

HCS HB 2689 -- STATE ENERGY POLICY

SPONSOR: Miller

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Energy and the Environment by a vote of 8 to 3. Voted "Do Pass with HCS" by the Select Committee on Utilities by a vote of 10 to 0.

This bill specifies that it is the policy of the state to modernize the regulatory process for electrical corporations to more closely align the interests of electrical corporations and the customers they serve.

This bill allows aluminum smelting facilities, and their respective electrical corporation service provider, to jointly submit an application to the Public Service Commission for approval of an aluminum smelter rate. Such application must include specified features, and an executed contract between the facility and its electrical corporation service provider. Within 30 days of filing the application, the Public Service Commission must issue an order directing the electrical corporation to file tariffs containing the rates, terms and condition set forth in the application, and authorizing the electrical corporation to create a regulatory asset for the difference between revenues that would have been collected under the previous rate and the new aluminum smelter rate.

Any aluminum smelting facility must only be eligible for an aluminum smelter rate if it maintains a number of full-time employees not less than 1 1/2 times its megawatt demand. If a facility becomes ineligible for such rate, they must be served at a rate that would otherwise be applicable to a customer of its size and load characteristics.

The Division of Energy must review and update if necessary the Comprehensive State Energy Plan implemented by the division by January 1, 2017, and biennially thereafter. The division must review the plan to ensure it meets specified criteria. To conduct the review, the division must use a diverse stakeholder system or contract with a Missouri-based not-for-profit organization who meets specific requirements. The division must issue a report, along with the review, that suggests policy changes needed to meet set criteria.

This bill contains an emergency clause.

PROPOSERS: Supporters say that this bill is a framework for a discussion on modernizing electric rates. The bill would also require a State Energy Plan, which is a road map for the future

energy needs of the state. The plan would be reviewed each year to ensure that the state is on the right path.

Testifying for the bill were Representative Miller; Kansas City Power & Light; Ameren; Empire District Electric Company; and Missourians For A Balanced Energy Future.

OPPONENTS: Those who oppose the bill expressed concerns about how the framework will be further developed in the future and how it will impact utility consumers. The ability for utilities to opt in and opt out of the model would create instability for electric customers.

Testifying against the bill were James Owen, Office Of Public Counsel; Steven Spinner and Greg Meyer, MIEC; Consumers Council Of Missouri; Empower Missouri; David Woodsmall, Midwest Energy Consumers Group; and Rachel Payten, Americans For Prosperity Missouri.