO contend they already calculate the RRI and argue that no specific filing requirement is needed.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with MOSIEA and Renew Missouri's comment. The utilities already calculate the RRI for other purposes and it would not be unduly burdensome for them to make and file those calculations as part of its annual compliance report. The commission will add that requirement as subsection (5)(J).

COMMENT #13: Ameren Missouri, MIEC, and Renew Missouri would clarify subsection (5)(A) to make it clear that the RRI calculation would exclude resources owned or under contract before the date of the original rule, not the current revision. That original effective date would be September 30, 2010. Public Counsel supports that clarification.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with the comment and will make the suggested change.

COMMENT #14: Ameren Missouri proposes to change the word "through" to "based on" within subsection (5)(A).
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with the comment and will make the requested change.

COMMENT #15: Ameren Missouri notes that subsection (5)(B) is quite long and suggests that it be broken into paragraphs.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees that the subsection becomes more understandable when broken into paragraphs. The suggested change will be made.

COMMENT #16: MOSIEA and Renew Missouri suggest the commission clarify subsection (5)(B) to make it clear that all avoided costs are to be used in the RRI calculation, not just the avoided cost of fuel. Ameren Missouri suggests the commission expressly limit avoided costs to those that would be included in the utility's revenue requirement for setting rates, thus eliminating externalities, such as medical costs for treating asthma resulting from burning coal, etc. Staff supports Ameren Missouri's language, and MOSEIA and Renew Missouri indicated it would be acceptable to them as well.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with the comment and will clarify the amendment to make it clear that all avoided costs, not just the avoided cost of fuel are to be used in the RRI calculation. The commission will adopt the language proposed by Ameren Missouri. With the subsection having been broken into paragraphs, the revised language is in paragraph (5)(B)4.

COMMENT #17: MOSIEA and Renew Missouri suggest the commission modify subsection (5)(B) to specify that the utility's calculation of RRI must include the full risk of environmental regulation, not just greenhouse gas regulation costs. Ameren Missouri agrees and offers specific language for that purpose.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with the comment and will adopt the language offered by Ameren Missouri. With the subsection having been broken into paragraphs, the revised language is in paragraph (5)(B)4.

COMMENT #18: Renew Missouri strongly supports the proposed amendment's deletion of the last sentence of subsection (5)(B). The current rule limits when the utility must conduct the rate impact calculation.
RESPONSE: The commission thanks Renew Missouri for its comment and will leave the amendment's deletion of that sentence unchanged.

COMMENT #19: Public Counsel and MIEC are concerned that the proposed language of subsection (5)(B) would allow for the double-subtraction of fuel and environmental compliance costs in the calculation of RRI. MIEC proposed alternative language, which staff accepts.
RESPONSE AND EXPLANATION OF CHANGE: The additional sentence proposed by MIEC will serve to clarify what is already the intent of the amendment. The commission will add the sentence to the amendment.

COMMENT #20: Wind on the Wires asks the commission to adopt a template spreadsheet for performing the RRI described in subsection (5)(B). It asserts that its spreadsheet would make the RRI uniform, open, and transparent for all the electric utilities. It also offers alternative language to clarify the components of the non-renewable generation and purchased power resource portfolio. Staff does not support Wind on the Wires' proposal, and Ameren Missouri offered specific criticism of that proposal. In summary, Ameren Missouri contends the proposal would effectively eliminate the one percent (1%) rate impact cap.
RESPONSE: The purpose of the RRI calculation is to ensure that the electric utility's compliance with the renewable energy standards does not result in increases to retail rates of greater than one percent (1%), as required by the statute. Under the existing rule, that one percent (1%) impact is averaged over a forward-looking ten- (10-) year period that accounts for the costs of existing renewable resources and reasonable estimates of additional renewable resources needed to comply with the RES Portfolio Requirement over that ten- (10-) year period. In essence, the cost of using renewable energy to comply with the RES Portfolio Requirement is compared to the cost the utility would incur to supply that energy using non-renewable sources.

Wind on the Wires does not explain in any detail how the proposed template would work. But Ameren Missouri's response raises concerns that Wind on the Wires' proposal would require the inclusion

in the non-renewable portfolio of additional non-renewable energy even when that additional energy is not needed to serve customers, thereby ensuring that the one percent (1%) limitation would never be determined to have been reached.

Under the circumstances, the commission will retain the RRI calculation methodology created by the members of its expert staff and will not incorporate the spreadsheet proposed by Wind on the Wires.

COMMENT #21: In subsection (5)(D), MOSIEA suggests the commission add a requirement that all RECs used for compliance be associated with electricity sold to Missouri customers.
RESPONSE: The geographic sourcing requirement that MOSIEA was rejected from this amendment by joint resolution of the legislature when this rule was first promulgated. The commission will not revisit that issue and will not incorporate the language proposed by MOSIEA.

COMMENT #22: Renew Missouri asks the commission to add the phrase "in accordance with this subsection" to the new sentence at the end of subsection (5)(D) to modify the phrase "when adjusting downward the proportion of renewable energy resources" to make it clear that there is no other occasion for which the amount of renewable resources could be adjusted downward.
RESPONSE AND EXPLANATION OF CHANGE: The additional phrase proposed by Renew Missouri is not opposed by any other comment and is appropriate. The commission will add the phrase to the amendment.

COMMENT #23: Wind on the Wires is concerned that subsection (5)(E) seems to be missing from the rule in that it is neither included as existing language, nor is it stricken from the rule.
RESPONSE: The secretary of state's publication standards require that sections that are not amended or renumbered are not published in the *Missouri Register* as part of the proposed amendment. No changes were proposed to subsection (5)(E) so it was not published. It does, however, remain part of the rule.

COMMENT #24: Renew Missouri asks the commission to add a sentence to paragraph (5)(F)2. indicating that the commission will not suspend solar rebate payments unless it expressly finds that the electric utility has accurately calculated the retail rate impact in the manner prescribed by the regulation.
RESPONSE AND EXPLANATION OF CHANGE:The commission agrees with Renew Missouri's comment and will add the requested sentence.

COMMENT #25: In subsection (5)(G), the proposed amendment creates a "carry-forward" component to be incorporated in the RRI calculation. Staff's written comment extensively explains why the "carry-forward" is needed. Because the one percent (1%) cap is calculated on a going forward basis, past expenditures are currently not included in the calculation. Thus, theoretically, a very large expenditure on renewable energy this year would not affect the calculation of a future ten-year average for purposes of applying the one percent (1%) cap. As a result, without a "carry-forward" component, the actual ten-year average retail rate impact could exceed the one percent (1%) cap. Public Counsel supports staff's proposal. Wind on the Wires opposes the creation of the "carry-forward" component and proposes an alternative tied to its alternate retail rate impact methodology proposed in connection with subsection (5)(B). Ameren Missouri recommends the commission tweak the proposed language by including and defining the term "cumulative carry-forward amount", and would define a starting point for the calculation of the "carry-forward" amount at January 1, 2013 to capture the surge in solar rebate payments. KCP&L and GMO support that position. Renew Missouri would replace the phrase "one percent (1%) of the revenue requirement for that year" with "one percent (1%) cap, as defined in section (5)(B)". Staff insists on a January 1, 2015 start date for the "carry-forward" calculation to avoid retroactive rulemaking concerns.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with its staff that a "carry-forward" component is needed. The adjustments proposed by Wind on the Wires are tied to the alternative language it proposed in Comment #20, which the commission rejected for reasons explained in the response to that comment. The commission will again reject Wind on the Wires' proposal. The language adjustments proposed by Renew Missouri and Ameren Missouri are also appropriate, and will be adopted, except that the commission will start the "carry-forward" calculation with the current period beginning on January 1, 2015 as proposed by staff.

COMMENT #26: With regard to subsection (5)(G), MIEC and Public Counsel are concerned that reduced billing units sold because of distributed generation, such as customer-owned solar power systems, replacing power sold by the utility will result in a greater than one percent (1%) rate impact. They would add language to this subsection to require an adjustment to recognize the effect of the difference. Ameren Missouri proposes to adjust subsection (5)(B) to accomplish that purpose. Staff does not believe that the proposed language is needed.
RESPONSE: The commission does not believe that the reduced billing units language is necessary at this time as customer-owned solar power systems and other distributed generation systems do not currently have a large impact on the sales of any Missouri electric utility. The proposed language will not be added to the amendment.

COMMENT #27: In subsection (5)(I), Ameren Missouri asks the commission to modify subsection (5)(I) to clarify that the retail rate impact calculation is as provided in subsection (5)(B) of the rule. Also, Ameren Missouri would change the word "paid" to the customer to "made available" to the customer. MOSEIA would add language to make it clear that solar scale utility will not be counted against the one percent (1%) cap in any year for purposes of paying solar rebates.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with the comments and will make the suggested modifications.

COMMENT #28: Ameren Missouri asks the commission to not incorporate the word "annual" into paragraph (6)(A)4. because there is no annual one percent (1%) limit. Public Counsel supports that comment.
RESPONSE AND EXPLANATION OF CHANGE: The commission agrees with the comment and will make the requested change.

COMMENT #29: Ameren Missouri asks the commission to replace the term "case numbers" with "file numbers" in subparagraph (6)(A)17.C.
RESPONSE AND EXPLANATION OF CHANGE: File number is the phrase generally used by the commission and the phrase used in the subparagraph will be changed accordingly.

COMMENT #30: Ameren Missouri would remove the reference In subparagraph (8)(A)1.G. to serial numbers of RECs as it contends RECs are not assigned a serial number. Staff opposes that change, contending that RECs are in fact assigned serial numbers.
RESPONSE AND EXPLANATION OF CHANGE: The commission recognizes staff's need to be able to identify the vintage and source of the RECs, even if a serial number is not available. The subparagraph will be modified for that purpose.

COMMENT #31: Ameren Missouri comments that section (8), which describes the annual reports to be filed by a utility, requires the filing of large amounts of detailed information. It suggests the filing requirement be modified to allow the utility to make voluminous

information available for staff's review without actually filing it. Staff opposes Ameren Missouri's proposal.
RESPONSE: The commission believes that it is important that the required information be filed as part of the electric utility's report rather than just made available for staff's review because staff is not the only entity that will view the report. The commission will not make the requested change in the section.

COMMENT #32: Renew Missouri urges the commission to add a requirement to paragraph (8)(A)1. and subparagraph (8)(B)1.F. to require the utility's annual RES plan to include the RRI calculation, not just a detailed explanation of the calculation.
RESPONSE: Renew Missouri's proposal for these paragraphs is tied to its proposal for section (5). (See Comment #12) The commission agreed with the proposal to modify section (5), and will similarly modify these paragraphs.

COMMENT #33: Subsection (8)(F) currently says the commission may establish a procedural schedule if necessary when considering a utility's RES compliance plan. Renew Missouri urges the commission to add language to require the commission to issue a final order directing that deficiencies in the compliance plan be corrected, or that the plan be approved. It would also require the commission to find that the utility has correctly calculated the RRI. Public Counsel also supports a revision to the rule that would allow the commission to issue an order directing the utility to correct deficiencies before a compliance report or plan would be approved. Staff is willing to see some sort of interim procedure to correct deficiencies short of requiring a complaint to be filed. KCP&L and GMO support the current procedures.
RESPONSE AND EXPLANATION OF CHANGE: The current rule allows the commission to establish a procedural schedule, but does not describe a purpose for doing so. The commission agrees that the rule needs to be clarified. The commission's proceedings to consider the electric utility's reports and plans are not a contested case and the commission does not believe a contested case is the best way to deal with those reports and plans. Therefore, the commission will not create a procedure that would require an evidentiary hearing. However, some procedure is appropriate to ensure that the commission is satisfied with the reports and plans submitted by the electric utility. The commission will modify the subsection to allow for such a procedure.

COMMENT #34: Staff offered a comment explaining the basis for the new provisions of subparagraph (8)(A)1.J.
RESPONSE: The commission thanks staff for its comment.

COMMENT #35: Subsection (9)(A) requires that any allegation of a failure to comply with the RES must be filed as a complaint under the commission's complaint procedure. Renew Missouri and Wind on the Wires urge the commission to remove the requirement that enforcement of the rule be made through the complaint process. Staff opposes that proposal.
RESPONSE: The comments of Renew Missouri and Wind on the Wires about the rule's complaint procedure are really addressing the commission's power to enforce compliance with the report and plan provisions of the rule that were addressed in Comment #33. The complaint procedures of the rule are necessary to provide due process to an electric utility against whom penalties could be imposed. The commission will not modify this subsection.

4 CSR 240-20.100 Electric Utility Renewable Energy Standard Requirements

(1) Definitions. For the purpose of this rule—

(J) Operational means all of the major components of the on-site solar photovoltaic system have been purchased and installed on the customer generator's premises, and the production of rated net electrical generation has been measured by the utility. If a customer has satisfied all of the System Completion Requirements by June 30 of indicated years, but the electric utility is not able to complete all of the electric utility's steps needed to establish an Operational Date on or before June 30, the rebate rate will be determined as though the Operational Date was June 30. If it is subsequently determined that the customer or the System did not satisfy all Completion Requirements required of the customer on or before June 30, the rebate rate will be determined based on the Operational Date;

(N) Renewable energy resource(s) means electric energy, produced from the following:

1. Wind;

2. Solar, including solar thermal sources utilized to generate electricity, photovoltaic cells, or photovoltaic panels;

3. Dedicated crops grown for energy production;

4. Cellulosic agricultural residues;

5. Plant residues;

6. Methane from landfills, from agricultural operations or wastewater treatment;

7. Thermal depolymerization or pyrolysis for converting waste material to energy;

8. Clean and untreated wood, such as pallets;

9. Hydropower (not including pumped storage) that does not require a new diversion or impoundment of water and that has generator nameplate ratings of ten (10) megawatts or less;

10. Fuel cells using hydrogen produced by any of the renewable energy technologies in paragraphs 1. through 9. of this subsection; and

11. Other sources of energy not including nuclear that become available after November 4, 2008, and are certified as renewable by rule by the division;

(2) Requirements. Pursuant to the provisions of this rule and sections 393.1025 and 393.1030, RSMo, all electric utilities must generate or purchase RECs and S-RECs associated with electricity from renewable energy resources in sufficient quantity to meet the RES portfolio requirements (renewable and solar) on a calendar year basis. Utility renewable energy resources utilized for compliance with this rule must include the RECs or S-RECs associated with the generation. The RES portfolio requirements are based on total retail electric sales of the electric utility. The requirements set forth in this rule shall not preclude an electric utility from recovering all of its prudently incurred investment and costs incurred for renewable energy resources that exceed the requirements or limits of this rule but are consistent with the prudent implementation of any resource acquisition strategy the electric utility developed in compliance with 4 CSR 240-22, Electric Utility Resource Planning. RECs or S-RECs produced from these additional renewable energy resources may count toward the RES portfolio requirements.

(A) Reserved*

(B) The amount of renewable energy resources or RECs that can be counted towards meeting the RES portfolio requirements are as follows:

1. If the facility generating the renewable energy resource is located in Missouri, the allowed amount is the kilowatt-hours (kWhs) generated by the applicable generating facility, multiplied by one and twenty-five hundredths (1.25) to effectuate the credit pursuant to section 393.1030.1, RSMo and subsection (3)(G) of this rule; and

2. Reserved*;

3. RECs created by the operation of customer-generator facilities and acquired by the Missouri electric utility shall qualify for RES compliance if the customer-generator is a Missouri electric energy retail customer, regardless of the amount of energy the customer-generator provides to the associated retail electric provider through net metering in accordance with 4 CSR 240-20.065, Net Metering. RECs are created by the operation of the customer-generator facility, even if a significant amount or the total amount of electrical energy is consumed on-site at the location of the customer-generator.

(C) If compliance with the RES portfolio requirements would

cause the retail rates of an electric utility to increase on average in excess of one percent (1%) as calculated per section (5) of this rule, then compliance with those mandates shall be limited so that the cost of them would not cause retail rates of the electric utility to increase on average one percent (1%) as calculated per section (5) of this rule.

(D) If an electric utility is not required to meet the RES portfolio requirements in a calendar year, because doing so would cause retail rates to increase on average in excess of one percent (1%) as calculated per section (5) of this rule, then the RES portfolio requirement for solar energy shall be no less than two percent (2%) of the renewable energy resources that can be acquired subject to the one percent (1%) average retail rates limit as calculated per section (5) of this rule.

(E) If an electric utility intends to accept proposals for renewable energy resources to be owned by the electric utility or an affiliate of the electric utility, it shall comply with the necessary requirements of 4 CSR 240-20.015, Affiliate Transactions.

(4) Solar Rebate. Pursuant to section 393.1030, RSMo, and this rule, electric utilities shall include in their tariffs a provision regarding retail account holder rebates for solar electric systems. These rebates shall be available to Missouri electric utility retail account holders who install new or expanded solar electric systems comprised of photovoltaic cells or photovoltaic panels.

(J) Electric utilities that have acquired S-RECs under a one- (1-) time lump sum payment in accordance with subsection (H) of this section or as a result of the solar rebate S-RECs transferred through the solar rebate may continue to account for purchased S-RECs even if the owner of the solar electric system ceases to operate the system or the system is decertified as a renewable energy resource. S-RECs originated under this subsection shall only be utilized by the original purchasing utility for compliance with this rule. S-RECs originated under this subsection shall not be sold or traded.

(L) The electric utility shall provide the solar rebate payment to qualified customer-generators within thirty (30) days of confirming the customer-generator's solar electric system is operational. Consistent with 4 CSR 240-20.065(9), customer-generators have up to twelve (12) months from when they receive notice of approval of their Interconnection Application/Agreement for Net Metering Systems with Capacity of One Hundred Kilowatts (100 kW) or less for the utility to confirm the customer-generator's solar electric system is operational.

1. The solar rebates per installed watt up to a maximum of twenty-five kilowatts (25 kW) per retail account are—

A. $2.00 per watt for systems operational on or before June 30, 2014;

B. $1.50 per watt for systems operational between July 1, 2014 and June 30, 2015 (inclusive);

C. $1.00 per watt for systems operational between July 1, 2015 and June 30, 2016 (inclusive);

D. $0.50 per watt for systems operational between July 1, 2016 and June 30, 2019 (inclusive);

E. $0.25 per watt for systems operational between July 1, 2019 and June 30, 2020 (inclusive); and

F. $0.00 per watt for systems operational after June 30, 2020.

G. An electric utility may offer solar rebates after July 1, 2020 through a commission-approved tariff.

(M) An electric utility may, through its tariff, require applications for solar rebates to be submitted up to one hundred eighty-two (182) days prior to the June 30 operational dates. The electric utility will pay the pre-June 30 rebate amount as defined in this subsection to customer-generators who comply with the submission and system operational requirements on or before June 30 of the following year. Customer-generators that fail to meet the submission or system operational requirements on or before the June 30 date will receive the post-June 30 rebate amount if the electric utility confirms their solar electric systems are operational within one (1) year of their application. If a customer has satisfied all of the System Completion Requirements by June 30 of indicated years, but the electric utility is not able to complete all of the electric utility's steps needed to establish an Operational Date on or before June 30, the rebate rate will be determined as though the Operational Date was June 30. If it is subsequently determined that the customer or the System did not satisfy all Completion Requirements required of the customer on or before June 30, the rebate rate will be determined based on the Operational Date.

(N) Unless the commission orders otherwise, if the electric utility meets or exceeds the retail rate impact limits of section (5) of this rule, the solar rebates shall be paid on a first-come, first-served basis, as determined by the solar system operational date. Any solar rebate applications that are not honored in a particular calendar year due to the requirements of this subsection shall be the first-come, first-served applications considered in the following calendar year.

(5) Retail Rate Impact.

(A) The retail rate impact (RRI), as calculated in subsection (5)(B), may not exceed one percent (1%) for prudent costs of renewable energy resources directly attributable to RES compliance. The retail rate impact shall be calculated annually on an incremental basis for each planning year based on procurement or development of renewable energy resources averaged over the succeeding ten- (10-) year period. The retail rate impact shall exclude renewable energy resources owned or under contract prior to September 30, 2010.

(B) The RES retail rate impact shall be determined by subtracting the total retail revenue requirement incorporating an incremental non-renewable generation and purchased power portfolio from the total retail revenue requirement including an incremental RES-compliant generation and purchased power portfolio.

1. The non-renewable generation and purchased power portfolio shall be determined by adding, to the utility's existing generation and purchased power resource portfolio excluding all renewable resources, additional non-renewable resources sufficient to meet the utility's needs on a least-cost basis for the next ten (10) years.

2. The RES-compliant portfolio shall be determined by adding to the utility's existing generation and purchased power resource portfolio an amount of least cost renewable resources sufficient to achieve the portfolio requirements set forth in section (2) of this rule and an amount of least-cost non-renewable resources, the combination of which is sufficient to meet the utility's needs for the next ten (10) years.

3. The cost of the RES-compliant portfolio shall also include the positive or negative cumulative carry-forward amount as determined in subsection (5)(G).

4. Assumptions regarding projected renewable energy resource additions will utilize the most recent electric utility resource planning analysis. These comparisons will be conducted utilizing incremental revenue requirement for new renewable energy resources, less the avoided cost for non-renewable energy resources due to the addition of renewable energy resources. Such avoided costs shall be limited to those that may be included in a utility's revenue requirement for setting rates In addition, the projected impact on revenue requirements by non-renewable energy resources shall include the expected value of greenhouse gas emissions compliance costs, assuming that such costs are made at the expected value of the cost per ton of greenhouse gas emissions allowances, cost per ton of a greenhouse gas emissions tax (e.g., a carbon tax), or the cost per ton of greenhouse gas emissions reductions for any greenhouse gas emission reduction technology that is applicable to the utility's generation portfolio, whichever is lower. Calculations of the expected value of costs associated with greenhouse gas emissions shall be derived by applying the probability of the occurrence of future greenhouse gas regulations to expected level(s) of costs per ton associated with those regulations over the next ten (10) years. The impact on revenue requirements by non-renewable energy resources shall also include consideration of environmental risks other than those related to regulation or greenhouse gases. Any costs included to reflect consideration of such risks shall

be limited to those that may be included in a utility's revenue requirement for setting rates. Any variables utilized in the modeling shall be consistent with values established in prior rate proceedings, electric utility resource planning filings, or RES compliance plans, unless specific justification is provided for deviations. In no event shall the calculation of rate impact double count the cost of fuel or environmental compliance cost savings.

(D) For purposes of the determination in accordance with subsection (B) of this section, if the revenue requirement including the RES-compliant resource mix, averaged over the ten- (10-) year period, exceeds the revenue requirement that includes the non-renewable resource mix by more than one percent (1%), the utility shall adjust downward the proportion of renewable resources so that the average annual revenue requirement differential does not exceed one percent (1%). In making this adjustment, the solar requirement shall be in accordance with subsection (2)(D) of this rule. Prudently incurred costs to comply with the RES portfolio requirements, and passing this rate impact test, may be recovered in accordance with section (6) of this rule or through a rate proceeding outside or in a general rate case. When adjusting downward the proportion of renewable energy resources, in accordance with this subsection, the utility shall give first priority to reducing or eliminating the amount of RECs not associated with electricity delivered to Missouri customers.

(F) If the electric utility determines the maximum average retail rate increase provided for in section (5) will be reached in any calendar year, the electric utility may cease paying rebates to the extent necessary to avoid exceeding the maximum average retail rate increase by filing a request with the commission, at least sixty (60) days in advance, to suspend the solar rebate provisions in its tariff for the remainder of the calendar year.

1. The filing with the commission to suspend the electric corporation's solar rebate tariff provision shall include:

A. Its calculation reflecting that the maximum average retail rate increase will be reached with supporting documentation;

B. A proposed procedural schedule; and

C. A description of the process that it will use to cease or conclude the solar rebate payments to solar customers if the commission suspends its solar rebate tariff provision.

2. The commission shall rule on the suspension filing within sixty (60) days of the date it is filed. If the commission determines the maximum average retail rate increase will be reached, the commission shall suspend solar rebate payments. The commission will not suspend payment of solar rebates unless it expressly finds that the electric utility has accurately calculated the retail rate impact in the manner prescribed by this section (5).

3. The electric utility shall continue to process and pay applicable solar rebates until a final commission ruling.

A. If continuing to pay solar rebates causes the electric utility to exceed the maximum average retail rate increase, the excess payments shall not be considered to have been imprudently incurred for that reason.

(G) The utility shall calculate for each actual compliance year an annual carry-forward amount, illustration included herein as Attachment A. This amount shall be calculated as the positive or negative difference between the actual costs of RES compliance and an amount equal to the one percent (1%) cap, as calculated in subsection (5)(B), for the non-renewable generation and purchased power portfolio from its most recent annual RES compliance plan filed pursuant to subsection (7)(B) of this rule. The positive or negative cumulative carry-forward amount shall be calculated by accumulating the annual positive or negative annual carry-forward amounts. The initial cumulative carry-forward amount shall be equal to the sum of the annual carry-forward amounts for the period January 1, 2015, through December 31, 2015. Any annual carry-forward amounts shall be based on the revenue requirements analysis included in the utility's Annual RES Compliance Plan filed pursuant to subsection (8)(B) for each respective year. The positive or negative cumulative carry-forward amount shall be included in the cost of the RES-compliant portfolio for purposes of calculating the retail rate impact, as calculated in subsection (5)(B). Nothing in this subsection shall authorize recovery in excess of the one percent (1%) cap, as defined in subsection (5)(B).

(I) Not withstanding anything in subsection (5)(H), until June 30, 2020, if the maximum average retail rate increase, as calculated pursuant to subsection (5)(B) would be less than or equal to one percent (1%) if an electric utility's investment in solar-related projects initiated, owned, or operated by the electric utility is ignored for purposes of calculating the increase, then additional solar rebates shall be made available and included in rates in an amount up to the amount that would produce a retail rate increase equal to the difference between a one percent (1%) retail rate increase and the retail rate increase calculated when ignoring an electric utility's investment in solar projects initiated, owned, or operated by the electric utility.

(J) Each electric utility shall calculate its actual calendar year RRI each year and shall file those calculations as part of its annual RES compliance plan. The electric utility may designate all or part of those calculations as highly confidential, proprietary, or public as appropriate under the commission's rules.

(6) Cost Recovery and Pass-through of Benefits. An electric utility outside or in a general rate proceeding may file an application and rate schedules with the commission to establish, continue, modify, or discontinue a Renewable Energy Standard Rate Adjustment Mechanism (RESRAM) that shall allow for the adjustment of its rates and charges to provide for recovery of prudently incurred costs or pass-through of benefits received as a result of compliance with the RES; provided that the average annual impact on retail customer rates does not exceed one percent (1%) over a ten- (10-) year period as set out in subsections (5)(A), (B) and (G). In all RESRAM applications, the increase in electric utility revenue requirements shall be calculated as the amount of additional RES compliance costs incurred since the electric utility's last RESRAM application or general rate proceeding, net of any reduction in RES compliance costs included in the electric utility's prior RESRAM application or general rate case, and any new RES compliance benefits.

(A) For all RESRAM filings, except the initial filings by the electric utility, if the actual increase in utility revenue requirement is less than two percent (2%), subsection (B) of this section shall be utilized. If the actual increase in utility revenue requirement is equal to or greater than two percent (2%), subsection (C) of this section shall be utilized. For the initial filing by the electric utility in accordance with this section, subsection (B) of this section shall be utilized as well, except that the staff, and individuals or entities granted intervention by the commission, may file a report or comments no later than one hundred twenty (120) days after the electric utility files its application and rate schedules to establish a RESRAM.

1. The pass-through of benefits has no single-year cap or limit.

2. Any party in a rate proceeding in which a RESRAM is in effect or proposed may seek to continue as is, modify, or oppose the RESRAM. The commission shall approve, modify, or reject such applications and rate schedules to establish a RESRAM only after providing the opportunity for an evidentiary hearing.

3. If the electric utility incurs costs in complying with the RES that exceed the one percent (1%) rate limit determined in accordance with section (5) of this rule for any year, those excess costs may be carried forward to future years for cost recovery permitted under this rule. Any costs carried forward shall have a carrying cost applied to them monthly equal to the interest on those carried forward costs calculated at the electric utility's short-term borrowing rate. These carried forward costs plus accrued carrying costs plus additional annual costs remain subject to the one percent (1%) rate limit for any subsequent years. In any calendar year that costs from a previous compliance year are carried forward, the carried forward costs will be considered for cost recovery prior to any new costs for the current calendar year.

4. For ownership investments in eligible renewable energy technologies in a RESRAM application, the electric utility shall be entitled to a rate of return equal to the electric utility's most recent authorized rate of return on rate base. Recovery of the rate of return for investment in renewable energy technologies in a RESRAM application is subject to the one percent (1%) limit specified in section (5) of this rule.

5. Upon the filing of proposed rate schedules with the commission seeking to recover costs or pass-through benefits of RES compliance, the commission will provide general notice of the filing.

6. The electric utility shall provide the following notices to its customers, with such notices to be approved by the commission in accordance with paragraph 7. of this subsection before the notices are sent to customers:

A. An initial, one- (1-) time notice to all potentially affected customers, such notice being sent to customers no later than when customers will receive their first bill that includes a RESRAM, explaining the utility's RES compliance and identifying the statutory authority under which it is implementing a RESRAM;

B. An annual notice to affected customers each year that a RESRAM is in effect explaining the continuation of its RESRAM and RES compliance; and

C. A RESRAM line item on all customer bills, which informs the customers of the presence and amount of the RESRAM charge.

7. Along with the electric utility's filing of proposed rate schedules to establish a RESRAM, the utility shall file the following items with the commission for approval or rejection, and the OPC may, within ten (10) days of the utility's filing of this information, submit comments regarding these notices to the commission:

A. An example of the notice required by subparagraph (A)6.A. of this section;

B. An example of the notice required by subparagraph (A)6.B. of this section; and

C. An example customer bill showing how the RESRAM will be described on affected customers' bills in accordance with subparagraph (A)6.C. of this section.

8. An electric utility may effectuate a change in its RESRAM no more often than one (1) time during any calendar year, not including changes as a result of paragraph 11. of this subsection.

9. Submission of Surveillance Monitoring Reports. Each electric utility with an approved RESRAM shall submit to staff, OPC, and parties approved by the commission, a Surveillance Monitoring Report. The form of the Surveillance Monitoring Report is included herein.

A. The Surveillance Monitoring Report shall be submitted within fifteen (15) days of the electric utility's next scheduled United States Securities and Exchange Commission (SEC) 10-Q or 10-K filing with the initial submission within fifteen (15) days of the electric utility's next scheduled SEC 10-Q or 10-K filing following the effective date of the commission order establishing the RESRAM.

B. If the electric utility also has an approved fuel rate adjustment mechanism or environmental cost recovery mechanism (ECRM), the electric utility shall submit a single Surveillance Monitoring Report for the RESRAM, ECRM, the fuel rate adjustment mechanism, or any combination of the three (3). The electric utility shall designate on the single Surveillance Monitoring Report whether the submission is for RESRAM, ECRM, fuel rate adjustment mechanism, or any combination of the three (3).

C. Upon a finding that a utility has knowingly or recklessly provided materially false or inaccurate information to the commission regarding the surveillance data prescribed in this paragraph, after notice and an opportunity for a hearing, the commission may suspend its RESRAM or order other appropriate remedies as provided by law.

10. The RESRAM charge will be calculated as a percentage of the customer's energy charge for the applicable billing period.

11. Commission approval of proposed rate schedules, to establish or modify a RESRAM, shall in no way be binding upon the commission in determining the ratemaking treatment to be applied to RES compliance costs during a subsequent general rate proceeding when the commission may undertake to review the prudence of such costs. If the commission disallows, during a subsequent general rate proceeding, recovery of RES compliance costs previously in a RESRAM, or pass-through of benefits previously in a RESRAM, the electric utility shall offset its RESRAM in the future as necessary to recognize and account for any such costs or benefits. The offset amount shall include a calculation of interest at the electric utility's short-term borrowing rate as calculated in subparagraph (A)26.A. of this section. The RESRAM offset will be designed to reconcile such disallowed costs or benefits within the six- (6-) month period immediately subsequent to any commission order regarding such disallowance.

12. At the end of each twelve- (12-) month period that a RESRAM is in effect, the electric utility shall reconcile the differences between the revenues resulting from the RESRAM and the pretax revenues as found by the commission for that period and shall submit the reconciliation to the commission with its next sequential proposed rate schedules for RESRAM continuation or modification.

13. An electric utility that has implemented a RESRAM shall file revised RESRAM rate schedules to reset the RESRAM charge to zero (0) when new base rates and charges become effective following a commission report and order establishing customer rates in a general rate proceeding that incorporates RES compliance costs or benefits previously reflected in a RESRAM in the utility's base rates. If an over- or under-recovery of RESRAM revenues or over- or under-pass-through of RESRAM benefits exists after the RESRAM charge has been reset to zero (0), that amount of over- or under-recovery, or over- or under-pass-through, shall be tracked in an account and considered in the next RESRAM filing of the electric utility.

14. Upon the inclusion of RES compliance cost or benefit pass-through previously reflected in a RESRAM into an electric utility's base rates, the electric utility shall immediately thereafter reconcile any previously unreconciled RESRAM revenues or RESRAM benefits and track them as necessary to ensure that revenues or pass-through benefits resulting from the RESRAM match, as closely as possible, the appropriate pretax revenues or pass-through benefits as found by the commission for that period.

15. In addition to the information required by subsection (B) or (C) of this section, the electric utility shall also provide the following information when it files proposed rate schedules with the commission seeking to establish, modify, or reconcile a RESRAM:

A. A description of all information posted on the utility's website regarding the RESRAM; and

B. A description of all instructions provided to personnel at the utility's call center regarding how those personnel should respond to calls pertaining to the RESRAM.

16. RES compliance costs shall only be recovered through a RESRAM or as part of a general rate proceeding and shall not be considered for cost recovery through an environmental cost recovery mechanism, fuel adjustment clause, or interim energy charge.

17. Pre-existing adjustment mechanisms, tariffs, and regulatory plans. The provisions of this rule shall not affect—

A. Any adjustment mechanism, rate schedule, tariff, incentive plan, or other ratemaking mechanism that was approved by the commission and in effect prior to September 30, 2010; and

B. Any experimental regulatory plan that was approved by the commission and in effect prior to September 30, 2010; and

C. The commission's reports and orders in file numbers ET-2014-0059, ET-2014-0071, and ET-2014-0085.

18. Each electric utility with a RESRAM shall submit, with an affidavit attesting to the veracity of the information, the following information on a monthly basis to the manager of the auditing unit of the commission and to OPC. The information shall be submitted to the manager of the auditing department through the electronic filing and information system (EFIS). The following information shall be

aggregated by month and supplied no later than sixty (60) days after the end of each month when the RESRAM is in effect. The first submission shall be made within sixty (60) days after the end of the first complete month after the RESRAM goes into effect. It shall contain, at a minimum—

A. The revenues billed pursuant to the RESRAM by rate class and voltage level, as applicable;

B. The revenues billed through the electric utility's base rate allowance by rate class and voltage level;

C. All significant factors that have affected the level of RESRAM revenues along with workpapers documenting these significant factors;

D. The difference, by rate class and voltage level, as applicable, between the total billed RESRAM revenues and the projected RESRAM revenues;

E. Any additional information the commission orders be provided; and

F. To the extent any of the requested information outlined above is provided in response to another section, the information only needs to be provided once.

19. Information required to be filed with the commission or submitted to the manager of the auditing unit of the commission and to OPC in this section shall also be, in the same format, served on or submitted to any party to the related rate proceeding in which the RESRAM was approved by the commission, periodic adjustment proceeding, prudence review, or general rate case to modify, continue, or discontinue the same RESRAM, pursuant to the procedures in 4 CSR 240-2.135 for handling confidential information, including any commission order issued thereunder.

20. A person or entity granted intervention in a rate proceeding in which a RESRAM is approved by the commission shall be a party to any subsequent related periodic adjustment proceeding or prudence review, without the necessity of applying to the commission for intervention; and the commission shall issue an order identifying them. In any subsequent general rate proceeding, such person or entity must seek and be granted status as an intervenor to be a party to that case. Affidavits, testimony, information, reports, and workpapers to be filed or submitted in connection with a subsequent related periodic adjustment proceeding, prudence review, or general rate case to modify, continue, or discontinue the same RESRAM shall be served on or submitted to all parties from the prior related rate proceeding and on all parties from any subsequent related periodic adjustment proceeding, prudence review, or general rate case to modify, continue, or discontinue the same RESRAM, concurrently with filing the same with the commission or submitting the same to the manager of the auditing unit of the commission and OPC, pursuant to the procedures in 4 CSR 240-2.135 for handling confidential information, including any commission order issued thereunder.

21. A person or entity not a party to the rate proceeding in which the commission approves a RESRAM may timely apply to the commission for intervention, pursuant to sections 4 CSR 240-2.075(2) through (4) of the commission's rule on intervention, respecting any related subsequent periodic adjustment proceeding, or prudence review, or, pursuant to sections 4 CSR 240-2.075(1) through (5), respecting any subsequent general rate case to modify, continue, or discontinue the same RESRAM. If no party to a subsequent periodic adjustment proceeding or prudence review objects within ten (10) days of the filing of an application for intervention, the applicant shall be deemed as having been granted intervention without a specific commission order granting intervention, unless, within the above-referenced ten- (10-) day period, the commission denies the application for intervention on its own motion. If an objection to the application for intervention is filed on or before the end of the above-referenced ten- (10-) day period, the commission shall rule on the application and the objection within ten (10) days of the filing of the objection.

22. The results of discovery from a rate proceeding where the commission may approve, modify, reject, continue, or discontinue a RESRAM, or from any subsequent periodic adjustment proceeding or prudence review relating to the same RESRAM, may be used without a party resubmitting the same discovery requests (data requests, interrogatories, requests for production, requests for admission, or depositions) in the subsequent proceeding to parties that produced the discovery in the prior proceeding, subject to a ruling by the commission concerning any evidentiary objection made in the subsequent proceeding.

23. If a party which submitted data requests relating to a proposed RESRAM in the rate proceeding where the RESRAM was established or in any subsequent related periodic adjustment proceeding or prudence review wants the responding party to whom the prior data requests were submitted to supplement or update that responding party's prior responses for possible use in a subsequent related periodic adjustment proceeding, prudence review, or general rate case to modify, continue, or discontinue the same RESRAM, the party which previously submitted the data requests shall submit an additional data request to the responding party to whom the data requests were previously submitted which clearly identifies the particular data requests to be supplemented or updated and the particular period to be covered by the updated response. A responding party to a request to supplement or update shall supplement or update a data request response from a related rate proceeding where a RESRAM was established, reviewed for prudence, modified, continued, or discontinued, if the responding party has learned or subsequently learns that the data request response is in some material respect incomplete or incorrect.

24. Each rate proceeding where commission establishment, continuation, modification, or discontinuation of a RESRAM is the sole issue shall comprise a separate case. The same procedures for handling confidential information shall apply, pursuant to 4 CSR 240-2.135, as in the immediately preceding RESRAM case for the particular electric utility, unless otherwise directed by the commission on its own motion or as requested by a party and directed by the commission.

25. In addressing certain discovery matters and the provision of certain information by electric utilities, this rule is not intended to restrict the discovery rights of any party.

26. Prudence reviews respecting a RESRAM. A prudence review of the costs subject to the RESRAM shall be conducted no less frequently than at intervals established in the rate proceeding in which the RESRAM is established.

A. All amounts ordered refunded by the commission shall include interest at the electric utility's short-term borrowing rate. The interest shall be calculated on a monthly basis for each month the RESRAM rate is in effect, equal to the weighted average interest rate paid by the electric utility on short-term debt for that calendar month. This rate shall then be applied to a simple average of the same month's beginning and ending cumulative RESRAM over-collection or under-collection balance. Each month's accumulated interest shall be included in the RESRAM over-collection or under-collection balances on an ongoing basis.

B. The staff shall submit a recommendation regarding its examination and analysis to the commission not later than one hundred eighty (180) days after the staff initiates its prudence audit. The staff shall file notice within ten (10) days of starting its prudence audit. The commission shall issue an order not later than two hundred ten (210) days after the staff commences its prudence audit if no party to the proceeding in which the prudence audit is occurring files, within one hundred ninety (190) days of the staff's commencement of its prudence audit, a request for a hearing.

(I) If the staff, OPC, or other party auditing the RESRAM believes that insufficient information has been supplied to make a recommendation regarding the prudence of the electric utility's RESRAM, it may utilize discovery to obtain the information it seeks. If the electric utility does not timely supply the information, the party asserting the failure to provide the required information shall timely file a motion to compel with the commission. While the commission is considering the motion to compel, the processing time line

shall be suspended. If the commission then issues an order requiring the information to be provided, the time necessary for the information to be provided shall further extend the processing time line. For good cause shown the commission may further suspend this time line.

(II) If the time line is extended due to an electric utility's failure to timely provide sufficient responses to discovery and a refund is due to the customers, the electric utility shall refund all imprudently incurred costs plus interest at the electric utility's short-term borrowing rate. The interest shall be calculated on a monthly basis in the same manner as described in subparagraph (A)26.A. of this section.

(8) Annual RES Compliance Report and RES Compliance Plan. Each electric utility shall file a RES compliance report no later than April 15 to report on the status of both its compliance with the RES and its compliance plan as described in this section for the most recently completed calendar year. Each electric utility shall file an annual RES compliance plan with the commission. The plan shall be filed no later than April 15 of each year.

(A) Annual RES Compliance Report.

1. The annual RES compliance report shall provide the following information for the most recently completed calendar year for the electric utility:

A. Total retail electric sales for the utility, as defined by this rule;

B. Total jurisdictional revenue from the total retail electric sales to Missouri customers as measured at the customers' meters;

C. Total retail electric sales supplied by renewable energy resources, as defined by section 393.1025(5), RSMo, including the source of the energy;

D. The number of RECs and S-RECs created by electrical energy produced by renewable energy resources owned by the electric utility. For the electrical energy produced by these utility-owned renewable energy resources, the value of the energy created. For the RECs and S-RECs, a calculated REC or S-REC value for each source and each category of REC;

E. The number of RECs acquired, sold, transferred, or retired by the utility during the calendar year;

F. The source of all RECs acquired during the calendar year;

G. The identification, by source and serial number, or some other identifier sufficient to establish the vintage and source of the REC, of any RECs that have been carried forward to a future calendar year;

H. An explanation of how any gains or losses from sale or purchase of RECs for the calendar year have been accounted for in any rate adjustment mechanism that was in effect for the electric utility;

I. For acquisition of electrical energy and/or RECs from a renewable energy resource that is not owned by the electric utility, except for systems owned by customer-generators, the following information for each resource that has a rated capacity of ten (10) kW or greater:

(I) Facility name, location (city, state), and owner;

(II) That the energy was derived from an eligible renewable energy technology and that the renewable attributes of the energy have not been used to meet the requirements of any other local or state mandate;

(III) The renewable energy technology utilized at the facility;

(IV) The dates and amounts of all payments from the electric utility to the owner of the facility; and

(V) All meter readings used for calculation of the payments referenced in part (IV) of this paragraph;

J. For acquisition of electrical energy and/or RECs from a customer generator—

(I) Location (zip code);

(II) Name of aggregated subaccount in which RECs are being tracked in;

(III) Interconnection date;

(IV) Annual estimated or measured generation; and

(V) The start and end date of any estimated or measured RECs being acquired;

K. The total number of customers that applied and received a solar rebate in accordance with section (4) of this rule;

L. The total number of customers that were denied a solar rebate and the reason(s) for each denial;

M. The amount expended by the electric utility for solar rebates, including the price and terms of future S-REC contracts associated with the facilities that qualified for the solar rebates;

N. An affidavit documenting the electric utility's compliance with the RES compliance plan as described in this section during the calendar year;

O. If compliance was not achieved, an explanation why the electric utility failed to meet the RES; and

P. A calculation of its actual calendar year retail rate impact.

2. On the same date that the electric utility files its annual RES compliance report, the utility shall post an electronic copy of its annual RES compliance report, excluding highly confidential or proprietary material, on its website to facilitate public access and review.

3. On the same date that the electric utility files its annual RES compliance report, the utility shall provide the commission with separate electronic copies of its annual RES compliance report including and excluding highly confidential and proprietary material. The commission shall place the redacted electronic copies of each electric utility's annual RES compliance reports on the commission's website in order to facilitate public viewing, as appropriate.

(B) RES Compliance Plan.

1. The plan shall cover the current year and the immediately following two (2) calendar years. The RES compliance plan shall include, at a minimum—

A. A specific description of the electric utility's planned actions to comply with the RES;

B. A list of executed contracts to purchase RECs (whether or not bundled with energy), including type of renewable energy resource, expected amount of energy to be delivered, and contract duration and terms;

C. The projected total retail electric sales for each year;

D. Any differences, as a result of RES compliance, from the utility's preferred resource plan as described in the most recent electric utility resource plan filed with the commission in accordance with 4 CSR 240-22, Electric Utility Resource Planning;

E. A detailed analysis providing information necessary to verify that the RES compliance plan is the least cost, prudent methodology to achieve compliance with the RES;

F. A calculation of the RES retail impact limit calculated in accordance with section (5) of this rule. The calculation should be accompanied by workpapers including all the relevant inputs used to calculate the retail impact limits for the planning interval which is included in the RES compliance plan. The electric utility may designate all or part of those calculations as highly confidential, proprietary, or public as appropriate under the commission's rules; and

G. Verification that the utility has met the requirements for not causing undue adverse air, water, or land use impacts pursuant to subsection 393.1030.4., RSMo, and the regulations of the division.

(F) The commission may direct the electric utility to provide additional information or to address any concerns or deficiencies identified in the comments of staff or other interested persons or entities.

Title 10—DEPARTMENT OF NATURAL RESOURCES
Division 10—Air Conservation Commission
Chapter 6—Air Quality Standards, Definitions, Sampling and Reference Methods and Air Pollution Control Regulations for the Entire State of Missouri

ORDER OF RULEMAKING

By the authority vested in the Missouri Air Conservation Commission