

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

In the Matter of a Working Case to Draft a Rule to)
Modify Commission Rules Regarding Renewable) File No. EW-2014-0092
Energy Standard Requirements and Net Metering)
Standards)

**RESPONSE COMMENTS OF RENEW MISSOURI
REGARDING SUBSECTION (5)(B), 4 CSR 240-20.100**

COMES NOW Earth Island Institute d/b/a Renew Missouri (“Renew Missouri”) and hereby offers these response comments to the parties’ comments submitted on February 14, 2014 regarding revisions to the Commission’s rule at 4 CSR 240-20.100(5)(B).

**Response to Ameren Missouri’s Comments
Regarding Subsection (5)(B)**

1. Ameren Missouri proposes to insert language that would include renewable generation constructed prior to the RES in both the non-renewable and RES-compliant portfolios:

“The costs for renewable energy resources owned or under contract prior to the effective date of this rule shall be included in both the non-renewable generation and purchased power portfolio and the RES-compliant portfolio.”

Renew Missouri’s Response: Renew Missouri does not support this insertion. Including the costs of renewable generation in the non-renewable portfolio would be antithetical to the way the non-renewable portfolio is supposed to be calculated according to the statute. Section 393.1030.2(1), RSMo specifically uses the phrase “entirely nonrenewable sources.” Accordingly, all pre-existing renewable generation costs should be excluded from the non-renewable portfolio and replaced with the cost of hypothetical traditional generation of the same capacity. On the other side, the RES-compliance portfolio should include only those pre-existing renewable generation costs that are expended during each compliance year. Using this approach, the section

(5) calculation would measure the actual costs of RES compliance compared to what the utility would have otherwise spent on entirely non-renewable generation. This most closely matches the RES statute's language at Section 393.1030.2(1), RSMo.

2. Ameren Missouri proposes to insert language that would include in both portfolios the cost of new renewable generation built or installed after the RES and not directly attributable to RES compliance:

“The costs for new renewable energy resources added to the utility's generation and purchased power portfolio after the effective date of this rule and not directly attributable to RES compliance shall be included in both the non-renewable generation and purchased power portfolio and the RES-compliant portfolio.”

Renew Missouri's Response: Renew Missouri does not support this proposed insertion. Ameren Missouri would like to charge the costs of renewable generation to both portfolios even when that generation is not attributable to the RES. Presumably, this proposed language refers to so-called “economic” investments in renewable generation, i.e. investments that would be cost-competitive with or cheaper than investments in traditional generation. Such investments should be included in the RES-compliant portfolio, and the costs of hypothetical traditional generation of the same capacity should be included in the non-renewable portfolio. The net effect is that economic renewable investments result in a cost savings to the RES-compliant portfolio, making more money available under the utility's 1% retail rate impact limit.

Response to Kansas City Power & Light and KCP&L-GMO's Comments Regarding Subsection (5)(B)

3. Kansas City Power & Light (KCP&L) and KCP&L-GMO support the language proposed by Ameren Missouri to clarify composition of non-renewable and RES compliant portfolios, including treatment of non-RES renewables such as economic wind.

Renew Missouri's Response: Renew Missouri does not support the language proposed by KCP&L and KCP&L-GMO; see above.

4. KCP&L and KCP&L-GMO commented on the proposal to calculate and discount additional avoided costs due to the installation of renewable energy.

“KCP&L disagrees that these factors should be added to the rule. The structure of the retail rate impact section is cost-based. Adding any non-cost factors would fundamentally alter the calculation and move the impact calculation away from the structures outlined in the supporting statute.”

Renew Missouri's Response: Renew Missouri disagrees with the reasoning of KCP&L and KCP&L-GMO. The RES statute clearly prescribes that the Commission's rule must require the comparison of “the electric utility's cost of compliance with least-cost renewable generation and the cost of continuing to generate or purchase electricity from entirely nonrenewable sources...” Such a comparison necessarily entails that *all* avoided costs due to the addition of renewables must be calculated and discounted from the costs of compliance. The Commission's currently-published rule requires utilities to subtract the avoided fuel costs from the cost of compliance. Under this very same rationale, parties are simply proposing that all other avoided costs be taken into account so as to best measure the utilities' true costs of compliance.

**Response to Comments of MOSEIA and
Wind on the Wires Regarding Subsection (5)(B)**

5. Renew Missouri supports the comments of MOSEIA and Wind on the Wires regarding subsection (5)(B).

WHEREFORE Renew Missouri submits these response comments and requests that the Commission consider them in revising its rule at 4 CSR 240-20.100(5)(B).

Submitted by,

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CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of this filing was sent by email to all parties of record in this case on February 21, 2014.

/s/ Andrew J. Linhares
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