

**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 of a Certificate of Public Convenience and)	<u>File No. EA-2016-0208</u>
Necessity Authorizing it to Offer a Pilot Distributed)	
Solar Program and File Associated Tariff)	

STAFF'S POSITION ON LISTED ISSUES

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and states its positions on the listed issues as follows:

Issue 1: Do the terms contained in the *Non-unanimous Stipulation and Agreement* (now a Joint Position statement) present a plan meeting the requirements set forth in the CCN statute, section 393.170 RSMo?

Staff's Position: Yes. Staff agrees that Ameren Missouri, after significant negotiations and compromises, has set forth in the *Non-unanimous Stipulation and Agreement* a plan that has adequate ratepayer safeguards and potential benefits to meet the requirements set forth in section 393.170 RSMo. It is important to note at the onset, one of the requirements in *Non-unanimous Stipulation and Agreement* is for Ameren Missouri to file information on its final site selection, which must meet minimum application conditions. Upon receipt of this filing, Staff will conduct an investigation and file a report verifying that the site does or does not meet the agreed-upon criteria. Other parties may also weigh in at this point. Therefore, Staff does not find that all requirements under 393.170 RSMo, such as municipal authorities, are applicable to this hearing, and would be better raised in the site selection verification process.

Issue 2: Does the evidence establish that Ameren Missouri's proposed project as presented in the *Non-unanimous Stipulation and Agreement* (now a Joint Position

statement), for which it seeks a CCN, “necessary or convenient for the public service” within the meaning of section 393.170, RSMo?

Staff’s Position: Yes, in light of the guidance provided in EA-2015-0256 regarding the Tartan criteria.¹ In particular, the Commission made the following conclusions of law regarding application of the “Tartan Criteria.”

1d. Is GMO’s proposed project economically feasible?

GMO readily agrees that construction of the proposed pilot solar plant is not the least-cost alternative for obtaining an additional three megawatts of electric power it is not even the least cost alternative for obtaining that three megawatts of electric power from a renewable resource – wind power would be cheaper. But the purpose of this pilot solar plant is not solely to provide the cheapest power possible to GMO’s customers. Rather, its purpose is to help GMO to develop more and cheaper solar power in the future. The benefits GMO and its ratepayers will ultimately receive from the lessons learned from this pilot project are not easily quantifiable since there is no way to measure the amounts saved by avoiding mistakes that might otherwise be made. But it is likely that future savings will be substantial. The Commission concludes that as a pilot project, GMO’s solar power plant is economically feasible.

1e. Does GMO’s proposed project promote the public interest?

GMO’s customers and the general public have a strong interest in the development of economical renewable energy sources to provide safe, reliable, and affordable service while improving the environment and reducing the amount of carbon dioxide released into the atmosphere. It is clear, solar power will be an integral part

¹ In *In the Matter of the Application of Tartan Energy Company, LLC, d/b/a Southern Missouri Gas Company*, 3 Mo P.S.C. 3d 173, 177 (1994). (See also Section 393.170, RSMo (2000)), the Commission’s Order listed five criteria to include in the consideration when making a determination on whether a utility’s proposal meets the standard of being “necessary or convenient for the public service”:

1. Is the service needed?;
2. Is the applicant qualified to provide the service?;
3. Does the applicant have the financial ability to provide the service?;
4. Is the applicant’s proposal economically feasible?; and
5. Does the service promote the public interest?

of this development, building a bridge to our energy future. The Commission can either act to facilitate that process or temporarily hinder it. GMO's proposed pilot solar plant will do the former and, thus, it will promote the public interest.

Given the Commission's guidance in EA-2015-0256, along with negotiated concessions, Staff supports in this case, that this limited pilot program meets Ameren Missouri's objectives and the Tartan Criteria. The purpose of this pilot is to explore distributed generation and the benefits and challenges of locating Ameren Missouri-owned facilities on customer premises. Ameren Missouri asserts that many customers have requested such a program. The pilot, if successful, has the potential to develop more solar distributed generation. Additionally, it may be able to provide insight into whether distributed generation or central station generation is more economic.

Issue 3: Does the evidence demonstrate the company has provided the information required to comply with the Commission's rules at 4 CSR 240-3.105?

Staff's Position: No. The site location(s) have not yet been selected, however, the *Non-unanimous Stipulation and Agreement* includes a requirement that Ameren Missouri submit the required information along with the other criteria and conditions outlined in Appendix A. This approach allows Ameren Missouri to cultivate a list of potential sites which will be evaluated on characteristics outlined in Appendix A, such as suitability of the site for efficient solar generation, price of bid, and amount partner is willing to contribute. After Ameren Missouri files the information as required by 4 CSR 240-3.105 and the *Non-unanimous Stipulation and Agreement*, all parties may review the site for compliance and recommend that the site select does or does not meet the requirements outlined.

Issue 4: Does the evidence show that good cause exists to support a waiver of the Commission's rules at 4 CSR-3.105?

Staff's Position: Yes. The pilot program requires upfront marketing and negotiations with interested customers before Ameren Missouri can begin site selection. Additionally, the *Non-unanimous Stipulation and Agreement* includes a requirement that the information required by 4 CSR 240-3.105 be submitted and a verification process be followed prior to beginning construction, which means that 4 CSR-3.105 is not being waived, but a slight variance in timing will occur. All information required by 4 CSR 240-3.105(B) will be provided before site approval.

Issue 5: Is the company's plan outlining treatment of the proposed facilities at the end of 25 years lawful under 393.190 RSMo?

Staff's Position: The *Non-unanimous Stipulation and Agreement* does not address treatment of the facilities under 393.190 RSMo. As addressed in Ameren Missouri witness Michael Harding's direct testimony, which has since been modified by the *Non-unanimous Stipulation and Agreement*, (now a joint position) the customer may purchase the facility, renew the lease, or have it removed from the property at the end of the 25-year term. In the event of removal or purchase of the facility by the customer at the end of the 25-year term, Staff is unaware of anything contemplated in the testimony or *Non-unanimous Stipulation and Agreement* that would excuse Ameren Missouri of the need to seek Commission approval under 393.190 RSMo to do so, unless the facility is not necessary or useful in the performance of its duties to the public.

WHEREFORE, the Staff files its above stated positions with the Commission.

Respectfully submitted,

/s/ Nicole Mers

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 12th day of October 2016, to all counsel of record.

/s/ Nicole Mers