

**BEFORE THE PUBLIC SERVICE  
COMMISSION OF THE STATE OF MISSOURI**

In the Matter of the Application of Union Electric                     )  
Company d/b/a Ameren Missouri for Permission and                     )  
Approval and a Certificate of Public Convenience and                 )   File No. EA-2018-0202  
Necessity Authorizing it to Construct a Wind Generation             )  
Facility.   )

**RESPONSE TO OPC’S APPLICATION FOR REHEARING**

COMES NOW Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or “Company”), and for its response to the Application for Rehearing filed by the Office of the Public Counsel (“OPC”) on December 21, 2018, states as follows:

1. Most of OPC’s application consists of re-argument of the points already rejected by the Commission in its December 12, 2018 *Report and Order*. However, OPC raises one new argument that, because it fails to accurately reflect the operation of the one percent retail rate impact limitation (“RRI”) in the RES,<sup>1</sup> warrants a response.

2. OPC claims that the Commission’s ruling “undermines legislative intent by subverting the RES’ one percent retail rate cap.” OPC Application, ¶ 3 (p. 4). That claim is incorrect and reflects a fundamental misunderstanding of the RRI limitation in the RES and further reflects OPC’s failure to apprehend the difference between how RES compliance costs are recovered and the limitation reflected in the RRI.

3. The “prudent costs of renewable energy resources directly attributable to RES compliance” must be counted in determining if the impact of RES compliance exceeds the RRI. 4 CSR 240-20.100(5)(A). It matters not *how* a given RES compliance cost is recovered; if it is a RES compliance cost, it counts. Put another way, a RES compliance cost need not be *recovered*

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<sup>1</sup> Renewable Energy Standard, § 393.1030 and, specifically, subdivision (1) of subsection 2. See also 4 CSR 240-20.100 (5) for the applicable Commission regulation that implements the statutory requirement for the one percent retail rate impact limitation.

in a RESRAM to *be* a RES compliance cost. This has been true since Ameren Missouri began complying with the RES many years ago, for up until now, not a single dollar of RES compliance costs were reflected in a RESRAM because a RESRAM was not in place.

4. Indeed, the RESRAM tariff sheets that were just approved (and which OPC agreed should be approved if it failed to prevail on its argument) specifically exclude pre-January 1, 2019 (i.e., pre-RESRAM RES compliance costs) from recovery in the RESRAM, but that does not mean that those pre-January 1, 2019 RES compliance costs are not RES compliance costs. They were, and they are, as are all other costs associated with a renewable energy resource used for RES compliance without regard to how its cost are recovered.

5. The bottom line is that one hundred percent of *all* of the costs of the High Prairie Wind facility (or other RES compliance assets), including 100% of the depreciation and return on that facility, are in the words of the Commission’s regulation “costs of renewable energy resources directly attributable to RES compliance” and, consequently, all of those costs – the 15% of return and depreciation included in the RESRAM and the remaining 85% deferred to the PISA regulatory asset – count toward the RRI. There is no “avoidance of the RESRAM’s one percent cap.” OPC Application, ¶ 3, p. 4. There is no such avoidance because there is no “RESRAM” cap; there is only a cap – a RES compliance cost cap, and it has nothing to do with whether there is a RESRAM or otherwise with *how* RES compliance costs are reflected in rates.

6. As noted, the remainder of OPC’s application is in substance simply a reargument of the points already rejected by the Commission. Consequently, the remainder of OPC’s application does not warrant a response.

WHEREFORE, Ameren Missouri prays for an order from the Commission denying OPC’s Application for Rehearing.

Respectfully submitted:

**/s/ James B. Lowery**

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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing document was served on all parties of record via electronic mail (e-mail) on this 28th day of December, 2018.

**/s/James B. Lowery**

James B. Lowery