

MEMORANDUM

TO: Missouri Public Service Commission Case File
Case No. EO-2012-0351, Ameren Missouri Renewable Energy Standard Compliance
Report for Calendar Year 2011

FROM: Michael E. Taylor, Energy Unit – Engineering Analysis

/s/ Daniel I. Beck / 5/31/12 /s/ Jennifer Hernandez / 5/31/12
Energy Unit / Date Staff Counsel's Office / Date

SUBJECT: Staff Report and Conclusion on Ameren Missouri's 2011 Renewable Energy Standard
Compliance Report

DATE: May 31, 2012

CONCLUSION

The Staff has reviewed the Ameren Missouri 2012 RES Compliance Report for calendar year 2011. Based on its review, Staff has not identified any deficiencies.

OVERVIEW

On April 16, 2012, Union Electric Company d/b/a Ameren Missouri (Company) filed its Renewable Energy Standard (RES) Compliance Report (Compliance Report) for calendar year 2011 (Case No. EO-2012-0351). The Compliance Report was filed in accordance with Rule 4 CSR 240-20.100(7), Electric Utility Renewable Energy Standard Requirements, Annual RES Compliance Report and RES Compliance Plan. This rule states, in part, "Each electric utility shall file an RES compliance report no later than April 15 to report on the status of the utility's compliance with the renewable energy standard and the electric utility's compliance plan as described in this section for the most recently completed calendar year. The initial annual RES compliance report shall be filed by April 15, 2012, for the purpose of providing the necessary information for the first RES compliance year (2011)." Subparagraphs 4 CSR 240-20.100(7)(A)1.A. through N. provide the minimum requirements for the Compliance Report. Subsection 4 CSR 240-20.100(7)(D) requires that Staff examine the Company's Compliance Report and file a report within forty-five (45) days of the filing. This is the first Compliance

Report filing for the Missouri electric utilities required by the Missouri Renewable Energy Standard, Sections 393.1020 through 393.1030, RSMo.

Staff has utilized MissouriRECS (North American Renewables Registry) to independently verify the retirement of the RECs and S-RECs by the Company.

DISCUSSION

Staff has reviewed the Company's Compliance Report in accordance with the established requirements to verify the Compliance Report contains the information required by rule. The results of this review are detailed below, with appropriate rule subparagraphs A. through N. identified and quoted.

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

The Company provided the total retail electric sales for 2011 expressed as total megawatt-hours (MWh) sold to ultimate consumers. This amount (37,428,457 MWh) is consistent with the Company's 2011 FERC Form 1 filed on May 15, 2012.

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

The Company provided the total retail electric sales for 2011 expressed as annual operating revenues (dollars) from ultimate consumers. This amount (\$2,809,322,426) is consistent with the Company's 2011 FERC Form 1 filed on May 15, 2012.

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

The Company utilized three (3) primary renewable energy generating facilities during 2011; the Keokuk Hydroelectric Generation Station (Keokuk), Pioneer Prairie II Wind Farm (Pioneer Prairie), and solar photovoltaic (PV) technologies at the Company headquarters. The total amount of energy generated at the hydro and wind facilities was 1,198,528 MWh. The energy produced by generation at the solar PV was located in the State of Missouri, thus

qualifying for the one and twenty-five hundredths (1.25) credit multiplier allowed by statute and regulation.¹ With the credit multiplier, the total compliance S-REC credit was 141.

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;”

The Company reported that the Company-owned Keokuk facility generated 910,045 MWh in 2011. The value of the energy was \$26,279,652. The Company does not assign a cost or value for the RECs produced, due to the restrictive nature of using hydroelectric RECs and the RECs created by this facility are a benefit to Missouri ratepayers since capital and operational costs for Keokuk are already part of the rate structure. The Company-owned solar facility produced 113 MWh in 2011. The full output of this facility is consumed on site at the Company’s headquarters building, therefore no value for the energy or S-RECs have been assigned.

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

The Company provided information regarding its utilization of RECs for compliance. The Company acquired 288,483 RECs through a purchased power agreement (PPA) with Pioneer Prairie. The Company has not utilized these RECs for compliance with the Missouri RES. The Company also produces RECs from Keokuk. Staff verified that the Company retired 733,598 Keokuk RECs². The Company also acquired 17,400 S-RECs from brokers (4,000 of these S-RECs will be delivered in calendar year 2012). During 2011, the Company acquired 1,060 S-RECs from customers through Standard Offer Contracts (SOC). These S-

¹ Section 393.1030.1., RSMo; Rule 4 CSR 240-20.100(3)(G)

² Pursuant to Rule 4 CSR 240-20.100(2)(C)1., the amount of RECs necessary is determined by calculating two percent (2%) of the Company’s total retail sales, less the solar requirement.

RECs qualify for the in-state credit multiplier. Staff verified that the Company retired 14,971 S-RECs (from third-party brokers)³. These RECs were registered and retired in the electronic tracking system⁴ utilized for compliance purposes. In accordance with statute and regulation, these RECs were produced by a qualified facility and were banked and utilized appropriately.⁵

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

See comments in Section E. of this report.

G. “The identification, by source and serial number, of any RECs that have been carried forward to a future calendar year;”

The Company provided a listing of RECs that are being carried forward for future year(s) as Exhibit 1 of the Compliance Report.

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 utility;”

The Company did not incur any gains or losses associated with REC purchases or sales. No RECs were sold and all RECs purchased will be utilized for future compliance purposes.

³ Pursuant to Rule 4 CSR 240-20.100(2)(D)1., the amount of S-RECs necessary is determined by calculating four-hundredths percent (0.04%) of the Company’s total retail sales.

⁴ MissouriRECS (North American Renewables Registry): <http://missouri-recs.com/>

⁵ Qualified facility per Section 393.1025.(5), RSMo and Rule 4 CSR 240-20.100(1)(K); Banked RECs per Section 393.1030.2., RSMo and Rule 4 CSR 240-20.100(1)(J).

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

(I) Name, address, and owner of the facility;

The Company provided the necessary information for Pioneer Prairie. The Company requested and was granted a waiver by the Commission (Case No. EO-2012-0150) regarding the reporting of information in accordance with all parts of this subparagraph of the rule⁶ for S-RECs purchased from the Company’s customers and S-RECs purchased from aggregators lawfully registered in another renewable energy registry.

(II) An affidavit from the owner of the facility certifying 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;

The required affidavit was provided by the Company.

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

See Subsection I.(I) above.

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

The dates and amounts for the payments to Pioneer Prairie were provided.

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

The required meter readings for Pioneer Prairie were provided.

⁶ Rule 4 CSR 240-20.100(7)(A)1.I.(I) through (V)

- J. “The total number of customers that applied and received a solar rebate in accordance with section (4) of this rule;”**

The Company paid 226 solar rebates during calendar year 2011.

- K. “The total number of customers that were denied a solar rebate and the reason(s) for denial;”**

One customer was denied a rebate payment by the Company. This customer was attempting to obtain a rebate for installation of used equipment in violation of Rule 4 CSR 240-20.100(4)(D).

- L. “The amount of funds 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;”**

The Company paid \$2,964,306 in solar rebates for calendar year 2011. The Company provided information regarding the SOC tariff that was in effect for 2011. Copies of the tariff sheets were also provided.

- M. “An affidavit documenting the electric utility’s compliance with the RES compliance plan as described in this section during the calendar year. This affidavit will include a description of the amount of over- or under-compliance costs that shall be adjusted in the electric utility’s next compliance plan;”**

The Company provided an affidavit documenting compliance with the RES. Although not specifically addressed in the affidavit, there were no over- or under-compliance costs; therefore no adjustments are necessary in the Company’s next compliance plan.

N. “If compliance was not achieved, an explanation why the electric utility failed to meet the RES.”

As described in Discussion paragraph E., the Company achieved compliance with the Missouri RES for calendar year 2011.

