

Exhibit No.: 105  
Issue(s): Certificate of  
Convenience and Necessity  
Witness: Cedric E. Cunigan  
Sponsoring Party: MoPSC Staff  
Type of Exhibit: Surrebuttal Testimony  
Case No.: EA-2018-0202  
Date Testimony Prepared: September 28, 2018

MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

ENGINEERING ANALYSIS DEPARTMENT

SURREBUTTAL TESTIMONY

OF

CEDRIC E. CUNIGAN

UNION ELECTRIC COMPANY,  
d/b/a AMEREN MISSOURI

CASE NO. EA-2018-0202

Jefferson City, Missouri  
September 2018

STAFF Exhibit No. 105  
Date 10/31/18 Reporter SM  
File No. EA 2018 0202



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Cedric E. Cunigan

1 require Ameren Missouri (and the other investor-owned utilities) to meet certain requirements  
2 regarding the use of renewable energy while not exceeding the one percent (1%) retail rate  
3 impact (“RRI”) limit. Renewable energy credits (RECs) are tracked in the North American  
4 Renewables Registry to ensure compliance with the RES.

5 Q. How does Ameren Missouri acquire RECs?

6 A. Ameren Missouri operates or has contracted for generation with Keokuk  
7 Hydro-electric Generation Station, Horizon Pioneer Prairie II Wind Farm, Maryland Heights  
8 Renewable Energy Center, and the O’Fallon Renewable Energy Center. Ameren also has  
9 access to RECs from customer generators receiving solar rebates.

10 Q. Are these sources sufficient to meet the requirements of the RES?

11 A. No. Ameren Missouri needs additional RECs to comply with the RES and has  
12 planned to buy RECs for 2019 and 2020 compliance.<sup>2</sup> Mr. Matt Michels states in his direct  
13 testimony that beginning in 2021 Ameren Missouri will need approximately 4.5 million RECs  
14 per year to meet RES.<sup>3</sup> In 2017, Ameren Missouri projected that compliance with the RES  
15 utilizing newly built resources would result in Ameren Missouri exceeding the 1% cap.<sup>4</sup>  
16 In 2018, the company drastically changed several assumptions resulting in the cost of building  
17 the resources needed to comply with the RES being lower than the 1% cap.<sup>5</sup>

18 Q. Is building new renewable generation sources, which is the request for this  
19 CCN, the only way for Ameren to acquire more RECs?

20 A. No. Power purchase agreements (PPAs) or direct REC purchases could also be  
21 used to meet RES requirements, but Ameren Missouri in this case has proposed to own and

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<sup>2</sup> Ameren Missouri Renewable Energy Standard Compliance Plan 2018-2020, EFIS Case No. EO-2018-0287.

<sup>3</sup> Page 3, lines 10 and 11 of the Direct Testimony of Matt Michels, Case No. EA-2018-0202.

<sup>4</sup> Ameren Missouri Renewable Energy Standard Compliance Plan 2017-2019, EFIS Case No. EO-2017-0268.

<sup>5</sup> Response to Data Request 0053 Case No. EA-2018-0202.

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1 operate the High Prairie Wind facility. Staff does not object to this method of RES  
2 compliance. The RES rule has no expiration and is a long term requirement. REC purchases  
3 are a short term solution for a long term compliance issue.

4 Q. Are there benefits to building the High Prairie Wind facility over other  
5 compliance methods?

6 A. The proposed wind facility, upon certification by Division of Energy,<sup>6</sup> will be  
7 eligible for compliance with the RES. The project, being located in Missouri qualifies it for an  
8 additional ¼ credit per megawatt-hour generated, lowering Ameren Missouri's RES  
9 compliance obligation. This wind project accounts for \*\*\* \_\_\_ \*\*\* of Ameren Missouri's  
10 near-term planned RES compliance activities.

11 Q. Please summarize your testimony.

12 A. Beginning in 2021, Ameren Missouri is required to procure 4.5 million RECs a  
13 year to ensure compliance with the legal requirements of the RES statute. The PTCs and  
14 lowered cost of technology, coupled with the additional ¼ REC credit for being located in  
15 Missouri, make this project a suitable method of RES compliance. Ameren Missouri has  
16 shown a need for the project, and should be granted a CCN, subject to the terms and  
17 conditions of the second non-unanimous Stipulation and Agreement filed September 24, 2018  
18 between Ameren Missouri, Staff, Renew Missouri, and MIEC.

19 Q. Does this conclude your surrebuttal testimony?

20 A. Yes.

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<sup>6</sup> 4 CSR-340-8.010 Certification of Renewable Energy and Renewable Energy Standard Compliance Account.

