Wind on the Wires' Comments on the RES Rule (4 CSR 240-20.100) In Lieu of Attending PSC Staff Workshop Being Held on April 30, 2014

Since Wind on the Wires' was unable to attend the workshop on April 30, 2014 and unable to find a party that could articulate all of its' positions – specifically the spreadsheet proposals that are attached -- we ask that you consider our written comments regarding Sections 5B, 5G of the RES rule and Ameren's carry-forward proposal.

1. Comments on Language of Section 5(B)

A CARRY-FORWARD PROVISION IS NOT NEEDED: The rule does not need to be modified to allow for a carry-forward provision if a 10 year forward look is performed. A 10 year forward look, at this point in time, would extend beyond the 2021 date thereby ensuring the 1% cap is not exceeded. Beyond 2021, the utilities are to use 15% renewable energy resources. The costs to maintain a 15% level of renewables should be de minimis.

STANDARDIZED SPREADSHEET: Wind on the Wires believes the 10 year forward look needs to be defined since the utilities are not providing that information in a uniform manner. Attached is a spreadsheet proposal with a filename of: "wow – 10 yr forward look – FINAL – 4-30-2014". The spreadsheet includes headings that parallel information identified in Sections 5B and 5G of the rule. In addition, we recommend that the spreadsheet be a percentile comparison – which is discussed below in response to section 5G.

AVOIDED COSTS: The "avoided costs" requirement has been removed from Section 5B of the updated rule. While this was discussed at the last workshop, I did not fully realize the scope of the avoided costs until I developed the attached spreadsheet. Wind on the Wires recommends that the avoided costs language be added back into the rule and included in the calculation of the revenue requirement for the Renewable Portfolio. The RES-Compliant Portfolio Revenue Requirement needs to account for cost savings related to a reduction in the use of utility-owned generation that would not have to operate when the utility is using the renewable generation. This cost would include fuel and cost of operations, and cost of maintenance.

In our spreadsheet we start with the utility's existing revenue requirement, which reflects the costs of operating and maintaining its generating plants and the fuel required for those plants. This cost is line 6 in Wind on the Wires spreadsheets and is identified as "*ACTUAL Non-Renewable Generation Portfolio Revenue Requirement*(MM$)." Since that line item is the starting amount for the calculation of both the Non-Renewable Generation Portfolio Revenue Requirement and the RES-Compliant Portfolio Revenue Requirement a separate line item is needed in the spreadsheet is needed to reflect the savings, or avoided costs, attributed to reduction in operation and maintenance costs of its generating plants as well as reduction in the fuel for the capacity that is offset by the Renewable Generation added by the

RES rule. These avoided costs would therefore be subtracted from line 6 and included in the calculation of the RES -Compliant Portfolio Revenue Requirement.

2. Comments on Language of Section 5(G)

PERCENTILE COMPARISON OF NON-RENEWABLE TO RENEWABLE PORTFOLIO: Since the statute refers to a "maximum average retail rate increase of one percent" is based on a 1% comparison of a renewable portfolio to a non-renewable portfolio, Wind on the Wires recommends that such a comparison be used in the spreadsheet. The standardized spreadsheet Wind on the Wires has attached in response to comments on Section 5B (with a filename of: "wow – 10 yr forward look – FINAL – 4-30-2014") provides a comparison of a RES-Complaint Portfolio Revenue Requirement to a Non-Renewable Generation Portfolio Revenue Requirement using the terms set forth in Sections 5B and 5G and yields a percentile difference between the two revenue requirements.

Alternative Carry-Over Provision Calculated Using a Percentile Comparison: If the carry-over proposal is to be used, Wind on the Wires has provided a second spreadsheet that incorporates the carry-over provision using a percentile comparison (with e filename as follows: "wow – carryover as percentage – FINAL – 4-30-2014"). This would be an alternative to our primary proposal -- which is that a 10 year forward look be used instead of a carry-over methodology.

If a carry-over methodology is used it should start from 2011. To do otherwise would not be accurate and would miss periods of time win which the utilities saved money by complying with the RES by using banked RECs, which should have no cost since they are attributed to renewable energy sources in its operating portfolio between 2008 and 2011.

This spreadsheet also includes a line-item for avoided costs in the calculation of the RES-Compliant Portfolio Revenue Requirement. The reasons for including this line item are the same as those we discussed in response to section 5B. If the Staff were to decide to not account for avoided costs, that line can just be removed from the spreadsheet.

3. Ameren Spreadsheet Submitted on Feb. 14

Wind on the Wires' has the following concerns with the Ameren's carry-over proposal submitted with its February 14 comments:

> [1] Ameren's proposed methodology uses 1% of the revenue requirement instead of using a comparison of the cost of the utilities' energy portfolio plus the costs of a non-renewable energy portfolio that has a generation capacity = to the renewable energy that would be procured by the plan TO the utilities energy portfolio plus the costs of the renewable energy portfolio plus avoided costs;

[2] Ameren's proposed methodology fails to account for the expected value of greenhouse gas emission compliance costs;

[3] it appears that Ameren's proposed methodology continues to include the cost of products in the Cumulative Actual amount even when those products are no longer being used to comply with the RES in that year.

[4] Ameren's proposed methodology does not clearly account for the solar rebate payments.

[5] Ameren's proposal appears to omit the avoided costs due to the utility not having to operate its generating plants when renewable energy added after January 1, 2011 (the beginning of the RES compliance period) is being used. The avoided costs should be a separate line item in Ameren's spreadsheet since it is a reduction of fuel and operation and maintenance costs from its "Baseline Rev. Req." line. If it is embedded in the "Actual Costs" line, then either more lines are needed to describe the components of "Actual Costs" or the components of the "Actual Costs" calculation should be provided in a separate spreadsheet.

[6] Ameren's proposed carry-over calculation should start in 2011 and not from 2013. For the carry-over provision to be accurate it should apply to the entire RES period from 2011 to 2023. It is inequitable to start the carry-over calculation in 2013 because the calculation fails to account for the period from 2011-2013 when the utilities have been able to comply with the RES at almost no cost; a period when the utilities primarily used banked RECs or renewable resources that are already part of the utilities existing generating portfolio. In addition, we incorporate by reference the rationale we provided in response to Section 5G regarding starting the carry-over provision in 2011.

Thank you for providing us the opportunity to comment and provide feedback.

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