

SENATE AMENDMENT NO. _____

Offered by _____ of _____

Amend Senate Bill No. 275, Page 1, Section Title, Lines 2-3,

2 by striking "a sales tax exemption for electricity" and
 3 inserting in lieu thereof the following: "utilities"; and
 4 Further amend said bill and page, section 144.058, line
 5 16, by inserting after all of said line the following:

6 "393.1030. 1. The commission shall, in consultation
 7 with the department, prescribe by rule a portfolio
 8 requirement for all electric utilities to generate or
 9 purchase electricity generated from renewable energy
 10 resources. Such portfolio requirement shall provide that
 11 electricity from renewable energy resources shall constitute
 12 the following portions of each electric 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
 23 apply to all power sold to Missouri consumers whether such
 24 power is self-generated or purchased from another source in
 25 or outside of this state. A utility may comply with the

26 standard in whole or in part by purchasing RECs. Each
27 kilowatt-hour of eligible energy generated in Missouri shall
28 count as 1.25 kilowatt-hours for purposes of compliance.

29 2. (1) This subsection applies to electric utilities
30 with more than two hundred fifty thousand but less than one
31 million retail customers in Missouri as of the end of
32 calendar year 2022.

33 (2) Energy meeting the criteria of the renewable
34 energy portfolio requirements set forth in subsection 1 of
35 this section that is generated from renewable energy
36 resources and contracted for by an accelerated renewable
37 buyer shall:

38 (a) Have all associated renewable energy certificates
39 retired by the accelerated renewable buyer, or on their
40 behalf, and the certificates shall not be used to meet the
41 electric utility's portfolio requirements pursuant to
42 subsection 1 of this section;

43 (b) Be excluded from the total electric utility's
44 sales used to determine the portfolio requirements pursuant
45 to subsection 1 of this section; and

46 (c) Be used to offset all or a portion of its electric
47 load for purposes of determining compliance with the
48 portfolio requirements pursuant to subsection 1 of this
49 section.

50 (3) The accelerated renewable buyer shall be exempt
51 from any renewable energy standard compliance costs as may
52 be established by the utility and approved by the
53 commission, based on the amount of renewable energy
54 certificates retired pursuant to this subsection in
55 proportion to the accelerated renewable buyer's total
56 electric energy consumption, on an annual basis.

57 (4) An "accelerated renewable buyer" means a customer
58 of an electric utility, with an aggregate load over eighty

59 average megawatts, that enters into a contract or contracts
60 to obtain:

61 (a) Renewable energy certificates from renewable
62 energy resources as defined in section 393.1025; or

63 (b) Energy and renewable energy certificates from
64 solar or wind generation resources located within the
65 Southwest Power Pool or Midcontinent Independent System
66 Operator regions and initially placed in commercial
67 operation after January 1, 2020, including any contract with
68 the electric utility for such generation resources that does
69 not allocate to or recover from any other customer of the
70 utility the cost of such resources.

71 (5) Each electric utility shall certify, and verify as
72 necessary, to the commission that the accelerated renewable
73 buyer has satisfied the exemption requirements of this
74 subsection for each year, or an accelerated renewable buyer
75 may choose to certify satisfaction of this exemption by
76 reporting to the commission individually. The commission
77 may promulgate such rules and regulations as may be
78 necessary to implement the provisions of this subsection.
79 Nothing in this section shall be construed as imposing or
80 authorizing the imposition of any reporting, regulatory, or
81 financial burden on an accelerated renewable buyer.

82 3. The commission, in consultation with the department
83 and within one year of November 4, 2008, shall select a
84 program for tracking and verifying the trading of renewable
85 energy credits. An unused credit may exist for up to three
86 years from the date of its creation. A credit may be used
87 only once to comply with sections 393.1020 to 393.1030 and
88 may not also be used to satisfy any similar nonfederal
89 requirement. An electric utility may not use a credit
90 derived from a green pricing program. Certificates from net-
91 metered sources shall initially be owned by the customer-

92 generator. The commission, except where the department is
93 specified, shall make whatever rules are necessary to
94 enforce the renewable energy standard. Such rules shall
95 include:

96 (1) A maximum average retail rate increase of one
97 percent determined by estimating and comparing the electric
98 utility's cost of compliance with least-cost renewable
99 generation and the cost of continuing to generate or
100 purchase electricity from entirely nonrenewable sources,
101 taking into proper account future environmental regulatory
102 risk including the risk of greenhouse gas regulation.
103 Notwithstanding the foregoing, until June 30, 2020, if the
104 maximum average retail rate increase would be less than or
105 equal to one percent if an electric utility's investment in
106 solar-related projects initiated, owned or operated by the
107 electric utility is ignored for purposes of calculating the
108 increase, then additional solar rebates shall be paid and
109 included in rates in an amount up to the amount that would
110 produce a retail rate increase equal to the difference
111 between a one percent retail rate increase and the retail
112 rate increase calculated when ignoring an electric utility's
113 investment in solar-related projects initiated, owned, or
114 operated by the electric utility. Notwithstanding any
115 provision to the contrary in this section, even if the
116 payment of additional solar rebates will produce a maximum
117 average retail rate increase of greater than one percent
118 when an electric utility's investment in solar-related
119 projects initiated, owned or operated by the electric
120 utility are included in the calculation, the additional
121 solar rebate costs shall be included in the prudently
122 incurred costs to be recovered as contemplated by
123 subdivision (4) of this subsection;

124 (2) Penalties of at least twice the average market
125 value of renewable energy credits for the compliance period
126 for failure to meet the targets of subsection 1 of this
127 section. An electric utility will be excused if it proves
128 to the commission that failure was due to events beyond its
129 reasonable control that could not have been reasonably
130 mitigated, or that the maximum average retail rate increase
131 has been reached. Penalties shall not be recovered from
132 customers. Amounts forfeited under this section shall be
133 remitted to the department to purchase renewable energy
134 credits needed for compliance. Any excess forfeited
135 revenues shall be used by the division of energy solely for
136 renewable energy and energy efficiency projects;

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

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

145 [3.] 4. As provided for in this section, except for
146 those electrical corporations that qualify for an exemption
147 under section 393.1050, each electric utility shall make
148 available to its retail customers a solar rebate for new or
149 expanded solar electric systems sited on customers'
150 premises, up to a maximum of twenty-five kilowatts per
151 system, measured in direct current that were confirmed by
152 the electric utility to have become operational in
153 compliance with the provisions of section 386.890. The
154 solar rebates shall be two dollars per watt for systems
155 becoming operational on or before June 30, 2014; one dollar
156 and fifty cents per watt for systems becoming operational

157 between July 1, 2014, and June 30, 2015; one dollar per watt
158 for systems becoming operational between July 1, 2015, and
159 June 30, 2016; fifty cents per watt for systems becoming
160 operational between July 1, 2016, and June 30, 2017; fifty
161 cents per watt for systems becoming operational between July
162 1, 2017, and June 30, 2019; twenty-five cents per watt for
163 systems becoming operational between July 1, 2019, and June
164 30, 2020; and zero cents per watt for systems becoming
165 operational after June 30, 2020. An electric utility may,
166 through its tariffs, require applications for rebates to be
167 submitted up to one hundred eighty-two days prior to the
168 June thirtieth operational date. Nothing in this section
169 shall prevent an electrical corporation from offering
170 rebates after July 1, 2020, through an approved tariff. If
171 the electric utility determines the maximum average retail
172 rate increase provided for in subdivision (1) of subsection
173 [2] 3 of this section will be reached in any calendar year,
174 the electric utility shall be entitled to cease paying
175 rebates to the extent necessary to avoid exceeding the
176 maximum average retail rate increase if the electrical
177 corporation files with the commission to suspend its rebate
178 tariff for the remainder of that calendar year at least
179 sixty days prior to the change taking effect. The filing
180 with the commission to suspend the electrical corporation's
181 rebate tariff shall include the calculation reflecting that
182 the maximum average retail rate increase will be reached and
183 supporting documentation reflecting that the maximum average
184 retail rate increase will be reached. The commission shall
185 rule on the suspension filing within sixty days of the date
186 it is filed. If the commission determines that the maximum
187 average retail rate increase will be reached, the commission
188 shall approve the tariff suspension. The electric utility
189 shall continue to process and pay applicable solar rebates

190 until a final commission ruling; however, if the continued
191 payment causes the electric utility to pay rebates that
192 cause it to exceed the maximum average retail rate increase,
193 the expenditures shall be considered prudently incurred
194 costs as contemplated by subdivision (4) of subsection [2] 3
195 of this section and shall be recoverable as such by the
196 electric utility. As a condition of receiving a rebate,
197 customers shall transfer to the electric utility all right,
198 title, and interest in and to the renewable energy credits
199 associated with the new or expanded solar electric system
200 that qualified the customer for the solar rebate for a
201 period of ten years from the date the electric utility
202 confirmed that the solar electric system was installed and
203 operational.

204 [4.] 5. The department shall, in consultation with the
205 commission, establish by rule a certification process for
206 electricity generated from renewable resources and used to
207 fulfill the requirements of subsection 1 of this section.
208 Certification criteria for renewable energy generation shall
209 be determined by factors that include fuel type, technology,
210 and the environmental impacts of the generating facility.
211 Renewable energy facilities shall not cause undue adverse
212 air, water, or land use impacts, including impacts
213 associated with the gathering of generation feedstocks. If
214 any amount of fossil fuel is used with renewable energy
215 resources, only the portion of electrical output
216 attributable to renewable energy resources shall be used to
217 fulfill the portfolio requirements.

218 [5.] 6. In carrying out the provisions of this
219 section, the commission and the department shall include
220 methane generated from the anaerobic digestion of farm
221 animal waste and thermal depolymerization or pyrolysis for

222 converting waste material to energy as renewable energy
223 resources for purposes of this section.

224 [6.] 7. The commission shall have the authority to
225 promulgate rules for the implementation of this section, but
226 only to the extent such rules are consistent with, and do
227 not delay the implementation of, the provisions of this
228 section. Any rule or portion of a rule, as that term is
229 defined in section 536.010, that is created under the
230 authority delegated in this section shall become effective
231 only if it complies with and is subject to all of the
232 provisions of chapter 536 and, if applicable, section
233 536.028. This section and chapter 536 are nonseverable and
234 if any of the powers vested with the general assembly
235 pursuant to chapter 536 to review, to delay the effective
236 date, or to disapprove and annul a rule are subsequently
237 held unconstitutional, then the grant of rulemaking
238 authority and any rule proposed or adopted after August 28,
239 2013, shall be invalid and void."; and

240 Further amend the title and enacting clause accordingly.