

**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)	
Necessity Authorizing it to Construct, Install, Own,)	File No. EA-2014-0136
Operate, Maintain and Otherwise Control and Manage)	
Solar Generation Facilities in O'Fallon, Missouri.)	

**STAFF'S STATEMENTS OF POSITION, ORDER OF WITNESSES
AND ORDER OF CROSS EXAMINATION**

COMES NOW Staff of the Missouri Public Service Commission, by and through the undersigned counsel, and in accordance with the Commission's February 26, 2014, *Order Setting Procedural Schedule*, hereby states Staff's positions on the issues listed in the List of Issues filed April 1, 2014:

STATEMENTS OF POSITION

- 1. Does the evidence establish that the utility solar facility for which Ameren Missouri is seeking a certificate of convenience and necessity ("CCN") is necessary or convenient for the public service?**

Yes. Based on Staff's investigation and filed testimony in this case, Staff recommends the Commission conditionally approve the CCN Application of Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri") for the proposed solar generation facility in O'Fallon, Missouri. In fact, no party to this case opposes the Commission granting Ameren Missouri the relief requested in its Application.

Section 393.1020 et. seq., RSMo is known as Missouri's Renewable Energy Standard ("RES"). The RES was approved by voter initiative on November 4, 2008, and was ammended by HB 142 on August 28, 2013. The RES requires Ameren Missouri to generate, or purchase generation, for a specific percentage of its total retail Missouri sales from renewable energy. This is known as the portfolio requirement. The portfolio requirement contains a "solar carve-out" that requires the electric utility to derive at least two percent of the applicable portfolio requirement from solar energy. The portfolio

requirements increase over time. As part of its overall compliance strategy, Ameren Missouri plans to diversify its resources to meet roughly a quarter of its solar energy requirement for calendar years 2014-2017 by retiring solar renewable energy credits (“s-RECs”) associated with the energy produced by the proposed solar facility.

Section 393.170.3 provides the standard upon which the Commission shall base its decision on an application for a CCN; whether “...such construction or such exercise of the right, privilege or franchise is necessary or convenient for the public service.” Over the years, the Commission has listed five criteria, known as the Tartan Energy criteria, to include in the consideration of whether a utility’s application meets the standard of being “necessary or convenient for the public service.”¹ Staff’s investigation included these criteria and as outlined in the testimony of both Daniel I. Beck and Kofi A. Boateng, Staff recommends the Commission find that, particularly in light of the RES, the proposed solar facility is necessary or convenient for public service in that the service is needed, Ameren Missouri is qualified to provide the service, Ameren Missouri has the financial ability to provide the service, the solar facility is economically feasible, and the public interest is promoted by the facility.

2. If the Commission decides to grant the CCN, what conditions, if any, should the Commission impose?

Section 393.170.3, RSMo expressly allows the Commission to “...by its order impose such condition or conditions as it may deem reasonable and necessary.” If the Commission decides to grant the CCN, Staff recommends the Commission impose the following conditions on the CCN as reasonable and necessary:

- The Commission’s Order conditionally approve the application on Ameren Missouri’s receipt of all required government approvals and permits for the solar facility and have filed copies of them with the Commission;

¹ *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).

- The Commission's Order expressly state that by granting the CCN, the Commission is not making any ratemaking determination in this proceeding; and
- The Commission Order Ameren Missouri to use the depreciation rates and plant account classifications as described in Staff witness Kofi Boateng's rebuttal testimony for the solar facility.

Through the rebuttal testimony of William Davis and William J. Barbieri, Ameren Missouri states that it does not oppose Staff's recommended conditions.

The testimony of Martin R. Cohen, witness for Earth Island Institute d/b/a Renew Missouri ("Renew Missouri"), states that while he makes no recommendation as to whether the Commission should approve Ameren Missouri's Application, the Commission should impose the four conditions listed in his testimony on any approval. Staff recommends the Commission find the conditions unnecessary as they are duplicative of other prudence review processes that occur during a utility's request to implement a rate increase, the utility's analysis completed and filed as part of the Commission's integrated resource planning rules, as well as the compliance reports and plans filed by a utility as required by the Commission's RES rules.

1. The Company must demonstrate to the Commission's satisfaction why initial construction costs are higher than the national average and costs per unit of output are significantly higher than other.

Staff recommends that the Commission find this condition is neither necessary nor reasonable. The prudence of construction costs for a facility is traditionally left as an issue for the Commission's decision as part of the utility's rate case where it seeks recovery of costs for the plant in service. While Staff requested cost information as part of its discovery in this case, Staff has asked the Commission to explicitly state that it is making no ratemaking determination as part of any Order approving the CCN. Any relevant discovery from this case will be used as part of Staff's evaluation of prudent and allowable expense in Ameren Missouri's next applicable rate case.

2. **The Company must submit to the Commission, either in its next rate proceeding or in a separate proceeding allowing for full participation by interested parties, comprehensive set of alternative solar compliance methods, accompanied by an analysis of their comparative costs, benefits, legal ramifications, and other attributes.**

Staff recommends that the Commission find this condition is neither necessary nor reasonable as it will be duplicative of any analysis already required of Ameren Missouri as part of a more comprehensive process required of Ameren Missouri by the Commission's integrated resource planning rule, Rule 4 CSR 240-22.060, as well as the Commission's RES rule, Rule 4 CSR 240-20.100. Furthermore, these conditions only confuse the standard the Commission shall use when issuing a CCN, that being, whether the service is necessary or convenient for the public service.

3. **The Company must include these options in its RES Compliance Plan and explain why certain options are chosen for implementation and others are not.**

Staff recommends that the Commission find this condition is neither necessary nor reasonable as it will be duplicative of any analysis already required of Ameren Missouri as part of a more comprehensive process required of Ameren Missouri by the Commission's integrated resource planning rule, Rule 4 CSR 240-22.060, as well as the Commission's RES rule, Rule 4 CSR 240-20.100. Renew Missouri has an opportunity to express the concerns raised in this docket as part of each IRP and RES filing review. Furthermore, these conditions only confuse the standard the Commission shall use when issuing a CCN, that being, whether the service is necessary or convenient for the public service.

4. **The Company must include its then-current analysis of such compliance options in any future applications for a CCN for solar energy investment.**

Staff recommends that the Commission find this condition is neither necessary nor reasonable as it will be duplicative of any analysis already required of Ameren Missouri as part of a more comprehensive process required of Ameren Missouri by the Commission's integrated resource planning ("IRP") rule, Rule 4 CSR 240-22.060, as well as the

Commission's RES rule, Rule 4 CSR 240-20.100. Renew Missouri has an opportunity to express the concerns raised in this docket as part of each IRP and RES filing review. Furthermore, these conditions only confuse the standard the Commission shall use when issuing a CCN, that being, whether the service is necessary or convenient for the public service.

LIST OF WITNESSES AND ORDER OF CROSS EXAMINATION

Staff recommends the following order for the direct testimony from parties' witnesses, as well as the order of cross examination:

Ameren Missouri witnesses/order of cross examination

William J. Barbieri—with the order of cross being Staff, Missouri Division Of Energy ("MDE"), Missouri Industrial Energy Consumers ("MIEC"), the Office of the Public Counsel ("OPC"), Renew MO

William Davis—Staff, DOE, MIEC, OPC, Renew MO

Staff witnesses/order of cross examination

Kofi A. Boateng—with the order of cross being Ameren Missouri, DOE, MIEC, OPC, Renew MO

Daniel I. Beck—Ameren Missouri, DOE, MIEC, OPC, Renew MO

Renew Missouri witness/order of cross examination

Martin R. Cohen—with the order of cross being OPC, MIEC, DOE, Staff, and Ameren Missouri.

WHEREFORE, Staff hereby submits its positions on the List of Issues filed April 1, 2014.

Respectfully submitted,

/s/ Jennifer Hernandez

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been emailed this 2nd day of April, 2014 to all counsel of record in this proceeding.

/s/Jennifer Hernandez