

HB 784 -- COMPETITIVE ENERGY FOR MISSOURI JOBS ACT

SPONSOR: Korman

This bill establishes the Competitive Energy for Missouri Jobs Act that changes the laws regarding electrical corporation resource plans. In its main provisions, the bill:

(1) Requires the Missouri Public Service Commission to establish a transparent request for proposals process that will apply to all electrical corporations acquiring or constructing a supply-side resource expected to generate a minimum of five megawatts of energy with contracted terms of 18 months or longer. The process must include stakeholder input and must be complete by August 28, 2016;

(2) Requires each electrical corporation in this state to file a resource plan with the commission every three years and for the plan to evaluate supply-side resources;

(3) Requires an electrical corporation that intends to acquire or construct a supply-side resource to issue a request for proposals in accordance with the commission's request for proposals process that includes:

(a) A detailed description of the electrical corporation's next supply-side resource or resources and its proposed location or locations, including the electrical corporation's electrical capacity and energy product needs;

(b) The megawatt size;

(c) The estimated in-service date;

(d) The primary and secondary fuel type;

(e) An estimate of the fuel cost;

(f) An estimate of the annual revenue requirement; and

(g) A description of the price and non-price attributes to be addressed by each proposal as specified in the bill;

(4) Allows an electrical corporation to participate in the request for proposals bid process through a self-build option. The self-build option request for proposals bid must be evaluated by the independent evaluator in the same manner as all other requests for proposals bids;

(5) Requires the evaluation of the request for proposals bids to

be performed by an independent evaluator chosen by a separate request for proposals process. The commission staff must oversee the independent evaluator and the independent evaluator must serve as a liaison to the commission and the commission staff. The independent evaluator must be paid by the electrical corporation submitting the request for proposals;

(6) Requires the independent evaluator to enter into an agreement with the commission that requires the evaluator to:

(a) Keep all pricing and other proprietary commercial information submitted by bidders or the electrical corporation in conjunction with the request for proposals process confidential to ensure the integrity of the bidding process;

(b) Develop and maintain a transparent process for the evaluation of request for proposal bids;

(c) Remain in force through the conclusion of the request for proposals process or until a contract is executed between the successful request for proposals bidder and the electrical corporation; and

(d) Stipulate dispute resolution mechanisms for various stages in the request for proposals process;

(7) Requires an electrical corporation's costs incurred due to the request for the proposals process and the acquisition or construction of a new supply-side resource to be presumed reasonable and prudent;

(8) Allows the commission to deny cost recovery by an electrical corporation in the event of imprudence in the request for proposals process; and

(9) Prohibits an electrical corporation from recovering from ratepayers any costs incurred by the electrical corporation with a self-build option that exceeds the self-build costs proposed in the request for proposals bid.