

Exhibit No.:
Issues: Certificate of Convenience
And Necessity
Witness: Daniel I. Beck
Sponsoring Party: MO PSC Staff
Type of Exhibit: Surrebuttal Testimony
Case No.: EA-2015-0146
Date Testimony Prepared: November 16, 2015

MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

SURREBUTTAL TESTIMONY

OF

DANIEL I. BECK

AMEREN TRANSMISSION COMPANY OF ILLINOIS

CASE NO. EA-2015-0146

*Jefferson City, Missouri
November 2015*

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Ameren)
 Transmission Company of Illinois for Other)
 Relief or, in the Alternative, a Certificate of)
 Public Convenience and Necessity)
 Authorizing it to Construct, Install, Own,)
 Operate, Maintain and Otherwise Control)
 and Manage a 345,000-volt Electric)
 Transmission Line from Palmyra, Missouri)
 to the Iowa Border and an Associated)
 Substation Near Kirksville, Missouri)

Case No. EA-2015-0146

AFFIDAVIT OF DANIEL I. BECK

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

COMES NOW Daniel I. Beck and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Surrebuttal Testimony; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.


 Daniel I. Beck

Subscribed and sworn to before me this 16th day of November, 2015.

SUSAN L. SUNDERMEYER Notary Public - Notary Seal State of Missouri Commissioned for Callaway County My Commission Expires: October 28, 2018 Commission Number: 14942086


 Notary Public

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AMEREN TRANSMISSION COMPANY OF ILLINOIS

CASE NO. EA-2015-0146

13 Q. Please state your name and business address.

14 A. My name is Daniel I. Beck and my business address is Missouri Public Service
15 Commission, P.O. Box 360, Jefferson City, MO 65102.

16 Q. Are you the same Daniel I. Beck that filed rebuttal testimony in this
17 proceeding?

18 A. Yes, I am.

19 Q. What is the purpose of your surrebuttal testimony?

20 A. I will discuss several issues that were brought up by Neighbors United witness
21 Mr. William E. Powers.

22 Q. Neighbors United witness William E. Powers states: "The average 2014-2015
23 cost of RECs in the Western U.S. was \$16.55 per megawatt-hour (\$/MWh)." [Powers
24 Rebuttal, Page 6, Lines 17-18]. Do you agree with this statement?

25 A. No. This is not a reasonable estimate for the cost of a renewable energy credit
26 ("REC"). Instead, it is simply the average price western states utilities charged their
27 customers for green pricing programs.

28 Q. What is a green pricing program and what is the basis for your claim that the
\$16.55/MWh is related to green pricing programs and not the cost of RECs?

Surrebuttal Testimony of
Daniel I. Beck

1 A. I believe the following definition of a green pricing program is reasonable: A
2 green pricing program is an optional utility service that allows customers an opportunity to
3 support a greater level of utility company investment in renewable energy technologies.
4 Participating customers pay a premium on their electric bills to cover the incremental cost of
5 the additional renewable energy. I would point out that the cost of a REC is not included in
6 this definition.

7 My assertion about the \$16.55/MWh amount is based on my review of the document
8 that is referenced in footnote 4 in Mr. Powers' rebuttal testimony. That footnote immediately
9 followed the quote above. The footnote refers to Exhibit PE-04 and appears to identify the
10 title to Exhibit PE-04 as "2014-2015 DOE survey of REC prices in Western U.S." However,
11 based on my review of Exhibit PE-04, I determined that this is a filing made by Pacific Gas
12 and Electric Company with the Public Utilities Commission of the State of California and that
13 filing included an Appendix A, Western States Utility Green Pricing Programs. Appendix A
14 is the source of the \$16.55/MWh average and is the average price western state utilities
15 charged their customers for green pricing programs. In Missouri, Ameren Missouri also
16 offers a green pricing program called "Pure Power." Pure Power has a charge of
17 \$10.00/MWh (1 cent/kWh). This charge was set in File No. ET-2013-0546 and not only
18 included the cost of RECs but it also included other costs like administrative costs.

19 Q. Starting on Page 32, Line 21 of Neighbors United witness Powers Rebuttal, the
20 following question and answer is given:

21 Q. Can a focused effort to locate customer-owned solar on homes, businesses,
22 and farms in the Kirksville area contribute to reducing load on the Adair
23 Substation at summer peak conditions?

24 A. Yes. There would be no additional cost to Ameren MO ratepayers, as
25 customer-owned generation is a net-metering program open to all Ameren MO
26 customers.

Surrebuttal Testimony of
Daniel I. Beck

1 Do you agree with this statement?

2 A. No. While I agree that customer-owned solar could contribute to reducing
3 load on the Adair Substation at summer peak conditions, I do not agree that this would be at
4 no additional cost to Ameren MO ratepayers. Although the specifics of the “focused effort” is
5 not provided, net-metering is not revenue neutral for all other customers. Instead, net-
6 metering pricing is defined by Missouri statutes. I would characterize the credit that a
7 customer receives as being based on the rates that he/she pays per kWh and the amount of
8 energy that he/she generates for the billing month compared to the amount that he/she actually
9 used. Since most of Ameren MO rate schedules have blocked rates, the credit for a given
10 customer will likely be the combination of rates from more than one blocked rate and the
11 average value per kWh for customers in a given rate class which will vary. In addition, the
12 question refers to “homes, businesses, and farms” which would mean that this diverse mix of
13 customers would be served by multiple rate schedules. Finally, since net-metering is based on
14 the “net” of the monthly generation versus monthly usage for that customer-generator, the
15 credit that a customer-generator could receive for his/her excess generation, that is the
16 monthly generation less the monthly usage, would be based on the avoided cost that is in
17 AmerenMO’s tariffs. Given the varying credits per kWh for different customers in the same
18 rate class and varying credits for different rate classes, one cannot accurately estimate the
19 effect on other rate payers or claim that there will be no additional cost to Ameren MO
20 ratepayers.

21 If the “focused effort” also includes the rebates, these costs would also be recoverable
22 from all of Ameren MO’s customers.

Surrebuttal Testimony of
Daniel I. Beck

1 Q. Neighbors United witness Powers states: “Missouri utilities have shown no
2 interest in developing wind projects in the Adair Wind Zone.” [Powers Rebuttal, Page 34,
3 Lines 20-21]. Have Missouri utilities shown interest in developing wind projects in other
4 wind zones?

5 A. No. Almost all of the wind projects that supply energy to Missouri utilities
6 have not been developed by Missouri electric utilities. Instead, wind developers have
7 typically developed the projects and Missouri electric utilities have entered into purchase
8 power agreements to receive electricity from those wind projects.

9 Q. Neighbors United witness Powers states: “Ameren MO is also in the process of
10 constructing a 15 MW solar array along I-70 in Montgomery County on 70 acres.” [Powers
11 Rebuttal, Page 41, Lines 8-9]. Do you agree with this statement?

12 A. No. The footnote for this quote references Exhibit PE-37, St. Louis Post-
13 Dispatch, July 1, 2015. However, Ameren MO has not received a Certificate of Convenience
14 and Necessity (“CCN”) for the project discussed in this article. Ameren MO did file a request
15 for a CCN in File No. EA-2015-0273 but also filed a Notice of Dismissal on October 2, 2015.
16 Based on Ameren MO withdrawing its request for a CCN, it appears it is not going forward
17 with building that facility at this time. Ameren MO could build the facility as a nonregulated
18 power plant without a CCN but I am not aware of any plans to do so at this time.

19 Q. Neighbors United witness Powers Rebuttal, Page 42, Lines 1-13 discusses
20 solar rebates and the \$91.9 million allocated for solar rebates. Do you have any observations
21 regarding this discussion?

22 A. Yes. First, the \$91.9 million allocated for solar rebates is specific to Ameren
23 MO for rebates paid subsequent to July 31, 2012. Ameren MO began offering solar rebates in

Surrebuttal Testimony of
Daniel I. Beck

1 2010 and the rebates paid prior to July 31, 2012 are not included in the \$91.9 million value.
2 Second, Kansas City Power & Light Company and KCP&L-Greater Missouri Operations
3 Company also allocated funds for solar rebates at levels of \$36.5 million and \$50 million,
4 respectively, for solar rebates paid after August 31, 2012. Third, The Empire District Electric
5 Company began offering solar rebates earlier this year. Fourth, several municipal utilities in
6 Missouri have also started offering rebates. Fifth, based on my experience with Ameren
7 MO's solar rebate program, most of the rebates were paid at the \$2.00 per watt level and the
8 systems were operational before June 30, 2014. Therefore, I believe the \$1.50 per watt rebate
9 estimate that Powers relied on was too low.

10 Q. Does this conclude your rebuttal testimony?

11 A. Yes.