

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

Offered By  
\_\_\_\_\_

1 AMEND House Committee Substitute for House Bill No. 2265, Page 8, Section 393.170, Line 18,  
2 by inserting immediately after said section and line the following:

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4 "393.1025. As used in sections 393.1020 to 393.1030, the following terms mean:

5 (1) "Commission", the public service commission;

6 (2) "Department", the department of natural resources;

7 (3) "Electric utility", any electrical corporation as defined by section 386.020;

8 (4) "Processed solid biomass engineered fiber fuel", any fuel derived from raw biomass  
9 feedstock produced in this state that is changed from its original form by pyrolysis or other thermal  
10 or thermochemical conversion in a manufacturing process resulting in a solid fuel product with a  
11 heat value of at least eight thousand four hundred British Thermal Units per pound on an as-  
12 received basis;

13 (5) "Renewable energy credit" or "REC", a tradeable certificate of proof that one megawatt-  
14 hour of electricity has been generated from renewable energy sources; ~~[and]~~

15 ~~[(5)]~~ (6) "Renewable energy resources", electric energy produced from wind, solar thermal  
16 sources, photovoltaic cells and panels, dedicated crops grown for energy production, cellulosic  
17 agricultural residues, plant residues, processed solid biomass engineered fiber fuel, methane from  
18 landfills, from agricultural operations, or from wastewater treatment, thermal depolymerization or  
19 pyrolysis for converting waste material to energy, clean and untreated wood such as pallets,  
20 hydropower (not including pumped storage) that does not require a new diversion or impoundment  
21 of water and that has a nameplate rating of ten megawatts or less, fuel cells using hydrogen  
22 produced by one of the above-named renewable energy sources, and other sources of energy not  
23 including nuclear that become available after November 4, 2008, and are certified as renewable by  
24 rule by the department.

25 393.1030. 1. The commission shall, in consultation with the department, prescribe by rule a  
26 portfolio requirement for all electric utilities to generate or purchase electricity generated from  
27 renewable energy resources. Such portfolio requirement shall provide that electricity from  
28 renewable energy resources shall constitute the following portions of each electric utility's sales:

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

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

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

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

33  
34 At least two percent of each portfolio requirement shall be derived from solar energy. The portfolio  
35 requirements shall apply to all power sold to Missouri consumers whether such power is self-  
36 generated or purchased from another source in or outside of this state. A utility may comply with

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1 the standard in whole or in part by purchasing RECs. Each kilowatt-hour of eligible energy  
2 generated in Missouri shall count as 1.25 kilowatt-hours for purposes of compliance. Each kilowatt-  
3 hour of eligible energy generated from processed solid biomass engineered fiber fuel shall count as  
4 1.50 kilowatt-hours for purposes of compliance.

5 2. The commission, in consultation with the department and within one year of November  
6 4, 2008, shall select a program for tracking and verifying the trading of renewable energy credits.  
7 An unused credit may exist for up to three years from the date of its creation. A credit may be used  
8 only once to comply with sections 393.1020 to 393.1030 and may not also be used to satisfy any  
9 similar nonfederal requirement. An electric utility may not use a credit derived from a green pricing  
10 program. Certificates from net-metered sources shall initially be owned by the customer-generator.  
11 The commission, except where the department is specified, shall make whatever rules are necessary  
12 to enforce the renewable energy standard. Such rules shall include:

13 (1) A maximum average retail rate increase of one percent determined by estimating and  
14 comparing the electric utility's cost of compliance with least-cost renewable generation and the cost  
15 of continuing to generate or purchase electricity from entirely nonrenewable sources, taking into  
16 proper account future environmental regulatory risk including the risk of greenhouse gas regulation.  
17 Notwithstanding the foregoing, until June 30, 2020, if the maximum average retail rate increase  
18 would be less than or equal to one percent if an electric utility's investment in solar-related projects  
19 initiated, owned or operated by the electric utility is ignored for purposes of calculating the increase,  
20 then additional solar rebates shall be paid and included in rates in an amount up to the amount that  
21 would produce a retail rate increase equal to the difference between a one percent retail rate increase  
22 and the retail rate increase calculated when ignoring an electric utility's investment in solar-related  
23 projects initiated, owned, or operated by the electric utility. Notwithstanding any provision to the  
24 contrary in this section, even if the payment of additional solar rebates will produce a maximum  
25 average retail rate increase of greater than one percent when an electric utility's investment in solar-  
26 related projects initiated, owned or operated by the electric utility are included in the calculation, the  
27 additional solar rebate costs shall be included in the prudently incurred costs to be recovered as  
28 contemplated by subdivision (4) of this subsection;

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

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

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

42 3. As provided for in this section, except for those electrical corporations that qualify for an  
43 exemption under section 393.1050, each electric utility shall make available to its retail customers a  
44 solar rebate for new or expanded solar electric systems sited on customers' premises, up to a  
45 maximum of twenty-five kilowatts per system, measured in direct current that were confirmed by  
46 the electric utility to have become operational in compliance with the provisions of section 386.890.  
47 The solar rebates shall be two dollars per watt for systems becoming operational on or before June  
48 30, 2014; one dollar and fifty cents per watt for systems becoming operational between July 1,

1 2014, and June 30, 2015; one dollar per watt for systems becoming operational between July 1,  
2 2015, and June 30, 2016; fifty cents per watt for systems becoming operational between July 1,  
3 2016, and June 30, 2017; fifty cents per watt for systems becoming operational between July 1,  
4 2017, and June 30, 2019; twenty-five cents per watt for systems becoming operational between July  
5 1, 2019, and June 30, 2020; and zero cents per watt for systems becoming operational after June 30,  
6 2020. An electric utility may, through its tariffs, require applications for rebates to be submitted up  
7 to one hundred eighty-two days prior to the June thirtieth operational date. Nothing in this section  
8 shall prevent an electrical corporation from offering rebates after July 1, 2020, through an approved  
9 tariff. If the electric utility determines the maximum average retail rate increase provided for in  
10 subdivision (1) of subsection 2 of this section will be reached in any calendar year, the electric  
11 utility shall be entitled to cease paying rebates to the extent necessary to avoid exceeding the  
12 maximum average retail rate increase if the electrical corporation files with the commission to  
13 suspend its rebate tariff for the remainder of that calendar year at least sixty days prior to the change  
14 taking effect. The filing with the commission to suspend the electrical corporation's rebate tariff  
15 shall include the calculation reflecting that the maximum average retail rate increase will be reached  
16 and supporting documentation reflecting that the maximum average retail rate increase will be  
17 reached. The commission shall rule on the suspension filing within sixty days of the date it is filed.  
18 If the commission determines that the maximum average retail rate increase will be reached, the  
19 commission shall approve the tariff suspension. The electric utility shall continue to process and  
20 pay applicable solar rebates until a final commission ruling; however, if the continued payment  
21 causes the electric utility to pay rebates that cause it to exceed the maximum average retail rate  
22 increase, the expenditures shall be considered prudently incurred costs as contemplated by  
23 subdivision (4) of subsection 2 of this section and shall be recoverable as such by the electric utility.  
24 As a condition of receiving a rebate, customers shall transfer to the electric utility all right, title, and  
25 interest in and to the renewable energy credits associated with the new or expanded solar electric  
26 system that qualified the customer for the solar rebate for a period of ten years from the date the  
27 electric utility confirmed that the solar electric system was installed and operational.

28 4. The department shall, in consultation with the commission, establish by rule a  
29 certification process for electricity generated from renewable resources and used to fulfill the  
30 requirements of subsection 1 of this section. Certification criteria for renewable energy generation  
31 shall be determined by factors that include fuel type, technology, and the environmental impacts of  
32 the generating facility. Renewable energy facilities shall not cause undue adverse air, water, or land  
33 use impacts, including impacts associated with the gathering of generation feedstocks. If any  
34 amount of fossil fuel is used with renewable energy resources, only the portion of electrical output  
35 attributable to renewable energy resources shall be used to fulfill the portfolio requirements.

36 5. In carrying out the provisions of this section, the commission and the department shall  
37 include methane generated from the anaerobic digestion of farm animal waste and thermal  
38 depolymerization or pyrolysis for converting waste material to energy as renewable energy  
39 resources for purposes of this section.

40 6. The commission shall have the authority to promulgate rules for the implementation of  
41 this section, but only to the extent such rules are consistent with, and do not delay the  
42 implementation of, the provisions of this section. Any rule or portion of a rule, as that term is  
43 defined in section 536.010, that is created under the authority delegated in this section shall become  
44 effective only if it complies with and is subject to all of the provisions of chapter 536 and, if  
45 applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers  
46 vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to  
47 disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking  
48 authority and any rule proposed or adopted after August 28, 2013, shall be invalid and void."; and

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2 Further amend said bill, Page 9, Section 393.1100, Line 31, by inserting immediately after said  
3 section and line the following:

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5 "393.1130. 1. This section shall be known and may be cited as "The Nuclear Energy  
6 Standard".

7 2. As used in this section, the following terms shall mean:

8 (1) "Commission", the public service commission;

9 (2) "Small modular nuclear reactor", a nuclear reactor based on fission that is approved  
10 under federal and state laws and regulations to be constructed in this state and produces less than  
11 three hundred megawatts of clean electrical energy;

12 (3) "Utility", any electrical corporation, as defined under section 386.020, but this term  
13 shall not include any electrical corporation as described under subsection 2 of section 393.110.

14 3. Upon the fulfillment of subsection 4 of this section, the commission shall prescribe by  
15 rule that all utilities in this state produce electricity using small modular nuclear reactors such that  
16 two percent of each utility's total electricity retail sales are made based on electricity generated by  
17 such reactors. The commission shall have discretion with regard to the time for requiring  
18 compliance with the nuclear energy standard, but in no case shall it require full compliance less than  
19 three years from the fulfillment of the conditions for the effective date of this section. The  
20 commission may promulgate such rules or regulations as are necessary to administer the provisions  
21 of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is  
22 created under the authority delegated in this section shall become effective only if it complies with  
23 and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This  
24 section and chapter 536 are nonseverable, and if any of the powers vested with the general assembly  
25 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are  
26 subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or  
27 adopted after the effective date of this section shall be invalid and void.

28 4. This section shall become effective only if a production facility for small modular nuclear  
29 reactors has been built in this state and is operational. A facility shall be classified as operational if  
30 such facility has produced no fewer than three small modular nuclear reactors in accordance with all  
31 federal and state laws and regulations and such reactors are legally available for sale or use. If the  
32 commission determines that a production facility is properly operational in accordance with this  
33 section, then it shall comply with the requirements of subsection 3 of this section. The commission  
34 shall notify the revisor of statutes when a facility has been built and becomes operational.

35 5. Notwithstanding subsection 3 of this section to the contrary, a utility may petition the  
36 commission to satisfy the two percent generation requirement from renewable or hydroelectric  
37 sources, or with the purchase of renewable energy credits, as defined in section 393.1025. The  
38 commission may grant such a petition upon a finding of undue hardship for compliance or due to a  
39 lack of increase in demand for energy generation by the utility."; and

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41 Further amend said bill, Page 21, Section 393.1670, Line 68, by inserting immediately after said  
42 section and line the following:

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44 "620.3080. 1. As used in this section, the following terms shall mean:

45 (1) "Job creation, worker training, and infrastructure development programs", the Missouri  
46 works program established under sections 620.2000 to 620.2020, the Missouri business use  
47 incentives for large-scale development act established under sections 100.700 to 100.850, the  
48 Missouri works training program established under sections 620.800 to 620.809, and the real

1 property tax increment allocation redevelopment act established under sections 99.800 to 99.865;  
2 (2) "Small modular nuclear reactor production facility" or "SMR production facility", a  
3 facility, approved under federal and state laws and regulations to be constructed, that produces  
4 nuclear reactors based on fission that each produce less than three hundred megawatts of clean  
5 electrical energy.

6 2. Notwithstanding any other provision of law to the contrary, no benefits authorized under  
7 job creation, worker training, and infrastructure development programs for an SMR production  
8 facility shall be considered in determining compliance with applicable limitations on the aggregate  
9 amount of benefits that may be awarded annually or cumulatively under subdivision (3) of  
10 subsection 10 of section 99.845, subsection 5 of section 100.850, subsection 7 of section 620.809,  
11 and subsection 7 of section 620.2020. No SMR production facility shall be authorized for state  
12 benefits under job creation, worker training, and infrastructure development programs that exceed,  
13 in the aggregate, one hundred fifty million dollars annually under all such programs."; and  
14

15 Further amend said bill by amending the title, enacting clause, and intersectional references  
16 accordingly.