

Missouri Revised Statutes

Chapter 393 Gas, Electric, Water, Heating and Sewer Companies Section 393. 1030

August 28, 2010

Electric utilities, portfolio requirements--tracking requirements—rulemaking authority --rebate offers--certification of electricity generated.

393.1030. 1. The commission shall, in consultation with the department, prescribe by rule a portfolio requirement for all electric utilities to generate or purchase electricity generated from renewable energy resources, or purchase renewable energy credits. Such portfolio requirement shall provide that electricity from renewable energy resources, or renewable energy credits, or a combination thereof, shall constitute the following portions of each electric utility's sales to Missouri consumers:

(1) No less than two percent for calendar years 2011 through 2013;

(2) No less than five percent for calendar years 2014 through 2017;

(3) No less than ten percent for calendar years 2018 through 2020; and

(3)(4) No less than fifteen percent in each calendar year beginning in 2021.

At least two percent of each portfolio requirement shall be derived from solar energy or solar renewable energy credits. The portfolio requirements shall apply only to ~~all~~ power sold ~~by the utilities-electric utilities to~~ Missouri consumers whether such power is self-generated or purchased from another source in or outside of this state. An electric utility may comply with the standard in whole or in part by purchasing RECs without purchasing or delivering the associated energy. Each kilowatt-hour of eligible energy generated in Missouri shall count as 1.25 kilowatt-hours for purposes of compliance.

~~From 2011 through 2013, all energy and/or RECs used to meet the portfolio requirement shall be derived from generation located in the continental United States. From 2014 through 2020, all energy and/or RECs used to meet the portfolio requirement shall be derived from generation located in the State of Missouri or within the territory of the regional transmission organizations serving electric utilities in the State of Missouri. After 2020, all energy and/or RECs used to meet the portfolio requirement shall be derived from generation located in the State of Missouri or any state contiguous with Missouri. Any RECs purchased and/or generated by an electric utility from generating sources which were eligible under this section at the time of generation may be used for compliance in any year for up to three years from the date of their creation, notwithstanding anything to the contrary in this section.~~

2. The commission, in consultation with the department and within one year of November 4, 2008, shall select a program for tracking and verifying the trading of renewable energy credits. An unused credit may exist for up to three years from the date of its creation. A credit may be used only once to comply with sections 393.1020 to 393.1030 and may not also be used to satisfy any similar nonfederal requirement. An electric utility may not use a credit derived from a green pricing program. Certificates from Missouri net-metered sources shall initially be owned by ~~the~~ customer-generator. The commission, except where the department is specified, shall make whatever rules are necessary to enforce the renewable energy standard. Such rules shall include:

~~(1) A maximum average retail rate increase of one percent determined by estimating and comparing 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, taking into proper account future environmental~~

~~regulatory risk including the risk of greenhouse gas regulation;~~

(1) Penalties of at least twice the average market value of renewable energy credits for the compliance period for failure to meet the targets of subsection 1. An electric utility will be excused if it proves to the commission that failure was due to events beyond its reasonable control that could not have been reasonably mitigated, or that the maximum average retail rate increase has been reached. Penalties shall not be recovered from customers. Amounts forfeited under this section shall be remitted to the department to purchase renewable energy credits needed for compliance. Any excess forfeited revenues shall be used by the department's energy center solely for renewable energy and energy efficiency projects; Provisions for an annual report to be filed by each electric utility in a format sufficient to document its progress in meeting the targets;

(2) Provision for recovery outside the context of a regular rate case of prudently incurred costs and the pass-through of benefits to customers of any savings achieved by an electrical corporation in meeting the requirements of this section.

3. Each electric utility shall make available to its retail customers a standard rebate offer of at least two dollars per installed watt for new or expanded solar electric systems sited on customers' premises, up to a maximum of twenty-five kilowatts per system, that become operational after 2009.

~~1.4.~~ The department shall, in consultation with the commission, establish by rule a certification process for electricity generated from renewable resources and used to fulfill the requirements of subsection 1 of this section. Certification criteria for renewable energy generation shall be determined by factors that include fuel type, technology, and the environmental impacts of the generating facility. Renewable energy facilities shall not cause undue adverse air, water, or land use impacts, including impacts associated with the gathering of generation feedstocks. If any amount of fossil fuel is used with renewable energy resources, only the portion of electrical output attributable to renewable energy resources shall be used to fulfill the portfolio requirements.

~~2.5.~~ In carrying out the provisions of this section, the commission and the department shall include methane generated from the anaerobic digestion of farm animal waste and thermal depolymerization or pyrolysis for converting waste material to energy as renewable energy resources for purposes of this section.

(L. 2007 S.B. 54, A.L. 2008 Adopted by Initiative, Proposition C, November 4, 2008, A.L. 2010 S.B. 795)

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Missouri General Assembly

Cap on increases in retail charges based on renewable mandates

393.1045. Notwithstanding other provisions of this chapter, an electric utility shall not incur annual costs to comply with these renewable mandates in excess of one percent of the revenue requirement established by the Commission in its most recent general rate proceeding, excluding all costs solely attributable to complying with renewable mandates. The first time that the annual costs to comply with the renewable mandates equals one percent of the electric utility's revenue requirement, the utility shall include those costs in its base rates in its next general rate proceeding. Thereafter, the utility shall be permitted to incur costs to comply with these renewable mandates up to an additional one percent of the revenue requirement established by the Commission in its most recent general rate proceeding. Solar rebates shall be included in the one percent rate cap provided for in this section, and all the costs of complying with these renewable mandates shall be recoverable in the retail rates charged by the electric utility. .