

SENATE AMENDMENT NO. _____

Offered by _____ of _____

Amend SCS/House Bill No. 432, Page 3, Section 386.210, Line 70,

2 by inserting after all of said line the following:

3 "393.1030. 1. The commission shall, in consultation with
4 the department, prescribe by rule a portfolio requirement for all
5 electric utilities to generate or purchase electricity generated
6 from renewable energy resources. Such portfolio requirement
7 shall provide that electricity from renewable energy resources
8 shall constitute the following portions of each electric
9 utility's sales:

10 (1) No less than two percent for calendar years 2011
11 through 2013;

12 (2) No less than five percent for calendar years 2014
13 through 2017;

14 (3) No less than ten percent for calendar years 2018
15 through 2020; and

16 (4) No less than fifteen percent in each calendar year
17 beginning in 2021.

18

19 At least two percent of each portfolio requirement shall be
20 derived from solar energy. The portfolio requirements shall
21 apply to all power sold to Missouri consumers whether such power

1 is self-generated or purchased from another source in or outside
2 of this state. A utility may comply with the standard in whole
3 or in part by purchasing RECs. Each kilowatt-hour of eligible
4 energy generated in Missouri shall count as 1.25 kilowatt-hours
5 for purposes of compliance.

6 2. The commission, in consultation with the department and
7 within one year of November 4, 2008, shall select a program for
8 tracking and verifying the trading of renewable energy credits.
9 An unused credit may exist for up to three years from the date of
10 its creation. A credit may be used only once to comply with
11 sections 393.1020 to 393.1030 and may not also be used to satisfy
12 any similar nonfederal requirement. An electric utility may not
13 use a credit derived from a green pricing program. Certificates
14 from net-metered sources shall initially be owned by the
15 customer-generator. The commission, except where the department
16 is specified, shall make whatever rules are necessary to enforce
17 the renewable energy standard. Such rules shall include:

18 (1) A maximum average retail rate increase of one percent
19 determined by estimating and comparing the electric utility's
20 cost of compliance with least-cost renewable generation and the
21 cost of continuing to generate or purchase electricity from
22 entirely nonrenewable sources, taking into proper account future
23 environmental regulatory risk including the risk of greenhouse
24 gas regulation. Notwithstanding the foregoing, until June 30,
25 2020, if the maximum average retail rate increase would be less
26 than or equal to one percent if an electric utility's investment
27 in solar-related projects initiated, owned or operated by the
28 electric utility is ignored for purposes of calculating the
29 increase, then additional solar rebates shall be paid and

1 included in rates in an amount up to the amount that would
2 produce a retail rate increase equal to the difference between a
3 one percent retail rate increase and the retail rate increase
4 calculated when ignoring an electric utility's investment in
5 solar-related projects initiated, owned, or operated by the
6 electric utility. Notwithstanding anything to the contrary in
7 this section, even if the payment of additional solar rebates
8 will produce a maximum average retail rate increase of greater
9 than one percent when an electric utility's investment in solar-
10 related projects initiated, owned or operated by the electric
11 utility are included in the calculation, the additional solar
12 rebate costs shall be included in the prudently incurred costs to
13 be recovered as contemplated by subdivision (4) of this
14 subsection;

15 (2) Penalties of at least twice the average market value of
16 renewable energy credits for the compliance period for failure to
17 meet the targets of subsection 1 of this section. An electric
18 utility will be excused if it proves to the commission that
19 failure was due to events beyond its reasonable control that
20 could not have been reasonably mitigated, or that the maximum
21 average retail rate increase has been reached. Penalties shall
22 not be recovered from customers. Amounts forfeited under this
23 section shall be remitted to the department to purchase renewable
24 energy credits needed for compliance. Any excess forfeited
25 revenues shall be used by the department's energy center solely
26 for renewable energy and energy efficiency projects;

27 (3) Provisions for an annual report to be filed by each
28 electric utility in a format sufficient to document its progress
29 in meeting the targets;

1 (4) Provision for recovery outside the context of a regular
2 rate case of prudently incurred costs and the pass-through of
3 benefits to customers of any savings achieved by an electrical
4 corporation in meeting the requirements of this section.

5 3. As provided for in this section, except for those
6 electrical corporations that qualify for an exemption under
7 section 393.1050, each electric utility shall make available to
8 its retail customers a [standard] solar rebate [offer of at least
9 two dollars per installed watt] for new or expanded solar
10 electric systems sited on customers' premises, up to a maximum of
11 twenty-five kilowatts per system, measured in direct current that
12 [become operational after 2009] were confirmed by the electric
13 utility to have become operational in compliance with the
14 provisions of section 386.890. The solar rebates shall be two
15 dollars per watt for systems becoming operational on or before
16 June 30, 2014; one dollar and fifty cents per watt for systems
17 becoming operational between July 1, 2014, and June 30, 2015; one
18 dollar per watt for systems becoming operational between July 1,
19 2015, and June 30, 2016; fifty cents per watt for systems
20 becoming operational between July 1, 2016, and June 30, 2017;
21 fifty cents per watt for systems becoming operational between
22 July 1, 2017, and June 30, 2019; twenty-five cents per watt for
23 systems becoming operational between July 1, 2019, and June 30,
24 2020; and zero cents per watt for systems becoming operational
25 after June 30, 2020. An electric utility may, through its
26 tariffs, require applications for rebates to be submitted up to
27 one hundred eighty-two days prior to the June 30 operational
28 date. Nothing in this section shall prevent an electrical
29 corporation from offering rebates after July 1, 2020, through an

1 approved tariff. If the electric utility determines the maximum
2 average retail rate increase provided for in subdivision (1) of
3 subsection 2 of this section will be reached in any calendar
4 year, the electric utility will be entitled to cease paying
5 rebates to the extent necessary to avoid exceeding the maximum
6 average retail rate increase if the electrical corporation files
7 with the commission to suspend its rebate tariff for the
8 remainder of that calendar year at least sixty days prior to the
9 change taking effect. The filing with the commission to suspend
10 the electrical corporation's rebate tariff will include the
11 calculation reflecting that the maximum average retail rate
12 increase will be reached and supporting documentation reflecting
13 that the maximum average retail rate increase will be reached.
14 The commission shall rule on the suspension filing within sixty
15 days of the date it is filed and if the commission determines
16 that the maximum average retail rate increase will be reached the
17 commission will approve the tariff suspension. The electric
18 utility will continue to process and pay applicable solar rebates
19 until a final commission ruling, however, if the continued
20 payment causes the electric utility to pay rebates that cause it
21 to exceed the maximum average retail rate increase, the
22 expenditures shall be considered prudently incurred costs as
23 contemplated by subdivision (4) of subsection 2 of this section
24 and shall be recoverable as such by the electric utility. As a
25 condition of receiving a rebate, customers shall transfer to the
26 electric utility all right, title, and interest in and to the
27 renewable energy credits associated with the new or expanded
28 solar electric system that qualified the customer for the solar
29 rebate for a period of ten years from the date the electric

1 utility confirmed that the solar electric system was installed
2 and operational.

3 4. The department shall, in consultation with the
4 commission, establish by rule a certification process for
5 electricity generated from renewable resources and used to
6 fulfill the requirements of subsection 1 of this section.
7 Certification criteria for renewable energy generation shall be
8 determined by factors that include fuel type, technology, and the
9 environmental impacts of the generating facility. Renewable
10 energy facilities shall not cause undue adverse air, water, or
11 land use impacts, including impacts associated with the gathering
12 of generation feedstocks. If any amount of fossil fuel is used
13 with renewable energy resources, only the portion of electrical
14 output attributable to renewable energy resources shall be used
15 to fulfill the portfolio requirements.

16 5. In carrying out the provisions of this section, the
17 commission and the department shall include methane generated
18 from the anaerobic digestion of farm animal waste and thermal
19 depolymerization or pyrolysis for converting waste material to
20 energy as renewable energy resources for purposes of this
21 section.

22 6. The commission shall have the authority to promulgate
23 rules for the implementation of this section, as amended, but
24 only to the extent such rules are consistent with, and do not
25 delay the implementation of, the provisions of this section, as
26 amended. Any rule or portion of a rule, as that term is defined
27 in section 536.010 that is created under the authority delegated
28 in this section shall become effective only if it complies with
29 and is subject to all of the provisions of chapter 536, and, if

1 applicable, section 536.028. This section and chapter 536 are
2 nonseverable and if any of the powers vested with the general
3 assembly pursuant to chapter 536 to review, to delay the
4 effective date, or to disapprove and annul a rule are
5 subsequently held unconstitutional, then the grant of rulemaking
6 authority and any rule proposed or adopted after August 28, 2013,
7 shall be invalid and void."; and

8 Further amend the title and enacting clause accordingly.
9