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Exhibit No.: Issue(s):

Certificate of

Convenience and Necessity

Witness:

Cedric E. Cunigan

Sponsoring Party:

MoPSC Staff

Type of Exhibit:

Surrebuttal Testimony EA-2018-0202

Case No.:
Date Testimony Prepared:

September 28, 2018

MISSOURI PUBLIC SERVICE COMMISSION COMMISSION STAFF DIVISION ENGINEERING ANALYSIS DEPARTMENT

OF
CEDRIC E. CUNIGAN

UNION ELECTRIC COMPANY, d/b/a AMEREN MISSOURI

CASE NO. EA-2018-0202

Jefferson City, Missouri September 2018 Star Exhibit No. 105
Date USI 18 Reporter 97
File No. EA 70 8 020 2

SURREBUTTAL TESTIMONY 1 **OF** 2 CEDRIC E. CUNIGAN 3 UNION ELECTRIC COMPANY, 4 d/b/a AMEREN MISSOURI 5 CASE NO. EA-2018-0202 6 Q. Please state your name and business address. 7 My name is Cedric Cunigan. My business address is 200 Madison Street, 8 A. 9 Jefferson City, Missouri 65101. By whom are you employed and in what capacity? 10 Q. I am employed by the Missouri Public Service Commission ("Commission") 11 A. 12 as a Utility Engineering Specialist. What is the purpose of your surrebuttal testimony in this proceeding? 13 Q. My surrebuttal testimony will address the need for this CCN as it relates to the 14 Α. Tartan Criteria, in response to OPC witness Geoff Marke's rebuttal testimony that contests the 15 need for the project, and the granting of a CCN for the project. CCN requests are typically 16 17 evaluated by five criteria, known as the "Tartan" Criteria. As explained in the surrebuttal 18 testimony of Staff witnesses Jamie Myers and Claire Eubanks, CCNs are often granted upon a 19 showing the project meets the Tartan Criteria and is in the public interest. 20 O. Please describe what the Missouri Renewable Energy Standard requires of 21 the company. The Missouri Renewable Energy Standard ("RES") was enacted as a voter 22 A. initiative petition in November 2008. Provisions of the resulting statute and regulations 23 ¹ Rebuttal Testimony of Geoff Marke, pages 2 and 11.

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require Ameren Missouri (and the other investor-owned utilities) to meet certain requirements regarding the use of renewable energy while not exceeding the one percent (1%) retail rate impact ("RRI") limit. Renewable energy credits (RECs) are tracked in the North American Renewables Registry to ensure compliance with the RES.

Q. How does Ameren Missouri acquire RECs?

A. Ameren Missouri operates or has contracted for generation with Keokuk Hydro-electric Generation Station, Horizon Pioneer Prairie II Wind Farm, Maryland Heights Renewable Energy Center, and the O'Fallon Renewable Energy Center. Ameren also has access to RECs from customer generators receiving solar rebates.

- Q. Are these sources sufficient to meet the requirements of the RES?
- A. No. Ameren Missouri needs additional RECs to comply with the RES and has planned to buy RECs for 2019 and 2020 compliance.² Mr. Matt Michels states in his direct testimony that beginning in 2021 Ameren Missouri will need approximately 4.5 million RECs per year to meet RES.³ In 2017, Ameren Missouri projected that compliance with the RES utilizing newly built resources would result in Ameren Missouri exceeding the 1% cap.⁴ In 2018, the company drastically changed several assumptions resulting in the cost of building the resources needed to comply with the RES being lower than the 1% cap.⁵
- Q. Is building new renewable generation sources, which is the request for this CCN, the only way for Ameren to acquire more RECs?
- A. No. Power purchase agreements (PPAs) or direct REC purchases could also be used to meet RES requirements, but Ameren Missouri in this case has proposed to own and

² Ameren Missouri Renewable Energy Standard Compliance Plan 2018-2020, EFIS Case No. EO-2018-0287.

³ Page 3, lines 10 and 11 of the Direct Testimony of Matt Michels, Case No. EA-2018-0202.

⁴ Ameren Missouri Renewable Energy Standard Compliance Plan 2017-2019, EFIS Case No. EO-2017-0268.

⁵ Response to Data Request 0053 Case No. EA-2018-0202.

operate the High Prairie Wind facility. Staff does not object to this method of RES compliance. The RES rule has no expiration and is a long term requirement. REC purchases are a short term solution for a long term compliance issue.

- Q. Are there benefits to building the High Prairie Wind facility over other compliance methods?
- A. The proposed wind facility, upon certification by Division of Energy,⁶ will be eligible for compliance with the RES. The project, being located in Missouri qualifies it for an additional ¼ credit per megawatt-hour generated, lowering Ameren Missouri's RES compliance obligation. This wind project accounts for *** ___ *** of Ameren Missouri's near-term planned RES compliance activities.
 - Q. Please summarize your testimony.
- A. Beginning in 2021, Ameren Missouri is required to procure 4.5 million RECs a year to ensure compliance with the legal requirements of the RES statute. The PTCs and lowered cost of technology, coupled with the additional ¼ REC credit for being located in Missouri, make this project a suitable method of RES compliance. Ameren Missouri has shown a need for the project, and should be granted a CCN, subject to the terms and conditions of the second non-unanimous Stipulation and Agreement filed September 24, 2018 between Ameren Missouri, Staff, Renew Missouri, and MIEC.
 - Q. Does this conclude your surrebuttal testimony?
 - A. Yes.

⁶ 4 CSR-340-8.010 Certification of Renewable Energy and Renewable Energy Standard Compliance Account.

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

n the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for Permission and Approval and a Certificate of Convenience and Necessity Authorizing it to Construct a Wind Generation Facility)))	Case No. EA-2018-0202

AFFIDAVIT OF CEDRIC E. CUNIGAN

State of Missouri)
) ss
County of Cole)

COMES NOW Cedric E. Cunigan, and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Surrebuttal Testimony*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

Cedric E. Cunigan

<u>JURAT</u>

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 27% day of September 2018.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2020
Commission Number: 12412070

NOTARY PUBLIC