

In the Matter of Ameren Missouri’s 2014 Utility Resource Filing pursuant to 4 CSR 140 – Chapter 22. ) File No. EO-2015-0084 ) )

COMES NOW Union Electric Company d/b/a Ameren Missouri (Ameren Missouri), and

for its Supplemental Filing states as follows:

- <sup>1</sup> Rule 4 CSR 240-22. The Commission revised its Chapter 22 rules, effective June 30, 2011.

6. On June 12, 2015, the Sierra Club filed its Response to Ameren's Supplemental Filing (Response).

7. In their Response, the Sierra Club claims that Ameren Missouri "failed to adequately assess the impacts of the existing sulfur dioxide ("SO<sub>2</sub>") and forthcoming ozone National Ambient Air Quality Standards ("NAAQS")." Sierra Club does not mention key facts and mischaracterizes the current status of the regulations for both SO<sub>2</sub> and ozone.

8. It should be noted that Sierra Club's Response does not argue that Ameren Missouri did not do the analysis agreed upon in the Joint Filing. Rather, it argues that the analysis should have been done differently; more specifically, that the Sierra Club would have completed the analysis differently. That is not a deficiency. A deficiency occurs when Ameren Missouri fails to do something required by the rules. The Sierra Club's argument is, at best, a concern under the IRP regulations. Further, Ameren Missouri does not believe the argument is a valid one because Sierra Club omits several vital facts and explanations of NAAQS.

9. With regard to the National Ambient Air Quality Standard for sulfur dioxide (SO<sub>2</sub> NAAQS), the Missouri Department of Natural Resources (DNR) is addressing the Herculaneum SO<sub>2</sub> non-attainment area. As Sierra Club mentions in their Response, the area around the Doe Run facility in Herculaneum was designated as non-attainment with the 2010 National Ambient Air Quality for SO<sub>2</sub>. The designation was made effective on October 4, 2013 and was based on air quality data collected by an ambient monitoring system located in the vicinity of the Doe Run facility from 2007 to 2009. On May 28, 2015, the Missouri Air Conservation Commission approved DNR's State Implementation Plan (SIP) to address the non-attainment area. Major components of the attainment plan included permanent shutdown of the Doe Run primary lead smelter in Herculaneum that occurred in December of 2013, as well as strengthened stack

emission limitations for the Labadie, Meramec and Rush Island Energy Centers. Sierra Club's Response does not mention that the air quality monitor that was the basis for the non-attainment designation has consistently measured values in 2014 and 2015 which are significantly below the SO<sub>2</sub> NAAQS of 75 ppb. In fact, the 99<sup>th</sup> percentile monitored value in 2014 was 18 ppb compared to the SO<sub>2</sub> NAAQS of 75 ppb. The air quality is attaining the standard well in advance of the required attainment date of October of 2018. The DNR SIP considers the key fact that the area is attaining the ambient air quality standard. The SIP also includes more protective SO<sub>2</sub> emission limitations for the Rush Island Energy Center that will ensure continued compliance with the standard. As required, the DNR SIP identifies "Reasonably Available Control Technology" (RACT) standards that include the permanent shutdown of the Doe Run facility as well as the strengthened SO<sub>2</sub> emission limitations for the Ameren Missouri Energy Centers. The DNR "Non-attainment Area Plan for the 2010 1-Hour Sulfur Dioxide National Ambient Air Quality Standard" states:

"In addition to the major control strategy that ceased operations, in December 2013, at the Doe Run Herculaneum primary lead smelter, the Air Program is ensuring that affected sources implement appropriate control measures as expeditiously as practicable in order to ensure attainment of the standard by the October 2018 attainment date."<sup>2</sup>

10. As an additional contingency measure, Ameren Missouri has entered into an enforceable agreement that includes the strengthened SO<sub>2</sub> emission limitations as well as a commitment to install and operate an ambient air quality monitoring system in the vicinity of the Rush Island Energy Center to ensure that the ambient air quality standards are being met with

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<sup>2</sup> Nonattainment Area Plan for the 2010 1-Hour Sulfur Dioxide National Ambient Air Quality Standard, Section 7, Reasonably Available Control Measures and Reasonable Further Progress; April 30, 2015.

existing SO<sub>2</sub> emission levels. This approach and the DNR SIP are consistent with Ameren Missouri's 2014 IRP.

11. With regard to the ozone National Ambient Air Quality Standard (ozone NAAQS), DNR is responsible for developing and implementing state plans to attain and maintain compliance with the ambient air quality standards. This is a very complicated and time-consuming process and the regulatory landscape continues to change and evolve over time. The Environmental Protection Agency (EPA) sets the level of the ambient standard and, in the case of ozone, the standard has been lowered several times over the past ten years. The air quality in the St. Louis area continues to improve. At the same time, the ambient standard has been lowered. Most recently, in February of 2015, the EPA re-designated the St. Louis area to attainment with the 1997 eight-hour O<sub>3</sub> standard.<sup>3</sup> Additionally, the EPA also approved the state's plan for maintaining the 1997 O<sub>3</sub> standard in the St. Louis area for ten years beyond re-designation to 2025. The DNR is also obligated to develop an attainment plan for the St. Louis area to bring the area into compliance with the 2008 ozone ambient air quality standard. In June of 2013, the EPA proposed revisions to existing regulations and guidance to aid states in the implementation of the 2008 ozone NAAQS. The EPA issued the final regulations on March 6, 2015.<sup>4</sup> This final rule addresses a range of non-attainment area SIP requirements for the 2008 ozone NAAQS, including requirements pertaining to state attainment demonstrations, and the timing of SIP submissions. As the state determines the appropriate plan to demonstrate compliance with the current standard, the EPA has proposed to lower the standard and plans to finalize the standard later this year. Given the lack of certainty regarding the timing and scope of regulations related to the ozone NAAQS, Ameren Missouri has necessarily made certain good

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<sup>3</sup> See Federal Register Vol. 80, No. 34, Friday, February 20, 2015, page 9207.

<sup>4</sup> See Federal Register Vol. 80, No. 34, Friday March 6, 2015.

faith assumptions regarding potential future compliance measures. As information and interpretations of the regulations become more certain, further analysis will be performed to identify the appropriate compliance, including the identification of additional capital investment required to meet the regulation.

**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 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

/s/ *Wendy K. Tatro*

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ATTORNEY FOR AMEREN MISSOURI

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing Ameren Missouri Response was served on all parties of record via electronic mail (e-mail) on this 22<sup>nd</sup> day of June, 2015.

/s/ Wendy K. Tatro

Wendy K. Tatro