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

PUBLIC COUNSEL'S STATEMENT OF POSITIONS

COMES NOW the Office of the Public Counsel and for its Statement of Positions states as follows:

I. Issues

1. 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?

There is not sufficiently accurate and reliable information available to perform the 1% retail rate impact (RRI) calculation. All of the proposed methods[1] *rely on the estimated amount of wind resources, and the estimated cost of those resources, from Ameren Missouri's resource planning process. Public Counsel and others challenged the validity of Ameren Missouri's wind analysis in Case No. EO-2012-0142, and the Commission held that Ameren Missouri's modeling of wind resources was deficient and failed to comply with the requirements of the stipulation and agreement in Case No. EO-2007-0409. In the two annual updates filed since the IRP, Ameren Missouri has failed to correct these flaws. As a result, there is no accurate or reliable information on a significant input (future wind resources) into the RRI calculation, and the reason for the lack of such information is Ameren Missouri's obdurate refusal to correct known*

[1] Dr. Ezra Hausman, MOSEIA witness, suggests ignoring all future resource expenditures. This is not so much a method of calculating RRI as it is a repudiation of the entire concept of resource planning.

deficiencies. Because Ameren Missouri has refused to develop this information, it has failed to make a showing based upon competent and substantial evidence that it will reach the RRI limit, and the Commission must deny the application to terminate the solar rebates. There is no basis for assuming that Ameren Missouri will need to add certain amounts of wind generation in the future where the additions are "directly attributable to RES compliance" Such an assumption would be unfounded since Ameren Missouri has failed make the corrections to its IRP wind modeling deficiencies that are needed to determine whether some or all of the wind generation needed to meet future RES requirements would be added due to superior cost and risk profile characteristics of wind generation, even if there were no RES requirements.

2. What is the proper method of calculating the 1% retail rate impact cap under Rule 4 CSR 240-20.100 (5)(B)?

The method described in 4 CSR 240-20.100 (5)(B) should be followed and applied in a common sense manner. Calculation of the 1% budget to be used over a ten year period should be done by taking 1% of the total revenue requirement associated with the non-renewable generation and purchased power portfolio. The dollar amount of this budget is equivalent to the 1% retail rate impact cap. Resources should not be included in calculating the revenue requirement associated with the RES-compliance portfolio unless the addition of the resources is directly attributable to RES compliance.

3. 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)?

This portfolio should include existing resources and resource additions/retirements reflected in the most recent electric utility resource planning analysis that has been filed with the Commission, so long as this analysis does not contain substantial deficiencies that would cause its use as an input in the RRI calculation to yield unreliable results.

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?

Yes. 4 CSR 240-20.100(5)(B) states that:

> *The RES-compliant portfolio shall be determined by adding to the utility's existing generation and purchased power resource portfolio an amount of renewable resources sufficient to achieve the standard set forth in section (2) of this rule and an amount of least-cost non-renewable resources, the combination of which is sufficient to meet the utility's needs for the next ten (10) years.* ***These renewable energy resource additions will utilize the most recent electric utility resource planning analysis.*** *[Emphasis added]*

The rule language stating that "These renewable energy resource additions will utilize the most recent electric utility resource planning analysis" means that the RES-compliant portfolio will only reflect additional resources that were not included in the most recent IRP analysis (so long as this analysis does not contain substantial deficiencies that would cause its use as an input in the RRI calculation to yield unreliable results).

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. That issue is not properly before the Commission, is not necessary for resolution of the issues, and should not be addressed based upon the limited testimony 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)?

Such resources should be included in both the non-renewable generation and purchased power portfolio and the RES-compliant portfolio. Inclusion of such resources in both portfolios effectively excludes these resources from having an effect on the calculation of the RRI since they would be reflected in both the numerator and the denominator of the formula used to calculate the RRI.

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, but the rule necessarily assumes that the preferred resource plan is not based upon deficient integrated resource planning. If the preferred resource plan results from IRP analysis that contains substantial deficiencies that would cause its use as an input in the RRI calculation to yield unreliable results, then the plan should clearly not be used.

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

Under the current circumstances, some front-loading is in the public interest.

4. 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)?

All resources that are added during the 10 year planning period that are directly attributable to RES compliance should be scaled back in equal proportions if necessary to achieve compliance with the 1% RRI limitation. In this case, the resources that must be added during the 10 year planning period that are directly attributable to RES compliance are unknown due to Ameren Missouri's failure to correct substantial wind modeling deficiencies in its IRP filing. These deficiencies would cause the use of its preferred plan as an input in the RRI calculation to yield unreliable results. Since the cost and timing of resource additions directly attributable to RES compliance are unknown, it is not possible to determine the extent to which the addition of such resources would exceed the 1% RRI limitation (if it would do so at all) and require scaling to reduce the cost of such additions.

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. There is nothing in the statute to show that the legislature intended to create a preference, nor is there anything in the rule.

5. 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?

As discussed in response to Issue 1, a critical input (properly modeled future wind resources) is missing, and so the RRI cannot properly be calculated.

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?

Notwithstanding Public Counsel's position on Issues 1, 4 and 5, it appears that the payment of solar rebates in 2013 will be far short of the RRI.

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)?

No. Ameren Missouri has failed to prove that it will reach the RRI in 2013.

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?

Whether the amounts are "carried over" does not impact the Commission's determination in this case of whether the solar rebate payments should be stopped in 2013, and therefore this issue is outside the scope of this case.

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CERTIFICATE OF SERVICE

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