

House _____ Amendment NO. _____

Offered By _____

1 AMEND House Committee Substitute for House Bill No. 1992, Page 5, Section 393.1015, Line
2 100, by inserting after said section and line the following:

3
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 economic development;

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

8 (4) "Renewable energy credit" or "REC", a tradeable certificate of proof that one megawatt-
9 hour of electricity has been generated from renewable energy sources; and

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

21 393.1030. 1. The commission shall, in consultation with the department, prescribe by rule a
22 portfolio requirement for all electric utilities to generate or purchase electricity generated from
23 renewable energy resources. Such portfolio requirement shall provide that electricity from
24 renewable energy resources shall constitute the following portions of each electric utility's sales:

25 (1) No less than ~~two~~ fifteen percent ~~[for calendar years 2011 through 2013]~~ before
26 December 31, 2020;

27 (2) No less than ~~five~~ twenty percent ~~[for calendar years 2014 through 2017]~~ before
28 December 31, 2025;

29 (3) No less than ~~ten~~ forty percent ~~[for calendar years 2018 through 2020]~~ before December
30 31, 2030; [and]

31 (4) No less than ~~fifteen~~ sixty percent ~~[in each calendar year beginning in 2021]~~ before
32 December 31, 2040;

33 (5) No less than eighty percent before December 31, 2050; and

34 (6) No less than one hundred percent before December 31, 2055.

35 At least two percent of each portfolio requirement shall be derived from solar energy. The portfolio
36 requirements shall apply to all power sold to Missouri consumers whether such power is self-

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1 generated or purchased from another source in or outside of this state. A utility may comply with
2 the standard in whole or in part by purchasing RECs. Each kilowatt-hour of eligible energy
3 generated in Missouri shall count as 1.25 kilowatt-hours for purposes of compliance.

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

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

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

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

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

41 3. As provided for in this section, except for those electrical corporations that qualify for an
42 exemption under section 393.1050, each electric utility shall make available to its retail customers a
43 solar rebate for new or expanded solar electric systems sited on customers' premises, up to a
44 maximum of twenty-five kilowatts per system, measured in direct current that were confirmed by
45 the electric utility to have become operational in compliance with the provisions of section 386.890.
46 The solar rebates shall be two dollars per watt for systems becoming operational on or before June
47 30, 2014; one dollar and fifty cents per watt for systems becoming operational between July 1, 2014,
48 and June 30, 2015; one dollar per watt for systems becoming operational between July 1, 2015, and
49 June 30, 2016; fifty cents per watt for systems becoming operational between July 1, 2016, and June

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

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

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

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

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