

## HB 613 -- Renewable Energy Technology

Sponsor: Holsman

This bill repeals and re-establishes provisions regarding the renewable energy standard including standards enacted by Proposition C in 2008. In its main provisions, the bill:

(1) Increases the solar energy percentage requirement of the existing standard from 2% to 10%. This provision will apply to Empire District Electric Company which is exempt from the other provisions of the bill;

(2) Specifies new criteria for how an electric utility, which is defined as a utility regulated by the Missouri Public Service Commission under Section 386.020, RSMo, complies with the renewable energy standard by earning renewable energy credits. Prior to January 1, 2013, energy credits may be purchased from anywhere within the United States for compliance purposes. Prior to January 1, 2017, energy credits may be earned for any energy delivered to Missouri from anywhere in the United States. After January 1, 2017, energy credits may only be earned for energy directly produced or as the result of an approved interconnection or net metering agreement. The commission must allow a 25% enhancement in the amount of credits for renewable energy produced from the interconnection agreements between utilities and renewable energy generators located in this state or for new generation of renewable energy under the net metering provisions for residential consumers under Section 386.890, as well as for renewable energy produced in this state if the credits are not purchased or transferred between utilities located in this state or any other state. A utility must pay a penalty of at least twice the average market value of renewable energy credits for failure to comply with the existing energy standard deadlines. The penalty must be distributed to public schools as specified. Compliance with the standard is proportional to the size of the electric utility and is capped at a maximum cost recovery of \$2 billion. The methods of cost recovery for compliance with the standard are specified in the bill;

(3) Specifies the criteria for 10-year mandatory interconnection agreements between electric utilities and third parties that generate renewable energy. After these initial contracts expire, interconnection agreements will be governed with standard freedom to contract principles;

(4) Establishes general rule-making authority for the commission to regulate all provisions of the bill. The commission is authorized to fully or partially waive the energy standard requirement based on various specified economic considerations.

The commission must not approve future rate increases for the purposes of compliance with the standard once 15% or \$300 million, whichever is less, of the aggregate retail sales to end-user consumers is reached by certain specified large industrial consumers;

(5) Requires each electric utility to provide, beginning January 1, 2012, and each year thereafter, a compliance plan to the commission. The plan will be a public record and posted on a web site determined by the commission; and

(6) Grants the commission jurisdiction over all disputes arising under these provisions among or between electric utilities, the commission, renewable energy generators entering into interconnection agreements with electric utilities, and other parties with legal interests. Upon a final judgment of the commission, any party may appeal to a circuit court of appropriate jurisdiction and to any appellate court allowed by law and the rules of civil procedure.