

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

In the Matter of the Application of Union Electric)	
Company d/b/a Ameren Missouri for Permission and)	
Approval and a Certificate of Public Convenience and)	EA-2016-0208
Necessity Authorizing it to Offer a Pilot Distributed)	
Solar Program and File Associated Tariff.)	

NON-UNANIMOUS STIPULATION AND AGREEMENT

Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or the “Company”), the Missouri Public Service Commission Staff (“Staff”), Missouri Department of Economic Development – Division of Energy, Earth Island Institute d/b/a Renew Missouri and United for Missouri, Inc. (collectively the “Signatories”) present this Non-Unanimous Stipulation and Agreement (“Stipulation”) to the Missouri Public Service Commission (“Commission”) for its approval.

I. BACKGROUND

1. On April 26, 2016, Ameren Missouri requested the Missouri Public Service Commission (“Commission”) issue a blanket Certificate of Convenience and Necessity (“CCN”) allowing the Company to partner with customers to construct and own distributed solar facilities located on those customers’ premises (the "Partnership Pilot"). The filing included direct testimony filed by William Barbieri and Michael Harding. The Signatories held multiple meetings to discuss the Partnership Pilot and have come to an agreement as set forth below.

II. SPECIFIC TERMS AND CONDITIONS

2. Complete Settlement of Case. As a result of extensive settlement discussions, the Signatories have agreed to the terms and conditions set forth below in full and final resolution of all issues in this case.

3. Blanket Certificate of Convenience and Necessity (“CCN”). The Signatories agree the

Commission should grant a blanket CCN, authorizing Ameren Missouri to construct one or more Partnership Pilot facilities in Ameren Missouri's service territory, subject to the investment limitations on such facilities and other terms and conditions herein, which will allow construction at a given site upon completion of the process outlined in Appendix A.

4. Site Selection Criteria. Ameren Missouri will use the Minimum Application Conditions and Additional Considerations for Site Evaluation when identifying a site(s) for facilities to be constructed for this Partnership Pilot, as set forth in Appendix A to this Stipulation. If facilities under both this Partnership Pilot and the pilot that is the subject of File No. EA-2016-0207 are to be built, the Company will use best efforts to locate sites that can host facilities for both pilots.

5. Additional Site Information. As Ameren Missouri identifies locations, it will file the information required by Appendix A in this docket and the Signatories will review that information to verify that the site meets the agreed-upon criteria according to the process outlined in Appendix A. If there is a dispute regarding whether the site meets the agreed-upon criteria the dispute will be referred to the Commission for resolution.

6. Capital Investment Level. Ameren Missouri's capital investment in the Partnership Pilot is capped at \$10 million. Additionally, Ameren Missouri will spend no more than \$2.20/watt on each facility.¹ Participating partners are required to cover any costs in excess of \$2.20/watt on a facility located on their premises, but may cover more than their minimum required contribution. Contributions by participating partners shall be treated as a contribution in aid of construction.

7. Costs. Actual investment and others costs associated with facilities constructed and operated under this Partnership Pilot will be reviewed by parties to Ameren Missouri rate cases and may be challenged on the basis of imprudence, however, it is agreed that parties may not argue that the decision

¹ The \$2.20/watt is based on the Direct Current ("DC") rating of the solar facility.

to construct a facility according to the terms of this agreement is imprudent. All investment (within the caps) in the Partnership Pilot facilities and other costs of the facilities, other than those found to be imprudent will be reflected in Ameren Missouri's revenue requirement in each rate case.

8. Construction. Construction on a particular site may not begin before completion of the verification process set forth in Appendix A.

9. Marketing. Marketing may begin after the approval of this Stipulation.

10. Reporting. Ameren Missouri will file reports with the Commission in this docket detailing lessons learned. Reports will be filed 18 months after each facility is constructed and every 36 months thereafter, until the last facility constructed as part of the Partnership Pilot is retired. The minimum requirements for what information will be included in these reports are set forth in Appendix B. The reports will be filed in this docket (EA-2016-0208); parties may file responses to these reports within 45 days.

III. GENERAL PROVISIONS

11. This Stipulation is being entered into for the purpose of disposing of the issues that are specifically addressed herein. In presenting this Stipulation, none of the Signatories shall be deemed to have approved, accepted, agreed, consented or acquiesced to any ratemaking principle or procedural principle, including, without limitation, any method of cost or revenue determination or cost allocation or revenue related methodology, and none of the Signatories shall be prejudiced or bound in any manner by the terms of this Stipulation (whether it is approved or not) in this or any other proceeding, other than a proceeding limited to enforce the terms of this Stipulation, except as otherwise expressly specified herein. Without limiting the foregoing, it is agreed that this Stipulation does not serve as a precedent for future solar facility programs.

12. This Stipulation has resulted from extensive negotiations, and the terms hereof are

interdependent. If the Commission does not unconditionally approve this Stipulation, or approves it with modifications or conditions to which a party objects, then this Stipulation is considered to be void and no Signatory will be bound by any of its provisions.

13. If the Commission does not unconditionally approve this Stipulation without modification, or approves it with modifications or conditions to which a party objects, and notwithstanding its provision that it shall become void, neither this Stipulation, nor any matters associated with its consideration by the Commission, shall be considered or argued to be a waiver of the rights any Signatory has for a decision in accordance with Section 536.080, RSMo 2000, or Article V, Section 18, of the Missouri Constitution, and the Signatories retain all procedural and due process rights as fully as though this Stipulation had not been presented for approval, and any suggestions or memoranda, testimony or exhibits that have been offered or received in support of this Stipulation shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any further purpose whatsoever.

14. This Stipulation contains the entire agreement of the Signatories concerning the issues addressed herein and resolves all issues in this case.

15. This Stipulation does not constitute a contract with the Commission. Acceptance of this Stipulation by the Commission shall not be deemed as constituting an agreement on the part of the Commission to forego the use of any discovery, investigative or other power which the Commission presently has. Thus, nothing in this Stipulation is intended to impinge or restrict in any manner the exercise by the Commission of any statutory right, including the right to access information, or any statutory obligation.

/s/ James B. Lowery

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing has been e-mailed, this 31st day of August, 2016, to counsel for all parties of record.

/s/ James B. Lowery

Appendix A – Site Documentation

Process for Signatory verification that the site(s) selected meets the specified criteria.

- A. Ameren Missouri files information required by 4 CSR 240-3.105(B) in docket EA-2016-0208. This filing will also include an assessment that the identified site meets the Minimum Application Conditions listed below as well as documentation regarding the Additional Considerations for Site Selection listed below.
- B. All parties will make best efforts to complete their review within 45 days but may take up to 90 days to review information.
- C. Ameren Missouri will schedule a conference call within 7 calendar days of the filing of the information to answer questions.
- D. Parties may issue data requests for additional information. The time to answer these data requests will be shortened to 7 calendar days, with 3 business to object or notify the issuer that additional time will be needed to provide the information requested.
- E. At end of 45/90 days, Staff will file a report in the CCN case that says they have verified that the site selected does (or does not) meet the agreed-upon criteria. Other parties may file a report at the same time, but are not required to do so.

Minimum Application Conditions to be met are as follows, in no particular order:

- Non-Residential Customer
- Site is within the Ameren Missouri service territory
- Site can support a minimum of 100 kW capacity
- Customer is in good standing with Company
- Site provides a suitable location for solar (flat, minimal shading issues, accessible)
 - minimum of eighty-five percent (85%) of the solar resource is available to the solar photovoltaic system.
- Near sub-transmission, distribution lines, or substations (12kV - 69 kV)
 - Interconnection must be at sub-transmission or distribution level
 - Interconnection must not require significant capacity upgrades
 - Cost of interconnection must be included in Ameren Missouri's contribution cap
- Not in a flood plain

Additional Considerations for Site Evaluation, in no particular order:

- Price of Bid
- Price of Interconnection Cost and Upgrades
- Amount Partner is willing to contribute to the project should the price exceed Ameren Missouri's contribution cap
- Type of installation (Ground Mount, Rooftop, Canopy)
- Creditworthiness of applicant

- History at location & likeliness to remain in control over life of solar facility
- Quality of site (risk of erosion, deterioration of structure, or quality of soil)
- Environmental Risk of site
- Existing security at Site location
- Safety risk at location
- Type of Facility: (Office, Educational, Industrial, Manufacturing, Retail, Religious, Data center, Warehouse, Healthcare, Military, Recreational, Other)
- Site Status: (Owned, Leased, Other)

APPENDIX B

Each report filed pursuant to paragraph 10 shall include at a minimum: a discussion of knowledge gained of each Learning Opportunity, a discussion of progress towards answering each Key Question to Explore, and the results of and documentation of Planned Activities to Gain Insight.

Learning Opportunities:

- Gain insight and knowledge about the unique benefits and challenges of distributed generation in general and, more specifically, benefits and challenges related to the deployment of Ameren Missouri-owned solar generation on properties owned by Ameren Missouri customers.
- Learn about distributed generation, how it impacts the Company's electrical grid and to test the level of customer interest in sharing in the investment necessary to install this type of renewable generation.
- Explore which types of customers are most interested in the program, and under what terms they would participate.
- Consider how offering a lease payment, bill credit, or other form of compensation to potential site hosts would influence future program participation and cost.
- Gain an understanding of how distributed generation functions on an electrical grid designed primarily for centralized generation, solar generation, as well as the impacts of facility placement on the grid (e.g., impacts on transformers, substations, and line losses) and the value to the grid of distributed generation.
- Ameren Missouri should also be able to determine if there are any specific financial benefits from this form of solar generation or if utility-scale central station generation will provide a more economic means of solar electrical supply.

Key Questions to Explore:

- What types of customers expressed interest in the program? What program aspects did these different customers favor (e.g., PR, lease payments, other program terms)?
- Are customers willing to invest money into utility-owned renewable generation?
- Would a lease payment, bill credit, or other form of compensation to customers increase their likelihood to participate in the program?
- What levels and structures of host site compensation are offered by other IOUs? Are these offerings comparable to compensation provided to host sites by third-party solar project developers?
- How would various levels of compensation offered to host sites impact the levelized cost of energy from customer-sited solar facilities? How do these costs compare with those related to utility-scale solar?
- Does Ameren Missouri retaining ownership of the associated RECs impact customer desire for this program?
- What are customers' recommendations for future program enhancements?
- What contract terms are necessary in order to make this type of arrangement work?
- Can Ameren Missouri identify a system reliability benefit arising from the addition of these generation assets?

- Are there any distribution system challenges associated with the use of distributed generation?
- Are lease payments an important factor to gain customer participation?

Planned Activities to Gain Insights:

Ameren Missouri will conduct marketing surveys along with interviews of customers participating in the program (along with other potential participants) to learn first-hand their thoughts about the workings of the program. Routine follow-ups on the customers' perceptions of how the program is working and the benefits that the customers are experiencing will assist Ameren Missouri with potential future program design changes that may be necessary. Ameren Missouri will communicate periodically with prospective participants regarding alternative program designs to gauge potential additional interest.

Ameren Missouri will use the Division Directors responsible for the areas in which each generator is ultimately located under this pilot to track the operational benefits and challenges related to having the facilities on the distribution system (versus on the transmission system).