BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Union Electric Company d/b/a	)	
Ameren Missouri's Solar Rebate Payment Tariff	)	Case No. ET-2014-0085

POSITION STATEMENT OF
MISSOURI SOLAR ENERGY INDUSTRIES ASSOCIATION

COMES NOW the Missouri Solar Energy Industries Association ("MOSEIA") and states its position on the issues as follows:

I. Position on 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?

ANSWER: Because, as set forth in the Position Statement on this issue by the Office of Public Counsel, there is insufficient information for Ameren to properly calculate the 1% retail rate impact, Ameren's request should be denied.

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

ANSWER: The proper methodology is set forth in the Commission's rule 4 CSR 240-20.100(5)(B). The rule speaks for itself.

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)?

ANSWER: The resources to be included are set forth in the Commission's rule 4 CSR 240-20.100(5)(B). In making its 1% retail rate impact calculation, Ameren improperly included certain costs attributable to its Pioneer Prairie Wind Farm purchased power agreement.

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?

ANSWER: Yes. The Commission's rule 4 CSR 240-20.100(5)(A) provides that renewable resources owned or under contract prior to the effective date of the rule should not be included in the 1% retail rate impact calculation. Ameren included in its 1% retail rate impact calculation certain costs attributable to its Pioneer Prairie PPA; however, it is clear that the Pioneer Prairie PPA was owned or under contract prior to the effective date of the rule and should be excluded.

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?

ANSWER: Yes, should the Commission make such determination, the Commission has authority to find that a utility's prudently-incurred costs attributable to solar rebate payments should be amortized. Further, as discussed by Dr. Hausman in his pre-filed testimony, it is reasonable to amortize such costs over a ten-year period.

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)?

ANSWER: As expressly provided by the Commission's rule, such costs should be excluded from the 1% 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).

ANSWER: Not entirely. Because an Integrated Resource Plan is subject to periodic revision, the proposed future construction of certain projects as outlined in a particular Integrated Resource Plan may never actually occur. As a result, any current 1% retail rate impact calculation, and the decisions based thereon, may not be reasonable in that the underlying assumptions contained in any given Integrated Resource Plan upon which this calculation is based are subject to change.

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

ANSWER: Yes. As discussed by Dr. Hausman in his pre-filed testimony, if the Commission decides that solar rebate payments should be paid for a multi-year period, it is reasonable to front-load such payments.

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)?

ANSWER: As discussed by Brightergy in its Position Statement, 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?

ANSWER: Yes. Section 393.1030.3, RSMo., creates a preference for the payment of solar rebates. In this context, § 393.1030.3 states, inter alia, "each electric utility shall make available to its retail customers a solar rebate for new or expanded solar electric systems sited on customers' premises . . . ." (emphasis added). Moreover, § 393.1030.2(1) states, inter alia, "Notwithstanding any provision to the contrary in this section, even if the payment of additional solar rebates will produce a maximum average retail rate increase of greater than one percent when an electric utility's investment in solar-related projects initiated, owned or operated by the electric utility are included in the calculation, the additional solar rebate costs shall be included in the prudently incurred costs to be recovered as contemplated by subdivision (4) of this subsection . . . ." When read together, these statutes clearly evidence the statutory intent for an electric utility to pay solar rebates, and if the solar rebate payments exceed the 1% retail rate impact, for the electric utility to be able to recover such costs. Significantly, because there is no

statutory language addressing other alternative sources of renewable energy, the statutes establish a preference for the payment of solar rebates..

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?

ANSWER: As discussed in Issue 1, there is insufficient information available to calculate Ameren's 1% retail rate impact.

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?

ANSWER: No.

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)?

ANSWER: No.

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?

ANSWER: As discussed by the Office of Public Counsel and Staff in their Position Statements, because Ameren has not sufficiently demonstrated that it has reached its 1% limit, this issue does not need to be addressed in this proceeding.

Respectfully submitted,

JEFFERY LAW GROUP, LLC

/s/ Stephen G. Jeffery
Stephen G. Jeffery, MBE 29949
300 Ozark Trail Drive, Suite 216
St. Louis, Missouri 63011-2156
(314) 561-8503 – direct
(314) 714-6510 – fax
E-mail: sjeffery@jefferylawgroup.com

Steven R. Carroll, MBE 39571
215 E. Capitol Avenue
Jefferson City, MO 65101
(573) 761-5952
(573) 761-7490 - FAX
E-mail: *strcarroll@aol.com*

ATTORNEYS FOR MOSEIA

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been emailed this 6th day of October, 2013, to all parties on the Commission's service list in this case.

/s/ Stephen G. Jeffery