

FIRST REGULAR SESSION

# SENATE BILL NO. 154

94TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR GRAHAM.

Pre-filed December 4, 2006, and ordered printed.

TERRY L. SPIELER, Secretary.

0304S.02I

## AN ACT

To amend chapter 393, RSMo, by adding thereto five new sections relating to renewable energy.

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

Section A. Chapter 393, RSMo, is amended by adding thereto five new sections, to be known as sections 393.320, 393.323, 393.326, 393.329, and 393.332, to read as follows:

**393.320. As used in sections 393.320 to 393.332, the following terms mean:**

- (1) "Commission", the public service commission;**
- (2) "Department", the department of natural resources;**
- (3) "Renewable energy resources", energy from wind, solar thermal sources, photovoltaic cells and panels, dedicated crops grown for energy production, plant-based residues, fuel cells using hydrogen produced by a renewable energy source, and other alternative sources of energy as defined by rule by the department; and**
- (4) "Renewable energy credit", a certificate of proof that one kilowatt-hour of electricity has been generated from renewable energy sources.**

**393.323. 1. The department shall, in consultation with the commission, prescribe by rule a portfolio requirement for all retail suppliers of electrical energy, including municipal and cooperative utilities, to generate or purchase electricity generated from renewable energy resources. Such portfolio requirement shall provide that electricity from renewable energy sources shall constitute:**

- (1) No less than one percent of retail sales for each supplier of electrical energy after December 31, 2009;**

9           (2) No less than three percent of retail sales for each supplier of  
10 electrical energy after December 31, 2013;

11           (3) No less than six percent of retail sales for each supplier of  
12 electrical energy after December 31, 2017; and

13           (4) No less than ten percent of retail sales for each supplier of  
14 electrical energy in each year after December 31, 2021.

15 Such portfolio requirement shall apply to all suppliers of electrical  
16 energy to consumers in this state and to all power sold to Missouri  
17 consumers whether such power is self-generated or purchased from  
18 another source in or outside of this state.

19           2. Each supplier of electricity shall provide documentation to the  
20 department and commission demonstrating the acquisition of  
21 renewable energy credits by self-generation, purchase, or trade  
22 sufficient to fulfill the provisions of subsection 1 of this section.

23           3. The department, in consultation with the commission and  
24 within one year of the effective date of sections 393.320 to 393.332, shall  
25 establish by rule a program for trading renewable energy credits. Any  
26 electric supplier that provides renewable energy to its retail customers  
27 or members in excess of the percentages specified in subsection 1 of  
28 this section may sell or otherwise transfer to any other electric  
29 supplier excess renewable energy credits at any negotiated price. Such  
30 rules shall specify:

31           (1) Requirements for tracking, recording, and verifying the  
32 trading of renewable energy credits;

33           (2) Requirements for general compliance with a credit trading  
34 program;

35           (3) Requirements for certification of renewable energy credits  
36 under subsection 4 of this section;

37           (4) Requirements for participation in any regional system that  
38 relates to trading renewable energy credits;

39           (5) Provisions for flexibility in the event that an electric supplier  
40 is, by reason of necessity, unable to meet the requirements of  
41 subsection 1 of this section; and

42           (6) Provisions for the recovery of costs through customer billing  
43 if necessary, with the amount of any such charge not to exceed fifty  
44 cents per month for each residential customer.

45           4. The department shall, in consultation with the commission,

46 establish by rule a certification process for power generated from  
47 renewable resources and used to fulfill the requirements of subsection  
48 1 of this section. To the extent feasible, the certification process shall  
49 be consistent with operational practices of the regional transmission  
50 organizations active in the midwestern region of the United  
51 States. Certification criteria for renewable energy generation shall be  
52 determined by factors that include fuel type, technology, and the  
53 environmental impacts of the generating facility. Renewable energy  
54 facilities shall not cause undue adverse air, water, or land use impacts,  
55 including impacts associated with the gathering of generation  
56 feedstocks. If any amount of fossil fuel is used with renewable energy  
57 sources to generate energy to fulfill the requirements of subsection 1  
58 of this section, only the portion of electricity output that is attributable  
59 to renewable energy resources shall be used to fulfill such  
60 requirements.

61       5. Electricity suppliers that fail to acquire sufficient renewable  
62 energy credits to comply with the requirements of subsection 1 of this  
63 section in any compliance period shall forfeit for each kilowatt-hour  
64 deficiency an amount equal to three times the average market cost of  
65 a renewable energy credit during that compliance period. Amounts  
66 forfeited under this section shall be remitted to the department to  
67 purchase renewable energy credits needed for compliance. Any excess  
68 forfeited revenues shall be used by the department's energy center  
69 solely for renewable energy and energy efficiency programs.

      393.326. 1. A supplier of electrical energy may receive additional  
2 credit toward meeting the requirements of section 393.323 if it acquires  
3 renewable resources physically located in this state or renewable  
4 energy credits from a renewable resource physically located in this  
5 state:

6       (1) Where the renewable resource project commenced  
7 construction after December 31, 2006; and

8       (2) Where the renewable energy developer, during construction  
9 of the renewable resource project, used apprenticeship programs  
10 approved by the department of economic development; and

11       (3) Where the apprenticeship programs shall have met the  
12 following benchmarks:

13       (a) Minimum levels of apprenticeship programs constitute ten

14 **percent of total labor hours for projects commencing construction after**  
15 **December 31, 2009;**

16 **(b) Minimum levels of apprenticeship programs constitute twelve**  
17 **and one-half percent of total labor hours for projects commencing**  
18 **construction after December 31, 2015; or**

19 **(c) Minimum levels of apprenticeship programs constitute fifteen**  
20 **percent of total labor hours for projects commencing construction after**  
21 **December 31, 2022.**

22 **2. The department shall determine the amount of additional**  
23 **credit to be awarded under this section.**

**393.329. 1. All suppliers of electrical energy shall disclose to any**  
2 **person upon request standard and useful information regarding the**  
3 **generation attributes of electricity sold by the supplier.**

4 **2. For electrical corporations, information to be supplied under**  
5 **this section shall be presented in a uniform label in an easily**  
6 **understood format. The commission shall develop rules necessary to**  
7 **implement the requirements of this subsection, within one year from**  
8 **the effective date of this section. The label shall contain, but not be**  
9 **limited to, the following information:**

10 **(1) The sources of energy supplied, specified by percentages, of**  
11 **biomass power, coal-fired power, hydropower, natural gas-fired power,**  
12 **nuclear power, oil-fired power, solar power, wind power, and other**  
13 **resources in such format as the commission shall require;**

14 **(2) A standardized chart in a format determined by the**  
15 **commission that provides the amounts of carbon dioxide, nitrous**  
16 **oxides, sulfur dioxide emissions, and nuclear waste attributable to the**  
17 **known sources of electricity supplied as set forth in subdivision (1) of**  
18 **this subsection; and**

19 **(3) Any other information as the commission may determine that**  
20 **permits and facilitates customer understanding of the environmental**  
21 **consequences of electrical generation and use.**

22 **3. The information required to be disclosed under this section**  
23 **shall be updated quarterly and presented on the supplier's Internet**  
24 **homepage. Such information shall also be presented quarterly to the**  
25 **commission for inclusion on its Internet homepage.**

**393.332. 1. The department shall promulgate rules necessary for**  
2 **the administration of sections 393.320 to 393.332.**

3           2. Any rule or portion of a rule, as that term is defined in section  
4 536.010, RSMo, that is created under the authority delegated in this  
5 section shall become effective only if it complies with and is subject to  
6 all of the provisions of chapter 536, RSMo, and, if applicable, section  
7 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable  
8 and if any of the powers vested with the general assembly under  
9 chapter 536, RSMo, to review, to delay the effective date, or to  
10 disapprove and annul a rule are subsequently held unconstitutional,  
11 then the grant of rulemaking authority and any rule proposed or  
12 adopted after August 28, 2007, shall be invalid and void.

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Bill

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