BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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In re: Union Electric Company's 2014 Utility Resource Filing pursuant to 4 CSR 240 – Chapter 22.

Case No. EO-2015-0084

AMEREN MISSOURI'S RESPONSE TO SIERRA CLUB'S RESPONSE TO AMEREN MISSOURI'S MAY 1, 2015 AND JUNE 22, 2015 FILINGS

COMES NOW Union Electric Company d/b/a Ameren Missouri (Ameren Missouri or Company), and in response to *Sierra Club Response to Ameren Missouri's May 1 and June 22, 2015 Filings* (Response), states as follows:

1. Ameren Missouri made its Chapter 22 Integrated Resource Plan (IRP) filing on October 1, 2014. On March 2, 2015, Sierra Club filed its comments on Ameren Missouri's 2014 IRP. Those comments included allegations of deficiencies with respect to the Company's assumptions for compliance with environmental regulations and for expectations for regulation of carbon dioxide emissions.

2. On May 1, 2015, Ameren Missouri and the other parties to the Company's IRP case made a Joint Filing listing the issues in which the parties had agreed to resolve certain issues and the issues which remained unresolved. The Joint Filing included resolution of Sierra Club's alleged deficiency with respect to compliance with environmental regulations via a commitment by the Company to discuss (in a Supplemental Filing to be made no later than May 29, 2015) its consideration of flue gas desulfurization (FGD) and selective catalytic reduction (SCR) retrofits for its existing coal-fired generating fleet.¹ Also on May 1, 2015, Ameren Missouri filed its response to those issues that remained unresolved.

¹ Joint Filing, paragraph 6(a).

3. On May 29, 2015, Ameren Missouri made the Supplemental Filing, as agreed to in the Joint Filing, describing its consideration of FGD and SCR retrofits and describing the rationale for changes in the Company's assumptions from its 2011 IRP and 2012 and 2013 IRP Annual Updates. This satisfied the Company's obligation under the Joint Filing with respect to the agreed-upon resolution of this issue.

4. Sierra Club filed a response to the Company's Supplemental Filing on June 12, 2015. In that response, Sierra Club expressed its appreciation for the Company's efforts to describe and document the underlying assumptions regarding its consideration of FGD and SCR retrofits. What follows in the remainder of that response, and in the most recent response filed by Sierra Club on July 1, 2015, is an attempt to substitute Sierra Club's judgment and expectations regarding the future requirements of environmental regulations for that of Ameren Missouri's decision makers and to revive the alleged deficiency that Sierra Club had already agreed to resolve.

5. The level of discussion provided by the Company in its Supplemental Filing is directly reflective of the discussion that occurred between the Company and Sierra Club when agreement was reached to resolve Sierra Club's alleged deficiency. Sierra Club's June 12 response sought to further expand the level of detail of the discussion, in essence, moving the goalposts. The Company's June 22 response provided additional detail regarding compliance with the National Ambient Air Quality Standards (NAAQS) for sulfur dioxide (SO2) and ozone.

6. In its July 1 response, Sierra Club laments the absence of this high degree of detail in the Company's original IRP filing, claiming that the Company has not been transparent regarding its environmental compliance assumptions and has not described such assumptions "in

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a manner that would allow a stakeholder to thoroughly assess the utility's resource acquisition strategy and each of its components."

7. As aptly noted in United for Missouri's response to Sierra Club's July 1 comments, Sierra Club's claim of an alleged lack of transparency is disingenuous. Sierra Club is the only party that has made such a claim regarding the Company's environmental assumptions, and Sierra Club has itself proffered its own conclusions regarding the impacts of environmental compliance based on its own opinions, beliefs and understanding of the Company's IRP analysis. Further, to the extent Sierra Club was confused (it was not), it had ample opportunity to seek the clarity it believed it was lacking through discovery during the *five months* between the Company's IRP filing and the date on which Sierra Club's initial IRP comments were filed. Sierra Club did not make *even one* request for additional clarity on the Company's assumptions for FGD and SCR retrofits during that time.

8. In addition to what the Company included in its IRP filing, the Company has now filed, through its Supplemental Filing and subsequent response, an additional six pages of explanation regarding its FGD and SCR assumptions. The Company has in good faith provided this additional information pursuant to the commitment it made to resolve this issue as provided for in the Joint Filing and to further clarify for the Commission the practical considerations involved in making long-term assessments of environmental compliance. In doing so, the Company has more than fulfilled the requirement in the IRP rules to consider "environmental pollutants for which, *in the judgment of the utility decision makers*, legal mandates may be imposed during the planning horizon which would result in compliance costs that could significantly impact utility rates."² (Emphasis added). The Company has also clearly met its obligations with respect to resolution of this issue in the Joint Filing, which provided that

² 4 CSR 240-22.040(2)(B).

"Fulfillment of the remedies on these issues means that they are no longer active issues in this IRP case."³

9. Regarding Sierra Club's additional comments made in its July 1 response, pertaining to the Company's assumptions for future regulation of carbon dioxide emissions, the Company directs the Commission to pages 11 and 12 of the *Response of Ameren Missouri to Alleged Deficiencies and Concerns* filed on May 1, 2015, including its references to the voluminous testimony provided by the Company on this topic in other recent cases.

WHEREFORE, Ameren Missouri asks the Commission to find that its October 1, 2014, IRP filing complies with the requirements of 4 CSR 240-22, as it existed at the time that the Company's IRP was filed, and to acknowledge its Preferred Resource Plan as reasonable at this time.

Respectfully submitted,

UNION ELECTRIC COMPANY, d/b/a Ameren Missouri

Is Wendy K. Tatro

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³ Joint Filing, paragraph 6.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Ameren Missouri Response to Sierra Club's Response was served on all parties of record via electronic mail (e-mail) on this 10th day of July, 2015.

<u>|s| Wendy K. Tatro</u>

Wendy K. Tatro