

FIRST REGULAR SESSION

# SENATE BILL NO. 510

98TH GENERAL ASSEMBLY

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INTRODUCED BY SENATOR HOLSMAN.

Read 1st time February 25, 2015, and ordered printed.

ADRIANE D. CROUSE, Secretary.

2360S.011

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## AN ACT

To amend chapter 386, RSMo, by adding thereto one new section relating to renewable power purchase agreements.

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Chapter 386, RSMo, is amended by adding thereto one new  
2 section, to be known as section 386.900, to read as follows:

**386.900. 1. As used in this section, the following terms shall  
2 mean:**

3       **(1) "Contract customer", a person or corporation, including**  
4 **affiliates and subsidiaries, that executes or will execute a renewable**  
5 **energy contract with a renewable energy facility owner;**

6       **(2) "Qualified utility", any municipal utility, electrical**  
7 **corporation, or rural electric cooperative that provides retail electric**  
8 **service in this state;**

9       **(3) "Renewable energy contract", a contract between a renewable**  
10 **energy facility owner and a contract customer for the delivery of**  
11 **electricity from one or more renewable energy facilities to a contract**  
12 **customer requiring the use of the qualified utility's transmission or**  
13 **distribution system to deliver the electricity from a renewable energy**  
14 **facility to the contract customer;**

15       **(4) "Renewable energy facility", a facility that produces electrical**  
16 **energy that utilizes renewable energy resources as defined in section**  
17 **393.1025, and does not include an electric generating facility whose**  
18 **costs have been included in a qualified utility's rates as a facility**  
19 **providing electric service to the qualified utility's system. A renewable**

20 energy facility shall not be considered a public utility as defined in  
21 section 386.020.

22 2. Under a renewable energy contract, a qualified utility shall:

23 (1) Contract with the renewable energy facility's owner;

24 (2) Purchase electricity for resale to one or more contract  
25 customers; and

26 (3) Sell such electricity to the contract customer or customers  
27 under a renewable energy contract with the same duration and pricing  
28 as the contract between the qualified utility and the owner of the  
29 electricity to be sold from the renewable energy facility.

30 3. Within sixty days of receiving a request from a contract  
31 customer, subject to reasonable credit requirements, a qualified utility  
32 shall approve the use of its transmission or distribution system  
33 pursuant to a renewable energy contract to supply some or all of the  
34 contract customer's electric service from one or more renewable energy  
35 facilities selected by the contract customer. The pricing and duration  
36 of the contract for electricity to be sold from the renewable energy  
37 facility shall be determined by negotiation between the renewable  
38 energy facility's owner and the contract customer. The contract  
39 customer shall be responsible for any incremental costs required for  
40 delivery of the electricity from the renewable energy facility to the  
41 transmission system granted by the regional transmission organization  
42 of which the qualified utility is a member. The qualified utility shall  
43 not be held responsible for any costs related to customer default. A  
44 qualified utility shall charge a contract customer the applicable  
45 generation charges including those in base rates, riders, or surcharges  
46 only for electricity delivered to the contract customer outside of a  
47 renewable energy contract.

48 4. A renewable energy contract may provide for electricity to be  
49 delivered to a contract customer:

50 (1) From one renewable energy facility to a contract customer's  
51 single metered delivery location;

52 (2) From multiple renewable energy facilities to a contract  
53 customer's single metered delivery location;

54 (3) From one or more renewable energy facilities to a single  
55 contract customer's multiple metered delivery locations; or

56 (4) From one or more renewable energy facilities to a single

57 contract customer for distribution to multiple qualified utility  
58 customer's metered delivery locations.

59       5. By November 28, 2015, a qualified utility shall file a tariff with  
60 the commission or the governing body of the electric utility regarding  
61 the renewable real time pricing program. A qualified utility shall  
62 charge a contract customer for all metered electric service delivered to  
63 the contract customer under this program and the tariff shall include  
64 rates, as determined by the commission or the governing body of the  
65 electric utility, for the recovery of reasonable administrative costs,  
66 cost-based distribution service, cost-based transmission service, cost-  
67 based monthly generation capacity service, and supplemental energy  
68 service for any kilowatt-hours of electricity contracted for delivery but  
69 not delivered from the renewable energy facility priced at the hourly  
70 locational marginal price of the applicable regional transmission  
71 organization for the qualified utility or at a separately negotiated and  
72 agreed upon rate by the qualified utility and the contract customer.

73       6. To be eligible for service under this section, a contract  
74 customer shall have a minimum annual peak demand of one megawatt.  
75 A single contract customer may aggregate multiple metered delivery  
76 locations to satisfy such megawatt requirement.

77       7. Electricity generated by a renewable energy facility and  
78 delivered to a contract customer under a renewable energy contract  
79 shall not be included in a net metering program created under section  
80 386.890.

81       8. The right to any environmental attribute associated with the  
82 renewable energy facility shall remain the property of the renewable  
83 energy facility's owner, except to the extent that a contract to which  
84 the owner is a party provides otherwise.

85       9. The commission may promulgate any rules and regulations  
86 necessary to effectuate the provisions of this section. Any rule or  
87 portion of a rule, as that term is defined in section 536.010 that is  
88 created under the authority delegated in this section shall become  
89 effective only if it complies with and is subject to all of the provisions  
90 of chapter 536, and, if applicable, section 536.028. This section and  
91 chapter 536 are nonseverable and if any of the powers vested with the  
92 general assembly pursuant to chapter 536, to review, to delay the  
93 effective date, or to disapprove and annul a rule are subsequently held

94 **unconstitutional, then the grant of rulemaking authority and any rule**  
95 **proposed or adopted after August 28, 2015, shall be invalid and void.**

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Unofficial

Bill

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