BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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

STATEMENT OF POSITIONS OF BRIGHTERGY, LLC

In accordance with the *Order Adopting Procedural Schedule* issued by the Missouri Public Service Commission ("Commission") on October 18, 2013, Brightergy, LLC ("Brightergy") hereby states its position on each of the disputed issues in this case.

<u>ISSUE 1:</u> Is accurate and reliable information available to perform the 1% retail rate impact calculation under any of the methods proposed in this case? If not, should the Commission deny Ameren Missouri's application in this case?

<u>Brightergy Position</u>: No. There is not accurate and reliable information available to perform the one percent retail rate impact calculation. Accordingly, the Commission should deny Ameren Missouri's application.

<u>ISSUE 2</u>: What is the proper method of calculating the 1% retail rate impact cap under Rule 4 CSR 240-20.100 (5)(B)?

<u>Brightergy Position</u>: Brightergy concurs with the positions advanced by the MOSEIA in its prefiled testimony.

<u>ISSUE 3</u>: 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)?

<u>Brightergy Position</u>: Brightergy concurs with the positions advanced by MOSEIA in its prefiled testimony.

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?

<u>Brightergy Position</u>: Yes. Rule 4 CSR 240-20.100 (5)(A) requires any renewable energy resources owned by a utility or under contract prior to the Rule's effective date to be omitted from the RES-compliant portfolio.

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?

<u>Brightergy Position</u>: Yes. Brightergy concurs with the position advanced by MOSEIA that Ameren Missouri's prudently incurred solar rebate payments should be amortized over a period of at least ten years. Amortization of rebates would properly align the costs of the generating resource with the benefits (S-RECs) received by the utility, according to the provisions of H.B. 142 (Section 393.1030.3, RSMo (Supp. 2013)).

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)?

<u>Brightergy Position</u>: Brightergy concurs with the positions advanced by MPSC Staff. Renewable energy resources owned by a utility or under contract prior to the Rule's effective date should be omitted from the retail rate impact calculation.

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).

<u>Brightergy Position</u>: Yes. In detailing how the RES-compliant portfolio is to be calculated, Rule 4 CSR 240-20.100 (5)(B) requires that the renewable energy resource additions included in the RES-compliant portfolio "will utilize the most recent electric utility resource planning analysis." From a practical business standpoint, the operation of this provision adds uncertainty to the addition of renewable resources, because of the possibility of frequent revisions to the electric utility's IRP.

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

<u>Brightergy Position</u>: Yes. Brightergy concurs with the position advanced by MOSEIA. The Commission should order the front-loading of solar rebate payments in order to prevent substantial harm to the solar industry and its customers.

<u>ISSUE 4</u>: 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)?

<u>Brightergy Position</u>: If scaling costs is necessary and required by statute, it must be done in a prudent manner. In determining prudency, it would be appropriate to include a mix of renewable energy resources, in that diversity of reasonable supply is generally a prudent course of conduct. Under this approach, scaling would include the preservation of both solar rebates and wind energy components in the utility's renewable energy slate. A reasonable mix would include at least one third of the RRI limitation dedicated to solar rebates. This allocation would be similar to that set forth in the Stipulation and Agreement filed in Case No. ET-2014-0071 and approved by the Commission on October 30, 2013.

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?

<u>Brightergy Position</u>: No, but prudent actions would require that solar rebates be included as a material part of Ameren Missouri's renewable energy slate, as described in more detail above.

<u>ISSUE 5</u>: 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?

<u>Brightergy Position</u>: As discussed in response to Issue 1, the one percent retail rate impact amount cannot be determined.

<u>ISSUE 6</u>: 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?

<u>Brightergy Position</u>: No. Brightergy concurs with the positions advanced by MPSC Staff, OPC, and MOSEIA. Ameren Missouri solar rebate payments have not and will not exceed the Company's one percent retail rate impact cap in 2013.

<u>ISSUE 7</u>: 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)?

Brightergy Position: No. Brightergy concurs with the positions advanced by MPSC Staff, OPC, and MOSEIA. Ameren Missouri solar rebate payments have not and will not exceed the Company's one percent retail rate impact cap in 2013.

<u>ISSUE 8</u>: 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 payments amounts be carried over as an RES compliance cost for 2014 and future years, and other planned RES compliance rolled back in those future years?

<u>Brightergy Position</u>: If for any reason, the Commission determines that rebates paid and those rebates that would be paid for pending qualified applications exceed the retail rate impact limit for 2013, such amounts above the retail rate impact limit should be carried forward and paid in 2014. It would be inequitable to ratepayers to not pay pending applications.

Respectfully submitted,

/s/ James P. Zakoura

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ATTORNEYS FOR BRIGHTERGY, LLC

CERTIFICATE OF SERVICE

The unde	ersigned hereby	certifies that	t a true and	l correct co	opy of the fore	going State	ement
of Positions was	served on the j	parties of rec	ord in this	case via el	lectronic mail	on this 6th	day of
November, 2013							

<u>/s/ James P. Zakoura</u> James P. Zakoura