BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Ameren Missouri's	)	
Application for Authorization to Suspend	)	File No. ET-2014-0085
Payment of Certain Solar Rebates.	)	Tariff No. YE-2014-0173

UNION ELECTRIC COMPANY D/B/A AMEREN MISSOURI'S STATEMENT OF POSITION

Comes now Union Electric Company, d/b/a Ameren Missouri (Ameren Missouri), and pursuant to the *Order Adopting Procedural Schedule* issued on October 18, 2013, files its Statement of Positions on the issues set forth below:

1. Is accurate and reliable information available to perform the 1% retail rate impact calculation under any of the methods proposed in this case?

Yes. Ameren Missouri has performed the 1% retail rate impact calculation using the information that it is required to use under the Commission's Renewable Energy Standard (RES) rules. No material opposition to the methodology used by Ameren Missouri has been raised by any of the witnesses in this case. Rather, various parties have raised objections to certain inputs used in the calculation. The Staff's input-related objections were based upon the RES rule itself and, absent a waiver, are legitimate. Ameren Missouri has addressed the Staff's objections through the Surrebuttal Testimony of Ameren Missouri witness Matt Michels.

The objections raised by the Office of the Public Counsel are unfounded. The RES rules require the use of the latest resource planning analysis, with no qualification as to any deficiencies found by the Commission. Even if such deficiencies were a matter of consideration in using IRP information for RES compliance purposes, the deficiencies found by the Commission in the Company's last Integrated Resource Plan have either been addressed or are such that they do not render invalid the RES calculations in this case.

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The input-related objections of all other parties are grounded in their views – which are contrary to the requirements of the RES rule – that one should not use the latest, IRP-based assumptions about yet-to-be constructed or acquired renewable energy resources but instead should assume that the IRP information is wrong and instead speculate about actual costs that will be incurred years into the future. They do not claim that Ameren Missouri has failed to use the information the RES rule requires. By definition, the RES rule's requirement that such information be used means that it is sufficiently accurate and reliable for the purpose of making the required calculation.

With respect to the specific limit for solar rebates for 2013, Ameren Missouri has provided a specific, objective calculation that produces a solar rebate cap for 2013 of $23.3 million, which is discussed further below. Other parties do nothing more than suggest that the number could be higher if assumptions not provided for by the rules were used.

If not, should the Commission deny Ameren Missouri's application in this case?

Not applicable. Accurate and reliable information is available, as discussed above. The proper method is outlined in detail in Mr. Michels' Surrebuttal Testimony.

2. In utilizing the method of calculating the 1% retail rate cap that the Commission determines is appropriate:

a. What generation resources are included in the non-renewable portfolio when completing the retail rate impact calculation under Rule 4 CSR 240-20.100 (5)(B)?

Ameren Missouri interprets the RES rules to require all existing resources to be included, including renewable energy credit (REC) costs for the Pioneer Prairie purchased power agreement (PPA) and costs associated with the Keokuk Energy Center, resulting in the limit for solar rebates in 2013 of $23.3 million.

b. Is there any basis in the statutes, regulations or Commission's Orders for excluding some or all of the costs of any existing or anticipated renewable energy resources from the ten year RES-compliant portfolio revenue requirement calculation used to determine the cap? If so, which costs?

No.

c. Should the Commission make a determination in this case of whether Ameren Missouri's prudently-incurred expenditures on solar rebate payments be expensed or amortized? If yes, what determination should the Commission make?

No. The amortization issue is one of recovery of RES compliance costs, which is not at issue in this case.

d. How does a utility implement the directive in Rule 4 CSR 240-20.100 (5)(A) that the retail rate impact "…shall exclude renewable energy resources owned or under contract prior to the effective date of this rule" when it calculates the retail rate impact limit under Rule 4 CSR 240-20.100 (5)(B)?

The rule, unless a waiver was granted, would require that the cost of such renewable energy sources (for Ameren Missouri, Pioneer Prairie and Keokuk) be excluded from the difference between the non-renewable and RES-compliant portfolios. This is accomplished by ensuring that both the non-renewable and RES-compliant portfolios include these costs and therefore do not contribute to the difference in costs between the two portfolios.

e. Must an electric utility's most current adopted preferred resource plan be used for determining the renewable energy resource additions to the RES-compliant portfolio when completing the retail rate impact calculation under Rule 4 CSR 240-20.100 (5)(B)?

Yes. The RES rule specifically requires that the latest IRP be used to determine the resource additions to be used when completing the calculation.

f. Should payment of solar rebates be "front-loaded" as suggested by MOSEIA?

There is nothing in the RES statute or the Commission's rules prohibiting the front-loading of solar rebates.

3. What method of scaling costs of the RES-compliant portfolio should be used to achieve compliance with the 1% RRI limitation under Rule 4 CSR 240-20.100 (5)(D):

The objective method outlined in detail in Mr. Michel's Surrebuttal Testimony. Costs for the RES-compliant portfolio should be scaled in such a manner that preserves the utility's ability to meet the three distinct requirements of the RES (i.e. renewable energy portfolio standard, solar energy portfolio standard and solar rebates) to the extent possible within the RRI limitation without unduly constraining the utility's ability to meet any one of these three requirements. Scaling uncommitted costs based on their relative shares prior to scaling produces just such a result.

a. Does the RES statute, Section 393.1030 et seq., or the RES Rule, 4 CSR 240-20.100 create a preference for paying solar rebates or for complying with the renewable portfolio requirements?

No. The statutes and the rules create no preference for any of the three distinct requirements of the RES (i.e. renewable energy standard, solar energy standard and solar rebates). The rules ensure that the scaling of RES-compliance costs do not disproportionately constrain costs for solar resources (4 CSR 240-20.100(5)(D)).

b. What is the one percent retail rate impact (1%) amount when calculated by the method the Commission determines in Issues 2 and 3 is the correct method?

If the Commission finds that the non-renewable portfolio is to include all existing resources, approximately **$[redacted]** million is available over the subject 10 year period for all RES compliance costs, including approximately $23.3 million for solar rebates in 2013.

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6. Are the sums of solar rebate payments Ameren Missouri has made and those it projects to pay by the end of 2013, greater than the one percent (1%) retail rate impact amount determined in 5 above?

Yes. Ameren Missouri projects total solar rebate payments in 2013 of approximately $31 million.

7. Should the Commission authorize Ameren Missouri to stop making solar rebate payments beginning no earlier than December 10, 2013, in order to comply with Section 393.1030.2 (1) and .3 RSMo (Supp. 2013) and Rule 4 CSR 240-20.100 (5)?

Yes. Under the RES statute and its 1% limitation, as implemented through the Commission's RES rules, the Commission is required to enforce the 1% limitation. Ameren Missouri must be allowed to cease paying solar rebates no earlier than that date if rebate payments reach the $23.3 million level.

8. If Ameren Missouri's unconstrained payments of solar rebates for 2013 would, given its planned other RES compliance expenditures for the period 2013-2022, cause a rate impact greater than 1%, must the excess solar rebate payment amounts be carried over as a RES compliance cost for 2014 and future years, and other planned RES compliance rolled back in those future years?

Ameren Missouri supports an amendment to the current RES rule to implement such a carryover.

WHEREFORE, Ameren Missouri submits its Statement of Position.

Respectfully submitted,

UNION ELECTRIC COMPANY,
d/b/a Ameren Missouri

/s/ *Wendy K. Tatro*

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 6th day of November, 2013.

/s/ *Wendy Tatro*
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