

# SENATE AMENDMENT NO. \_\_\_\_\_

Offered by \_\_\_\_\_ of \_\_\_\_\_

Amend SCS/HCS/House Bill No. 1631, Page 1, Section Title, Lines 2-3,

2 by striking "the air conservation commission" and inserting in  
 3 lieu thereof the following: "energy"; and

4 Further amend said bill and page, section A, line 2, by  
 5 inserting immediately after said line the following:

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

13 (1) No less than two percent for calendar years 2011  
 14 through 2013;

15 (2) No less than five percent for calendar years 2014  
 16 through 2017;

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

19 (4) No less than fifteen percent in each calendar year  
 20 beginning in 2021.

21 At least two percent of each portfolio requirement shall be  
 22 derived from solar energy. The portfolio requirements shall

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

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

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

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

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

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

1 in meeting the targets;

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

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

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

1 utility all right, title, and interest in and to the renewable  
2 energy credits associated with the new or expanded solar electric  
3 system that qualified the customer for the solar rebate for a  
4 period of ten years from the date the electric utility confirmed  
5 that the solar electric system was installed and operational.

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

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

25 6. The commission shall have the authority to promulgate  
26 rules for the implementation of this section, but only to the  
27 extent such rules are consistent with, and do not delay the  
28 implementation of, the provisions of this section. Any rule or  
29 portion of a rule, as that term is defined in section 536.010,

1 that is created under the authority delegated in this section  
2 shall become effective only if it complies with and is subject to  
3 all of the provisions of chapter 536 and, if applicable, section  
4 536.028. This section and chapter 536 are nonseverable and if  
5 any of the powers vested with the general assembly pursuant to  
6 chapter 536 to review, to delay the effective date, or to  
7 disapprove and annul a rule are subsequently held  
8 unconstitutional, then the grant of rulemaking authority and any  
9 rule proposed or adopted after August 28, 2013, shall be invalid  
10 and void."; and

11 Further amend the title and enacting clause accordingly.  
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